

ETF Selections & Timing

Watercourse Way Holdings, LLC

P.O. Box 830396
Richardson, TX 75083-0396
972-680-2366

InvestmentST.com

April 23, 2012 (data through previous Friday close)

Volume 3
Issue 17

Unresolved Issues

Europe once again has spoiled the rally party. Over the weekend signs of recession and political weakness and liquidity concerns again surfaced. Greece issues were settled, but now there is Spain, Italy, and others to deal with. Sovereign debt with a

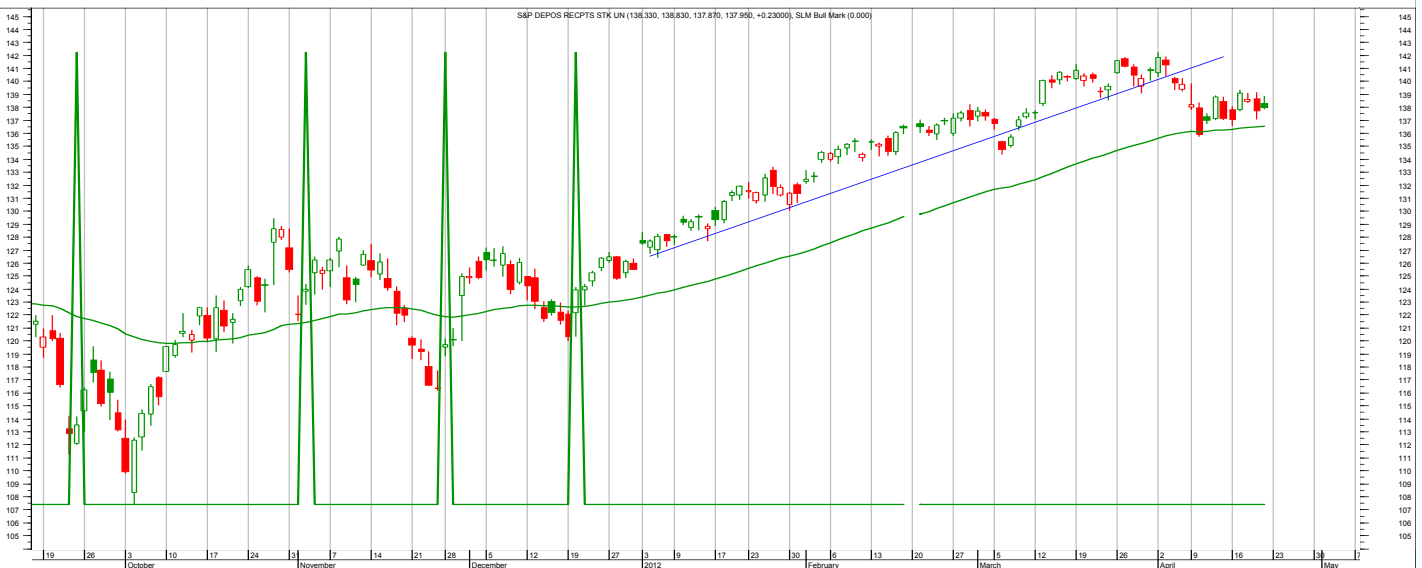
high yield of 7% that might be on its way to a 50% haircut of principal loss is still no bargain. They sneeze and we catch a cold. It used to be the other way around.

It's not just European issues, however, that remain unresolved that continue to suppress

the bull market.

There's new stuff too, like the new bribery charges against Wal-Mart. It, being a part of the Dow 30, will make this all very interesting. If the charges hold, damages could exceed \$1 bil-

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



This is the daily chart of SPY (S&P 500 index). The green spikes show potential buying areas.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
ETF Income Portfolio	1.0%	3.9%	2.8	0.8	-0.3	0.2%
ETF Growth Portfolio	0.3%	1.8%	1.4	0.1	-0.6	0.2%
Aggrgt Bond (AGG)	0.2%	4.5%	1.0	0.5	0.7	0.1%
Wilshire 5000	10.7%	4.0%	12.9	5.4	-1.4	0.6%

CONTENTS

Pages 2-5	Income
Page 4	Bond Model
Pages 6-11	Growth
Page 12	Overflow
Page 13	Disclaimers

Income Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date: 4/20/2012							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 4/23	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
13-Mar	sell	AGG	109.92	700.6	77,000	AGG	110.00						0.0%	
14-Mar	sell	LQD	114.85	256.3	29,426	LQD	116.00						0.0%	
26-Mar	buy	JNK	39.69	800.0	31,762	JNK	39.00	hi yield					0.0%	
2-Apr	buy	PCY	28.10	1,200.0	33,730	PCY	27.00	emrg debt	28.10	28.22	1,200	33,864.00	30.9%	
9-Apr	sell	JNK	38.83	804.9	31,244									
						Money Market					1.00	75,889	75,889.00	69.1%
												Total Valuation=	109,753.00	100.0%

WEEKLY REVIEW

4/23 Bonds meander higher to sideways. No changes now.

4/16 Stopped out of JNK. But will look to reenter.

4/8 No changes.

4/2 Junk (high-yield) remains relatively attractive. I will also buy PCY (emerging markets sovereign debt), but watch the stop.

3/26 Junk bonds compared to Treasuries and investment grade corporates remain cheap, as they have since 2008. But with the economy muddling along in expansion and the Fed committed to keeping interest rates lows, I suspect that spread will narrow over the next year. Buy as noted above. However, with the economic weakness in Europe and China, this may impact the US. So, watch the stop level closely.

	2010	2011	ytd 2012	Incptn	SD
ETF Income Portfolio	4.8%	3.6	1.0	9.8	3.0
Aggregate Bond	2.5%	4.3	0.2	7.1	2.0

This shows the returns of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

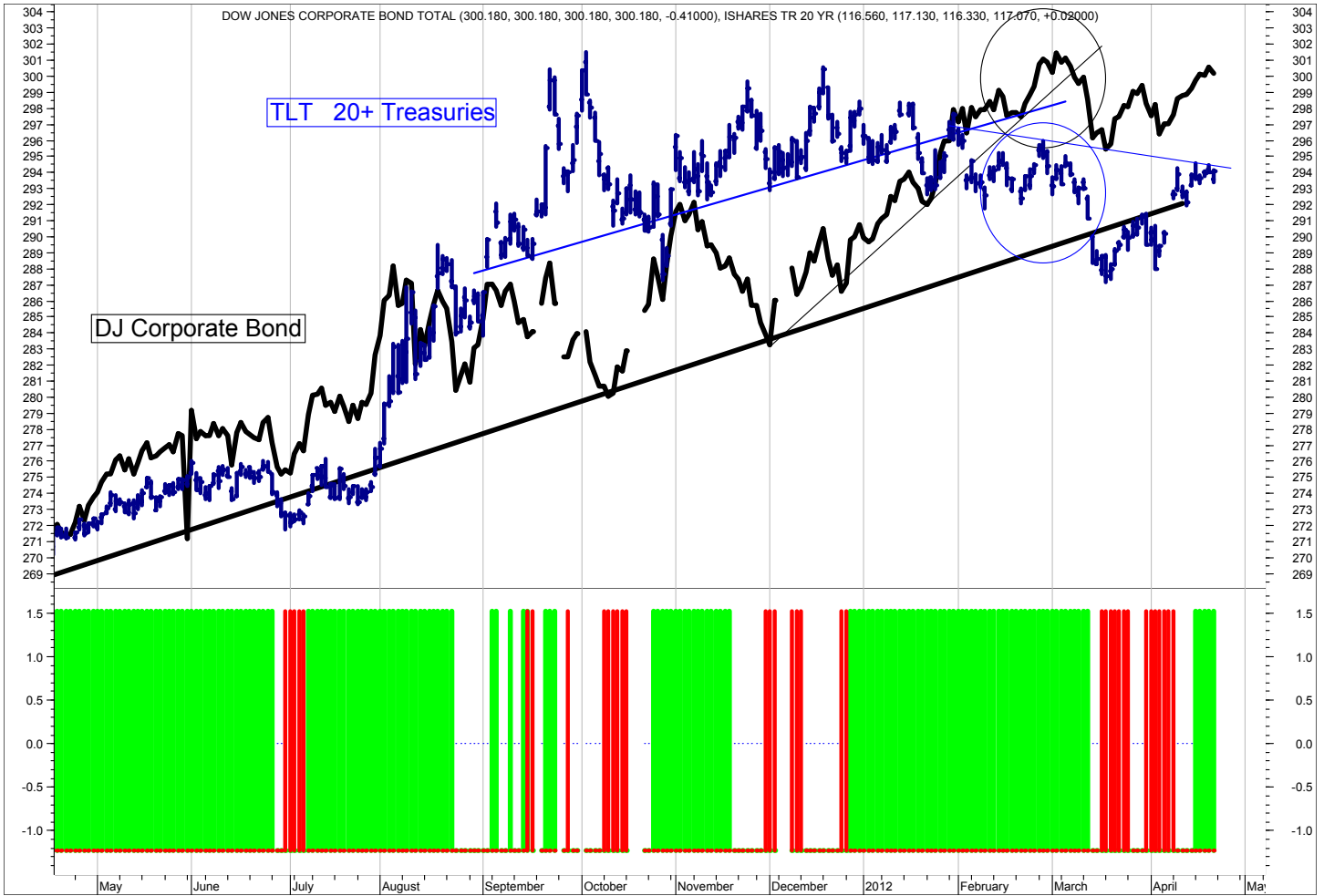
ETF Income Database and Ranking to 3/31/12

<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 Trsry Infltn	TIP	BI	7.78	6.34	2.93	0.82	-0.86	0.87	117.65	*****
PS Insrdr CA Muni	PWZ	BI	11.68	7.31	2.84	1.90	-0.80	1.37	24.67	*****
iShares 7-10yr Trsry	IEF	BI	11.04	7.74	-1.70	-2.17	-1.75	1.47	103.28	****
iShares Long Corp Bond	LQD	BL	6.87	4.99	2.96	1.64	-1.76	1.43	115.63	****
PS Bld America	BAB	BI	15.36	11.81	0.83	1.25	-1.22	1.90	29.06	****
PS Emrg Mrkt Svrgn Debt	PCY	BW	6.06	3.43	7.15	2.41	-0.18	1.69	28.02	****
PS Insrdr Natl Muni	PZA	BI	11.47	6.86	2.19	1.35	-1.20	1.41	24.78	****
PS Insrdr NY Muni	PZT	BI	9.97	6.43	2.24	1.04	-1.15	1.22	24.15	****
Currency Euro	FXE	BF	-5.98	-8.14	-0.56	2.95	0.08	2.30	132.72	***
iShares 10-20yr Trsry	TLH	BL	14.28	11.50	-3.35	-3.89	-2.81	2.16	127.76	**
iShares 20+ yr Trsry	TLT	BL	21.78	19.23	-7.12	-7.46	-4.45	3.65	112.20	**
iShares 3-7yr Trsry	IEI	BI	6.06	3.42	-0.31	-0.77	-0.67	0.75	121.10	**
iShares Agg Bond	AGG	BI	4.49	2.98	-0.24	-0.36	-0.82	0.67	109.85	**
iShares High Yld	HYG	BH	-1.35	-0.65	9.52	1.44	-1.53	2.25	90.72	**
iShares Inter Bond	MBB	BI	2.49	1.16	-0.22	-0.11	-0.22	0.37	107.95	**
iShares Inter Gov	GVI	BI	3.19	1.82	-0.04	-0.15	-0.62	0.55	111.12	**
PS 1-30 Ldr Trsry	PLW	BI	13.33	10.79	-3.71	-4.19	-2.69	2.19	31.11	**
PS DB Dollar Bearish	UDN	BF	-2.52	-4.62	0.99	2.16	0.13	1.80	27.43	**
PS DB Dollar Bullish	UUP	BF	0.55	3.25	-1.77	-2.49	-0.23	1.82	21.91	**
PS DB G10 Currency	DBV	BF	2.67	0.93	8.98	5.26	-2.15	2.21	25.01	**
PS Fdmntl Hi Yield Corp	PHB	BH	0.54	0.59	6.10	0.81	-1.27	1.44	18.62	**
PS Prfd	PGX	BF	0.14	0.21	5.82	4.97	-0.48	1.40	14.37	**
SPDR High Yield	JNK	BH	-2.81	-2.11	8.79	2.39	-1.80	2.29	39.37	**
SPDR Intrntl TBond	BWX	BW	0.18	-2.96	-0.28	1.89	-0.93	1.66	59.94	**
Vngrd Intrmdt Bond	BND	BI	4.07	2.61	-0.55	-0.31	-0.74	0.58	83.28	**
Vngrd ShrtTrm Bond	BSV	BS	0.97	-0.11	-0.59	0.12	-0.32	0.38	80.94	**
Wtree Dryfs Chns Yuan	CYB	BF	-0.04	-0.28	0.28	0.64	-0.28	0.77	25.35	**
Wtree Dryfs Emrg Crrncy	CEW	BF	-8.48	-10.09	1.26	6.29	-1.27	3.05	20.94	**
Wtree Dryfs Euro	EU	BF	-9.17	-11.26	-5.05	5.51	0.38	2.85	20.89	**
Wtree Dryfs N Zlnd Dollar	BNZ	BF	0.34	-0.85	0.56	-8.00	-10.93	3.66	23.46	**
Wtree Dryfs S Africa Rand	SZR	BF	-13.87	-14.82	0.53	7.15	-2.39	4.43	24.88	**
Wtree Emrg Mrkt Lcl Debt	ELD	BF	-0.04	-3.05	7.86	6.68	-1.31	2.91	51.89	**
iShares Intrntl Tbond	IGOV	BW	-4.47	-6.30	-4.59	-0.07	-1.26	1.78	99.83	**
PS Low Duration	PLK	BS	0.87	0.20	-0.55	0.12	-0.27	0.29	25.45	**
Wtree Dryfs Brazil Real	BZF	BF	-26.46	-30.59	-16.91	4.21	-5.10	5.53	20.29	**
Wtree Dryfs Comdty Cur	CCX	BF	-20.37	-23.09	-14.00	5.27	-2.33	4.44	21.38	**
Wtree Dryfs Indn Rupee	ICN	BF	-20.73	-21.84	-13.72	6.56	-2.85	3.95	21.44	**
Wtree Dryfs Jpn Yen	JYF	BF	-1.09	-3.49	-8.24	-8.90	-2.40	1.80	30.94	**
iShares 1-3yr Trsry	SHY	BS	0.68	0.02	-0.30	-0.21	-0.12	0.16	84.32	*
PS VRDO Tax Free Wkly	PVI	BS	0.00	-0.04	-0.04	-0.12	0.00	0.03	24.99	*

ETF data on pages 3, 7, 8, 9, and 10 are for the periods shown (12months, 9, 6, 3, and 1) through the previous month's close. Generally, we want to own the top ranked ETFs (shown in green) and avoid or short the lower ranked ETFs (shown in red).

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.

SLM Bond Timing Model



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

4/23 The Model is back to bullish. I prefer to buy on pullbacks, rather than chase it here.

4/16 The bond market has had a decent rebound rally after breaking major support lines. Still watching for some pullbacks in order to buy.

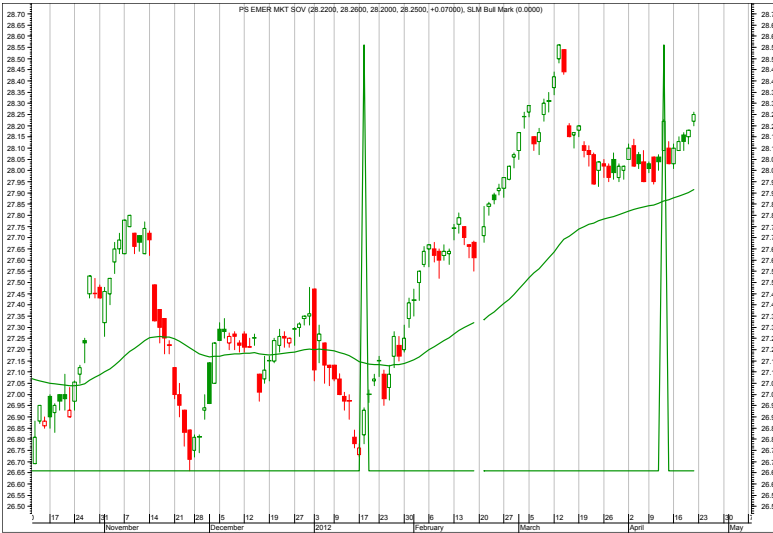
4/8 The bond market is in correction mode within a long-term uptrend. I'll be watching for buy areas.

4/2 The bond market bounced back last week after its sharp sell off. I'll be watching to see if any buy signals develop. After all, the Fed has signaled its intention to keep short-term rates down through the end of 2014.

3/26 As expected, the negative divergence between corporates and Treasuries has led to a sharp selloff. I'll continue to stand aside for now, except for junk bonds (JNK) as noted on page 2.

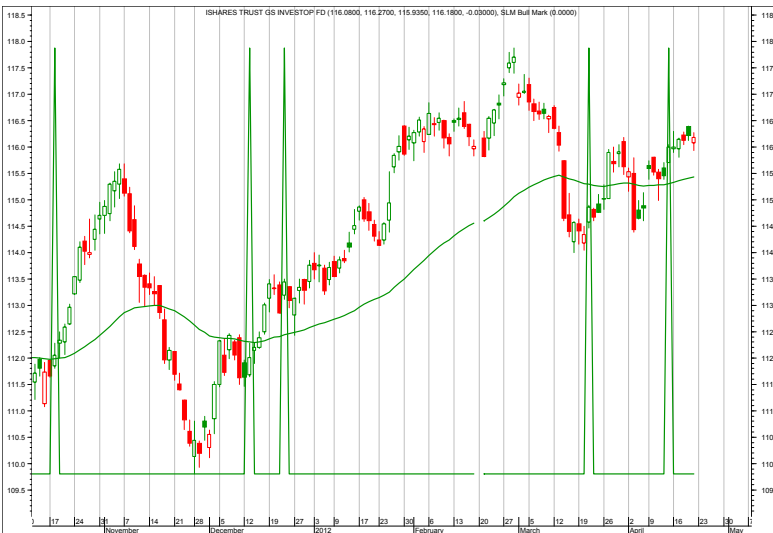
3/19 The Model turned bearish (higher yields and lower prices forecasted).

Income Charts



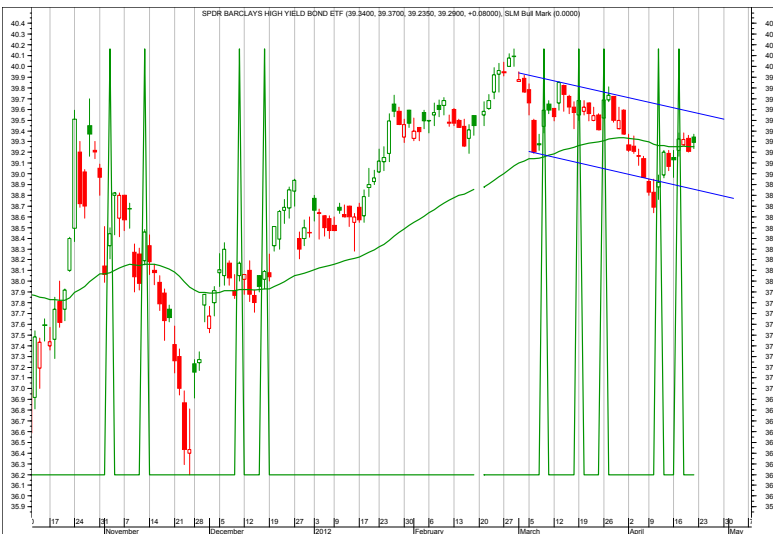
PCY—emerging market sovereign debt

- 4/23 No change.
- 4/16 Still attractive.
- 4/8 No changes.
- 4/2 If the crisis in Europe is reaching an end, then PCY may benefit.



LQD—Corporate Bonds

- 4/23 No change.
- 4/16 Will look to buy on pullbacks.
- 4/8 No changes.
- 4/2 Bouncing. But a further pullback expected.
- 3/26 No changes.
- 3/19 Blue trend line is the next buy target.
- 3/12 The strong rally of the last 3 months appears in need of rest.
- 3/5 No change.
- 2/27 Trending up.
- 2/21 Nice rally from the last signal, but can't go straight up forever. Watch the stops.



JNK—Hi Yield

- 4/23 Hi yield still looks relatively attractive, as long as no recession is in sight. Domestically this is true, but internationally, not really.
- 4/16 Was stopped out of the position, but will look to reenter.
- 4/8 No changes.
- 4/2 Continue to accumulate, but watch the stop.
- 3/26 JNK has dropped back to support. Time to buy with a tight stop.

Each chart shows daily prices, a moving average (smoothed red line on price portion), and spikes. The spikes show potential buy and sell short signals. Generally speaking, if the moving average is trending down, the spike shows a potential sell short. If the moving average is trending up, the spike shows a potential buy. The charts do not show selling or covering signals.

Growth Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 4/20/2012							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 4/23	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total	
19-Mar	buy	GLD	161.59	40	6,474	LONG ETFs-							0.0%	
19-Mar	buy	EEM	43.92	150	6,598								0.0%	
			about 5%			DVY	55.00	Dividend	56.02	55.94	200	11,188.00	9.7%	
26-Mar	buy	DVY	56.02	200	11,214	PKW	28.00	Buybacks	28.92	29.12	400	11,648.00	10.0%	
			about 10%											
26-Mar	buy	EEM	43.65	150	6,558									
			about 5%											
4-Apr	sell	GLD	157.21	40	6,278									
10-Apr	sell	EEM	41.29	300	12,377	SHORT ETFs-								
16-Apr	buy	PKW	28.92	400	11,578									
			about 10%											
						Cash from short Money Market				1.00	-	-	0.0%	
											1.00	93,074	93,074.00	80.3%
											Total Valuation=		115,910.00	100.0%

WEEKLY REVIEW

4/23 I tightened the stop. The market is still more of a trending sideways than trending up or down.

4/16 Buy PKW as noted above.

4/8 Gold was stopped out. Will watch for a reentry point.

4/2 No changes.

3/26 Buy DVY as noted above. Buy more EEM. Note the tight stops.

3/19 I will make a couple of minor trades in here, buying GLD and EEM.

	2010	2011	ytd 2012	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	0.3	15.9	5.7
Wilshire 5000 TR	17.7%	0.5	10.7	31.0	10.1

This shows the returns of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

Top ETF Growth Ranking to 3/31/12 (month end)

<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>
PS Buyback Achievers	PKW	EGI	12.41	9.15	24.52	10.63	2.77	3.24	29.35	*****
PS Dynmc Leisure & Enter	PEJ	EA	14.37	11.00	35.37	17.12	5.90	4.08	21.89	*****
PS Dynmc Pharma	PJP	EA	29.08	17.23	27.92	11.53	2.61	3.58	31.43	*****
PS Dynmc Retail	PMR	EA	25.29	20.69	34.72	16.62	4.74	4.39	25.61	*****
Select SPDR Cnsmr Disc	XLY	EA	15.47	12.14	29.35	15.56	4.40	3.62	45.09	*****
Select SPDR Technlgy	XLK	EA	15.72	17.35	27.80	18.51	4.20	3.52	30.16	*****
PS QQQ	QQQ	ELC	17.62	18.40	28.69	20.99	4.88	3.87	67.55	*****
Vngrd Consmr Dis	VCR	EA	14.35	10.38	29.48	16.81	4.12	3.82	72.20	*****
Vngrd Grth	VUG	ELC	10.37	9.71	26.87	14.91	3.18	3.41	70.97	*****
Vngrd Tech	VGT	EA	15.49	17.10	30.69	20.87	4.70	4.13	74.18	*****
Guggnhm Dfnsv Eqty	DEF	EV	7.77	5.49	12.48	2.53	1.19	2.04	28.03	****
Guggnhm Spin Off	CSD	EMC	9.42	8.80	27.58	12.97	2.71	3.68	26.57	****
iShares DJ Slct Div	DVY	EGI	7.35	5.74	16.00	4.07	0.97	2.32	55.96	****
PS Dividend Achievers	PFM	EGI	7.25	5.82	17.53	5.75	1.67	2.52	15.82	****
PS DWA Tech Ldr	PDP	ELC	6.47	4.68	24.32	14.56	3.37	3.75	27.30	****
PS Dynmc Banking	PJB	EA	3.85	9.85	41.36	14.50	4.81	4.56	13.50	****
PS Dynmc Consmr Discr	PEZ	EA	12.90	8.75	30.27	15.95	3.75	4.41	29.59	****
PS Dynmc Lrg Cap Grth	PWB	ELC	9.15	7.76	29.33	15.45	4.36	3.72	18.61	****
PS Dynmc Lrg Cap Value	PWV	ELC	5.90	4.15	21.41	7.94	2.46	3.09	20.81	****
PS Hi Yld Eqty Div	PEY	EGI	5.96	6.92	14.74	1.84	0.86	2.15	9.42	****
PS Mega Cap	PMA	ELC	10.36	9.21	22.39	11.95	2.57	3.40	29.51	****
PS S&P SmlCap Cnsmr Dis	PSCD	EA	12.97	8.96	35.44	18.30	4.09	4.99	32.06	****
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	9.40	4.57	16.99	8.39	5.51	3.31	34.09	****
PS S&P SmlCap Fincl	PSCF	EA	6.46	8.62	29.70	10.73	4.24	3.90	29.95	****
Select SPDR Cnsmr Stpl	XLP	EA	13.90	9.13	14.90	4.89	2.56	2.58	34.08	****
Select SPDR Div	SDY	EGI	4.60	4.77	16.66	5.14	1.31	2.36	56.64	****
Select SPDR Health	XLV	EA	13.59	5.85	18.53	8.42	3.95	2.93	37.61	****
SPDR DJ Industrials	DIA	ELC	7.14	6.44	21.00	8.17	1.94	3.05	131.80	****
SPDR S&P 500	SPY	ELC	6.20	6.70	24.45	12.20	2.77	3.39	140.81	****
Vngrd Consmr Stpls	VDC	EA	14.14	7.96	13.18	5.90	3.07	2.42	86.28	****
Vngrd Health	VHT	EA	12.54	5.33	19.19	10.39	4.23	3.10	67.57	****
Vngrd Large Cap	VV	ELC	6.02	6.34	24.74	12.44	2.86	3.44	64.43	****
Vngrd TTL Stock	VTI	ELC	5.17	5.64	25.19	12.38	2.63	3.49	72.26	****
Wtree Div Ex Fincl	DTN	ELC	9.36	6.61	16.86	5.42	0.64	2.44	54.82	****
Wtree Eqty Income	DHS	EGI	10.43	7.98	16.21	4.38	1.54	2.33	44.80	****
Wtree LrgCap Div	DLN	ELC	9.60	7.95	20.45	8.02	2.10	2.71	52.96	****
Wtree LrgCap Grth	ROI	ELC	4.91	6.94	26.32	12.86	1.31	3.92	41.00	****
Wtree S&P 500	EPS	ELC	8.16	8.44	25.14	12.26	2.39	3.42	49.43	****
Wtree Ttl Earn	EXT	ELC	7.29	7.67	25.65	12.53	3.11	3.54	50.65	****

This page shows the top ranked ETF Growth Database. 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, which is an ETF's risk-adjusted performance; the higher the better (not shown). This gives us the Rank column (shown).

Generally speaking, we want to own the top-ranked ETFs with 5 and 4 comets. (Comets, not stars, because unlike stars that are fixed, comets come into and out of prominence. We want our thinking, our metaphor aligning with reality.

Middle ETF Growth Ranking to same month end

<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>
Guggnhm China REIT	TAO	EWR	-14.10	-13.22	28.04	15.71	-10.04	8.07	16.94	***
Guggnhm Frntr	FRN	EW	-2.45	-8.19	18.24	18.63	2.72	5.19	21.52	***
Guggnhm Gbl Wtr	CGW	EW	-0.40	-2.92	15.21	12.63	2.56	3.61	21.11	***
Guggnhm Insdr Sent	NFO	EMC	1.01	-3.19	26.86	13.51	1.84	4.66	34.95	***
Guggnhm Intrntl A Incm	HGI	EW	-9.62	-8.75	17.10	8.94	-2.32	4.45	17.67	***
Guggnhm MidCap Core	CZA	EMC	4.82	3.14	25.90	10.29	1.28	3.83	32.81	***
Guggnhm Multi Ast In	CVY	EV	2.82	1.63	16.91	6.85	-0.91	3.00	21.85	***
Guggnhm Ocn Grth	OTR	ELC	8.30	4.62	9.72	11.97	4.10	3.38	31.71	***
Guggnhm Ocn Tomo	OTP	ELC	-1.28	-2.20	11.75	10.74	4.24	4.17	27.02	***
Guggnhm RJ All	RYJ	ELC	3.31	5.66	32.72	15.44	2.64	4.81	23.70	***
Guggnhm Sctr Rotn	XRO	ELC	0.03	-4.23	10.77	11.98	6.74	4.68	25.89	***
Guggnhm Shipping	SEA	EA	-29.28	-16.12	28.22	27.96	6.01	7.36	19.04	***
Guggnhm Timber	CUT	EA	-18.90	-10.71	18.34	13.91	-0.21	5.13	18.84	***
iShares Cohen&Str REIT	ICF	ERE	9.28	5.70	24.90	9.14	4.26	5.09	76.64	***
iShares EAFE Indx	EFA	EW	-8.64	-8.73	14.88	10.82	0.42	4.44	54.89	***
iShares Emrg Mrkt Stk	EEM	EW	-11.76	-9.78	22.37	13.19	-3.12	5.92	42.94	***
iShares Europe 350	IEV	EW	-10.69	-11.24	17.19	10.70	-0.08	5.30	37.35	***
iShares Gold	IAU	EG	16.05	11.13	2.78	6.83	-1.27	6.21	16.27	***
iShares Latin Amr	ILF	EW	-11.45	-7.73	22.51	11.89	-2.04	5.37	47.63	***
iShares Mexico	EWV	EW	-0.53	-0.06	27.64	16.29	5.36	4.33	62.52	***
iShares Prfrd	PFF	EGI	-1.54	-1.56	9.63	9.60	-0.20	2.27	39.04	***
iShares REIT	IYR	ERE	4.88	3.32	23.20	9.66	3.59	4.51	62.30	***
iShares Russel 2000	IWM	ESC	-1.62	0.01	28.79	12.28	2.17	4.44	82.81	***
iShares Russel MidVal	IWS	EV	-0.06	0.80	24.82	10.90	1.82	3.81	48.13	***
iShares Sict Div	IDV	ELC	-8.94	-8.45	15.07	9.80	0.06	4.63	32.60	***
PS Aerospace & Def	PPA	EA	-0.98	-1.13	23.24	10.71	0.61	3.71	20.15	***
PS BLDR Asia 50 ADR	ADRA	EW	-8.68	-7.59	14.63	14.33	-1.33	4.36	25.64	***
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	-8.86	-8.61	14.37	8.99	-0.29	4.62	20.37	***
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	-12.98	-9.38	17.05	10.90	-3.45	5.04	42.22	***
PS DB Commodity	DBC	EA	-5.60	-0.55	11.84	7.30	-1.77	4.37	28.80	***
PS DB Energy	DBE	EA	-4.45	1.08	16.88	8.80	-2.05	5.22	30.05	***
PS DB Gold	DGL	EG	14.48	9.97	1.67	6.12	-1.53	6.18	57.78	***
PS DB Oil	DBO	EA	-7.28	4.03	29.82	4.69	-3.86	6.29	29.91	***
PS DB Precious Metals	DBP	EG	7.32	6.15	3.28	8.26	-2.52	7.85	58.33	***
PS DB Silver	DBS	EG	-14.98	-7.48	8.89	17.19	-6.62	14.37	56.24	***
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	-12.66	-13.32	18.59	11.73	0.27	5.11	19.52	***
PS DWA Emrg Mrkt T Ldrs	PIE	EW	-2.71	-4.63	25.54	12.55	1.13	5.52	17.94	***
PS Dyn MagniQuant	PIQ	ELC	1.34	0.44	29.39	12.02	1.96	4.56	26.55	***
PS Dyn Mrkt	PWC	ELC	-0.62	-1.26	26.62	13.75	2.75	4.41	46.66	***
PS Dyn OTC	PWO	ESC	0.21	-2.09	22.07	13.56	3.89	4.33	51.60	***
PS Dynmc Basic Matrl	PYZ	EA	-2.66	-2.96	36.26	18.73	1.39	5.87	38.03	***
PS Dynmc Biotech	PBE	EA	4.13	1.16	23.87	13.06	2.21	4.51	22.68	***
PS Dynmc Bldg Cnstrctn	PKB	EA	-1.74	7.21	41.78	17.86	3.67	5.64	14.12	***
PS Dynmc Consmr Staples	PSL	EA	9.26	3.10	13.45	5.01	2.13	3.01	32.68	***
PS Dynmc Energy	PXI	EA	-7.26	-3.94	29.85	6.84	-3.44	6.39	40.76	***
PS Dynmc Energy Explor	PXE	EA	-9.40	-1.76	31.76	11.73	-3.21	6.82	25.06	***
PS Dynmc Fncl	PFI	EA	1.13	3.52	29.80	13.22	3.15	4.24	20.30	***
PS Dynmc Food & Bev	PBJ	EA	3.39	-1.49	10.60	3.44	1.85	2.94	19.83	***
PS Dynmc Healthcare	PTH	EA	9.41	2.17	25.07	13.03	4.24	4.13	32.43	***
PS Dynmc Indstrls	PRN	EA	-6.51	-2.93	29.40	10.40	0.73	4.80	30.15	***
PS Dynmc Media	PBS	EA	-0.14	0.06	29.01	14.40	2.98	5.01	15.16	***
PS Dynmc Networking	PXQ	EA	1.80	1.06	37.40	17.66	3.07	6.04	28.58	***
PS Dynmc Semicndctr	PSI	EA	-7.69	-3.86	34.41	16.70	3.84	6.31	16.21	***
PS Dynmc Software	PSJ	EA	-1.10	1.51	23.89	14.96	3.61	4.45	26.96	***
PS Dynmc Technology	PTF	EA	0.29	3.08	31.64	18.30	3.34	4.90	27.54	***
PS Dynmc Utilities	PUI	EA	2.07	-3.29	8.93	3.02	1.01	2.28	16.74	***

This shows the ETF Growth 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. Rank shows the number of comets from 5 to 1. The larger the better.

Middle ETF Growth Ranking to same month end

<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>
PS Fincl Pfd	PGF	EGI	-1.32	-0.72	10.84	11.04	0.17	2.47	17.90	***
PS FTSE RAFI Asia Pac xJpn	PAF	EW	-10.68	-10.65	19.36	11.58	-2.56	5.86	51.92	***
PS FTSE RAFI Emrg Mrkt	PXH	EW	-12.82	-10.85	20.50	13.30	-3.86	5.64	22.92	***
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	-1.63	0.44	29.86	13.45	2.42	4.50	68.07	***
PS Gbl Agriculture	PAGG	EA	-8.48	-7.95	18.01	12.35	0.80	4.67	30.20	***
PS Gbl Listd Prvt Eqty	PSP	EW	-18.21	-11.07	23.28	18.65	1.50	6.53	9.48	***
PS Gbl Water	PIO	EW	-11.40	-10.66	15.88	16.10	3.02	4.71	18.10	***
PS Ibtstn Altrntv	PTO	ELC	-3.76	-2.76	8.37	7.77	-2.48	3.12	11.59	***
PS Intrntl Dvdnd	PID	EW	-5.13	-4.83	11.71	5.42	-0.52	3.36	15.36	***
PS Mrngstr Stk	PYH	ELC	4.27	4.78	21.12	8.64	3.45	3.43	22.13	***
PS NASDAQ Intrnt	PNQI	EA	6.08	7.27	30.87	20.54	6.05	5.49	41.63	***
PS RvrFrnt Tac Bal	PAO	EGI	-5.97	-5.55	14.89	8.66	0.15	3.16	12.42	***
PS RvrFrnt Tac G&I	PCA	EGI	-2.11	-1.81	10.26	4.50	0.08	2.36	13.00	***
PS S&P 500 BuyWrite	PBP	ELC	-2.79	-2.70	9.61	4.69	0.93	2.71	20.54	***
PS S&P 500 High Qlty	PIV	ELC	7.99	-0.30	4.66	5.27	3.99	2.95	14.59	***
PS S&P SmlCap Energy	PSCE	EA	-11.18	-3.75	38.32	8.60	-2.44	7.75	37.25	***
PS S&P SmlCap Hlth Care	PSCH	EA	11.09	5.18	27.31	11.48	3.50	4.54	35.15	***
PS S&P SmlCap Indstrls	PSCI	EA	-1.05	2.98	32.27	11.93	3.01	4.45	30.65	***
PS S&P SmlCap Info Tech	PSCT	EA	-1.27	1.83	34.81	12.87	2.56	4.98	31.64	***
PS S&P SmlCap Mtrls	PSCM	EA	-4.05	-1.66	25.04	12.65	2.14	4.33	29.11	***
PS S&P SmlCap Utilities	PSCU	EA	5.52	-0.33	8.05	-1.76	-1.37	2.18	30.21	***
PS US REIT	PSR	ERE	10.00	6.03	22.12	7.76	3.11	4.48	54.33	***
PS Water Resources	PHO	EA	-5.60	-0.83	27.74	13.95	1.53	4.39	19.20	***
PS WilderHill Prgrsv Enrgy	PUW	EA	-13.80	-7.00	31.28	16.53	-1.29	6.11	26.26	***
PS Zacks Micro Cap	PZI	ESC	-7.24	-2.03	31.74	13.64	4.14	4.78	11.58	***
Select SPDR Enrgy	XLE	EA	-10.03	-4.78	22.63	3.79	-4.18	5.70	71.75	***
Select SPDR Financsl	XLF	EA	-3.63	2.90	33.74	21.50	7.01	5.38	15.80	***
Select SPDR Indl	XLI	EA	-0.66	0.47	28.05	10.86	0.50	4.30	37.42	***
Select SPDR Matrsl	XLB	EA	-7.62	-6.10	25.94	10.36	0.00	4.63	36.97	***
Select SPDR Utilities	XLU	EA	9.96	4.67	4.24	-2.60	0.44	1.73	35.04	***
SPDR DJ Gbl Titans	DGT	EW	-8.54	-6.42	16.44	11.26	0.05	4.23	55.83	***
SPDR Gold	GLD	EG	15.92	11.04	2.57	6.66	-1.32	6.19	162.12	***
SPDR Wish REIT	RWR	ERE	9.64	6.35	25.36	9.98	4.53	4.99	70.83	***
Vngrd Div Aprprctn	VIG	EGI	5.48	4.57	20.08	7.14	1.61	2.92	58.55	***
Vngrd Emrg Mrkt	VWO	EW	-11.20	-10.59	21.32	13.77	-2.60	5.82	43.47	***
Vngrd Extnd 4500	VXF	ELC	0.47	1.51	28.72	14.47	2.13	4.49	59.34	***
Vngrd Fincl Srv	VFH	EA	-2.73	2.68	32.32	19.37	6.29	5.08	32.97	***
Vngrd Materials	VAW	ELC	-5.90	-4.48	27.52	12.42	0.55	4.97	82.21	***
Vngrd MidCap Val	VO	EMC	1.28	1.44	25.31	13.40	1.90	4.14	81.58	***
Vngrd Small Cap	VB	ESC	-0.34	0.86	28.27	12.99	2.30	4.52	78.72	***
Vngrd Small Cap Grth	VBK	ESC	0.75	1.22	30.04	13.86	2.24	4.84	86.95	***
Vngrd Small Cap Value	VBR	ESC	-1.50	0.43	26.63	12.30	2.37	4.22	70.38	***
Vngrd Utilities	VPU	ELC	8.35	3.97	4.73	-2.67	0.34	1.74	74.84	***
Wtree DEFA	DWM	EW	-9.68	-10.50	12.81	9.73	-0.29	4.36	44.90	***
Wtree Emrg Mrkt Einclm	DEM	EW	-5.73	-5.53	21.67	12.37	-1.25	4.89	57.61	***
Wtree Emrg Mrkt SC Div	DGS	EW	-10.03	-8.40	24.47	16.40	0.04	5.96	48.12	***
Wtree Eur SC Div	DFE	EW	-13.63	-10.73	17.87	17.97	0.17	5.80	38.52	***
Wtree Gbl Eqty Inclm	DEW	EW	-7.60	-7.60	13.26	6.03	-0.38	3.87	41.68	***
Wtree Intrntl LC Div	DOL	EW	-9.62	-9.93	13.54	7.75	-0.83	4.65	43.10	***
Wtree Intrntl MC Div	DIM	EW	-10.59	-10.97	12.72	11.71	0.02	4.36	48.09	***
Wtree Intrntl REIT	DRW	ERE	-8.90	-8.49	19.07	13.79	-2.08	4.90	26.41	***
Wtree Intrntl SC Div	DLS	EW	-6.60	-5.13	13.75	13.31	0.94	3.72	49.55	***
Wtree Japan Hedge Eqty	DXJ	EC	0.08	2.10	13.47	17.74	3.51	3.23	36.90	***
Wtree Japan SC Div	DFJ	EWR	5.80	4.23	4.57	9.44	3.52	2.85	45.58	***
Wtree MidCap Div	DON	EMC	4.17	3.30	22.08	8.10	1.51	3.37	56.29	***
Wtree MidCap Earn	EZM	EMC	4.12	4.10	30.22	13.33	0.71	4.37	61.14	***
Wtree Middle East Div	GULF	EW	-7.09	-1.06	8.32	5.95	0.32	3.19	15.50	***
Wtree Sml Cap Div	DES	ESC	0.86	3.04	24.60	9.36	1.89	3.49	49.09	***

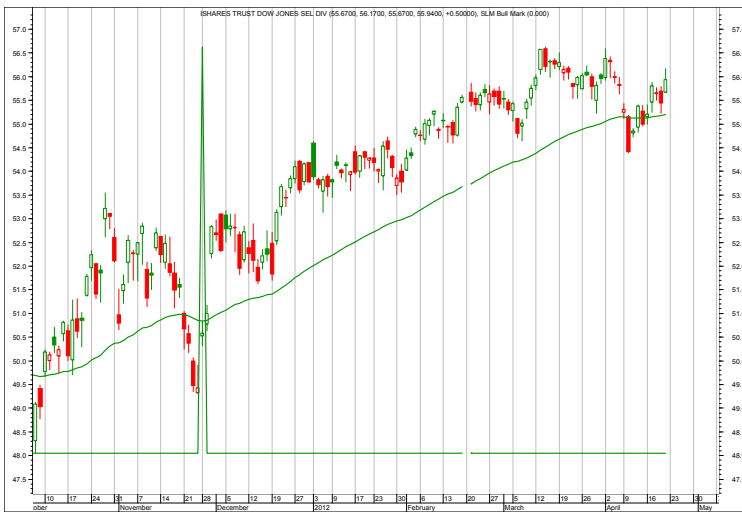
This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.

Bottom ETF Growth Ranking to same month end

<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>
Guggnhm Airline	FAA	EA	-19.67	-18.25	9.65	11.24	-0.48	5.60	29.20	**
Guggnhm BRIC	EEB	EW	-16.74	-13.61	14.90	12.70	-4.52	5.95	39.48	**
Guggnhm Candn Enrg Incm	ENY	EWR	-24.80	-16.68	21.28	2.06	-6.13	6.79	17.20	**
Guggnhm China All	YAO	EWR	-17.39	-15.86	19.57	10.67	-6.80	6.59	23.63	**
Guggnhm China Sml	HAO	EWR	-26.10	-23.62	19.11	11.76	-9.10	8.27	21.57	**
Guggnhm Euro-Pac	EEN	EW	-15.35	-15.68	-3.35	12.31	4.08	6.10	17.18	**
Guggnhm Gbl Div	LVL	EW	-11.06	-10.83	9.87	4.98	-2.39	4.07	13.91	**
Guggnhm Intrntl SmlCap	XGC	EW	-20.76	-21.38	-7.87	12.80	7.46	7.10	18.86	**
iShares Canada	EWC	EW	-15.68	-10.51	11.18	6.54	-2.34	4.23	28.34	**
iShares China	FXI	EW	-18.36	-14.63	18.93	5.15	-8.99	5.95	36.67	**
iShares Silver	SLV	EG	-14.66	-7.27	8.54	16.48	-6.47	14.13	31.38	**
PS BLDR Europe 100 ADR	ADRU	EW	-10.98	-10.00	13.67	6.23	-1.24	4.89	19.79	**
PS Cleantech	PZD	EA	-18.99	-15.87	14.79	10.99	-0.48	5.12	23.88	**
PS DB Base Metals	DBB	EG	-17.73	-15.87	8.30	7.72	-4.88	5.05	20.09	**
PS Dynmc Oil & Gas Srvcs	PXJ	EA	-20.96	-15.11	28.94	3.42	-5.01	8.01	20.85	**
PS Emrg Mrkt Infrastrctr	PXR	EW	-20.45	-19.29	24.47	15.49	-4.50	7.52	42.88	**
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	-12.99	-13.31	14.00	11.45	-0.94	5.17	35.83	**
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	-10.10	-10.45	8.74	9.58	-1.87	3.75	22.53	**
PS Gbl Gold Precious Mtls	PSAU	EG	-19.08	-11.88	-4.31	-0.28	-10.06	7.41	39.70	**
PS Gbl Nuclr Enrgy	PKN	EW	-13.82	-11.30	12.34	9.31	-3.16	5.47	17.03	**
PS Gldn Drgn USX China	PGJ	EW	-22.31	-17.70	11.88	10.25	-4.42	6.10	21.62	**
PS India	PIN	EW	-21.48	-19.74	3.35	15.52	-5.94	7.32	18.83	**
PS Lux Nanotech	PXN	EA	-31.84	-24.06	11.52	8.20	0.71	5.38	6.55	**
PS MENA Frntr Countries	PMNA	EW	-10.08	-6.29	5.69	8.42	-0.22	3.22	11.33	**
SPDR Euro Stoxx 50	FEZ	EW	-20.29	-20.06	14.75	9.96	-1.46	6.49	32.45	**
Wtree DEFA Eqty Incm	DTH	EW	-11.65	-11.96	10.56	6.54	-0.56	4.68	38.95	**
Wtree India	EPI	EWR	-22.26	-19.47	6.23	23.59	-5.58	8.46	19.28	**
Wtree Intrntl Div Ex Fincl	DOO	EW	-11.04	-11.46	9.62	5.63	-1.06	4.16	41.81	**
Wtree Intrntl Utilities	DBU	EA	-11.36	-10.38	7.11	6.39	-0.60	3.69	18.92	**
Guggnhm Solar	TAN	EA	-71.73	-65.01	-22.97	0.73	-13.94	12.41	24.88	*
iShares Spain	EWP	EW	-30.93	-30.47	-9.37	-3.20	-6.03	5.96	29.30	*
PS DB Agriculture	DBA	EA	-17.91	-11.47	-5.28	-2.70	-3.93	3.38	28.10	*
PS Dyn Dvlp Intrnl Opp	PFA	EW	-15.24	-20.16	-16.76	-0.26	7.26	5.03	15.63	*
PS Gbl Clean Enrgy	PBD	EW	-42.81	-34.38	2.51	9.23	-4.77	7.54	8.99	*
PS Gbl Coal	PKOL	EA	-33.76	-27.29	5.75	1.23	-9.18	7.21	24.82	*
PS Gbl Steel	PSTL	EA	-31.68	-27.94	9.39	10.42	-7.64	6.91	16.43	*
PS Gbl Wind Energy	PWND	EW	-39.72	-28.81	-1.27	2.05	-4.77	6.43	6.99	*
PS WilderHill Cln Enrgy	PBW	EA	-48.38	-38.22	2.02	9.66	-3.47	7.38	5.56	*
Wtree World Ex US Grth	DNL	EW	-8.29	-10.48	18.99	9.58	-3.67	5.17	50.81	*

This shows the ETF Growth 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. Rank shows the number of comets from 5 to 1. The larger the better.

Growth Charts



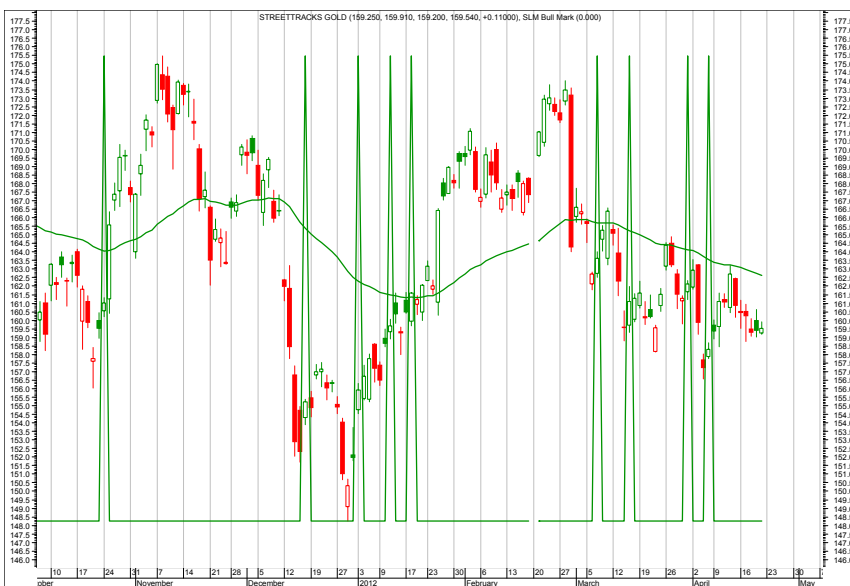
DVY—dividend

- 4/23 No changes.
- 4/16 No changes.
- 4/8 No changes.
- 4/2 Trending up.
- 3/26 Buy on this dip as noted on page 6.



PKW—Buyback Achievers

- 4/23 No changes.
- 4/16 Buy PKW as noted on page 6.



GLD—gold

- 4/23 Still bumping along what should be a bottom area.

Each chart shows daily prices, a moving average (smoothed red line on price portion), and spikes. The spikes show potential buy and sell short signals. Generally speaking, if the moving average is trending down, the spike shows a potential sell short. If the moving average is trending up, the spike shows a potential buy. The charts do not show selling or covering signals.

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) *REVIEW*

lion.

There's also the ongoing question about China. Is it in an actual recession, or is it rather in a slowing expansion? The Chinese manufacturing index recently came in at 49.1, which is still below 50, indicating contraction.

Lastly, leading the list of unresolved concerns is still the negative divergence between the Dow Industrials and Dow Transportation Indexes. As I've mentioned before, while the Industrials recently made it to recovery highs in March, the Transports are still below where they were in

June, 2011. This signals an ongoing top, an ending to the bull market that began in March, 2009. To confirm this, however, the Industrials will need to close and stay below 12,735, and the Transports below 5,047.

In the meantime, on the positive side of the equation is still the powerful and ongoing Fed easing. There's no question about that.

And investor sentiment is not yet contrarily bullish. In other words, even though we've been in a decent rally, investors and advisors are not too bullish. In fact individual investors are nearer to bearish sentiment,

which would be bullish, than they are to bullish sentiment. Remarkable really.

So, the market has really been going sideways for a few months now as it deals with these unresolved issues. There are lots of bullish and bearish crosscurrents to ponder. I don't expect any huge moves one way or the other for the next few weeks as these things continue to be sorted out and cancel each other's impact.

See the individual portfolio pages for any specific actions to take.

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 2-5 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 over different time periods. For example, we may be in a secular bear market, but there are cyclical bull and bear markets.

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.

4/23/12 Back testing continues on the new timing/selecting models.

4/16/12 No changes.

4/8/12 ETF rankings through 3/31/12 are posted.

4/2/12 No changes.

3/26/12 Most of the work on a relative strength model between bond ETFs (Treasuries, Corporates, Internationals, Hi Yield, very short corporates) is completed. Right now JNK is still relatively cheap compared with Treasuries.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 6)

Our guiding goal is to provide the most return with the least risk consistently over time 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.

Growth Portfolio, page 6: Uses the same methodologies as in the Income Portfolio, except as it is applied to stock-oriented ETFs.

Both portfolios were started on 1/1/10 with \$100,000.

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.

Portfolios are updated through the Friday close the week before.

Dividends are reinvested in additional shares. Commissions of \$10/trade and short-term redemption charges, if any, are applied.

Interest is zero for the money market (cash) position.

Wilshire 5000 TR (total return) includes dividend reinvestment. This is a broad based index of domestic stocks.

SUBSCRIPTIONS: To receive *ETF Selections & Timing*, you may subscribe in one of three ways. You may subscribe on the web site InvestmentST.com using PayPal or call 1-800-800-6563 for Amex, Visa, MasterCard, or Discover orders or send a check to the address on the front page. Subscriptions may be tax deductible.

The recurring monthly subscription is \$24.00. An annual subscription is \$240.00. Subscribers receive this weekly eNewsletter. There is no mailed issue. Subscribers retrieve the current weekly issue at the web site InvestmentST.com by logging in with a user name and password.

Unless otherwise noted, the weekly eNewsletter is posted by 1:35 PM central time each Monday, except for holidays and then on Tuesday. It may contain actionable, specific buy or sell advice to take that day at the Monday 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.

GUARANTEE: Subscriptions may be cancelled at any time. Annual subscriptions are refundable for the weekly term remaining with a four-week minimum charge, using a 52-week count. Monthly subscriptions just expire.

PUBLISHER: Watercourse Way Holdings, LLC publishes this newsletter.

REPRINTS: This eNewsletter is intended for subscribers only, reprints are not permitted.

DISCLAIMER: The information contained herein is assembled from sources who are believed reliable, but the accuracy of data or advice cannot be guaranteed. Past performance does not guarantee future performance. Portfolio values include a commission of \$10/trade, dividend reinvestment, and short-term redemption charges. The Wilshire 5000 TR and Aggregate Bond are equity and bond indexes and may or may not be useful in comparing returns. Security values fluctuate. Information is provided without consideration for your personal situation. Watercourse Way Holdings, LLC its members and associates may or may not invest identically to or at the same time as portfolios or advice shown herein.

COPYRIGHT: Copyright, 2009-12, Watercourse Way Holdings, LLC. All rights reserved.