Doug Fabian's
SPECIAL REPORT

For ***Successful ETF Investing*** Subscribers Only

The New Gold Rush of 2016-2017:

A Complete Guide for ETF Investors

Doug Fabian
Editor, ***Successful ETF Investing***

IMPORTANT NOTE: This special report is for information and educational purposes only, based on current data as of May 2016. If you are a paid subscriber, do not buy or sell any investments until you have read the current issue of *Successful ETF Investing* or an email update from Doug Fabian.

The New Gold Rush of 2016-2017: A Complete Guide for ETF Investors

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Dear Subscriber,

Gold is off to a fast start in 2016. During the first quarter, it not only moved back above its 200-day average, but also did something that it has not done since 2010: prices jumped by more than 20%. Therefore, technically speaking, a new gold market has begun. There is a great opportunity for profits for the informed and prepared.

The purpose of this report is to discuss the attributes of this new bull market in gold and to advise investors on how to ride the trend using **exchange traded funds (ETFs)**. These vehicles make gold investing simple for all individual investors. I'll explain the ETF strategies I use in *Successful ETF Investing* in more detail in the following pages.

If you ask most investors about gold today, you might get a laugh or chuckle and then declared a nutcase or gold bug. This is because investing in gold is an emotional subject and it has been in a bear market downtrend for the last four years.

In addition, Wall Street has never been a believer in gold. There is little money to be made in management fees and commissions for brokerages and mutual funds. Then there is the fact that gold pays no interest. For these reasons, Wall Street's mantra is that gold does not deserve a place in one's portfolio.

Finally, there is mainstream media… it is all too often in favor of painting gold as a bad investment, for stocks and bonds do better for investors. Those who invest in gold are like "preppers" planning for the end of the world that is never coming any time soon.

I am a trend follower. Those of you who know the work of the Fabian family will remember my dad, **Dick Fabian**, one of mutual fund investing pioneers with his groundbreaking work on trend following.

In the 1970s, he developed a new concept for individual investors to break the cycle of bear market participation, that is to participate in bull markets and avoid bear markets using no-load mutual funds. He named it the **Fabian Plan**, which I have been following in my own investment practice. In 2005, I switched my focus from mutual funds to ETFs, as well as the name of the Fabian family's 39-year-old newsletter, from *Telephone Switch Newsletter* to *Successful Investing*, and later to *Successful ETF Investing*.

Trust me when I tell you a new gold market has begun. I will make the case for the bull market in this Special Report by reviewing what happened in the last bear market and what factors we have seen of the turn to a bull market. I will discuss the technical, fundamental and geopolitical reasons why gold is a must for concerned and profit-minded investors.

We already have allocations to gold in our newsletter. Once you decide to get on board the gold train, we will help you in our monthly publication and weekly hotlines. This bull market is just getting started. Whether it lasts three years or ten years, we will be with you every step of the way.

To the best within us,

Doug Fabian
Editor, *Successful ETF Investing*

The Recent Bear Market in Gold

Everybody remembers a bear market. Gold is no different from any asset class—stocks, bonds, or real estate. Bear markets have their own story, but the psychology of a bear in any asset class is always the same.

Bear markets begin in the last third of the previous bull market. This is when the latecomers get on board and invest a large chunk of their assets in gold. Then the blowoff phase begins. For a brief period of time, they are validated. Soon enough, their worst fears begin to materialize as the bull market turns down. At first it's just a correction; everything is fine and prices will come back. Then something happens - a trap door opens. Prices fall out of hand and the bull market investors become trapped. It's too late to sell now. This bear market will come to an end someday, so they buy and hold. Or worse, they capitulate and give up near the bottom of the bear and swear never to buy that asset again.

Looking back on the past bear market, one can easily discover that those who entered at the bottom of the market actually enjoyed the greatest return. Savvy investors understand that all markets move in cycles.

To help you identify optimum entry and exit points, I cited the Greed-Fear chart below to illustrate how the vast majority of investors react in different phases of the market cycle.

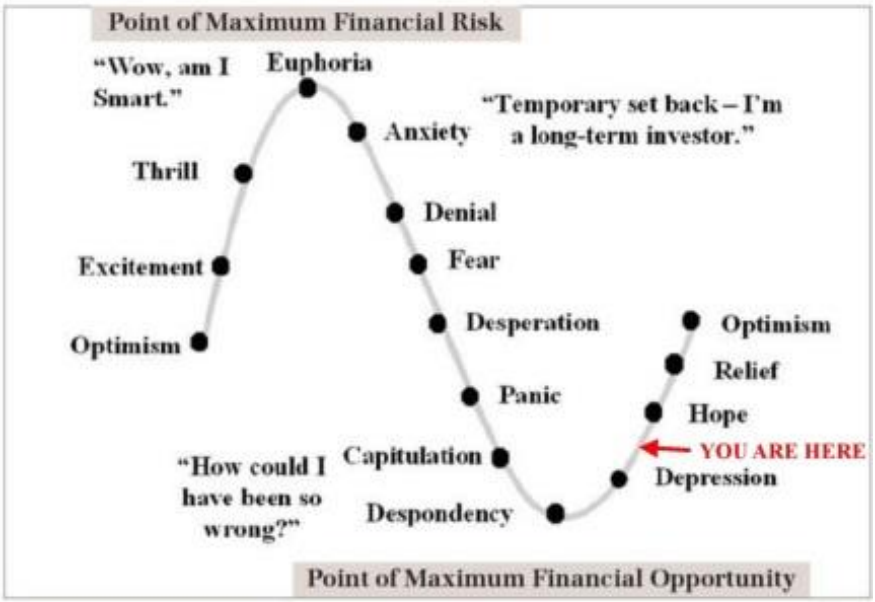


Exhibit 1: The Greed-Fear Cycle: investors respond to market cycles with psychological greed and fear.
Source: The Big Picture

Behind “euphoria” (located at the very top of the chart) resides maximized financial risk, whereas the greatest opportunity is in “despondency” (at the very bottom). To succeed, investors must recognize this greed-fear cycle and not allow themselves to fall in love with an asset class thinking it will go up forever.

Why Did Gold Go Down?

Now we understand that all markets move in bull and bear cycles. The last gold bull market lasted from 2001 to 2011 when gold moved from $275 to its peak of $1,923 per ounce (as you can see in the image below).

Exhibit 2: Gold market moves in bull and bear cycles. Gold market rose from 2001 to 2011 and fell from 2011 to 2015.
Source: Stockcharts.com

This high in gold corresponded with a low in stocks. From June 2011 to early August of that year, the US Treasury bond debt had been downgraded by an 18% decline in the S&P 500. This was big news, scary news. Gold spiked to an all-time high as global stocks tanked around the world.

What happened next is something we are all too used to over the past four years. The Federal Reserve stepped in with another scheme to keep interest low and confidence high. This time it was called “Operation Twist” and the equity markets responded to it with a huge rally. The purpose of this new plan by the Fed was to hold down interest rates once again and give the economy a boost. The full faith and credit of Central Bankers around the world was in full swing.

Over the next four years, the Fed, the European Central Bank and the Bank of Japan would take turns providing liquidity, printing money, and buying bonds to keep the system afloat. Under such a positive economic climate, Investors stayed

away from the safe haven. During this time, gold would decline by 20%, then add another 25% to that. The total decline in gold over the four-year period during the Central Bank Bankers reign would be 45%. According to Morgan Stanley, bullion could have sunk to $800 an ounce under its worst-case scenario. So, the question arose: Why buy gold when the world was so confident that the Central Bankers had it all under control? This is why gold's price stayed where it was until…

The Bull Market Turn

Faith in Central Banks, falling interest rates, lack of inflation, slowdown in emerging markets and high energy prices were all factors that had led to the bear market in gold. Now, those factors are fading and new reasons for investors to be interested in gold have emerged.

First of all, fading fear of rising interest rates will draw investors back to gold. The chatter from the Fed for almost all of 2015 was that they were going to raise rates. Again, good for the dollar and negative for gold (represented below), as investors saw higher rates around the corner.

Exhibition 3: Gold is inversely related to US dollar.
Source: finance.yahoo.com

In December 2015, the Fed finally did what it had been talking about doing for almost three years. It raised short-term interest rates one quarter of 1% and it marked the low in gold. At the time, the S&P 500 was less than 2% from its 52-week high, the economy was showing some positive signs and it was time to raise

rates. As we were moving into 2016, the Fed had signaled that the rise in rates was just beginning, for four more rates hikes would come along in 2016.

But today, investors are confident future rates hikes will be few, if any. The financial markets did not take kindly to this rate hike and, in the first two weeks of 2016, gold began to take off as stocks around the world fell 10-15%. Gold's rise was incremental: first 5%, then 10%, then 20%.

Once gold overcame the 20% barrier – illustrated in the chart that follows – that was the technical confirmation of a new bull market.

Exhibit 4: Gold overcomes the 20% barrier after the bear market from 2011 to 2015.
Source: Stockcharts.com

On top of that, gold has had a bigger move in other currencies around the world: The Euro down 20%, the Yen is down 33%, and the Brazilian Real is down 50%.

On the next page, you can see a graphic representation of how foreign investors are now seeing gold as an alternative to their own currencies.

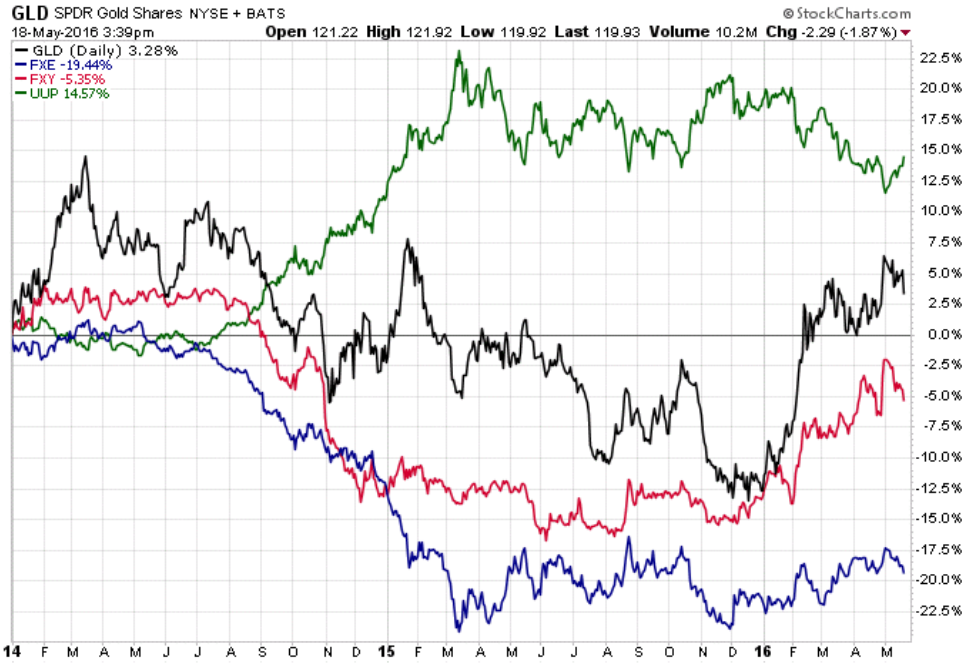


Exhibit 5: Gold rises as Euro, Yen, and US Dollar wane. Global investors see gold as an alternative to their currencies. Source: Stockcharts.com

This gold bull market is not just in the US, but worldwide. This is what makes the opportunity so powerful.

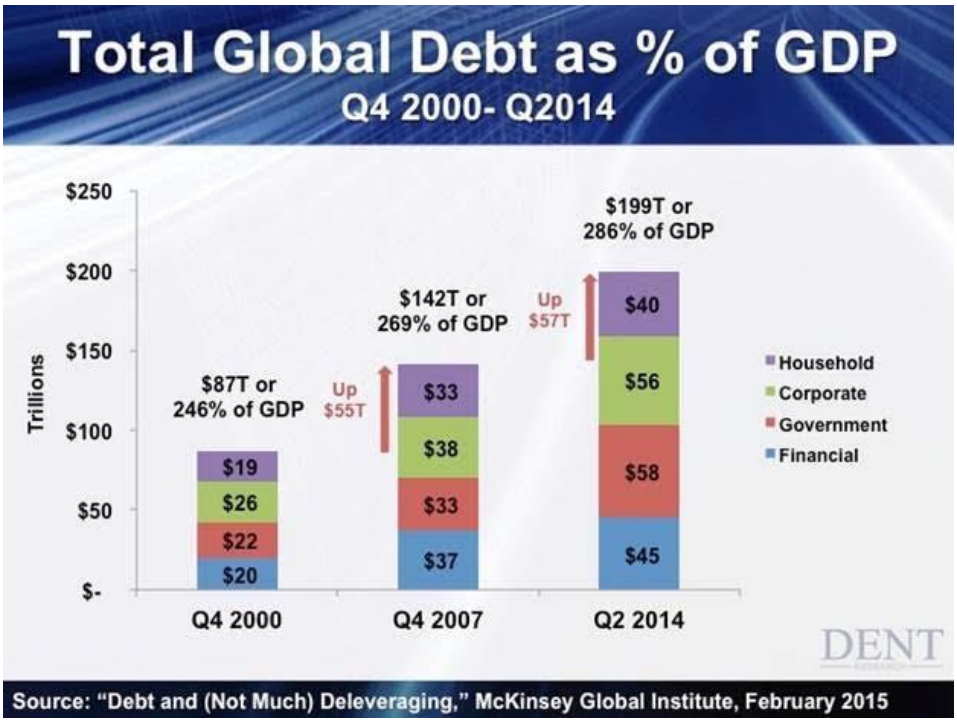
We have discussed gold technically as a reflection of its price movement, but there are some powerful fundamental reasons behind gold's price rise. Here is…

The Story Behind this Gold Bull Market

Gold is considered by some to be the ultimate form of money. It has been used throughout history as a store of value and a medium of exchanges between individuals and governments. Our country was once on the gold standard, meaning that all of our currency (the US dollar) was backed by gold. You could exchange your paper dollars for gold.

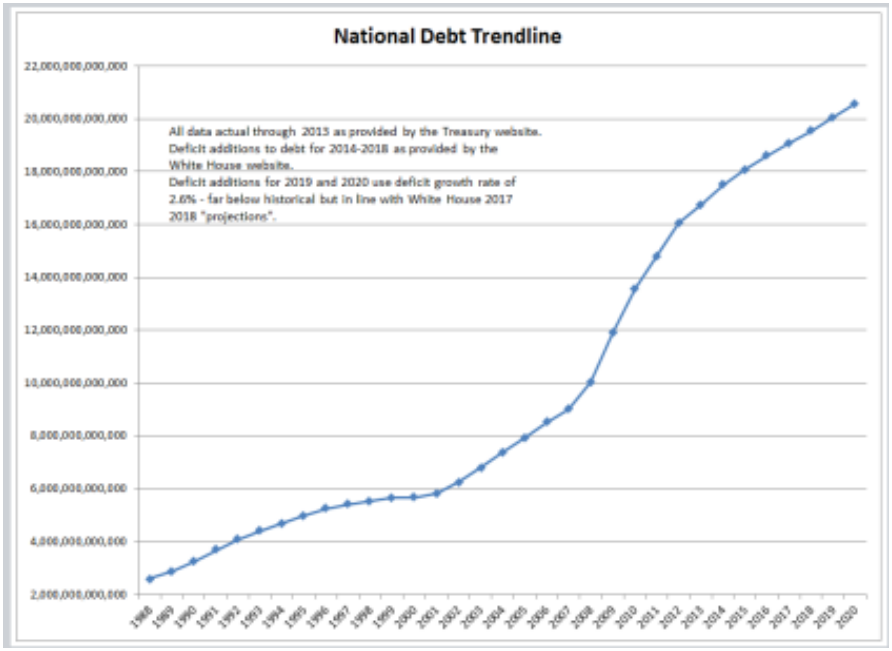
Today, I believe a good way to look at gold is as a form of currency. If the US dollar were to drop precipitously in value, gold would rise in value.

In addition**,** the world is now debt-ridden unlike any other period in history. Debt has exploded since the 2008 crisis, rising to $199 trillion (or 286% of U.S. GDP), which you can see in the chart that follows:



As you can imagine, this means a much higher risk of economic trouble.

Contrary to what many investors think, the US only contributed 15% to this new total – but even that distressed a lot of investors. And, with total US debt expected to reach $20 billion by 2020 (reflected below), those concerns will get stronger.



Exhibition 7: US debt trend line from 1988 to 2013. By estimate, US debt will reach $20 billion by the end of 2020.
Source: Pronk Palisades https://raymondpronk.wordpress.com/tag/gdp/

Japan is more unfortunate, however, as it is the world's most indebted country. In fact, Japan is so engulfed by debt there's concern it could be headed toward another Greece-like debt crisis. This is further sowing the seeds of the next financial crisis – one that could dwarf 2008's meltdown, by comparison.

With that being the case, it's time to pull up that safety net and put a portion of your portfolio into precious metals.

The Distrust of Governments

Around the world, distrust of governments is exploding. Tax avoidance and money laundering are becoming more prominent among both developed and developing countries. The Panama Papers brought to light just how widespread this financial corruption is. They contained 11.5 million leaked documents with information about law firms and financial institutions providing illegal services to politicians, criminals and billionaires across the world. This can only damage trust in governments even further when faith is already ridiculously low. Statistics have shown that, in the US, public trust in government has declined by approximately 75% in the past 50 years.

The low trust in government will erode away Central Banks' control over economic performance, thus reducing levels of public participation in the Fed's response to future financial crises.

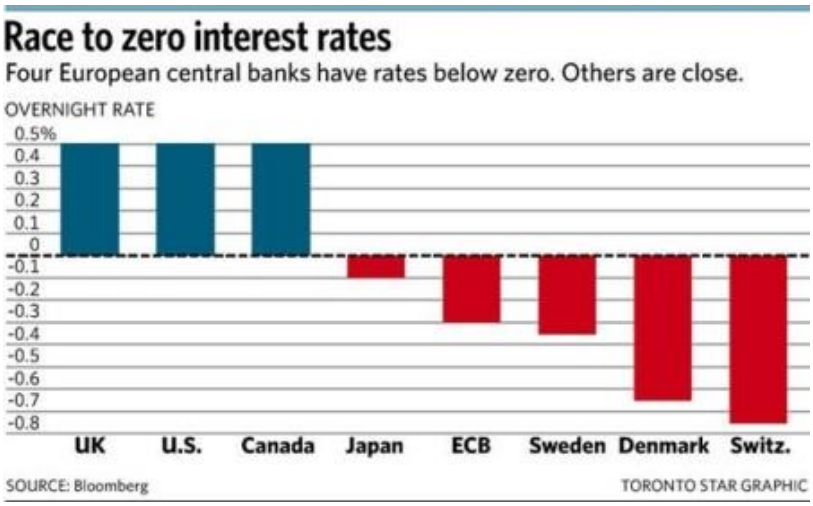
Central Banks Losing Control

Several factors have further aggravated this grim economic situation for investors who are looking to place a hedge in their portfolio. Central Banks no longer have the power to control everything. There have been rising concerns that Central Banks have used up their ammunition to defend against financial crises. They have repetitively cut interest rates to boost the economy, but this is rather inadequate for saving the economy from going down. The magic of the Fed's Quantitative Easing has finally faded.

Exhibition 9: The performance of the S&P 500 with and without the influence of Quantitative Easing.
QE1, QE2, QE3, QE4 boosted the economy by 50%, 10.6%, 6% and 7%, respectively.
Source: http://www.247bull.com/has-the-magic-of-qe-finally-faded-should-investors-take-defensive-action/

Negative Interest Rates

As conventional monetary policy becomes more ineffective, several Central Banks have adopted negative interest rates as a last resort. When banks use negative interest rates, they charge depositors for keeping their money safe in order to discourage individuals from saving. This also incentivizes banks to lend more freely. As you can see below, the "last resort" of negative interest rates is gaining popularity.



Exhibition 10: Japan, ECB, Sweden, Denmark, and Switzerland have all adopted negative interest rates.
Source: Bloomberg

Today, both Europe and Japan are using negative interest rates to try to drive the same results. Whether it's successful or not in the short-term or long run, this strategy has boosted demand for gold as well as safe deposit boxes.

Lastly, the final reason to get into gold is that inflation is coming. Central Bankers around the world intend to restart inflation. The world has been in a deflationary cycle and today that cycle is still the dominant economic trend of our time. But, if Central Bankers are successful in rekindling inflation, this is another reason to own gold.

While the evidence for a protracted bull market in gold is strong, it's possible that this current rally in gold fails and we return to old lows in gold. If that's the case, then the rally was just a head-fake.

However, I believe a new gold bull market has begun. As you now know, there are too many reasons to be bullish on gold. Now is the time for investors to start building their gold portfolio for protection and profit.

With that, here are my recommendations for profiting from today's bull market in gold.

How to Apply a Gold ETF Strategy in Your Portfolio

There are several basic ways to own gold within your investment accounts.

Originally, owning gold meant having the physical metal in hand. During our nation's history, that right has come and gone. But today, investors can still purchase gold coins, bars or collector items. However, it is important to be aware of storage fees for these types of investments.

In addition to physical gold, you can own a mutual fund that invests in gold or gold stocks, an ETF that does the same, or you can purchase shares of a mining company that is in the business of extracting or exploring for gold.

As I mentioned in the first section of this report, the actual price of gold and the price of gold shares offer different levels of appreciation and risk. Gold fell over 40% in the last bear market, but gold shares fell 85%.

The lower risk play is just owning gold itself or a proxy for gold via a mutual fund or ETF. The more speculative (higher risk) play is owning shares of a gold mining company.

In the pages that follow, I'll reveal what I think are today's best ETF investments in both categories. Let's begin with…

Physical Gold ETFs

The first type of investment I'll discuss are physical gold ETFs. These funds own gold bars and charge small management fees to give investors exposure to gold itself. These are the four funds I prefer within this category.

PHYSICAL GOLD FUND #1:

SPDR Gold Trust ETF
Ticker: GLD
Fund Family: State Street Global Advisors
Net Assets: $34.139 billion
Yield: 0.00%
Inception Date: Nov 18, 2004
Expense Ratio: 0.40%

This is the granddaddy of all gold funds, with more than $34 billion in assets. The objective of the SPDR Gold Trust (GLD) is to replicate the performance, net of expenses, of the price of gold bullion. The Trust actually holds physical gold. By owning shares of GLD, you basically own a claim to that gold in the amount of share you own.

I like this fund because it allows investors a low-cost, secure way to access the gold market. The SPDR Gold Trust shares let you participate in the gold bullion market without having to take physical delivery of it. It also allows you to buy and sell – with a few mouse clicks or a quick call to your broker – in the gold bullion market without having to take physical delivery of gold.

Now, I realize there are arguments to make in favor of owning physical gold in the form of gold coins or gold bars. However, I think those potential benefits pale in comparison to the ease of ownership and the liquidity that you have with GLD. And, with a very low expense ratio of just 0.40%, the cost of ownership is very attractive.

PHYSICAL GOLD FUND #2:

iShares COMEX Gold Trust ETF
Ticker: IAU
Fund Family: iShares
Net Assets: $8.042 billion
Yield: 0.00%
Inception Date: Jan 21, 2005
Expense Ratio: 0.25%

The iShares COMEX Gold Trust ETF (IAU) is similar to the SPDR Gold Trust (GLD) in that it seeks to replicate, net of expenses, the day-to-day movement of the price of gold bullion. This Trust receives gold deposits in exchange baskets of iShares (basically, just another way of selling shares to the public). The Trust also sells gold to cover its liabilities.

This fund is relatively small, but still holds nearly $8 billion in assets. Ownership costs are extremely attractive, when compared to its larger rival, with an expense ratio of just 0.25%. If you are looking for gold funds pegged to the price of gold bullion, then either IAU or GLD represents a gold option.

PHYSICAL GOLD FUND #3:

ETFS Physical Swiss Gold Shares ETF
Ticker: SGOL
Fund Family: ETFS Swiss Gold Trust
Net Assets: $1.017 billion
Yield: 0.00%
Inception Date: Sep 9, 2009
Expense Ratio: 0.39%

This investment seeks to reflect the performance of the price of gold bullion, less the Trust's expenses. The shares are intended to constitute a simple and cost-effective means of making an investment similar to an investment in gold, without the expensive and sometimes complicated arrangements in connection with the assay, transportation, warehousing and insurance of the metal.

This ETF cuts through all that, allowing investors to enjoy bullion-like returns without the headaches of actual gold ownership. And, just like many gold ETFs, SGOL shares have been on fire since the beginning of the year, as you can see below:

PHYSICAL GOLD FUND #4:

Van Eck Merk Gold Trust ETF
Ticker: OUNZ
Fund Family: Merk Funds
Net Assets: $110.827 million
Yield: 0.00%
Inception Date: May 16, 2014 move this one
Expense Ratio: 0.40%

The Trust's primary objective is to provide investors with an opportunity to invest in gold through its shares and be able to take delivery of physical gold bullion (physical gold) in exchange for those shares.

The Trust's secondary objective is for the shares to reflect the performance of the price of gold, less the expenses of the Trust's operations. Each share represents a fractional undivided beneficial interest in the Trust's net assets. The Trust's assets consist principally of gold held on the Trust's behalf in financial institutions for safekeeping.

It, too, like the other gold funds I've discussed, is going gangbusters, so far in 2016, as you can see for yourself below:

The next type of gold ETFs I'm going to share with you are called *Blended Physical ETFs*. And in this group, I only have one recommendation for you at this time.

Blended Physical ETFs

ETFS Physical Precious Metals Basket Shares ETF
Ticker: GLTR
Fund Family: ETF Securities
Net Assets: $180.344 million
Yield: 0.00%
Inception Date: Oct 22, 2010
Expense Ratio: 0.60%

The investment objective of GLTR is for the shares to reflect the performance of the price of physical gold, silver, platinum and palladium in the proportions held by the Trust, less the expenses of the Trust's operations. The shares are designed for investors who want a cost-effective and convenient way to invest in a basket of bullion with minimal credit risk.

The current allocation to the four precious metals group is as follows: gold 58%, 30% silver, 6% platinum and 6% palladium. And, as you can see below, that allocation has this play soaring in the New Year.

The third and final type of investment I'm going to talk about today are gold mining company ETFs.

Gold Mining Companies ETFs

These funds offer investors a basket of gold mining and/or exploration companies – thereby reducing much of the risk associated with owning shares from a single business.

However, because these funds do hold individual companies, each is subject to company-specific risk, such as earnings misses and management issues, etc. You don't have that kind of exposure in the physical metals, which makes these funds a bit more volatile than their physical metal fund brethren.

But that also means physical metal fund investors don't get the benefit of circumstances such as earnings beats or other company performance boosts, which can give your play a significant edge.

Plus, many of the best mining companies pay out dividends to shareholders, and that makes them good choices for income–oriented investors, too.

GOLD MINING COMPANY FUND #1:

Market Vectors Gold Miners ETF
Ticker: GDX
Fund Family: Market Vectors
Net Assets: $7.079 billion
Yield: 0.45%
Inception Date: May 16, 2006
Expense Ratio: 0.53%

Gold and silver don't make it into our lives easily. They are hard to find and hard to dig up; the costs involved in extraction are also very high. Yet, when the price of gold and/or silver is high, and when demand soars, the companies that mine these metals usually see their share prices increase.

Investors can take advantage of this situation with the Market Vectors Gold Miners (GDX). The investment seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the NUSE Arca Gold Miners Index. The fund normally invests at least 80% of its total assets in common stocks and American Depository Receipts (ADRs) of companies involved in the gold mining industry.

The top five holdings of GDX read like a who's who of the best gold companies in the world: Barrick Gold Corp. (ABX), GOLDCORP (GG), Newmont Mining (NEM), AngloGold Ashanti (AU) and Kinross Gold (KGC). And, as you can see below, GDX's top five holdings have helped the fund to a great start in 2016:

<u>GOLD MINING COMPANY FUND #2:</u>
Market Vectors Junior Gold Miners ETF
Ticker: GDXJ
Fund Family: Market Vectors
Net Assets: $2.661 billion
Yield: 0.36%
Inception Date: Nov 10, 2009
Expense Ratio: 0.56%

GDXJ, like its brother fund GDX, buys stock in gold mining companies. However, this fund is a higher-risk, higher-reward version of GDX, because it invests in smaller gold miners. Small companies are known to have larger swings in their share prices in general, and they can often be big hits. In the case of gold miners, these companies are often in early development or exploration phases, which can mean they have the potential to be acquired and to have changes in fortune.

GDXJ invests in small- and medium-capitalization companies, and can include some silver miners in its portfolio. The fund DOES NOT limit itself to domestic companies, but, rather, it invests in a global swath of emerging mining companies. Therefore, it provides a strong option for investors seeking bigger returns on gold

without taking the risk imposed by a leveraged ETF. And again, as you can tell from the fund's chart below, it's also been on a tear since the beginning of the year.

One final word: This ETF will soar if the price of gold climbs due to market unease. That means, right now could be a fantastic buying opportunity in GDXJ.

<u>GOLD MINING COMPANY FUND #3:</u>

Global X Gold Explorers ETF
Ticker: GLDX
Fund Family: Global X Funds
Net Assets: $61.520 million
Yield: 5.32%
Inception Date: Nov 3, 2010
Expense Ratio: 0.56%

This non-diversified investment seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Solactive Global Gold Explorers Total Return Index. The fund invests at least 80% of its total assets in the securities of the underlying index and in American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs") based on the securities in the underlying index.

The underlying index is free float-adjusted, liquidity-tested and market capitalization-weighted index that is designed to measure broad-based equity market performance of global companies involved in gold exploration.

And, just like its more domestic-focused ETF cousins, this fund's scored big since the beginning of the year, as you can see here:

The ETF Landscape for Gold

The following chart contains all of the exchange traded funds that I track as part of the **Fabian Gold Plan**. It contains both physical and miners funds, along with long and short ETFs. By analyzing this cross-section of sector funds, we're able to identify trends in gold with confidence.

The chart you see below is from May 6, 2016… As you can imagine, the data within this chart changes continuously. So consult the latest issue of *Successful ETF Investing* and your most recent email Alerts for up-to-date information.

TICKER	Name	Price	% Chng	1WK%	1MO%	3MO%	YTD%	High%	50DD	200DD	Vol (90D)	Assets
					PHYSICAL							
SLV	iShares Silver Trust	16.65	0.85	(1.94)	16.11	16.11	26.23	(2.58)	9.91	16.13	9715376.00	5841.36
DBS	PowerShares DB Silver Fund	27.82	1.42	(1.53)	17.70	16.93	27.20	(2.25)	10.72	16.54	2378.56	21.92
SIVR	ETFS Physical Silver Shares	17.17	1.47	(1.83)	16.24	16.32	26.61	(2.45)	10.05	16.36	95624.77	316.74
DBP	PowerShares DB Precious Metals Fund	39.66	1.15	(0.48)	7.83	11.40	23.09	(0.73)	5.00	13.09	47525.49	179.42
GLTR	ETFS PHYSICAL PRECIOUS METAL	63.89	1.14	(0.75)	9.45	12.87	22.18	(0.95)	6.01	13.02	12745.86	180.34
GLD	SPDR Gold Shares	123.40	1.09	(0.22)	5.51	9.85	21.60	(0.47)	3.60	12.07	12554719.00	34138.99
OUNZ	VAN ECK MERK GOLD TRUST	12.82	1.22	(0.12)	5.55	9.90	21.90	(0.36)	3.66	12.14	63372.89	110.83
IAU	iShares COMEX Gold Trust	12.46	0.97	(0.16)	5.50	9.97	21.80	(0.44)	3.62	12.18	8507791.00	8041.86
DGL	PowerShares DB Gold Fund	42.30	1.24	0.00	5.70	10.24	22.04	(0.26)	3.86	12.34	98614.06	232.68
SGOL	ETFS Physical Swiss Gold Shares	126.00	1.23	(0.01)	5.68	10.00	21.75	(0.34)	3.72	12.23	48955.46	1016.61
PPLT	ETFs Physical Platinum Shares	104.00	1.75	0.34	14.05	18.29	21.17	(8.84)	9.65	14.47	48229.22	522.37
GEUR	ADVISORSHARES GARTMAN GOLD/E	13.20	1.50	0.53	7.06	8.29	17.44	(2.29)	2.73	9.80	18113.10	12.61
GYEN	ADVISORSHARES GARTMAN GOLD/Y	12.21	0.74	0.35	3.04	1.08	9.59	(12.16)	(0.23)	2.04	47528.95	27.06
PALL	ETFs Physical Paladium Shares	58.30	0.97	(3.08)	11.73	20.63	7.62	(24.92)	6.38	4.53	30141.84	186.99
GHE	REX GOLD HEDGED FTSE EMERGIN	25.77	(0.73)	(3.97)	4.21	#N/A N/A	#N/A N/A	(4.34)	#N/A N/A	#N/A N/A	#N/A N/A	2.54
GHS	REX GOLD HEDGED S&P 500 ETF	26.02	0.19	(1.29)	4.92	#N/A N/A	#N/A N/A	(2.47)	#N/A N/A	#N/A N/A	#N/A N/A	2.59
					MINERS							
SILJ	PUREFUNDS ISE JUNIOR SIL-ETF	12.85	5.36	(5.81)	45.90	130.76	153.52	(9.67)	35.19	95.08	108469.91	30.33
GLDX	GLOBAL X GOLD EXPLORERS ETF	34.65	4.35	(5.06)	47.53	88.75	110.92	(6.65)	31.67	70.83	62269.00	61.52
GDX	Mkt Vect Gold Miners	25.22	4.28	(2.38)	25.14	47.89	83.78	(3.65)	19.05	55.75	90634752.00	7079.03
SLVP	iShares MSCI Global Silver Miners Fund	11.27	5.92	(3.43)	34.49	79.46	100.53	(7.40)	26.53	65.25	137498.80	43.83
RING	iShares MSCI Global Gold Miners Fund	10.89	4.71	(2.42)	25.17	52.52	98.72	(4.31)	19.88	64.26	293241.81	128.07
SGDJ	SPROTT JR. GOLD MINERS ETF	37.73	4.75	(1.37)	30.28	63.19	96.00	(3.45)	22.75	61.88	32590.02	39.67
GDXJ	Market Vectors Junior Gold Miners ETF	37.83	5.79	(1.77)	33.15	73.58	96.98	(2.87)	25.78	67.13	11898053.00	2661.46
SIL	GLobal X Silver Miners ETF	35.32	4.56	(3.71)	32.83	74.94	90.82	(5.05)	24.22	60.58	154028.98	269.74
PSAU	PowerShares Global Gold and Prec Metals	21.45	3.72	(2.14)	23.06	50.10	82.55	(5.38)	17.41	53.47	39498.09	48.13
SGDM	SPROTT GOLD MINERS ETF	23.31	4.08	(2.53)	24.01	51.10	83.14	(4.02)	18.90	55.36	125729.09	195.80
					LONG							
JNUG	DIRXN DAILY JR BULL GOLD 3X	164.60	17.42	(7.86)	113.01	284.87	430.92	(10.91)	73.25	207.85	716787.88	298.39
NUGT	DIREXION GOLD MINERS BULL 2X	108.68	12.88	(8.75)	81.63	152.50	347.48	(23.43)	52.62	156.97	9000380.00	1264.06
GDJJ	PROSHARES ULTRA JUNIOR MINER	87.36	9.84	(1.29)	72.75	177.39	242.58	(7.31)	50.73	122.52	3473.70	3.92
GDXX	PROSHARES ULTRA GOLD MINERS	63.21	8.40	(5.10)	52.93	100.35	204.63	(8.36)	36.71	111.78	18492.06	8.73
UGL	PROSHARES ULTRA GOLD	43.48	2.79	0.05	11.57	19.68	46.25	(0.55)	7.39	23.78	52907.84	97.78
					SHORT							
DUST	DIREXION GOLD MINERS BEAR 3X	1.36	(13.38)	3.03	(56.13)	(81.16)	(91.77)	(96.60)	(53.57)	(91.26)	63255572.00	359.83
JDST	DIREXION DAILY JR GOLD MINERS 3X BEAR	1.79	(17.13)	(0.77)	(66.42)	(90.09)	(93.99)	(97.55)	(65.24)	(93.28)	5575639.00	51.91
GDJS	PROSHARES ULTRASHORT JUNIOR	3.77	(10.75)	1.41	(49.65)	(78.12)	(81.60)	(89.02)	(47.41)	(79.42)	6647.67	0.42
GDXS	PROSHARES ULTRASHORT GOLD MI	5.73	(8.90)	1.96	(41.29)	(66.11)	(78.86)	(86.77)	(37.56)	(75.83)	38985.43	2.20
GLL	UltraShort Gold ProShares	74.88	(1.95)	0.73	(10.58)	(19.74)	(35.35)	(37.00)	(7.57)	(24.80)	35781.30	64.43
ZSL	UltraShort Silver ProShares	37.44	(2.14)	3.17	(27.28)	(29.91)	(42.00)	(43.86)	(19.93)	(32.50)	76644.02	38.72

Conclusion: My 7-Step Battle Plan

The way we see it, no war was ever won without the right armaments. And now, with my eight recommendations, you have the right armaments. However, you also need a strong battle plan. So, here's my 7-step battle plan for success:

1. Examination: The very first step is to look at your own asset allocation situation as it pertains to gold. Every investor needs to make as asset allocation decision. I plan to have three levels of gold suggestions: level one will be a 10% allocation, level two 15%, level three 20%.
2. Organization: The second step is to organize your accounts. There are two distinct categories within all investors' portfolios—taxable and retirement accounts. You need to make a decision as to how much gold you will invest in each account.
3. Definition: Each account will need a gold position. You need to define the game plan for each account in order to decide on the type of investment you will be purchasing. We will be recommending ETFs, but there are also individual gold stocks and physical gold that can be acquired.
4. Balance: You need to decide on a desired level of volatility and profit potential, and how to strike that balance. Gold ownership can take on many forms. Owning the physical metal or ETF equivalent GLD is less volatile than owning mining stocks, but you're trading potential upside for safety.
5. Implementation. We have a formula for getting new gold investors like you started. We begin by advising you to invest 1/3 of your allocation now, the second 1/3 of your funds upon a rise or fall of 10% in the market, and your final 1/3 after 90 days.
6. Allocation: Next, you'll determine your allocation of metals and miners. The most conservative way to go is 100% metals. The next step up would be 50% metals/50% miners. While a more aggressive approach would be something like 70% miners and 30% metals.
7. Monitoring: There is always the chance that this gold bull market will reverse. To make sure you know the very latest on our recommended gold plays, consult your monthly issues of *Successful ETF Investing*, and your weekly Hotlines alerts.

Once again, welcome to the family.

To the best within us,

Doug Fabian
Editor, *Successful ETF Investing*

Doug Fabian

Doug Fabian is the Editor of the free weekly e-letter, ***Weekly ETF Report***, plus his paid financial newsletter, ***Successful ETF Investing***, and his trading service, ***ETF Trader's Edge***. All are published by Eagle Financial Publications. He also publishes the website ETF University (ETFU.com), designed to educate investors about the benefits of exchange traded funds.

Doug has helped his readers successfully navigate bull and bear markets for more than 37 years. His flagship advisory service, ***Successful ETF Investing***, has produced double-digit annualized returns since 1977.

Doug often appears on CNBC, CNN and Fox News, and he has been featured in The *Wall Street Journal, USA Today, The New York Times, Fortune, Smart Money* and *Barron's*.

Doug became a member of the "SmartMoney 30″ in 1999 — a listing of the most influential individuals in the mutual fund industry. In the feature, SmartMoney magazine exclaims that Doug is the best-known "trend follower" among the $56 billion (and growing) group of financial advisers.

In 2001, Doug wrote *Maverick Investing*, published by McGraw-Hill.

Doug has become known for his expert knowledge and timely use of innovative tools like exchange traded funds, bear funds and enhanced index funds to profit in any market climate.

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