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AlphaProfit™

Sector Investors' Newsletter

Service for Sophisticated Sector Investors

Monthly Report

WHAT'S INSIDE

At A Glance	1
Market Review & Outlook.....	1
ETF & Mutual Fund Selections .	2
Performance & Prospects	2
Stock Searchlight	3
Portfolio Composition	4
Scorecard	4
ETF & Mutual Fund Facts	5
Preferred ETF & Mutual Fund Returns.....	7

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At A Glance

Portfolios

Focus: Auto, DJW 5000 Index, Real Estate

Core: Auto, Capital Markets, Consumer Discretionary, DJW 5000 Index, Media, Real Estate, Retailing

Sector Portfolio Indicator: Buy on Dips

Favored Buy: None

Stocks: ABG, JPM, MHP, NWS Cl A., TWX

Market Review & Outlook

Lack of confidence in sovereign debt. With some European nations living beyond their means, rising budget deficits have become a point of concern. The situation is precarious in Portugal, Italy, Ireland, Greece and Spain (PIIGS). Lack of confidence in the sovereign debt of these nations caused share prices to sell off around the world in early February. Assurances from the European Central Bank on maintaining stability in the euro zone and a pledge from the International Monetary Fund supporting Greece helped to restore investor confidence.

Fed raises discount rate. After telegraphing to market participants that a rise in the discount rate is in the offing, the Federal Reserve waited just 10 days before hiking the discount rate by 0.25% to 0.75%. This marked the first increase in the discount rate since December 2008.

Commenting on the move apparently intended to placate inflation hawks, the Federal Reserve said that U. S. banks are in a stronger position now and no longer need an emergency source of cheap fund-

ing. The Federal Reserve also stated that economic conditions are 'likely to warrant exceptionally low levels of the federal funds rate for an extended period', to assure investors that additional rate hikes were not in the offing.

Economic growth likely to temper. The Commerce Department has revised its gross domestic product growth estimate for 2009's final quarter to an annualized rate of 5.9% from its previous estimate of 5.7%. A significant portion of economic activity however resulted from manufacturers replenishing inventories rather than consumption from end-customers.

The first quarter is not shaping up to be as rosy. Consumer sentiment has taken a nosedive as conditions in the job market remain difficult. The Conference Board's consumer confidence index declined to a worse-than-expected reading of 46 with the index of current conditions falling to its lowest level in 27 years.

With the Conference Board's Leading Economic Index gaining 0.3% in January, less than the advances made in November and December, economic growth in the U. S. looks likely to slow in the quarters ahead.

AlphaProfit ETF & Mutual Fund Selections

Mutual fund and exchange-traded fund recommendations for playing the investment thesis discussed in the Newsletter. Preferred mutual funds and ETFs in **bold**.

Sector or Industry Group	Mutual Funds					ETFs
	Recommendation (Ticker)	Availability, Trans. Fees, and Min. Holding Period				Recommendation (Ticker, Liquidity)
		E*Trade	Fidelity	Schwab	Ameritrade	
Auto	Fidelity Sel Automotive (FSAVX)	A, F	A, NTF, 30	R, F	A, F	Mix of ALV 24.0%, AN 27.6%, JCI 30.4%, & PAG 18.0% (no pure-play ETF available)
Capital Markets	Fidelity Sel Brokerage (FSLBX)	A, F	A, NTF, 30	R, F	A, F	iShares DJ US Broker-Dealers (IAI, Good)
	Kinetics Market Opp (KMKNX)	A, NTF, 90	A, NTF, 180	I, NTF, 90	A, F	SPDR KBW Capital Markets (KCE, Limited)
Consumer Disc.	Cons Serv Ultra ProFund (CYPX)	A, NTF, 90	N	A, NTF, No	A, F	Cons Discretionary SPDR (XLY, Good) Rydex S&P Cons Discretion (RCD, Limited)
	Fidelity Sel Cons Disc (FSCPX)	A, F	A, NTF, 30	R, F	A, F	Vanguard Cons Discretion (VCR, Limited)
DJW Total Market	Fidelity Fund (FFIDX)	A, F	A, NTF, 90	A, F	A, F	SPDR DJ Total Market (TMW, Limited)
	Fidelity Sptn Total Mkt (FSTMX)	N	A, NTF, 90	A, F	A, F	Vanguard Total Stock Market (VTI, Good)
	Schwab Total Stock Mkt (SWTSX)	A, F	A, F	A, NTF, 30	A, F	
	Wilshire Target 5000 (WFIVX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, 180	
Media	Fidelity Sel Multimedia (FBMPX)	A, F	A, NTF, 30	R, F	A, F	PowerShares Media (PBS, Limited)
Real Estate	Fidelity Real Estate (FRESX)	A, F	A, NTF, 30	A, F	A, F	iShares DJ US Real Estate (IYR, Good)
	Neuberger Real Estate (NBRFX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, 180	SPDR DJ REIT (RWR, Good)
	Real Estate Ultra ProFund (REPIX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, F	Vanguard REIT (VNQ, Good)
	Rydex Real Estate (RYHRX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, No	
Retailing	Fidelity Sel Retailing (FSRPX)	A, F	A, NTF, 30	R, F	A, F	SPDR S&P Retail (XRT, Good)
	Rydex Retailing (RYRIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
Minimum Purchase Requirements					Availability: A-Available, C-Limited to current shareholders, I-Limited to Institutional investors, N-Not available, R-Limited to retail investors. Trans. Fees: F-Transaction fee applies, NTF-No transaction fee subject to holding period. Min. Holding Period: For no transaction fee (NTF) funds, minimum number of days or months a fund needs to be held to avoid both fund's short-term redemption fee and broker's transaction fee. Minimum holding period not provided for transaction fee (F) funds. Liquidity: Investors should consider limit orders when trading ETFs with limited liquidity. Note: The above table is for information purposes only. Before buying any mutual fund or exchange-traded fund, read its prospectus carefully. For securities held in brokerage accounts, read the broker's specific terms and conditions which apply to trading of the securities.	
ETF/Fidelity Fund	Regular Accounts	Retirement Accounts				
Fidelity Select	\$2,500	\$500*				
Fidelity Spartan Total Mkt.	\$10,000	\$10,000				
ETFs	1 share	1 share				
HOLDRS	100 shares	100 shares				
* \$500 for SEP-IRA, Keogh, and prototype retirement accounts. \$2,500 for traditional, Roth, and rollover IRA accounts.						

Rating Sector Portfolio Indicator 'Buy on Dips'. For now, the equity market has 'survived' nervousness from the lack of confidence in European sovereign debt. However, investor confidence is fragile. The possibility of a deeper correction could increase particularly if quality of U. S. economic data deteriorates and growth slows by mid-year. We view such a decline a buying opportunity considering our more optimistic longer-term outlook.

We rate the AlphaProfit Sector Portfolio Indicator 'Buy on Dips'. As suggested in the February Indicator Update, up to 25% of assets can be maintained in cash. The cash position can be pruned to

20% by purchasing additional equities if the S&P 500 declines to the 1,010 to 1,035 range from its February close of 1,104.49.

Performance & Prospects

Strong performance from real estate, retailing, and media investments enabled both AlphaProfit Focus and Core model portfolios to outperform the Dow Jones Wilshire 5000 benchmark.

Auto

Preferred automotive investments performed mixed. Benefiting from gains in shares of Autoliv, Johnson Controls and Penske Auto, the AI-

phaProfit auto basket outperformed the DJW 5000 benchmark while the Fidelity fund slightly lagged.

Auto part makers came through with their earnings with the likes of BorgWarner, and Wabco Holdings beating analysts' earnings estimates by wide margins. Looking ahead, auto part makers are poised to benefit from rising auto demand in Asia and recovering auto demand in the U. S. Additionally rising stringency of safety and environmental regulations in emerging markets increases business opportunities on a per-vehicle basis. BorgWarner, Wabco, and Tenneco forecast sales to grow in excess of 15% in 2010.

Stock Searchlight

Stocks with appealing earnings trends and relatively attractive valuation characteristics are highlighted.

Company	Ticker	Price	Est. P/E	Div. Yield	Buy Below	Sell Above	Stop-Loss	Risk Rating
Asbury Auto	ABG	\$13.36	11.3	-	\$12.00	\$14.40	\$8.00	Above Average
JPMorgan Chase	JPM	\$43.18	14.3	0.5%	\$40.65	\$44.90	\$26.25	Above Average
McGraw-Hill	MHP	\$35.10	13.3	2.7%	\$34.65	\$38.10	\$23.10	Average
News Corp.	NWSA	\$14.26	15.7	1.1%	\$13.70	\$15.10	\$10.20	Average
Time Warner	TWX	\$30.66	14.3	2.8%	\$29.15	\$32.65	\$22.75	Below Average

Earnings estimates from Capital IQ

ABG. Keeping a tight rein on costs, Asbury Automotive is executing well. In the recently completed fourth quarter, the auto retailer earned 18 cents a share, beating analysts' forecast by over 12%. Luxury and mid-line imports account for most of the new vehicle sales with Honda and Nissan combined accounting for almost 50%. Asbury's shares trade at a modest forward P/E multiple vis-à-vis prospects for EPS growing 50% in 2010. The retailer carries a high debt load. Risk tolerant investors can venture into these volatile shares as a speculative play on the fortunes of the auto industry.

JPM. The fourth quarter earnings report was a mixed one for JPMorgan Chase. While the 74 cents EPS tally exceeded analysts' 61 cents a share forecast, the nation's second largest lender added nearly \$2 billion consumer loan-loss reserves. Meanwhile, JPMorgan's investment banking arm is performing well. The financial institution is expanding its commodities trading and emerging market operations. We believe JPMorgan is poised for strong year-

over-year earnings comparisons in the second half of 2010. While the possibility of tighter financial regulations is a risk, valuation metrics on JPMorgan shares can expand if the bank continues to execute well.

MHP. McGraw-Hill's performance is improving. The company's financial subsidiary, Standard & Poor's, is benefiting from new corporate debt offerings and its publishing segment is benefiting from more people enrolling in college in a weak job market. During the fourth quarter, McGraw-Hill earned 51 cents a share beating analysts' forecast by over 27%. Revenue increased 3% to \$1.5 billion. McGraw-Hill forecasts 2010 earnings of \$2.55 to \$2.65 a share, the higher end of the range exceeding analysts' forecast. Recently, the company upped its quarterly dividend by 4.4% and stated that it intends to resume share repurchases in 2010.

NWS Class A: Phenomenal success of its movie 'Avatar' and higher advertising sales are powering results at News Corp. The media titan earned 25 cents a share in its fiscal second quarter, exceeding analysts' forecast

by 24%. 'Avatar' raked in over \$2 billion in ticket sales trumping 'Titanic' to become the biggest movie of all time. Higher ad rates enabled every division of the company to perform well. Auguring well for the future, the company increased its 2010 income growth forecast to the low-20% range and upped its dividend by 25%. News Corp shares are an attractive selection for conservative investors.

TWX. Shares of Time Warner are an appealing selection for investors seeking growth and income. Time Warner is benefiting from the strong performance of its cable channels and movie studios. During the recently completed fourth quarter, Time Warner earned 55 cents a share, beating analysts' forecast by nearly 6%. Revenue increased 2% from the strong performance of its cable networks like HBO and CNN and Warner Brothers movie studios although ad revenue dropped 8%. Confident of its future, the company hiked its dividend by 13%, increased its share buyback program to \$3 billion, and forecasted a mid-teens EPS growth in 2010.

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The model portfolios presented in this newsletter are the products of AlphaProfit Investments, LLC. AlphaProfit applies the proprietary ValuM™ Investment Process to evaluate sectors and industries based on their valuation, momentum and news quality for inclusion in the model portfolios. We calculate total pre-tax returns based on price changes, assuming reinvestment of all distributions in the funds in which they were paid.

continued on page 6

Portfolio Composition

AlphaProfit model portfolios were last repositioned at Dec. 31, 2009 market close.

AlphaProfit Focus™ Model Portfolio

Fidelity Fund Holding	December 30, 2009		February 28, 2010	
(Ticker Symbol)	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Automotive (FSAVX)	\$390,809	34.90%	\$392,672	34.92%
Real Estate (FRESX)	\$505,124	45.11%	\$508,131	45.19%
Spartan Total Mkt (FSTMX)	\$223,771	19.98%	\$223,558	19.88%
Total (rounded to)	\$1,119,704	100.00%	\$1,124,361	100.00%

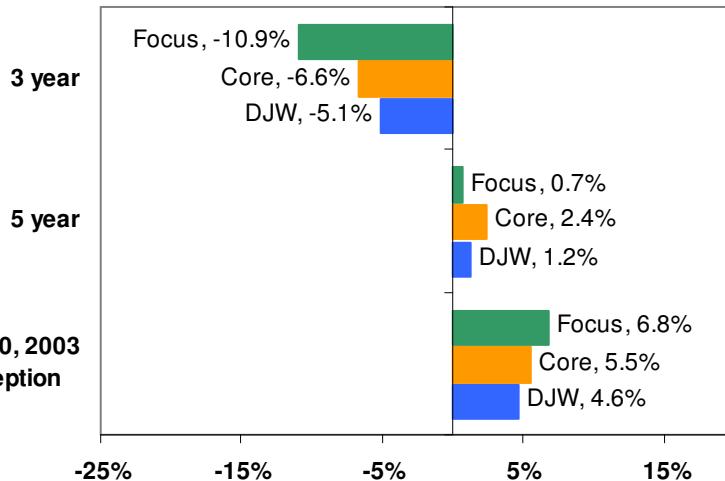
AlphaProfit Core™ Model Portfolio

Fidelity Fund Holding	December 30, 2009		February 28, 2010	
(Ticker Symbol)	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Automotive (FSAVX)	\$59,572	10.47%	\$59,856	10.42%
Brokerage (FSLBX)	\$50,264	8.83%	\$50,105	8.72%
Cons Discretion (FSCPX)	\$49,968	8.78%	\$51,511	8.97%
Multimedia (FBMPX)	\$49,977	8.78%	\$50,358	8.77%
Real Estate (FRESX)	\$126,826	22.28%	\$127,581	22.21%
Retailing (FSRPX)	\$49,840	8.76%	\$52,395	9.12%
Spartan Total Mkt (FSTMX)	\$182,702	32.10%	\$182,528	31.78%
Total (rounded to)	\$569,149	100.00%	\$574,334	100.00%

At newsletter inception on September 30, 2003, the Focus and Core model portfolios had values of \$735,204 and \$406,160, respectively.

Scorecard

Model portfolio returns are compared with that of the Dow Jones Wilshire 5000 benchmark. Returns for periods longer than 1 year are annualized.



	Feb 2010	Qtr-To-Date	Year-To-Date	1 Year
Focus	5.0%	0.4%	0.4%	47.6%
Core	4.9%	0.9%	0.9%	52.0%
DJW 5000	3.5%	0.0%	0.0%	56.5%

Toyota's recall of vehicles is extending beyond unintended acceleration and floor mats to anti-lock brakes. The total number of vehicles recalled may exceed 8.5 million. Toyota's troubles are creating

opportunities for rivals including Ford, General Motors, and Nissan to gain market share.

Auto retailers like AutoNation and Group 1 Automotive with significant

exposure to Toyota's brands have to contend with lower new car sales volumes from Toyota's adverse publicity. Sales can however recover in the second quarter. In the interim, these retailers stand to

Return as of Feb. 28, 2010

Industry	Auto
Recommended On	Sep. 30, 2009
Fidelity Fund	11.5%
Auto Basket	13.3%

benefit by servicing recalled vehicles in their higher-margined parts & services operations.

General Motors is trying to become profitable in 2010. Having already cut \$10.7 billion from annual costs, GM is working to further rationalize its cost structure through the elimination of manufacturing plants and dealerships. GM plans to invest more in marketing with emphasis on large trucks.

Capital Markets

Both preferred capital markets investments underperformed the DJW 5000 index. Benefiting from exposure to stronger performing shares of Intercontinental Exchange and NYSE Euronext, the iShares ETF fared a tad better than the Fidelity fund.

The outlook for investment banking is brightening as confidence in the economy and the financial markets improves. Corporations and private equity firms are showing greater interest in acquiring businesses. The pace of initial public offerings particularly from Chinese companies and the real estate sector is increasing.

The rise in trading and hedging activities is a plus for stock, commodity, and derivative exchanges. To improve its global competitive positioning, NYSE Euronext is making significant progress in reducing order execution times as well as fixed expenses. Meanwhile, the Chicago Mercantile Exchange can benefit from an ongoing migration of derivative products from OTC markets to a centrally cleared exchange

ETF & Mutual Fund Facts

Industry	Automotive		Capital Markets	
MF/ETF	Fidelity Sel. Automotive	Auto Basket	Fidelity Sel. Brokerage	iShares DJ U.S. Broker
Ticker	FSAVX	None	FSLBX	IAI
Manager/Index	M. Weaver	AlphaProfit	B. Hesse	DJ U.S. Sel. Invest. Svcs.
Category	Mid Cap Value	Mid Cap Blend	Mid Cap Blend	Mid Cap Blend
Risk Rating	Above Average	Above Average	Average	Average
Top 10 Holdings	Johnson Controls	Autoliv, 24.0%	State Street	Goldman Sachs
	BorgWarner	AutoNation, 27.6%	BNY Mellon	Morgan Stanley
	Autoliv	Johnson Controls, 30.4%	Morgan Stanley	CME Group
	Tenneco	Penske Auto, 18.0%	Citigroup	Charles Schwab
	TRW Automotive		Moody's	Intercontinental Exch
	Sonic Automotive		Charles Schwab	Ameriprise Financial
	Asbury Automotive		EFG International	NYSE Euronext
	Goodyear Tire & Rubber		Barclays Bank	Legg Mason
	Federal Moghul		Jefferies	TD Ameritrade
	Gentex		MF Global	E*Trade Financial
% Portfolio	69.0%	100.0%	44.7%	50.5%
% Foreign	< 5.0%	0.0%	23.1%	0.0%
Date	As of Dec. 31, 2009	As of Jan. 31, 2010	As of Dec. 31, 2009	As of Dec. 31, 2009
Industry/Index	Consumer Discretionary		Media	
MF/ETF	Fidelity Sel. Cons. Disc.	Vanguard Cons. Disc.	Fidelity Sel. Multimedia	PowerShares Dyn. Media
Ticker	FSCPX	VCR	FBMPX	PBS
Manager/Index	J. Harris	MSCI U.S. Cons. Disc.	K. Salen	Dynamic Media Intellidex
Category	Large Cap Growth	Large Cap Blend	Large Cap Blend	Mid Cap Blend
Risk Rating	Below Average	Below Average	Average	Average
Top 10 Holdings	Lowe's	McDonald's	Walt Disney	News Corp Class A
	Target	Walt Disney	DIRECTV	Comcast Class A
	Walt Disney	Amazon.com	Comcast Class A	CBS Class B
	McDonald's	Home Depot	Time Warner	Walt Disney
	Amazon.com	Comcast Class A	News Corp Class A	DIRECTV
	Staples	Time Warner	Viacom	Time Warner
	Advance Auto Parts	Target	Time Warner Cable	Viacom
	Ford	Lowe's	Cablevision Systems	Gannett
	Comcast Class A	DIRECTV	Omnicom	DreamWorks Animation
	Wyndham Worldwide	News Corp Class A	McGraw-Hill	Valassis Comm
% Portfolio	37.6%	34.6%	54.5%	44.3%
% Foreign	0.0%	0.0%	7.3%	0.0%
Date	As of Dec. 31, 2009	As of Nov. 30, 2009	As of Dec. 31, 2009	As of Dec. 31, 2009
Industry/Index	Real Estate		Retailing	
MF/ETF	Fidelity Real Estate Inv.	Vanguard REIT	Fidelity Select Retailing	SPDR S&P Retail
Ticker	FRESX	VNQ	FSRPX	XRT
Manager/Index	S. Buller	MSCI U.S. REIT	E. Hornbuckle	S&P Retail Sel. Industry
Category	Mid Cap Value	Mid Cap Value	Mid Cap Growth	Mid Cap Blend
Risk Rating	Above Average	Above Average	Below Average	Below Average
Top 10 Holdings	Simon Property	Simon Property	Staples	CarMax
	ProLogis	Vornado Realty	Target	Foot Locker
	Ventas	Public Storage	Amazon.com	Children's Place
	Vornado Realty	Boston Properties	Lowe's	HSN
	Host Hotels & Resorts	HCP	Home Depot	Sears Holdings
	HCP	Equity Residential	OfficeMax	Jo-Ann Stores
	Equity Residential	Ventas	TJX	Dress Barn
	Boston Properties	Host Hotels & Resorts	Best Buy	Dicks Sporting Goods
	Apartment Inv & Mgmt	ProLogis	RadioShack	Aeropostale
	Macerich	AvalonBay Communities	Kohl's	Tractor Supply
% Portfolio	52.5%	44.1%	64.1%	17.6%
% Foreign	0.0%	0.0%	0.0%	0.0%
Date	As of Dec. 31, 2009	As of Nov. 30, 2009	As of Dec. 31, 2009	As of Dec. 31, 2009

ETF & Mutual Fund Facts (cont'd from p.5)		
Industry	DJ Wilshire Total Market	
MF/ETF	Fidelity Spar. Tot. Mkt.	Vanguard Tot Stk Mkt
Ticker	FSTMX	VTI
Manager/Index	Geode Capital Mgmt	MSCI US Broad Market
Category	Large Cap Blend	Large Cap Blend
Risk Rating	Below Average	Below Average
Top 10 Holdings	ExxonMobil	ExxonMobil
	Microsoft	Microsoft
	Apple	Apple
	Johnson & Johnson	Johnson & Johnson
	Procter & Gamble	Procter & Gamble
	Intl Business Machines	Intl Business Machines
	AT&T	AT & T
	JPMorgan Chase	JPMorgan Chase
	General Electric	General Electric
	Chevron	Chevron
% Portfolio	15.9%	15.6%
% Foreign	0.0%	0.0%
Date	As of Dec. 31, 2009	As of Dec. 31, 2009

model. CME has taken a 90% stake in the Dow Jones' stock market index unit for about \$600 million.

Custody banks like Bank of New York Mellon and State Street are poised to benefit from the drive to

Return as of Feb. 28, 2010	
Industry	Capital Markets
Recommended On	Jun. 30, 2009
Fidelity Fund	18.1%
ETF	5.3%

outsource custody services and development of complex investment vehicles. Rising stock and bond markets should help such banks garner greater fees. BNY Mellon is acquiring PNC Financial's Global Investment Servicing subsidiary for \$2.1 billion.

The prospect of rising short-term interest rates is a positive for both

custody banks and discount brokers. The higher net interest margin should bolster the bottom lines of custody banks. Discount brokers who have had to waive fees on money market assets would have less pressure to do so as short-term interest rates rise. Meanwhile, cut-throat competition among brokers is pressuring commission rates.

Consumer Discretionary

Preferred consumer discretionary investments handily outperformed the DJW 5000. Improvement in the economy is having a modest impact on consumer wellbeing. While lack of significant improvement in the job market and home prices is depressing consumer sentiment, consumer spending has now increased for three straight months.

In home improvement, EPS at both

Home Depot and Lowe's exceeded analysts' forecast. Encouragingly, both retailers reported that people are starting to invest in their homes again showing a willingness to tackle big-ticket projects. Home Depot raised its dividend for the first time in four years and after two years Lowe's announced plans to buy back stock.

Toymakers are executing well and are upbeat on their prospects. Hasbro, Leapfrog Enterprises, and Mattel exceeded analysts' fourth quarter EPS forecasts. Toymakers are

Return as of Feb. 28, 2010	
Industry	Cons Discr
Recommended On	Dec. 31, 2008
Fidelity Fund	42.4%
ETF	45.1%

now poised to derive the benefits from low inventories, lean cost structures and hit products. All three toymakers expect revenue and per-share earnings to grow in 2010.

Restaurant operators Burger King and Yum! Brands reported earnings higher than analysts' forecast. The success of the \$1 double cheeseburger helped Burger King while growth in China helped Yum! Brands to offset sluggishness in the U. S. sales.

Private equity firms are showing some interest in acquiring assets in this sector. Thomas H. Lee Partners has agreed to acquire CKE Restaurants, the operator of Carl's Jr. and Hardee's restaurants for about \$600 million. It remains to be seen if this transaction becomes the pace setter for additional deals

Disclosure continued from page 3

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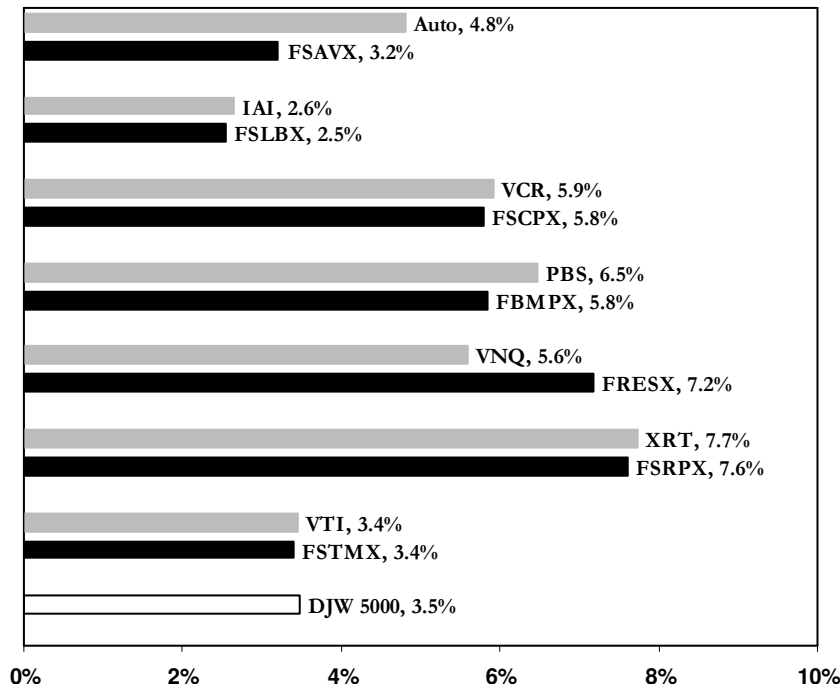
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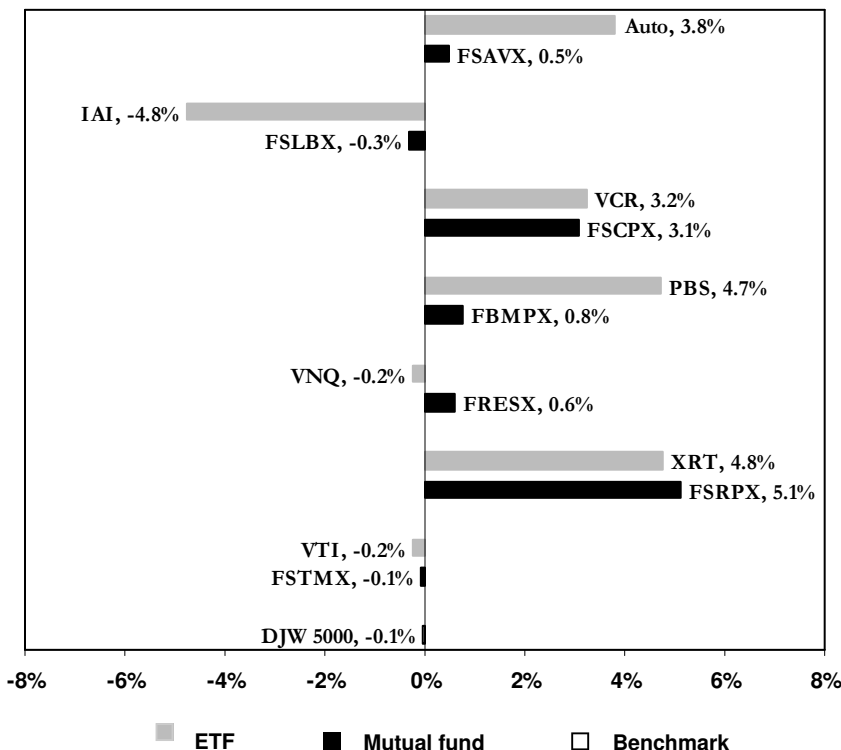
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Preferred ETF & Mutual Fund Returns

February 2010



1Q2010 Returns



Featured Quote

"In bull markets, investors tend to become enthusiastic about their portfolios, only to avoid them in bear markets."

Charles Schwab

in this sector.

DJW Total Market

Return as of Feb. 28, 2010	
Index	DJW 5000
Recommended On	Sep. 30, 2009
Fidelity Fund	5.7%
ETF	5.6%

Preferred investments tracking the DJW 5000 performed in line with the benchmark.

We include investments that track the broad DJW 5000 index in both model portfolios. This provides exposure to sectors like consumer staples, energy, health care, industrials, materials, technology, and utilities otherwise not included in the model portfolios.

The resulting balance helps to not only cut short-term volatility but also mitigate risks from factors such as declining U. S. dollar, rising energy prices, or rising interest rates.

Media

Return as of Feb. 28, 2010	
Industry	Media
Recommended On	Dec. 31. 2009
Fidelity Fund	0.8%
ETF	4.7%

Reversing January's losses, both preferred media investments outperformed the DJW 5000 in February to put their year-to-date returns in the black. Media companies are benefiting from an improving economic environment.



The AlphaProfit Sector Investors' Newsletter™ is edited and published by Dr. Sam Subramanian, Managing Principal and Chief Investment Officer of AlphaProfit Investments, LLC. Sam is an avid stock market investor and has tracked Fidelity Select Funds for several years. With a strong quantitative and analytical bent, Sam has honed his skills in security research and analysis. Sam developed the ValuM Investment Process™ for managing investments. The ValuM Investment Process has helped Sam build a successful track record in managing his investments since 1985. Prior to founding AlphaProfit Investments, LLC, Sam worked in positions of increasing responsibility in Finance and Corporate Strategy advising in Acquisitions and Divestitures, Asset Valuation, Trading, Bankruptcies, and Risk Management. Sam graduated with honors from the MBA program at the University of Michigan and has a Doctorate Degree in Chemical Engineering from Syracuse University. Sam also holds 16 U. S. patents.

Among content distributors, Comcast and DirecTV reported strong results beating analysts' EPS forecast by over 20%. Having become the nation's largest wired broadband provider, Comcast has renamed its cable TV, Internet and phone services as XFINITY. DirecTV intends to decelerate subscriber growth while accelerating free cash flow growth. The largest satellite TV operator has announced a \$3.5 billion share buyback program.

Elsewhere, Cablevision Systems, the cable TV provider in New York City, spun off its Madison Square unit. A more focused Cablevision could whet the takeover appetite of other cable operators like Time Warner Cable. To have control on delivery of data to customers, Internet search titan Google has proposed building its own network. The network offers Internet access to 500,000 people at speeds 20 times faster than today's high-speed residential connections.

Content providers CBS, Disney, and Time Warner are trying to boost their revenue by renegotiating retransmission fees they charge cable TV providers. Content providers are also trying to cash in on the popularity of 3-D films.

Newspaper publishers are seeing some improvement in their fortunes. The freefall in ad sales appears to have ended and the rate of ad sales declines has slowed. New York Times is looking to increase its online revenue. The publisher plans to conduct a test limiting access of certain articles to paying subscribers.

Real Estate

Return as of Feb. 28, 2010	
Industry	Real Estate
Recommended On	Dec. 31, 2009
Fidelity Fund	0.6%
ETF	-0.2%

Rebounding strongly from January's losses, preferred real estate investments outperformed the DJW 5000. Simon Property Group's \$10

billion bid for General Growth Properties initially served as a catalyst to turnaround share prices in this group. Vibes from this transaction frequently grabbed the headlines as General Growth sought to resurrect and bolster Brookfield Asset Management's plan to bring General Growth out of bankruptcy. The possibility of Australia-based Westfield Group taking a stake in General Growth also emerged after the former signed a non-disclosure agreement with the latter.

The keen interest seen in acquiring General Growth's assets suggests that the REIT share price rally may be entering a second leg characterized by higher level of merger & acquisition activity after efforts to shore up balance sheets through equity issuances and debt restructurings drove share prices in the first leg.

Meanwhile, industrial REITs are recovering from the global recession that caused international trade to slump. Customer move-out rates are declining. Inventories are increasing. This coupled with limited supply of storage space is having a positive impact on the operations of industrial REITs. Storage REIT Prologis is forecasting higher occupancy in 2010.

Companies in the hotel industry are performing better and becoming more optimistic on their outlook. Marriott International, Starwood Hotels, and Wyndham Worldwide reported EPS exceeding analysts' forecast. Budget-conscious leisure travelers are taking advantage of promotions while business travel volume also is perking up. Hotel operators are seeing stronger demand in properties located in foreign markets and in U. S. gateway cities. Marriott and Starwood have increased their 2010 revenue per available room forecasts while Wyndham Worldwide has tripled its dividend.

Retailing

Preferred retailing shares contin-

ued their trend of relative outperformance this year and in 2009 outperforming the DJW 5000. Retailers were at the peak of the fourth quarter earnings season. With 2009 holiday sales increasing 3.6% from the 2008 level, most retailers performed well either meeting or beating analysts' earnings expectations.

Among discount retailers, Dollar Tree and TJX performed well with the former beating analysts' EPS estimate by nearly 6% and the latter reporting a 12% increase in same-store sales. At Target, the gap between sales of discretionary items

Return as of Feb. 28, 2010	
Industry	Retailing
Recommended On	Dec. 31, 2008
Fidelity Fund	65.9%
ETF	85.9%

like clothing and non-discretionary lines like food narrowed. Wal-Mart's international sales that makeup one-fourth of its total revenue increased nearly 20%. Both Target and Wal-Mart are looking to international markets for their growth.

Among apparel retailers, Gap reported exceptionally strong results. Fourth quarter profit increased 45% as operating margin widened to 13.9% from 9.8% a year-ago. Gap raised its dividend by 18% and upped its share repurchase commitment by \$1 billion. The company also raised its 2010 EPS forecast to exceed analysts' EPS expectations.

Retailing shares have rallied strongly in the past 12 months to outperform the broad market by a sizable margin. Going forward, further gains can accrue when conditions in the job market improve adequately enough to have a positive impact on consumer sentiment. For now, consumer sentiment is being weighed by a challenging job market and retailing shares may well slip into a trading range to consolidate their recent gains.

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