

ETF Selections & Timing

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March 31, 2014 (data date through previous Friday close)

Volume 5
Issue 13

Fed Speak

The Federal Reserve Chairwoman Janet Yellen spoke today (Monday 3/31/14) about the weak recovery and job rates. It stands ready to support the economy for “some time to come”. Perhaps her comment was just a way to offset her earlier “6-

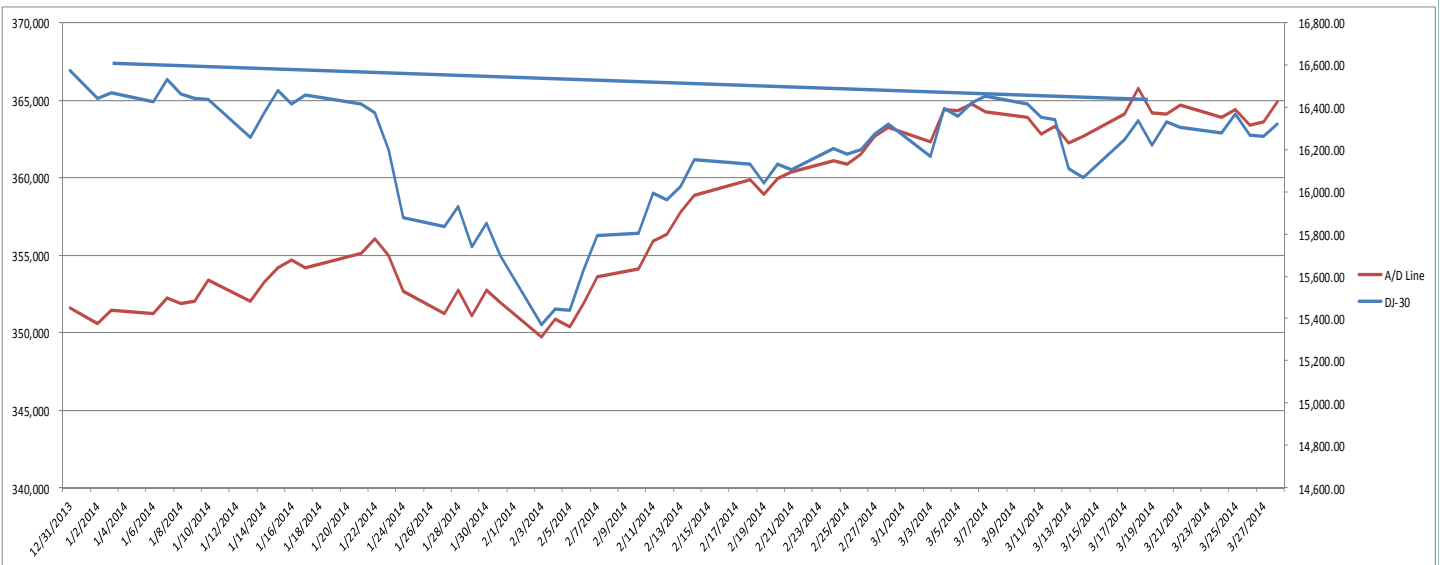
month” comment. But the market rallied on the news. Will the ongoing negative divergence dating from 12/31/13 get corrected on this?

The NYSE advance-decline line keeps rallying, but the Dow Industrials keeps lagging, as shown on the chart below..

Even if the divergence is erased, the background information still portrays an overvalued market.

Overvalued fundamentals are one concern, but the trend of the market remains up. This is

(Continued on bottom right on page 12 see REVIEW on top)



This is the daily chart of the close of the Dow Industrials (blue line) and NYSE advance-decline line (red line)

SCOREBOARD (returns year to date and past weeks to date)

| Model | YTD | 52-week | 26-week | 13-week | 4-week | 1-week |
|----------------------|-------|---------|---------|---------|--------|--------|
| ETF Income Portfolio | 0.5% | 1.9% | 1.4 | 0.5 | 0.2 | 0.4% |
| ETF Growth Portfolio | -0.5% | 15.3% | 3.3 | -0.5 | -1.2 | 0.4% |
| Index | | | | | | |
| Aggrgt Bond (AGG) | 1.4% | -0.7% | 1.3 | 1.4 | -0.3 | 0.3% |
| S&P 500 TR (SPY) | 0.9% | 20.2% | 10.4 | 0.9 | -0.6 | -0.3% |
| World Growth Index | 0.0% | 19.1% | 8.1 | 0.0 | -1.4 | -0.6% |

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| Pages 6-11 | Growth |
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ETF Income Database and Ranking to 8/30/13 (under construction)

| <i>Fund Name</i> | <i>Symbol</i> | <i>Style</i> | <i>12m</i> | <i>9m</i> | <i>6m</i> | <i>3m</i> | <i>1m</i> | <i>V</i> | <i>NAV</i> | <i>Rank</i> |
|--------------------------|---------------|--------------|------------|-----------|-----------|-----------|-----------|----------|------------|-------------|
| iShares 1-3yr Trsry | SHY | BS | 0.03 | 0.03 | -0.07 | -0.03 | -0.10 | 0.08 | 84.28 | ***** |
| Vngrd ShrtTrm Bond | BSV | BS | -0.19 | -0.45 | -0.60 | -0.38 | -0.27 | 0.23 | 79.96 | ***** |
| iShares 3-7yr Trsry | IEI | BI | -2.51 | -2.67 | -2.49 | -1.82 | -0.77 | 0.51 | 119.88 | **** |
| iShares Agg Bond | AGG | BI | -2.85 | -3.32 | -3.05 | -2.12 | -0.83 | 0.61 | 106.01 | **** |
| iShares Inter Bond | MBB | BI | -3.09 | -2.81 | -2.91 | -1.77 | -0.67 | 0.43 | 104.17 | **** |
| iShares Inter Gov | GVI | BI | -1.51 | -2.04 | -1.92 | -1.35 | -0.64 | 0.46 | 109.11 | **** |
| Wtree Dryfs Chns Yuan | CYB | BF | 4.62 | 2.26 | 2.23 | 0.54 | 0.42 | 0.42 | 26.16 | **** |
| Currency Euro | FXE | BF | 4.69 | 1.36 | 1.04 | 1.60 | -0.68 | 1.85 | 130.84 | *** |
| iShares 10-20yr Trsry | TLH | BL | -8.69 | -8.69 | -6.33 | -4.80 | -0.97 | 1.55 | 123.42 | ** |
| iShares 7-10yr Trsry | IEF | BI | -6.40 | -6.61 | -5.56 | -4.27 | -1.42 | 1.08 | 100.26 | ** |
| iShares High Yld | HYG | BH | 5.38 | 2.88 | 0.18 | -0.17 | -1.27 | 1.56 | 90.87 | ** |
| iShares Intrntl Tbond | IGOV | BW | -1.59 | -3.73 | -1.85 | -0.50 | -0.73 | 1.54 | 97.93 | ** |
| iShares Long Corp Bond | LQD | BL | -2.90 | -4.84 | -4.30 | -3.17 | -1.00 | 1.39 | 112.68 | ** |
| iShares Trsry Infltn | TIP | BI | -7.29 | -8.84 | -7.78 | -4.71 | -1.83 | 1.18 | 110.64 | ** |
| PS 1-30 Ldr Trsry | PLW | BI | -8.64 | -8.31 | -5.99 | -4.31 | -0.96 | 1.45 | 29.88 | ** |
| PS Bld America | BAB | BI | -5.98 | -7.40 | -8.54 | -7.83 | -1.41 | 1.59 | 27.14 | ** |
| PS DB Dollar Bearish | UDN | BF | -1.27 | -2.51 | 0.04 | 1.65 | -0.49 | 1.29 | 26.42 | ** |
| PS DB Dollar Bullish | UUP | BF | -0.49 | 1.23 | -0.80 | -1.86 | 0.41 | 1.28 | 22.19 | ** |
| PS DB G10 Currency | DBV | BF | -0.76 | -4.00 | -7.09 | -6.64 | -2.44 | 1.72 | 24.75 | ** |
| PS Fdmntl Hi Yield Corp | PHB | BH | 3.25 | 1.31 | -0.10 | -0.99 | -0.88 | 1.23 | 18.71 | ** |
| PS Insrld CA Muni | PWZ | BI | -6.48 | -9.21 | -8.53 | -7.65 | -2.25 | 1.29 | 22.72 | ** |
| PS Insrld NY Muni | PZT | BI | -9.02 | -11.54 | -10.28 | -8.91 | -2.61 | 1.51 | 21.68 | ** |
| PS Prfd | PGX | BF | -0.95 | -2.38 | -4.30 | -4.81 | -1.65 | 1.18 | 13.68 | ** |
| SPDR High Yield | JNK | BH | 5.27 | 2.46 | 0.00 | -0.75 | -1.03 | 1.56 | 39.46 | ** |
| SPDR Intrntl TBond | BWX | BW | -4.13 | -5.75 | -2.63 | -0.53 | -1.15 | 1.48 | 56.79 | ** |
| Vngrd Intrmdt Bond | BND | BI | -2.94 | -3.28 | -2.96 | -2.12 | -0.86 | 0.62 | 79.99 | ** |
| Wtree Dryfs Comdty Cur | CCX | BF | -6.19 | -7.08 | -8.09 | -3.79 | -2.15 | 1.55 | 19.55 | ** |
| Wtree Dryfs Emrg Crrncy | CEW | BF | -3.44 | -5.57 | -6.78 | -3.77 | -2.82 | 1.44 | 19.65 | ** |
| iShares 20+ yr Trsry | TLT | BL | -14.79 | -13.35 | -9.34 | -6.72 | -1.34 | 2.46 | 105.71 | ** |
| PS Emrg Mrkt Svrgn Debt | PCY | BW | -8.80 | -13.37 | -11.06 | -7.86 | -3.36 | 2.67 | 26.24 | ** |
| PS Insrld Natl Muni | PZA | BI | -8.56 | -11.75 | -10.49 | -9.01 | -1.56 | 1.56 | 22.52 | ** |
| Wtree Dryfs Brazil Real | BZF | BF | -10.67 | -7.36 | -15.28 | -9.16 | -3.29 | 2.37 | 16.75 | ** |
| Wtree Emrg Mrkt Lcl Debt | ELD | BF | -7.81 | -11.12 | -12.85 | -8.94 | -4.35 | 2.09 | 45.45 | ** |
| Wtree Dryfs Indn Rupee | ICN | BF | -11.22 | -13.71 | -15.13 | -13.34 | -5.23 | 2.58 | 18.12 | * |

This is the ETF Income Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. CS is Comet Strength (not shown). C is Comet (not shown), which is an ETF's risk-adjusted performance; the higher the better. V, CS, and C are proprietary tools. Rank column shows the number of comets.

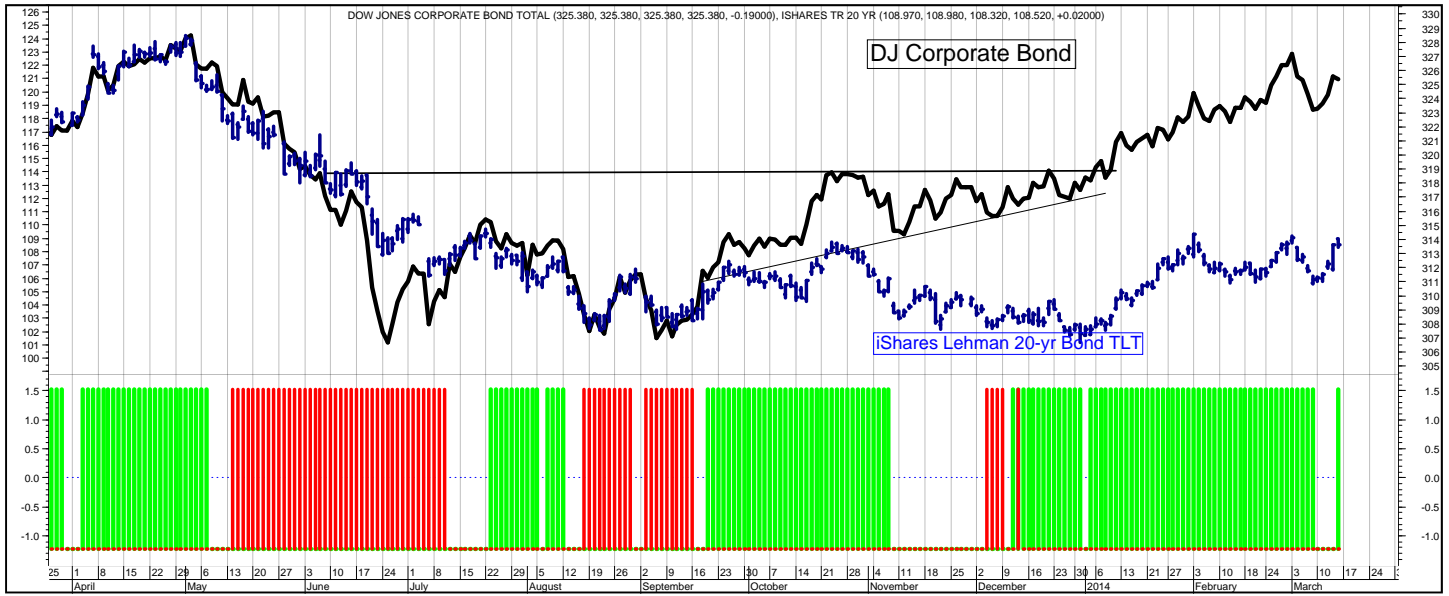
ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

Column headings: The first column shows the ETF name, the second column shows its symbol. The third column shows the ETF Style. The first letter is always either B (Bond) or E (Equity) or H (Hybrid). The next letter(s) is the style. So, BS-bond short, BI-bond intermediate, BL-bond long, BF-flexible, BW-world, BH-high yield. And for Equity, EA-equity aggressive, EC-equity contrary, EG-equity gold (precious metals), ESC-small cap, EMC-mid cap, ELC-large cap, EW-world, EGI-growth/income, ERE-real estate, EV-value.

Columns 4-8 show percentage returns for the periods shown (12 months, 9, 6, 3, and 1 month). Column 9 is V (volatility); a measure of risk; the lower the V, the less risk. Column 10 is the NAV. Column 11 is the C (comet) ranking. C is the risk-adjusted (V) relative performance (CS). The higher the C indicates the most return for the amount of risk taken.

Generally, our ETF strategy is to own the top ranked ETFs (shown in green) and avoid or short the lower ranked ETFs (shown in red).

SLM Bond Timing Model (under construction)



The SLM Bond Timing Model is based on the expected direction of the Corporate Bond market. The green bars are bullish (expect higher prices and lower yields) and the red bars are bearish (expect lower prices and higher yields). White spaces indicate that the previous signal is still in effect.

WEEKLY REVIEW

3/24 As previously mentioned, I am planning to introduce the new World Income Model ASAP. So, this chart and the charts on the next page are not updated. (Trend is still bullish.)

3/17 No changes. Still trending bullish.

3/10 No changes.

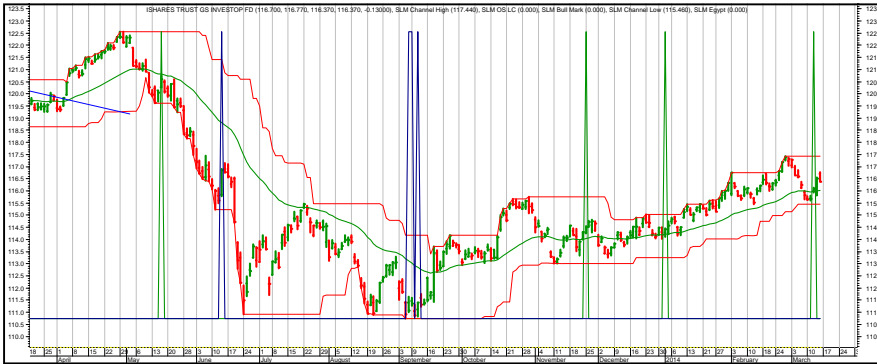
3/3 The bond model is still bullish, unfortunately I'm out. Will try to find a reentry area.

2/24 No changes.

2/18 Consolidation phase. With the economy stronger than expected, even accounting for the horrific winter weather, can't see bonds rallying further.

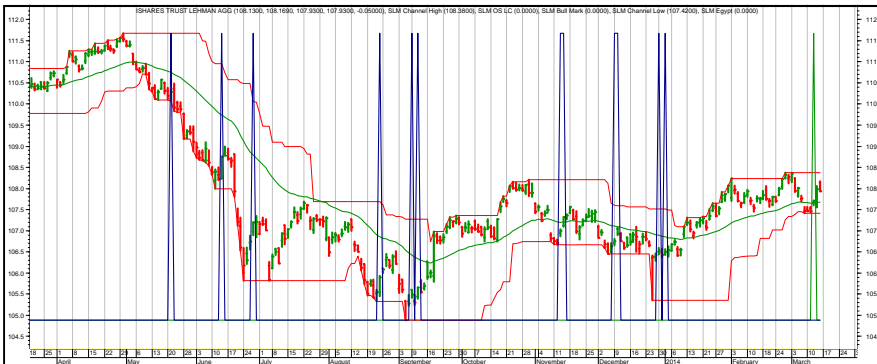
2/10 The bond market has broke its uptrend from what could be a valid breakout zone. This is drawn on the chart above by the last trend lines. Will watch for subsequent action and economic news to decide whether to buy on the pullback or continue to stand aside.

Income Charts (DAILY) (under construction)



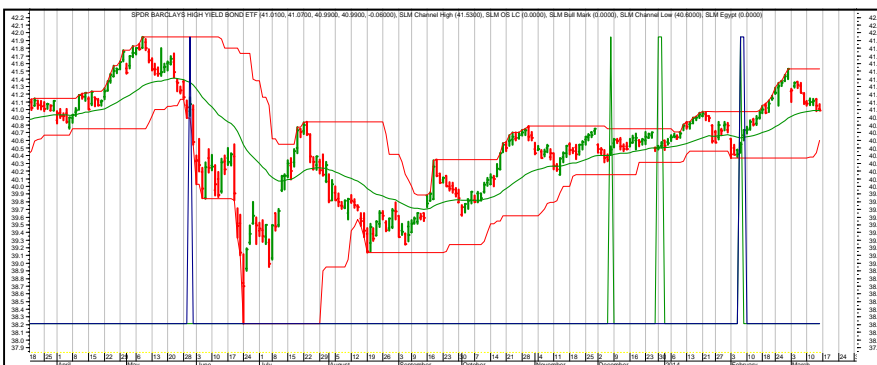
LQD—Investment Grade Corporate

3/17 See page 2.
 3/10 No changes.
 3/3 No changes.
 2/24/ No changes.
 2/18 No changes.
 2/10 No changes.
 2/3 No changes.



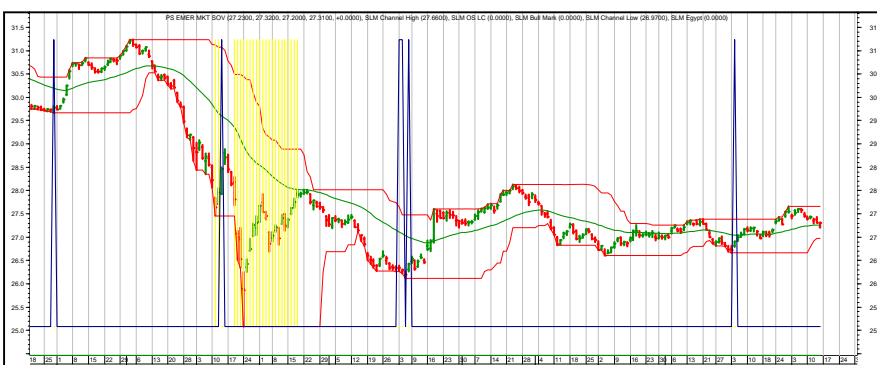
AGG—Aggregate Bond Market

3/17 See page 2.
 3/10 No changes.
 3/3 No changes.
 2/24 No changes.
 2/18 No changes.
 2/10 No changes.
 2/3 No changes.



JNK—hi-yield bonds

3/17 See page 2.
 3/10 No changes.
 3/3 Overextended. Will take profits.
 2/24 No changes.
 2/18 Since JNK is the only bond ETF notching recovery highs here of the 4 shown, I've put a very tight stop on the position. See page 2.



PCY—International Bonds

3/17 See page 2.
 3/10 No changes.
 3/3 No changes.
 2/24 No changes.
 2/18 No changes.
 2/10 The last blue spike is the 'buy' from last week's comment. I am standing aside, however.

Each chart shows daily (or weekly if noted in page title at top) prices, a moving average (smoothed green line on price portion), and blue or green spikes. The spikes show potential buy signals. The red lines are price channels. The charts do not show sell signals.

Growth Portfolio (changed as of 12/10/12, 9/23/13)

| ACTION FOR | | | PORTFOLIO DETAILS | | | Value as of date: | | | | 3/28/2014 | | | |
|-------------|----------|--------|-------------------|-------------|--------------|---|-----------|-------------|-------------|--------------|-------------|---------------|------------------|
| Action Date | Action | Symbol | Action Price | # of Shares | Action Value | Symbol | Stop Loss | Description | Start Price | Ending Price | # of Shares | Current Value | Percent of Total |
| 13-Feb | buy | EEM | 39.13 | 539 | 21,101 | World Growth | | | | | | | |
| 13-Feb | buy | EFA | 66.28 | 318 | 21,087 | EEM | | Emrg Mrkt | 39.13 | 40.74 | 539.000 | 21,958.86 | 15.5% |
| 13-Feb | buy | IWM | 113.68 | 185 | 21,041 | EFA | | Euro Asia | 66.28 | 66.86 | 318.000 | 21,261.48 | 15.0% |
| 13-Feb | buy | QQQ | 89.54 | 235 | 21,052 | IWM | | Rusl 2000 | 113.68 | 114.29 | 185.000 | 21,143.65 | 15.0% |
| 13-Feb | buy | SPY | 182.85 | 115 | 21,038 | QQQ | | Nsdq 100 | 89.54 | 87.05 | 235.540 | 20,503.76 | 14.5% |
| 13-Feb | buy | DFE | 60.48 | 93 | 5,635 | SPY | | S&P 500 | 182.85 | 185.49 | 115.520 | 21,427.80 | 15.2% |
| 13-Feb | buy | PXN | 8.34 | 674 | 5,631 | C-lect 5 | | | | | | | |
| 13-Feb | buy | GULF | 22.09 | 254 | 5,621 | DFE | | | 60.48 | 61.70 | 93.000 | 5,738.10 | 4.1% |
| 13-Feb | buy | PJP | 56.88 | 99 | 5,641 | UNG | | | 26.12 | 25.00 | 215.000 | 5,375.00 | 3.8% |
| 13-Feb | buy | PPA | 31.71 | 177 | 5,623 | GULF | | | 22.09 | 22.30 | 254.000 | 5,664.20 | 4.0% |
| 24-Feb | buy | UNG | 26.12 | 215 | 5,626 | PJP | | | 56.88 | 55.43 | 99.000 | 5,487.57 | 3.9% |
| 26-Feb | liquidtd | PXN | 8.36 | 674 | 5,625 | DBA | | | 28.45 | 28.43 | 200.000 | 5,686.00 | 4.0% |
| 3-Mar | sell | PPA | 32.64 | 177 | 5,767 | Two potential ways to sell: stop loss about 8% lower or timing model signals sell | | | | | | | |
| 3-Mar | buy | PBE | 45.05 | 129 | 5,821 | Two potential ways to buy: lower-risk "window to buy" may open or timing model signals buy. | | | | | | | |
| 17-Mar | sell | PBE | 44.55 | 129 | 5,737 | C-lect Short | | | | | | | |
| 17-Mar | buy | DBA | 28.45 | 200 | 5,680 | (under construction) | | | | | | | |
| | | | | | | Cash from short | | | | 1.00 | - | - | 0.0% |
| | | | | | | Money Market | | | | 1.00 | 7,176 | 7,176.00 | 5.1% |
| | | | | | | Total Valuation= | | | | | 141,422.42 | 100.0% | |

WEEKLY REVIEW

3/31 No changes. Sell stop is 8% away (as a reminder, the sell stop is not on individual positions, but on the portfolio).

3/24 No changes. The sell stop is about 7% away from current level.

3/17 Make the sell and buy as noted above.

3/10 No changes. The sell stop is about 10% away from the current portfolio value.

3/3 Make the sell and buy as noted above.

| | 2010 | 2011 | 2012 | 2013 | ytd 2014 | Incptn |
|----------------------|-------|------|------|------|----------|--------|
| ETF Growth Portfolio | 8.1% | 6.9 | -2.1 | 25.7 | -0.5 | 41.4 |
| World Growth Index | 17.2% | -4.1 | 15.1 | 30.5 | 0.0 | 68.8 |

The ETF Growth Portfolio changed as of 12/10/12 and again 9/23/13. It is following the new World Growth Model (WGM), which uses the same 5 etfs (EEM, EFA, IWM, QQQ, SPY) as the World Growth Index (WGI). The difference between the two is WGM uses timing and WGI is always fully invested and WGI is rebalanced to 20% in each position daily (this accounts for the different returns when WGM is invested and held). Based on the successful back testing strategy, C-lect 5 was added to the portfolio. Returns are of previous years (to last Friday in year), year to date (ytd) (from last Friday in previous year), and from inception (incptn). It also shows standard deviation (SD). The green highlight (2013, 2014) is to highlight the aforementioned changes.

ETF Rankings by C to previous week's end

| <i>Fund Name</i> | <i>Symbol</i> | <i>Style</i> | <i>C</i> |
|------------------------------|---------------|--------------|----------|
| W tree Middle East Div | GULF | EW | 22.62 |
| PS DB Agriculture | DBA | EA | 14.16 |
| W tree Eur SC Div | DFE | EW | 12.51 |
| US Natural Gas | UNG | EA | 11.81 |
| PS Dynmc Pharma | PJP | EA | 11.07 |
| PS Dynmc Biotech | PBE | EA | 10.15 |
| PS Dynmc Semicndctr | PSI | EA | 9.79 |
| PS Fincl Pfd | PGF | EGI | 9.11 |
| PS Dynmc Networking | PXQ | EA | 9.02 |
| PS Aerospace & Def | PPA | EA | 8.61 |
| PS Gbl Clean Enrgy | PBD | EW | 8.51 |
| iShares Prfrd | PFF | EGI | 8.37 |
| Vngrd Health | VHT | EA | 7.95 |
| iShares Italy Indx | EWI | EW | 7.55 |
| PS Dynmc Software | PSJ | EA | 7.39 |
| PS NASDAQ Intrnt | PNQI | EA | 7.31 |
| Select SPDR Health | XLV | EA | 7.05 |
| PS Gbl Water | PIO | EW | 6.99 |
| Vngrd Tech | VGT | EA | 6.80 |
| Vngrd REIT | VNQ | ERE | 6.80 |
| iShares Cohen&Str REIT | ICF | ERE | 6.72 |
| iShares REIT | IYR | ERE | 6.59 |
| Guggnhm Shipping | SEA | EA | 6.56 |
| SPDR Wlsh REIT | RWR | ERE | 6.44 |
| Market Vectors Semiconductor | SMH | EA | 6.05 |
| PS QQQ | QQQ | ELC | 6.03 |
| Vngrd Utilities | VPU | EA | 6.01 |
| iShares DJ US Home Constr. | ITB | EA | 5.89 |
| Select SPDR Utilities | XLU | EA | 5.77 |
| PS Dynmc Healthcare | PTH | EA | 5.76 |
| PS Dynmc Bldg Cnstrctn | PKB | EA | 5.75 |
| Guggnhm Gbl Wtr | CGW | EW | 5.59 |
| PS S&P SmICap Mtrls | PSCM | EA | 5.50 |
| PS Dynmc Utilities | PUI | EA | 5.36 |
| Guggnhm RJ All | RYJ | ELC | 5.33 |
| PS US REIT | PSR | ERE | 5.07 |
| PS WilderHill Cln Enrgy | PBW | EA | 5.00 |
| Vngrd Extnd 4500 | VXF | ELC | 4.85 |
| PS Dynmc Basic Matrl | PYZ | EA | 4.84 |
| PS Dynmc Lrg Cap Grth | PWB | ELC | 4.66 |
| Select SPDR Technlgy | XLK | EA | 4.61 |
| Vngrd MidCap Val | VO | EMC | 4.42 |
| PS Cleantech | PZD | EA | 4.36 |
| Guggnhm Solar | TAN | EA | 4.30 |
| PS S&P SmICap Info Tech | PSCT | EA | 4.28 |
| Vngrd Small Cap Grth | VBK | ESC | 4.24 |
| PS DWA Tech Ldr | PDP | ELC | 4.12 |
| Vngrd Materials | VAW | EA | 4.09 |
| iShares Russel MidVal | IWS | EMC | 4.08 |
| iShares Spain | EW P | EW | 4.06 |

This page and the next three show the equity ETF database rankings from high to low based on C. C is Comet, which is the risk-adjusted relative performance; the higher the C ranking, the better. Comets, not stars, because comets come into and out of prominence over time. We want the metaphor to match reality.

The first column shows the name. The second column shows the symbol. The third column shows the style; it begins with E for Equity and then the style (A is aggressive, W is world, WR is world regional, SC is small cap, MC is mid cap, LC is large cap, GI is growth/income, V is value). The fourth column shows the C level.

ETF Rankings by C to previous week's end

| | | | |
|---------------------------------|-------|------|------|
| PS Dyn Mrkt | PWC | ELC | 4.04 |
| Vngrd Grth | VUG | ELC | 4.03 |
| PS DWA Dvlpd Mrkt T Ldrs | PIZ | ELC | 4.03 |
| PS Gbl Gold Precious Mtls | PSAU | EG | 3.97 |
| Vngrd Small Cap | VB | ESC | 3.73 |
| Vngrd Small Cap Value | VBR | ESC | 3.69 |
| Select SPDR MatrIs | XLB | EA | 3.66 |
| PS Zacks Micro Cap | PZI | ESC | 3.64 |
| PS Dynmc Media | PBS | EA | 3.58 |
| PS Water Resources | PHO | EA | 3.42 |
| iShares Gold | IAU | EG | 3.37 |
| Select SPDR Indl | XLI | EA | 3.35 |
| SPDR Gold | GLD | EG | 3.35 |
| iShares Russell 1000 Grwth Indx | IWF | ELC | 3.31 |
| SPDR S&P Metals & Mining | XME | EA | 3.27 |
| SPDR S&P Regional Banking | KRE | EA | 3.20 |
| PS DB Gold | DGL | EG | 3.15 |
| Guggnhm Insdr Sent | NFO | EMC | 3.10 |
| Wtree MidCap Earn | EZM | EMC | 2.96 |
| PS Gbl Listd Prvt Eqty | PSP | EW | 2.91 |
| PS S&P SmICap Industrils | PSCI | EA | 2.89 |
| iShares Core S&P Mid Cap | IJH | EMC | 2.85 |
| Wtree Intrntl SC Div | DLS | EW | 2.84 |
| Market Vectors Gold Minors | GDX | EG | 2.80 |
| SPDR S&P Bank | KBE | EA | 2.79 |
| SPDR Mid Cap Trust | MDY | EMC | 2.76 |
| PS S&P 500 BuyWrite | PBP | ELC | 2.72 |
| PS Gldn Drgn USX China | PGJ | EW | 2.63 |
| PS Dynmc Leisure & Enter | PEJ | EA | 2.60 |
| PS WilderHill Prgsv Enrgy | PUW | EA | 2.58 |
| Wtree MidCap Div | DON | EMC | 2.49 |
| PS DB Oil | DBO | EA | 2.47 |
| iShares Russell 2000 | IWM | ESC | 2.46 |
| SPDR S&P Homebuilders | XHB | EA | 2.44 |
| Vngrd TTL Stock | VTI | ELC | 2.35 |
| Select SPDR FinancIs | XLF | EA | 2.29 |
| Wtree S&P 500 | EPS | ELC | 2.24 |
| Wtree India | EPI | EW R | 2.24 |
| Wtree Intrntl Div Ex Fincl | DOO | EW | 2.18 |
| PS DB Precious Metals | DBP | EG | 2.16 |
| PS S&P SmICap Cnsmr Dis | PSCD | EA | 2.12 |
| iShares Germany Indx | EWG | EW | 2.11 |
| Alerian MLP | AML P | EG I | 2.11 |
| Wtree Intrntl Utilities | DBU | EW | 2.02 |
| PS FTSE RAFI US 1500 SmI-Mid | PRFZ | EMC | 2.00 |
| PS S&P SmICap Utilities | PSCU | EA | 1.99 |
| PS Hi Yld Eqty Div | PEY | EG I | 1.98 |
| PS S&P SmICap Hlth Care | PSCH | EA | 1.98 |
| Vngrd Large Cap | VV | ELC | 1.97 |
| PS Buyback Achievers | PKW | EG I | 1.94 |
| Wtree Ttl Earn | EXT | ELC | 1.93 |

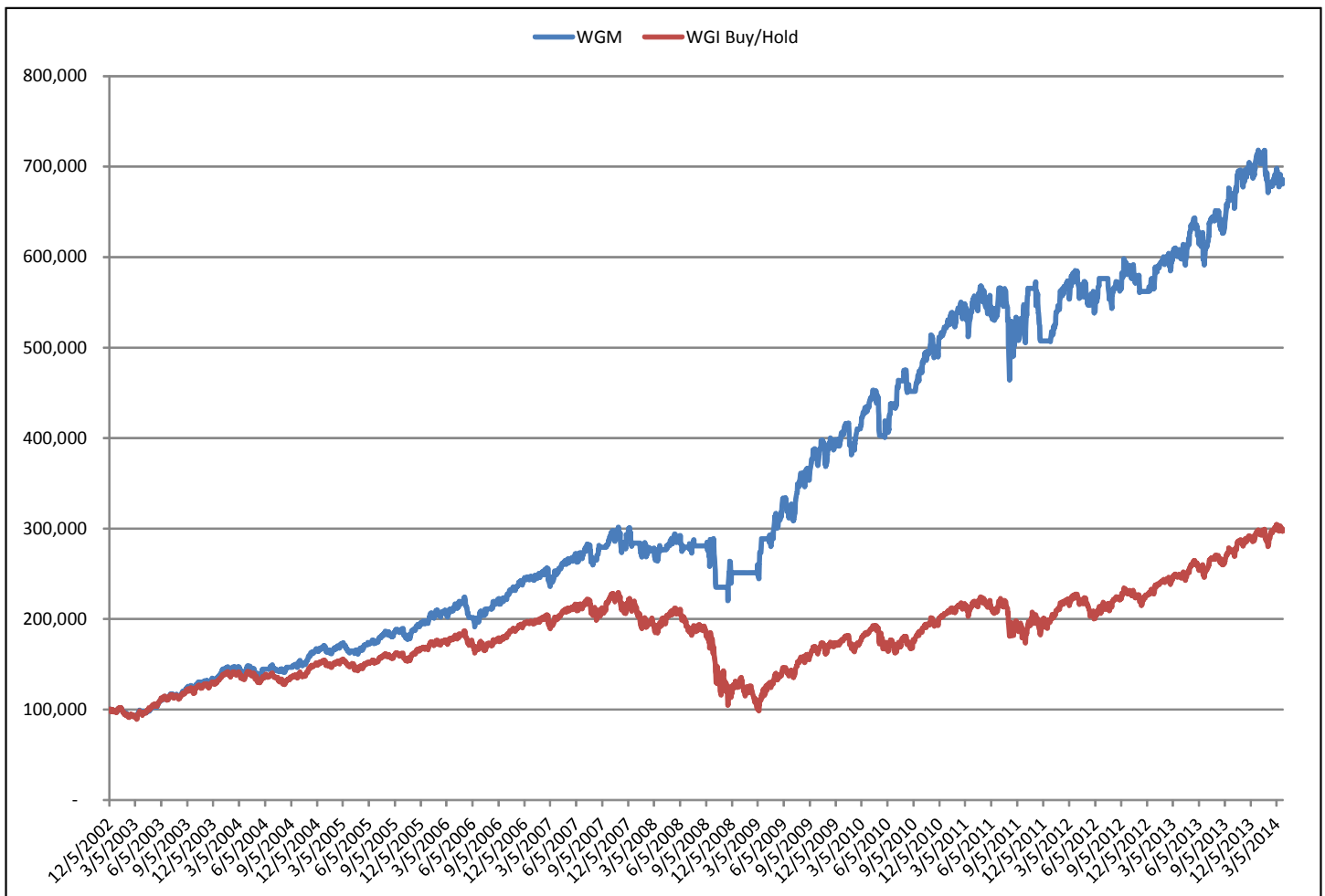
ETF Rankings by C to previous week's end

| | | | |
|------------------------------------|------|-----|------|
| Vngrd Fincl Srv | VFH | EA | 1.86 |
| US Oil Fund | USO | EA | 1.86 |
| PS Dynmc Energy | PXI | EA | 1.79 |
| Vngrd European Indx | VGK | EW | 1.74 |
| PS Dynmc Food & Bev | PBJ | EA | 1.69 |
| iShares Russell 2000 Value Indx | IWN | ESC | 1.67 |
| iShares Core S&P 500 | IVV | ELC | 1.65 |
| SPDR S&P 500 | SPY | ELC | 1.64 |
| PS Dynmc Technology | PTF | EA | 1.63 |
| iShares EMU Indx | EZU | EW | 1.62 |
| iShares DJ Slct Div | DVY | EGI | 1.58 |
| iShares Europe 350 | IEV | EW | 1.56 |
| PS Dynmc Energy Explor | PXE | EA | 1.51 |
| PS S&P SmICap Energy | PSCE | EA | 1.51 |
| PS Dynmc Lrg Cap Value | PWV | ELC | 1.50 |
| Vngrd Consmr Dis | VCR | EA | 1.45 |
| iShares Russell 1000 Value Indx | IWD | ELC | 1.43 |
| Wtree Intrntl MC Div | DIM | EW | 1.39 |
| PS BLDR Europe 100 ADR | ADRU | EW | 1.39 |
| SPDR DJ Industrials | DIA | ELC | 1.38 |
| PS Dynmc Fncl | PFI | EA | 1.22 |
| iShares Telecomm | IYZ | EA | 1.20 |
| Select SPDR Cnsmr Disc | XLY | EA | 1.19 |
| Wtree Div Ex Fincl | DTN | ELC | 1.19 |
| Guggnhm Intrntl A Incm | HGI | EW | 1.15 |
| Wtree Eqty Income | DHS | EGI | 1.08 |
| PS DB Commodity | DBC | EA | 1.07 |
| Guggnhm MidCap Core | CZA | EMC | 1.07 |
| PS India | PIN | EW | 1.04 |
| PS DB Energy | DBE | EA | 0.96 |
| Wtree DEFA Eqty Incm | DTH | EW | 0.94 |
| PS S&P 500 LowVolatility Portfolio | SPLV | ELC | 0.93 |
| iShares S&P 100 Indx | OEF | ELC | 0.90 |
| Guggnhm Candn Enrg Incm | ENY | EWR | 0.84 |
| iShares Slct Div | IDV | ELC | 0.84 |
| SPDR Euro Stoxx 50 | FEZ | EW | 0.76 |
| Guggnhm Multi Ast In | CVY | EV | 0.74 |
| Guggnhm Dfnsv Eqty | DEF | EV | 0.65 |
| Guggnhm Timber | CUT | EA | 0.64 |
| Wtree SmI Cap Div | DES | ESC | 0.63 |
| PS Dynmc Consmr Discr | PEZ | EA | 0.54 |
| Wtree LrgCap Div | DLN | ELC | 0.53 |
| PS Dynmc Consmr Staples | PSL | EA | 0.48 |
| Wtree DEFA | DWM | EW | 0.47 |
| Guggnhm Spin Off | CSD | EMC | 0.45 |
| SPDR S&P Oil & Gas Expl. & Prod. | XOP | EA | 0.42 |
| PS Dyn MagniQuant | PIQ | ELC | 0.36 |
| PS S&P SmICap Cnsmr Stpl | PSCC | EA | 0.29 |
| PS S&P SmICap Fincl | PSCF | EA | 0.24 |

ETF Rankings by C to previous week's end

| | | | |
|-----------------------------------|-------|------|-------|
| iShares Canada | EW C | EW | 0.20 |
| PS BLDR Dvlpd Mrkt 100 ADR | ADR D | EW | 0.20 |
| Select SPDR Div | SDY | EG I | 0.17 |
| PS FTSE RAFI Dvlp Mrkt xUSA | PXF | EW | 0.15 |
| PS Gbl Agriculture | PAG G | EA | 0.10 |
| PS FTSE RAFI Dvlp Mrkt xUSA Sm I | PDN | EW | 0.07 |
| W tree Intrntl LC Div | DOL | EW | 0.05 |
| PS Dividend Achievers | PFM | EG I | 0.04 |
| Select SPDR Cnsmr Stpl | XLP | EA | 0.02 |
| Vngrd Cnsmr Stpls | VDC | EA | -0.01 |
| Select SPDR Enrgy | XLE | EA | -0.05 |
| PS Intrntl Dvdnd | PID | EW | -0.07 |
| Guggnhm Gbl Div | LVL | EW | -0.09 |
| Vngrd Div Apprctn | VIG | EG I | -0.12 |
| SPDR DJ Gbl Titans | DGT | EW | -0.15 |
| Market Vectors Oil Services | OIH | EA | -0.17 |
| iShares Taiwan Indx | EW T | EW | -0.25 |
| iShares EAFE Indx | EFA | EW | -0.25 |
| Vngrd Europe Pacific | VEA | EW | -0.41 |
| W tree World Ex US Grth | DNL | EW | -0.42 |
| PS Dynmc Oil & Gas Srvcs | PXJ | EA | -0.47 |
| Vngrd TTL Intrntl Stk | VXUS | EW | -0.51 |
| Pro Shares Short S&P 500 | SH | EC | -0.54 |
| iShares Australia | EW A | EW | -0.62 |
| W tree Gbl Eqty Incm | DEW | EW | -0.63 |
| iShares Silver | SLV | EG | -0.74 |
| W tree Japan Hedge Eqty | DXJ | EC | -0.81 |
| iShares Pacific ex Jpn | EPP | EW | -0.93 |
| Guggnhm China Sm I | HAO | EW R | -0.99 |
| W tree Japan SC Div | DFJ | EW R | -1.10 |
| SPDR S&P Retail | XRT | EA | -1.14 |
| PS DB Silver | DBS | EG | -1.40 |
| PS DB Base Metals | DBB | EG | -1.53 |
| Market Vectors Junior Gold Miners | GDXJ | EG | -1.57 |
| iShares Malaysia Indx | EW M | EW | -1.57 |
| iShares Singapore | EW S | EW | -1.68 |
| W tree Intrntl REIT | DRW | ERE | -1.76 |
| W tree Emrg Mrkt SC Div | DGS | EW | -1.77 |
| Pro Shares Short Russell 2000 | RW M | ESC | -1.81 |
| PS FTSE RAFI Asia Pac xJpn | PAF | EW | -1.95 |
| iShares Hong Kong Indx | EW H | EW | -2.03 |
| iShares Japan | EW J | EW | -2.10 |
| PS Emrg Mrkt Infrastrctr | PXR | EW | -2.10 |
| Vngrd Emrg Mrkt | VW O | EW | -2.17 |
| iShares Mexico | EW W | EW | -2.23 |
| Guggnhm Frntr | FRN | EW | -2.40 |
| iShares Emrg Mrkt Stk | EEM | EW | -2.44 |
| PS BLDR Asia 50 ADR | ADRA | EW | -2.82 |
| PS Dynmc Retail | PMR | EA | -2.88 |
| PS FTSE RAFI Emrg Mrkt | PXH | EW | -2.91 |
| PS BLDR Emrg Mkt 50 ADR | ADRE | EW | -2.94 |
| iShares South Korea Indx | EW Y | EW | -3.01 |
| PS DWA Emrg Mrkt T Ldrs | PIE | EW | -3.08 |
| W tree Emrg Mrkt Eincm | DEM | EW | -3.32 |
| Guggnhm China All | YAO | EW R | -3.46 |
| iShares Latin Am r | ILF | EW | -4.54 |
| Guggnhm BRIC | EEB | EW | -4.73 |
| Guggnhm China REIT | TAO | EW R | -4.77 |
| iShares China | FXI | EW | -6.03 |
| iShares Brazil Indx | EW Z | EW | -7.15 |
| Market Vectors Russia | RSX | EW | -7.65 |

World Growth Model (blue) versus Buy/Hold of Same (red)



In any one month or two or even by year, the World Growth Model (timed) may or may not outperform the World Growth Index (same five selections (EEM, EFA, IWM, QQQ, SPY), no timing), but over the years, it has substantially outperformed.

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) **REVIEW**

similar to 1999 wherein the market went from overvalued to more overvalued, even as the trend remained strong up. That year the S&P 500 rose 19.5% on the heels of a strong 1998 when the market rose 26.7%. Thereafter it entered a practically unheard of three-year bear market, which ushered in the current secular bear market.

I say secular bear market because stocks never really dropped enough in 2007-2009 to reflect what we see when we move from a secular bear into a secular bull. The typical secular bull market valuation, for example on PE ratios, never dropped below 10x.

So, as long as the Fed re-

mains accommodative, the odds of the stock market continuing in an uptrend remain very high.

They will continue with their taper program to the tune of \$10 billion per month, until the end of this program in about six months. The question was what happens next? Will the Fed actually begin to tighten? Her first comment was in six months, but as mentioned, it is now “for some time”.

It is all data dependent.

In the meantime, things are overvalued, but the trend is up.

See the portfolios for more information.

Just to clarify a couple of terms that I use regularly.

Short-term is days to weeks.

Intermediate-term is weeks to months.

Long-term is months to years.

Cyclical is 1-5 years.

Secular is 5 years to decades.

Bull market is a series of higher highs and higher lows.

Bear market is a series of lower lows and lower highs.

Neutral market is sideways without a discernible pattern.

Oddly, bull and bear markets may occur simultaneously, but only over different time periods. For example, we may be in a secular bear market, but there are cyclical bull and bear markets within that.

Closing stops are “mental”. I look at the position at quarter to the close. If it is trading below the stop (or above if short), then I act with the assumption the security will trigger that closing stop on that day. I sell (or cover) at the close that day.

Portfolio stops for the World Growth Model are internally maintained; they are based on the World Growth Index, not the individual ETFs. Stops will be emailed when close or if triggered.

3/31 No changes.

3/24 Planning to introduce the World Income Model shortly.

3/17 No changes (comment added).

3/10 The “window to buy” chart is updates. See also the new charts on page 11.

3/3 No changes.

2/24 Couple of database changes. Deleted PXN that suspended trading. Deleted another that changed symbols, but was not very liquid. Deleted VXX too volatile (doesn't trend well).

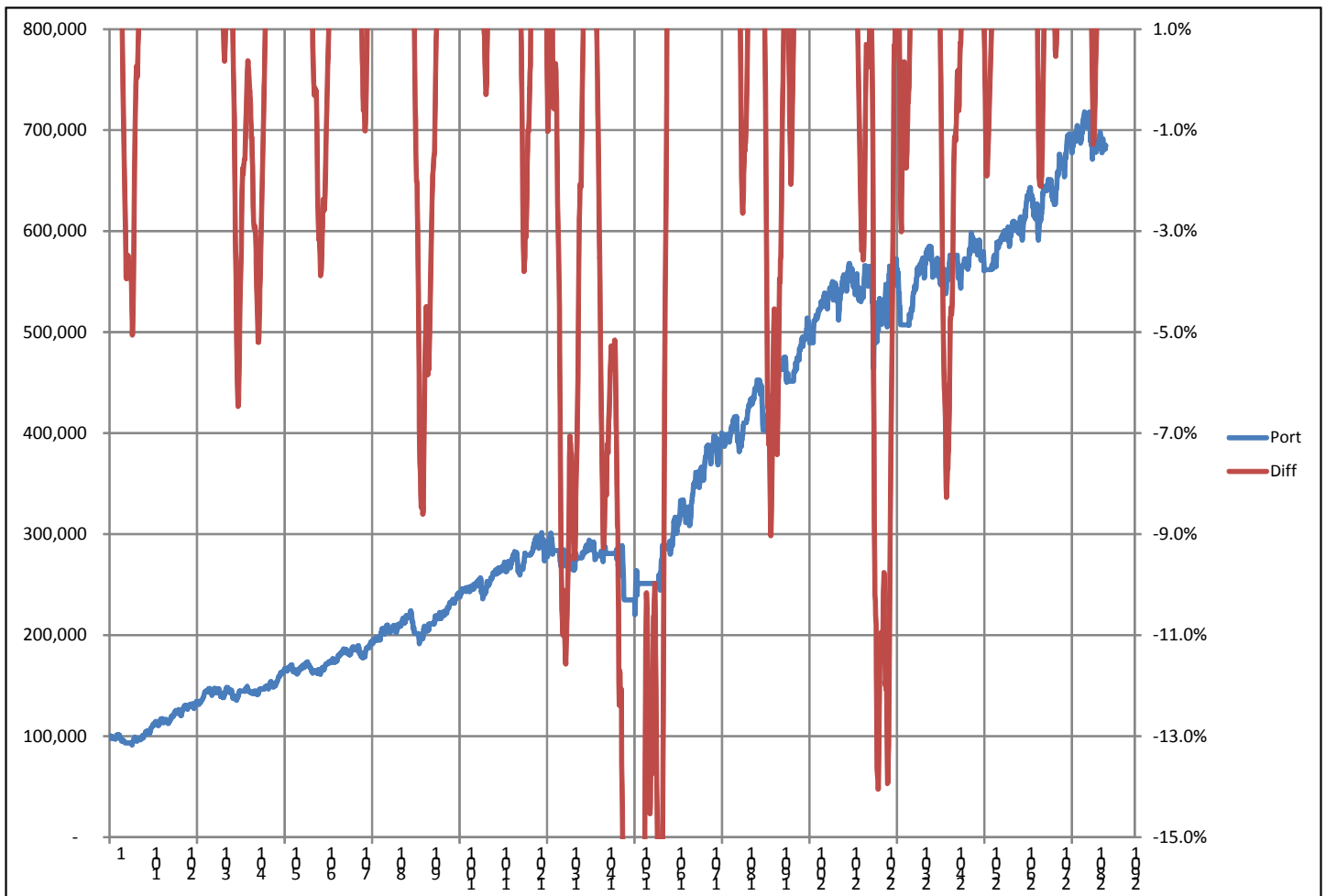
2/18 Still working on the World Income Model.

2/10 No changes.

2/3 Made an ETF database change. Deleted a low volume ETF and added a larger volume ETF.

1/27 Work continues on that combined timing model (trends and contraries). See comment/letter 12/2.

Window to Buy (closed currently)



The chart above shows the World Growth Model (WGM-blue line) and the Window to buy (Window-red spikes). The chart covers the period from 12/5/2002 through the present. The vertical lines mark off about 1 year increments.

The Window to Buy is to answer the question if I missed the initial timing model buy signal, then when do I either buy my initial position or increase my position with additional money?

Being risk-averse, I wanted a way to answer this sensibly, which is try to buy on measured corrections, rather than chase the market higher and higher. The Window to Buy is the answer. The caveat is that in a strong, early bull market, this approach may miss the early gains, unless you are already following the World Growth Model strategy. But the rest of the time, the Window is a solid approach to managing portfolio risk.

The base line for the Window is 0%. The chart shows +1% to -15%. When the base line is above zero, the Window is closed. It doesn't mean the market can't or won't go higher. It just means that the downside risk to the potential stop or sell signal is fairly wide. When the WGM drops enough, then the Window to buy opens.

When the Window opens, it represents a lower-risk entry period. If the market recovers to new highs, the Window will close again. If the market continues lower, either the sell stop will be triggered or the timing model will signal a sell. The timing model sell signal overrides the Window to buy.

What normally happens in up markets is the timing model remains on a buy, while the market corrects and opens the Window to buy. It then reverses and heads higher with more investment dollars on board for the rally.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 6)

Our guiding goal is to provide the most return with the least risk consistently through bull and bear markets.

Income Portfolio, page 2: Uses a proprietary selection methodology on all of the monitored bond-oriented ETFs to pick the top ETFs. I then use a proprietary timing model to decide whether to buy, sell, hold, or avoid. From time to time, timing considerations may take precedence over selections; in other words, we may own lower ranked funds because of anticipated timing changes.

Growth Portfolio, page 6: As of 12/10/12, it is based on the World Growth Index (WGI), which is made up of a static fully invested 20% in each of five ETFs (EEM, EFA, IWM, QQQ, SPY). The Portfolio will buy and sell the WGI based on proprietary timing signals. On 9/23/13, the new C-lect 5 is also part of this portfolio. It too uses timing.

Both portfolios were started on 1/1/10 with \$100,000. As mentioned, the Growth Portfolio strategy was changed on 12/10/12 to the World Growth Model and again on 9/23/13 to incorporate the C-lect 5 model.

Portfolio changes will usually be made at the close on Monday, unless otherwise noted in any emailed hotline update or triggered stop orders. Issues are normally posted on Mondays by 1:35pm cst (Tuesday if Monday is a holiday, defined as market closed).

Portfolios are updated through the Friday close the week before.

Dividends are reinvested in additional shares.

Commissions of \$10 per trade are applied. Interest is currently zero for the money market (cash) position.

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Unless otherwise noted, the weekly eNewsletter is posted by 1:35 PM central time each Monday, except for holidays (closed stock market) and then on Tuesday. It may contain actionable, specific buy or sell advice to take that day at the Monday (or Tuesday) close in each portfolio. We may also use stop orders. For stops, check the ETF at quarter to the close. If it is below (or above) a stop level, assume it will close there and act on that. Portfolio data will be updated through the previous Friday's close. Fund symbols, rather than names, are the official identification used for activity.

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