

ETF Selections & Timing

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C-lect 10 Model

The work continues on the new selecting model and a preliminary chart is shown on page 11. The results look very promising.

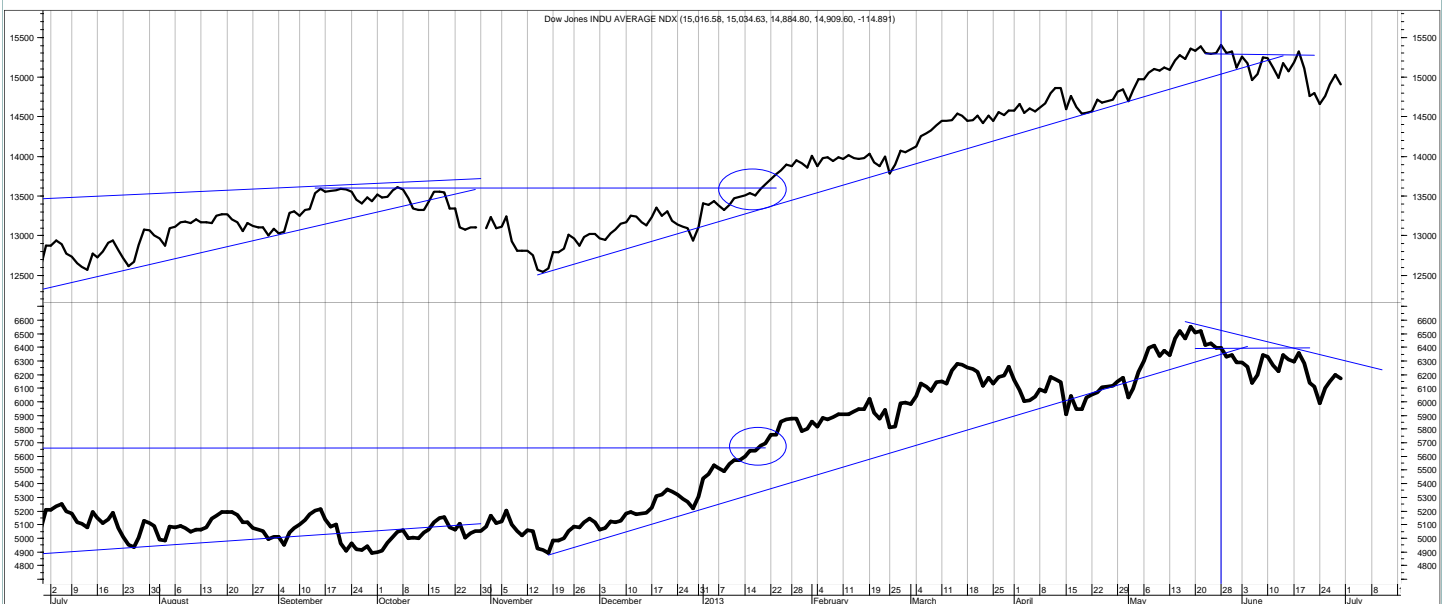
In the meantime, the stock market looks to be rolling over. The culprit to this change in trend is the Federal Reserve's

taper talk. But tapering is not the same thing as tightening. What is happening is longer-term interest rates, anything more than 1 year in maturity, they are rising. Short-term rates, anything less than 1 year, are still the same. The yield curve is steepening.

Banks, supposedly, may profit more from borrowing short (your deposits) and lending long. They capture the spread.

While this helps banks, it may not help the rest of the

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



This is the daily chart of the Dow Industrials (top) and Transports (bottom).

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	-0.8%	2.5%	-0.8	-0.5	-0.5	-0.1%
ETF Growth Portfolio	7.8%	8.5%	7.8	-0.6	-3.2	0.9%
Aggrgt Bond (AGG)	-3.7%	-3.7%	-3.7	-3.2	-1.7	0.6%
S&P 500 TtlRtrn	15.1%	19.9%	15.1	2.4	-1.9	0.8%
World Growth Index	10.2%	16.6%	10.2	0.6	-2.6	0.9%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 6/28/2013							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 5/6	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total
6-May	sell	PCY	31.07	201	6,235								
6-May	buy	LQD	121.14	50	6,067								
14-May	sell	AGG	110.12	627	69,068								0.0%
28-May	buy	JNK	41.14	150	6,181								0.0%
28-May	sell	LQD	118.34	50	5,907								0.0%
24-Jun	sell	BSV	79.82	374	29,843								
24-Jun	sell	JNK	38.70	151	5,826								
						Money Market				1.00	112,913	112,913.00	100.0%
										Total Valuation=		112,913.00	100.0%

WEEKLY REVIEW

7/1 Still oversold and will watch for an entry point.

6/24 Oversold in the bond market, but the stops will likely be triggered. See the new page 13. Will watch for daily reentry points. Watch for emails.

6/10 Sell off continues, but perhaps getting overdone. Watching for potential entry points.

6/3 The bond market is selling off on fears the Fed is pulling the punch bowl from the 30-year secular bond market (see Special Report). In addition to being stopped out of AGG, we're now stopped out of LQD. JNK, the new position, is hanging in there, but it may just be a matter of time before it too is stopped out.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	-0.8	12.9	4.0
Aggregate Bond	2.5%	4.3	0.9	-3.7	3.9	2.6

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 5/31/13

<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	0.19	0.06	0.07	-0.03	-0.13	0.08	84.38	*****
Vngrd ShrtTrm Bond	BSV	BS	0.98	0.20	-0.07	-0.22	-0.53	0.20	80.58	*****
iShares 3-7yr Trsry	IEI	BI	-0.08	-0.70	-0.87	-0.69	-1.34	0.53	122.39	*****
iShares Inter Bond	MBB	BI	-0.35	-1.34	-1.06	-1.16	-1.77	0.37	106.34	****
iShares Inter Gov	GVI	BI	1.06	-0.16	-0.71	-0.58	-1.27	0.43	111.25	****
Vngrd Intrmtdt Bond	BND	BI	0.61	-0.84	-1.18	-0.85	-1.93	0.60	82.40	****
Wtree Dryfs Chns Yuan	CYB	BF	4.43	4.06	1.72	1.68	0.35	0.45	26.02	****
Currency Euro	FXE	BF	4.67	3.04	-0.24	-0.55	-1.34	2.14	128.78	***
iShares 7-10yr Trsry	IEF	BI	-1.38	-2.22	-2.45	-1.35	-3.11	1.26	105.32	**
iShares Agg Bond	AGG	BI	0.59	-0.75	-1.23	-0.95	-2.00	0.60	109.11	**
iShares High Yld	HYG	BH	13.00	5.56	3.05	0.35	-2.58	1.53	92.92	**
iShares Intrntl Tbond	IGOV	BW	3.15	-1.10	-3.25	-1.36	-3.14	1.56	98.72	**
iShares Long Corp Bond	LQD	BL	4.62	0.28	-1.72	-1.16	-3.22	1.24	117.85	**
iShares Trsry Inflttn	TIP	BI	-1.91	-2.71	-4.34	-3.23	-4.19	1.05	116.73	**
PS Bld America	BAB	BI	4.60	2.01	0.46	-0.77	-2.73	1.39	29.95	**
PS DB Dollar Bearish	UDN	BF	-0.15	-2.88	-4.10	-1.59	-2.11	1.50	25.99	**
PS DB Dollar Bullish	UUP	BF	-1.65	1.39	3.15	1.07	1.85	1.51	22.61	**
PS DB G10 Currency	DBV	BF	12.66	6.30	2.83	-0.49	-3.35	1.82	26.51	**
PS Fdmntl Hi Yield Corp	PHB	BH	9.58	4.29	2.33	0.90	-1.72	1.08	19.19	**
PS Insrđ CA Muni	PWZ	BI	3.18	1.26	-1.69	-0.96	-1.63	0.95	24.92	**
PS Insrđ Natl Muni	PZA	BI	2.87	0.50	-3.01	-1.62	-2.15	1.21	25.10	**
PS Insrđ NY Muni	PZT	BI	2.09	-0.13	-2.90	-1.51	-1.64	1.11	24.12	**
PS Prfd	PGX	BF	10.00	4.05	2.56	0.53	-1.44	0.92	14.69	**
SPDR High Yield	JNK	BH	13.75	6.07	3.24	0.76	-2.31	1.59	40.58	**
SPDR Intrntl TBond	BWX	BW	-0.15	-3.62	-5.25	-2.11	-4.34	1.45	57.35	**
Wtree Dryfs Comdty Cur	CCX	BF	2.11	-2.50	-3.42	-4.47	-5.31	1.83	20.32	**
Wtree Dryfs Emrg Crncy	CEW	BF	4.50	0.34	-1.87	-3.13	-4.22	1.61	20.42	**
Wtree Emrg Mrkt Lcl Debt	ELD	BF	8.27	1.25	-2.39	-4.29	-6.12	1.98	50.21	**
iShares 10-20yr Trsry	TLH	BL	-3.50	-4.09	-4.09	-1.61	-4.34	1.96	130.66	**
PS 1-30 Ldr Trsry	PLW	BI	-4.02	-4.51	-4.17	-1.75	-4.29	1.87	31.47	**
PS Emrg Mrkt Svrgn Debt	PCY	BW	9.23	-1.02	-5.97	-3.47	-6.43	2.37	28.91	**
Wtree Dryfs Brazil Real	BZF	BF	-1.02	-1.65	1.99	-6.73	-5.68	2.64	18.44	**
Wtree Dryfs Euro	EU	BF	17.06	0.54	-2.44	-3.75	-1.63	3.76	21.32	**
Wtree Dryfs Indn Rupee	ICN	BF	6.03	2.45	-0.43	-2.06	-4.61	2.38	20.91	**
iShares 20+ yr Trsry	TLT	BL	-7.99	-8.65	-7.11	-2.81	-6.76	3.21	114.45	*

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.

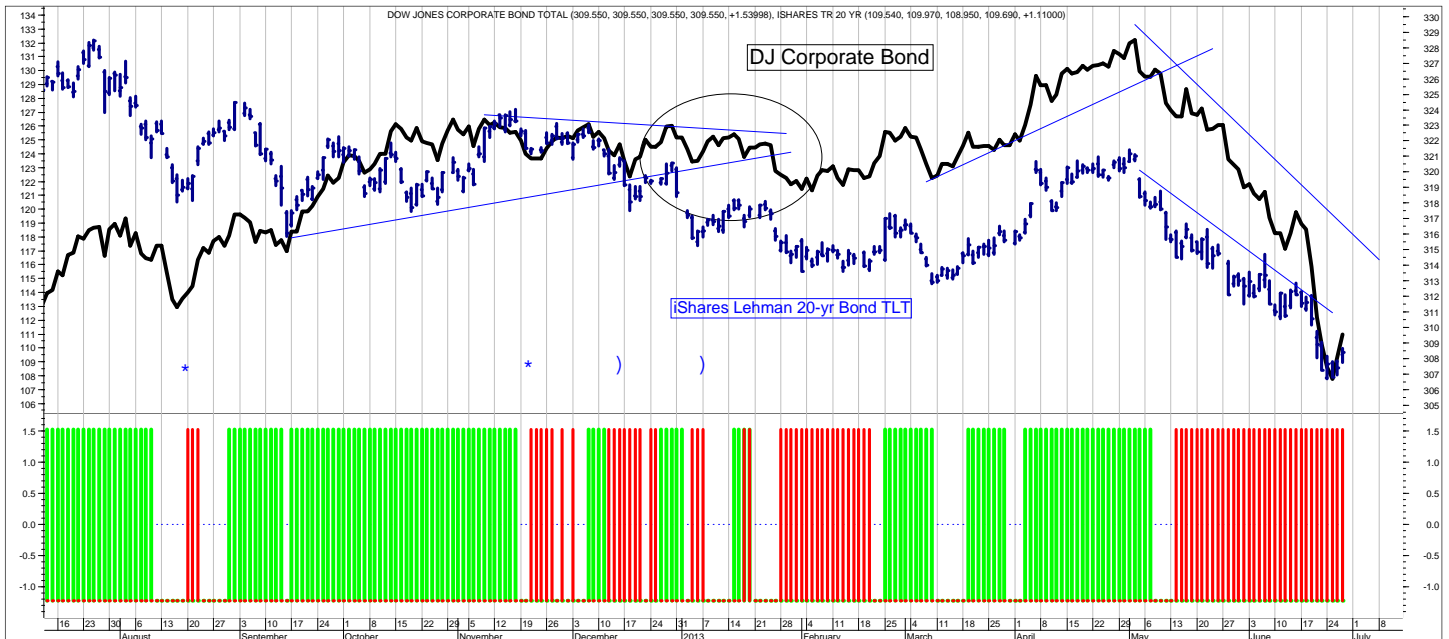
ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

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



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

7/1 Still oversold. Will watch for testing and backfilling to form a tradeable bottom.

6/24 Oversold.

6/17 Bonds still negative, but watching for a turning point. The Fed is still committed to easing.

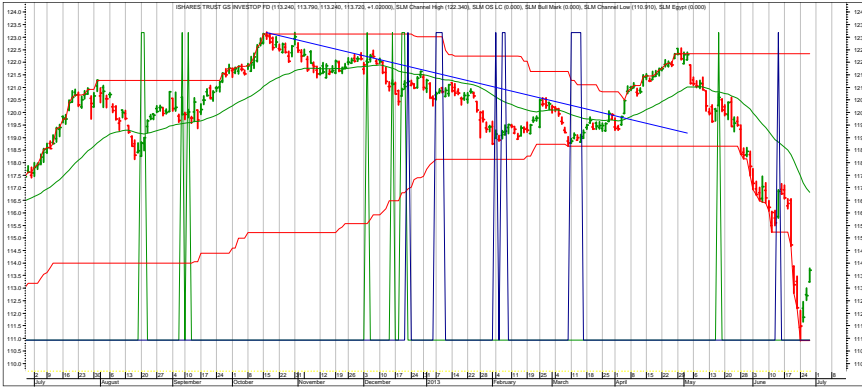
6/10 Trend still up for yields and down for prices (the chart above shows prices). It's been a quick sentiment change when the Fed just began talking about its end game for removing quantitative easing. A couple of months ago they had said they wouldn't make changes until unemployment reaches 6.5%, but with unemployment at 7.6% as of the latest reporting period (May), it is apparently getting close enough to start talking about it. Still "talk" itself is not action, so a buying zone may be getting set up.

6/3 Still trending bearish.

5/28 No changes. Still trending bearish.

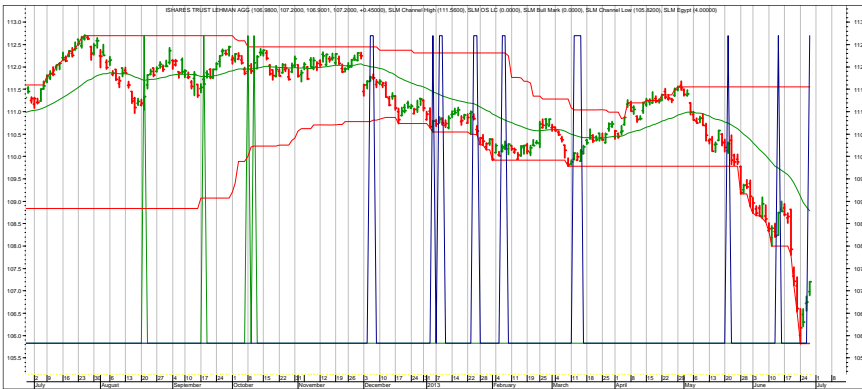
5/20 The trend following Bond Model has turned bearish. I'll move from bullish to neutral, expecting a sideways market to develop, rather than a continued selloff. We know the Fed will keep rates low, and selloffs may be good accumulation times.

Income Charts (DAILY)



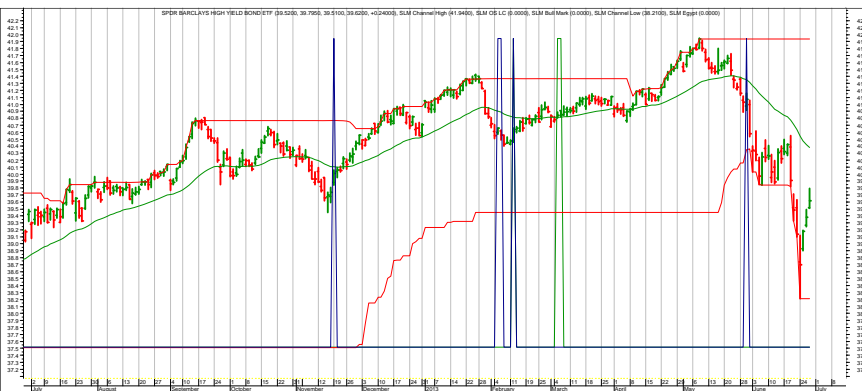
LQD—Investment Grade Corporate

7/1 Watch for bottom.
 6/24 Oversold.
 6/17 Potential buy spike.
 6/10 Thought to back out the view from daily to weekly on all charts on this page to show the severity of the current correction. Most ETFs are breaking their long-term up-trend lines.



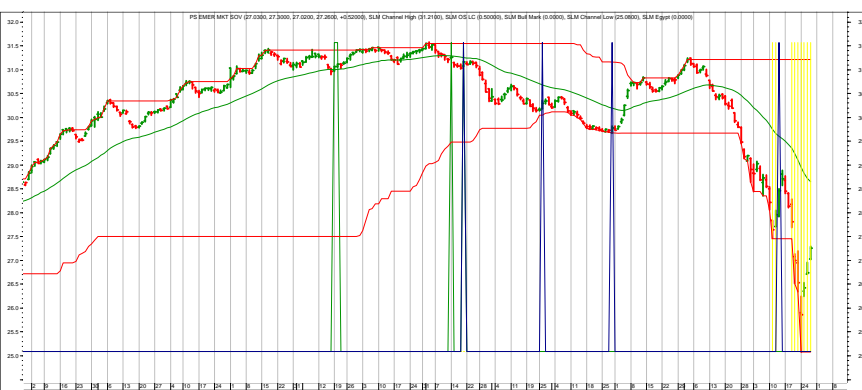
AGG—Aggregate Bond Market

7/1 No changes.
 6/24 Oversold.
 6/17 Another potential buy spike.
 6/10 Lows didn't hold. Long-term up-trend line also broken.
 6/3 Hit the new lows. Watching for a reversal to signal a possible buy.
 5/28 Watch for lows and reversal to signal a possible buy.



JNK—hi-yield bonds

7/1 Watch for retest.
 6/24 Oversold.
 6/17 Possibly forming a bottom.
 6/10 Also in a sharp selloff.
 6/3 Broke its uptrend. Watch stop level.
 5/28 Pullback to support. See page 2.



PCY—International Bonds

7/1 Very oversold.
 6/24 Still very oversold.
 6/17 Yellow bars indicate very oversold.
 6/10 Pullback to long-term trend line. Continue to watch for potential reversal (and buy).
 6/3 Pullback below previous lows. Watch for reversal.

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

Top ETF Growth Ranking to 5/31/13 (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 Solar	TAN	EA	55.05	63.12	90.48	38.83	22.28	12.38	24.92	*****
Guggnhm Spin Off	CSD	EMC	44.56	40.49	29.41	15.52	6.91	3.40	37.30	*****
PS Aerospace & Def	PPA	EA	36.59	27.24	21.20	13.28	6.50	2.71	24.73	*****
PS Dynmc Bldg Cnstrctn	PKB	EA	59.84	37.81	20.97	7.81	3.41	4.61	20.30	*****
PS Dynmc Media	PBS	EA	48.42	30.91	27.03	14.30	2.78	3.61	20.67	*****
PS Dynmc Pharma	PJP	EA	40.16	28.69	23.69	12.54	4.50	3.23	42.54	*****
PS Glbl Clean Enrgy	PBD	EW	43.20	40.21	40.84	19.18	11.97	5.69	10.29	*****
PS S&P SmlCap Cnsmr Dis	PSCD	EA	36.27	27.81	24.74	15.03	6.58	3.25	40.49	*****
Select SPDR Financs	XLF	EA	44.27	32.70	27.11	13.17	6.10	3.88	19.84	*****
SPDR S&P Retail	XRT	EA	34.98	28.45	23.89	15.76	5.62	2.90	77.60	*****
Wtree Japan Hedge Eqty	DXJ	EC	52.13	48.73	38.67	13.04	-2.69	5.51	46.28	*****
Guggnhm RJ All	RYJ	ELC	28.55	22.97	20.98	9.80	3.98	2.52	27.67	****
iShares DJ US Home Constr.	ITB	EA	60.29	34.52	19.15	8.20	0.29	5.14	24.33	****
iShares Russel MidVal	IWS	EMC	33.58	24.50	20.50	7.37	1.71	2.57	58.74	****
PS Buyback Achievers	PKW	EGI	30.95	23.22	20.98	11.58	3.41	2.58	35.81	****
PS Dyn MagniQuant	PIQ	ELC	35.86	26.86	23.41	10.92	4.61	2.89	32.92	****
PS Dyn Mrkt	PWC	ELC	35.55	22.77	22.20	9.07	3.37	3.12	58.05	****
PS Dyn OTC	PWO	ESC	27.69	18.99	26.02	13.72	6.24	3.31	58.76	****
PS Dynmc Biotech	PBE	EA	39.65	28.41	27.97	20.67	5.41	4.43	29.83	****
PS Dynmc Cnsmr Discr	PEZ	EA	30.34	23.34	21.37	13.89	6.23	2.82	36.17	****
PS Dynmc Energy Explor	PXE	EA	50.58	27.17	21.06	3.07	5.62	5.02	31.93	****
PS Dynmc Fncl	PFI	EA	33.94	24.60	19.88	10.17	3.51	2.76	24.75	****
PS Dynmc Healthcare	PTH	EA	34.70	26.16	24.68	12.25	5.66	3.60	40.88	****
PS Dynmc Leisure & Enter	PEJ	EA	33.31	31.02	25.77	13.64	4.15	3.30	28.36	****
PS Dynmc Lrg Cap Value	PWV	ELC	33.29	22.39	20.18	9.43	1.86	2.63	25.69	****
PS Dynmc Retail	PMR	EA	27.87	24.25	21.26	17.46	6.23	2.69	30.87	****
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	34.86	25.99	22.15	9.88	5.49	3.28	82.00	****
PS Glbl Listd Prvt Eqty	PSP	EW	45.90	30.97	21.97	4.07	-1.62	3.79	11.57	****
PS S&P SmlCap Indstrils	PSCI	EA	36.16	28.90	20.34	5.78	6.68	3.75	36.89	****
PS S&P SmlCap Mtrls	PSCM	EA	41.49	29.08	20.07	6.48	5.15	3.75	36.31	****
PS WilderHill Cln Enrgy	PBW	EA	32.33	32.40	42.56	24.09	13.99	6.57	5.46	****
PS Zacks Micro Cap	PZI	ESC	37.12	28.07	24.06	10.09	5.43	3.81	14.18	****
Select SPDR Cnsmr Disc	XLY	EA	32.36	24.81	19.19	10.52	2.77	2.94	56.12	****
Select SPDR Health	XLV	EA	35.78	25.70	20.73	11.21	1.65	2.73	48.11	****
SPDR S&P Bank	KBE	EA	33.50	27.59	23.31	9.42	7.35	3.76	28.34	****
SPDR S&P Homebuilders	XHB	EA	50.76	31.65	17.85	9.28	2.01	4.00	30.90	****
Vngrd Cnsmr Dis	VCR	EA	34.17	26.25	20.15	11.62	3.42	2.85	90.42	****
Vngrd Fincl Srv	VFH	EA	39.08	28.46	24.14	10.53	3.71	3.44	40.50	****
Vngrd Health	VHT	EA	35.84	25.37	21.16	11.31	1.93	2.82	86.93	****
Vngrd Small Cap	VB	ESC	32.74	23.75	20.62	8.73	3.60	2.93	94.71	****
Vngrd Small Cap Value	VBR	ESC	33.27	24.39	20.63	7.90	3.11	2.75	84.78	****
Wtree MidCap Earn	EZM	EMC	35.11	26.53	20.19	8.12	3.96	2.86	73.04	****
Wtree Middle East Div	GULF	EW	31.54	29.70	24.19	10.42	3.06	2.92	18.19	****

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>
Alerian MLP	AMPLP	EGI	17.60	11.48	9.76	3.41	-0.78	2.12	17.40	***
Guggnhm China REIT	TAO	EWR	31.66	19.98	-1.65	-6.07	-5.62	5.49	21.66	***
Guggnhm China Sml	HAO	EWR	23.14	31.28	9.47	-0.69	1.50	4.30	24.31	***
Guggnhm Dfnsv Eqty	DEF	EV	20.74	13.94	12.86	4.43	-2.43	2.16	32.50	***
Guggnhm Gbl Wtr	CGW	EW	26.11	18.48	13.45	3.22	0.50	2.45	24.36	***
Guggnhm Inscr Sent	NFO	EMC	32.23	21.99	19.91	8.73	3.16	2.80	40.85	***
Guggnhm Intrntl A Incm	HGI	EW	19.19	10.09	7.28	1.42	-1.43	2.90	17.19	***
Guggnhm MidCap Core	CZA	EMC	28.56	22.94	20.08	7.23	1.77	2.19	39.75	***
Guggnhm Multi Ast In	CVY	EV	23.14	12.98	12.24	4.85	-0.45	1.99	24.13	***
Guggnhm Shipping	SEA	EA	12.26	17.33	13.68	2.48	1.99	3.64	17.43	***
Guggnhm Timber	CUT	EA	42.06	28.29	14.74	-0.76	-2.39	4.09	22.10	***
iShares Canada	EWC	EW	11.93	2.17	-0.04	-1.74	-1.03	2.49	27.73	***
iShares Cohen&Str REIT	ICF	ERE	13.21	5.42	9.82	2.64	-6.49	3.15	82.59	***
iShares Core S&P 500	IVV	ELC	27.30	17.75	16.42	8.25	2.40	2.57	164.30	***
iShares Core S&P Mid Cap	IJH	EMC	29.83	23.16	19.23	7.88	2.22	2.48	118.33	***
iShares DJ Slct Div	DVY	EGI	22.17	16.21	14.21	6.75	-1.28	2.04	64.63	***
iShares EAFE Indx	EFA	EW	30.18	17.68	10.26	3.18	-3.02	3.29	60.07	***
iShares Europe 350	IEV	EW	33.86	18.08	10.09	4.74	0.14	3.42	41.56	***
iShares Germany Indx	EWG	EW	38.24	23.23	11.18	6.00	2.67	4.08	26.15	***
iShares Hong Kong Indx	EWH	EW	27.52	16.75	3.79	-2.09	-3.71	3.41	19.70	***
iShares Italy Indx	EWI	EW	35.33	14.00	4.88	6.99	1.22	7.26	13.31	***
iShares Japan	EWJ	EW	24.43	20.91	17.42	6.17	-7.35	4.28	10.84	***
iShares Malaysia Indx	EWM	EW	17.26	11.27	10.06	9.51	1.20	2.31	16.01	***
iShares Prfrd	PFF	EGI	11.66	5.83	3.82	1.52	-0.66	0.93	40.33	***
iShares REIT	IYR	ERE	16.50	7.73	10.21	1.70	-6.49	2.99	68.69	***
iShares Russell 1000 Grwth Indx	IWF	ELC	22.34	14.05	13.84	8.02	1.93	2.41	74.29	***
iShares Russell 1000 Value Indx	IWD	ELC	32.45	22.32	19.31	8.42	2.67	2.65	84.59	***
iShares Russell 2000	IWM	ESC	31.13	22.42	20.52	8.39	3.93	3.10	97.80	***
iShares Russell 2000 Value Indx	IWN	ESC	31.19	22.31	19.58	7.21	2.96	2.93	86.32	***
iShares S&P 100 Indx	OEF	ELC	25.39	15.29	14.81	8.04	2.42	2.51	73.69	***
iShares Singapore	EWS	EW	21.08	5.67	2.54	-0.95	-6.30	3.11	13.53	***
iShares Slct Div	IDV	ELC	25.01	9.46	4.06	-1.16	-6.87	3.68	33.60	***
iShares Spain	EWP	EW	49.16	18.54	7.03	1.04	-3.14	8.07	30.21	***
iShares Taiwan Indx	EWT	EW	15.28	9.91	2.62	0.89	-2.57	3.36	13.64	***
iShares EMU Indx	EZU	EW	39.43	21.15	10.16	5.62	1.30	4.48	34.98	***
Market Vectors Oil Services	OIH	EA	23.91	8.42	12.84	0.84	1.08	3.76	43.23	***
Market Vectors Semiconductor	SMH	EA	25.92	18.67	22.11	9.03	3.35	3.50	38.29	***
PS BLDR Asia 50 ADR	ADRA	EW	23.99	17.66	11.31	0.52	-4.85	3.20	27.26	***
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	30.43	17.41	10.65	3.62	-1.80	3.24	22.34	***
PS BLDR Europe 100 ADR	ADRU	EW	31.91	16.48	9.58	4.99	0.09	3.40	22.08	***
PS Cleantech	PZD	EA	27.54	24.90	19.48	5.24	3.91	3.28	26.32	***
PS Dividend Achievers	PFM	EGI	22.76	14.72	13.71	5.84	0.11	1.97	18.35	***
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	31.66	18.21	10.12	4.35	-0.23	2.79	21.93	***
PS DWA Emrg Mrkt T Ldrs	PIE	EW	26.83	20.70	13.49	3.00	-3.61	3.06	20.28	***
PS DWA Tech Ldr	PDP	ELC	22.14	17.08	14.38	7.49	0.31	2.16	31.85	***
PS Dynmc Basic Matrl	PYZ	EA	31.77	22.64	14.71	4.68	2.91	2.93	44.57	***
PS Dynmc Consmr Staples	PSL	EA	28.82	22.25	18.06	9.77	0.83	2.57	40.01	***
PS Dynmc Energy	PXI	EA	38.43	22.90	19.56	2.43	2.91	3.77	49.81	***
PS Dynmc Food & Bev	PBJ	EA	25.68	21.58	20.64	11.04	3.09	2.40	24.33	***
PS Dynmc Lrg Cap Grth	PWB	ELC	25.03	18.43	15.38	8.77	2.54	2.53	21.83	***
PS Dynmc Oil & Gas Srvcs	PXJ	EA	29.83	17.73	16.89	-1.11	2.67	4.30	23.08	***
PS Dynmc Semicndctr	PSI	EA	14.09	10.43	16.02	6.44	6.58	3.49	16.19	***
PS Dynmc Software	PSJ	EA	20.25	11.20	14.00	4.45	0.80	2.84	30.29	***
PS Dynmc Technology	PTF	EA	24.57	13.71	19.36	7.03	4.37	3.41	30.30	***
PS Dynmc Utilities	PUI	EA	19.45	13.50	12.89	6.70	-3.29	2.55	19.13	***
PS Fincl Pfd	PGF	EGI	11.38	4.43	3.02	0.83	-1.12	1.00	18.38	***
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	31.85	18.70	11.51	3.85	-1.51	3.74	38.52	***
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	24.75	16.06	8.97	-0.20	-3.83	3.12	24.38	***
PS Gbl Agriculture	PAGG	EA	14.70	6.44	2.24	-2.87	-2.75	2.66	30.71	***
PS Gbl Water	PIO	EW	24.89	17.92	14.48	4.00	1.75	2.73	19.76	***
PS Gldn Drgn USX China	PGJ	EW	13.82	19.15	16.28	12.51	8.94	4.20	21.32	***
PS Hi Yld Eqty Div	PEY	EGI	21.31	16.12	14.62	5.32	-1.09	1.90	10.61	***
PS Intrntl Dvnd	PID	EW	25.68	15.38	11.24	4.05	-1.85	2.57	17.00	***
PS Lux Nanotech	PXN	EA	15.44	15.06	21.79	11.08	3.24	3.54	7.02	***
PS MENA Frntr Countries	PMNA	EW	10.73	8.66	10.21	5.67	4.81	2.20	11.55	***
PS NASDAQ Intrnt	PNQI	EA	28.37	21.59	21.01	8.62	5.18	3.60	48.50	***
PS QQQ	QQQ	ELC	19.58	8.63	12.21	9.42	3.58	2.88	73.25	***
PS S&P 500 BuyWrite	PBP	ELC	9.21	3.92	5.52	3.42	-0.10	1.42	20.79	***
PS S&P 500 LowVolatility Portfolio	SPLV	ELC	20.14	14.03	12.34	4.92	-3.61	2.34	30.95	***

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 S&P SmlCap Cnsmr Stpl	PSCC	EA	25.23	17.82	18.83	11.85	2.88	3.22	41.38	***
PS S&P SmlCap Energy	PSCE	EA	33.32	23.54	21.71	9.35	4.07	4.20	40.10	***
PS S&P SmlCap Fincl	PSCF	EA	27.26	18.34	18.65	6.32	1.32	2.47	35.29	***
PS S&P SmlCap Hlth Care	PSCH	EA	28.03	17.15	20.61	9.65	7.28	3.91	42.28	***
PS S&P SmlCap Info Tech	PSCT	EA	28.72	20.15	22.26	8.92	8.23	3.27	35.90	***
PS S&P SmlCap Utilities	PSCU	EA	17.80	10.39	13.23	5.90	-3.11	2.89	33.07	***
PS US REIT	PSR	ERE	16.20	8.86	11.58	3.32	-4.79	2.82	61.48	***
PS Water Resources	PHO	EA	31.62	22.36	13.26	1.96	3.85	3.11	22.90	***
PS WilderHill Prgsv Enrgy	PUW	EA	25.95	19.14	17.10	5.21	5.19	3.27	28.79	***
Select SPDR Cnsmr Stpl	XLP	EA	22.18	15.60	12.94	5.67	-2.17	2.47	40.05	***
Select SPDR Div	SDY	EGI	27.68	20.89	17.30	7.30	0.37	2.08	67.50	***
Select SPDR Enrgy	XLE	EA	28.91	14.13	14.38	4.08	2.85	3.37	80.50	***
Select SPDR Indl	XLI	EA	28.45	21.91	18.61	6.71	5.02	2.37	43.53	***
Select SPDR MatrIs	XLB	EA	22.00	15.12	11.24	5.13	1.90	2.58	40.30	***
Select SPDR Technlgy	XLK	EA	15.39	5.30	9.76	7.29	2.79	2.69	31.66	***
SPDR DJ Glbl Titans	DGT	EW	27.75	18.79	13.95	5.32	0.72	2.60	61.40	***
SPDR DJ Industrials	DIA	ELC	25.20	17.62	17.61	8.34	2.37	2.41	151.10	***
SPDR Euro Stoxx 50	FEZ	EW	41.22	20.34	9.18	6.48	1.42	4.93	35.79	***
SPDR Mid Cap Trust	MDY	EMC	29.57	22.79	19.15	7.88	2.29	2.47	215.80	***
SPDR S&P 500	SPY	ELC	27.09	17.76	16.31	8.29	2.36	2.53	163.45	***
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	27.62	15.72	14.91	4.46	5.26	4.39	60.39	***
SPDR S&P Regional Banking	KRE	EA	25.71	19.93	20.34	8.40	5.70	3.47	32.82	***
SPDR Wlsh REIT	RWR	ERE	15.37	7.64	11.38	3.01	-5.96	3.14	77.95	***
US Natural Gas	UNG	EA	26.92	13.23	4.51	11.11	-9.20	8.94	21.31	***
Vngrd Cnsmr Stpls	VDC	EA	23.26	16.39	13.64	6.25	-1.65	2.42	101.97	***
Vngrd Div Aprprctn	VIG	EGI	24.00	16.80	14.47	6.33	1.15	2.08	67.57	***
Vngrd Europe Pacific	VEA	EW	30.43	17.74	10.52	3.30	-2.97	3.29	37.19	***
Vngrd European Indx	VGK	EW	34.55	18.34	10.23	4.91	0.02	3.46	51.37	***
Vngrd Extnd 4500	VXF	ELC	31.25	23.57	20.23	8.45	2.79	2.80	70.62	***
Vngrd Grth	VUG	ELC	22.72	13.96	12.99	7.26	1.74	2.48	80.13	***
Vngrd Large Cap	VV	ELC	27.15	18.09	16.49	8.02	2.20	2.54	74.78	***
Vngrd Materials	VAW	EA	23.92	15.57	11.37	4.92	2.26	2.61	90.58	***
Vngrd MidCap Val	VO	EMC	29.63	22.66	19.75	8.25	1.85	2.56	96.25	***
Vngrd REIT	VNQ	ERE	17.35	9.04	12.43	3.23	-5.98	3.16	70.78	***
Vngrd Small Cap Grth	VBK	ESC	31.43	22.13	19.82	9.05	4.40	3.11	103.91	***
Vngrd Tech	VGT	EA	15.82	6.45	10.89	7.59	4.24	2.87	76.40	***
Vngrd TTL Intrntl Stk	VXUS	EW	24.46	14.12	7.25	1.02	-3.30	2.99	48.01	***
Vngrd TTL Stock	VTI	ELC	27.93	18.67	17.01	8.20	2.44	2.57	84.27	***
Vngrd Utilities	VPU	EA	11.95	8.91	10.25	2.31	-8.20	3.13	82.19	***
Wtree DEFA	DWM	EW	28.76	14.42	8.71	1.69	-4.45	3.46	48.26	***
Wtree DEFA Eqty Incm	DTH	EW	30.86	15.30	9.78	3.08	-3.92	3.54	42.40	***
Wtree Div Ex Fincl	DTN	ELC	27.49	17.18	14.83	6.88	-0.49	2.24	62.88	***
Wtree Emrg Mrkt SC Div	DGS	EW	21.56	15.78	9.66	-0.22	-3.70	2.61	50.72	***
Wtree Eqty Income	DHS	EGI	23.23	15.10	14.43	6.45	-2.08	2.50	51.88	***
Wtree Eur SC Div	DFE	EW	40.11	29.05	18.97	4.95	3.17	3.94	44.86	***
Wtree Glbl Eqty Incm	DEW	EW	22.52	10.62	6.85	1.13	-3.16	2.61	44.48	***
Wtree Intrntl Div Ex Fincl	DOO	EW	22.73	9.82	6.59	2.54	-2.97	3.15	42.79	***
Wtree Intrntl LC Div	DOL	EW	27.85	13.49	7.88	2.16	-3.95	3.39	46.41	***
Wtree Intrntl MC Div	DIM	EW	30.45	19.83	11.12	2.00	-3.17	3.25	52.86	***
Wtree Intrntl REIT	DRW	ERE	27.34	12.25	2.80	-2.77	-8.65	3.80	29.46	***
Wtree Intrntl SC Div	DLS	EW	32.07	23.14	14.55	2.07	-3.76	3.40	55.56	***
Wtree Intrntl Utilities	DBU	EW	12.62	8.66	6.19	2.10	-3.99	3.27	18.27	***
Wtree Japan SC Div	DFJ	EWR	15.38	12.10	9.74	1.80	-10.33	3.83	46.42	***
Wtree LrgCap Div	DLN	ELC	24.18	15.67	14.73	7.31	0.68	2.14	60.59	***
Wtree MidCap Div	DON	EMC	30.02	21.85	18.19	7.40	0.44	2.32	66.38	***
Wtree S&P 500	EPS	ELC	27.86	18.71	17.14	8.34	2.92	2.62	57.09	***
Wtree Sml Cap Div	DES	ESC	31.90	22.26	19.21	6.86	2.14	2.71	58.26	***
Wtree Ttl Earn	EXT	ELC	29.25	21.00	18.86	9.81	4.08	2.66	59.44	***
Wtree World Ex US Grth	DNL	EW	16.90	7.68	0.66	-3.77	-4.05	3.05	50.41	***

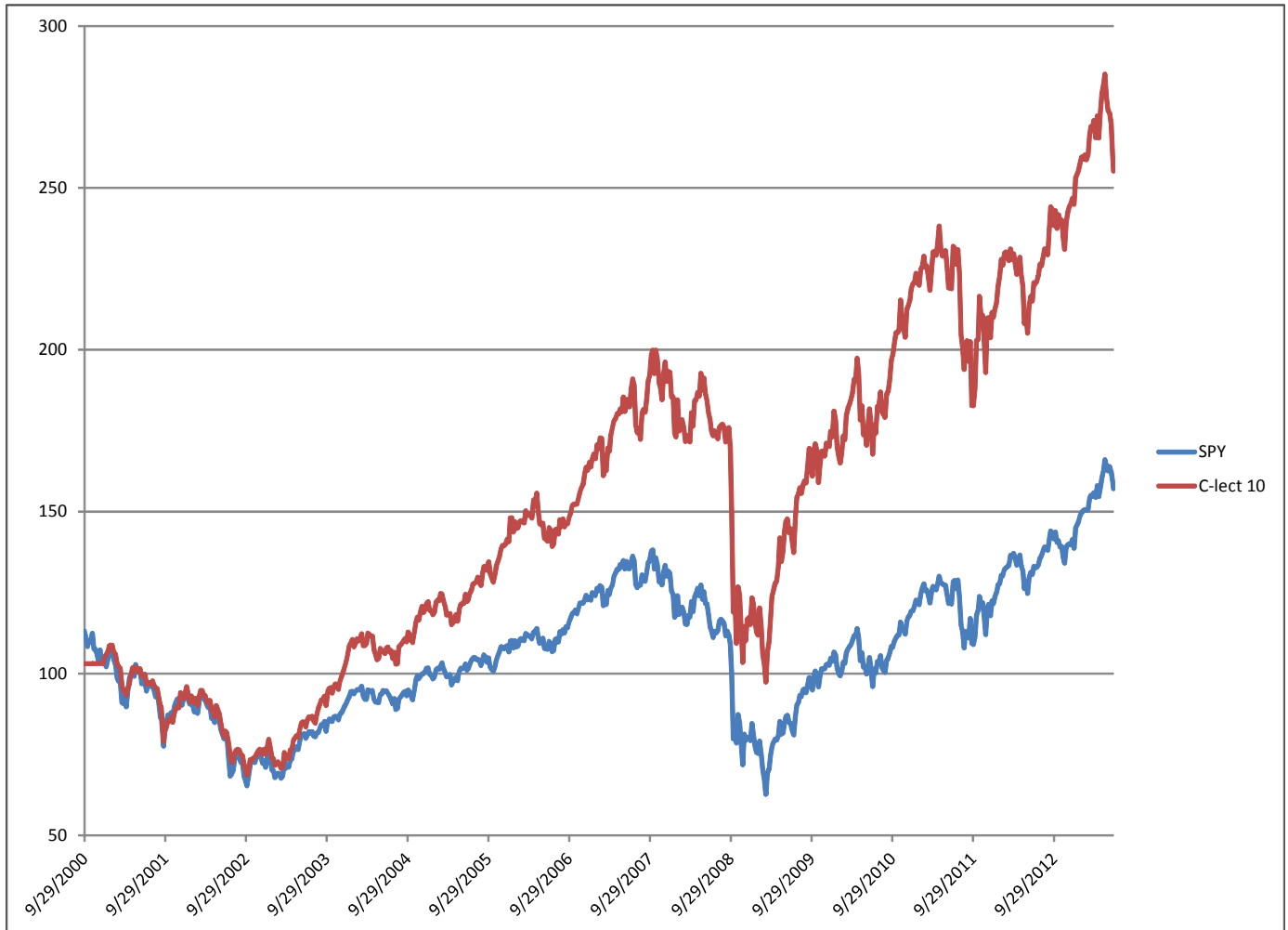
This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.

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>
iShares Brazil Indx	EWZ	EW	0.75	-2.57	-0.41	-7.69	-7.72	4.10	50.89	**
Guggnhm BRIC	EEB	EW	3.98	1.36	-0.70	-4.47	-4.96	3.61	33.35	**
Guggnhm Candn Enrg Incm	ENY	EWR	0.80	-10.08	-6.56	-2.40	-1.23	3.77	14.43	**
Guggnhm China All	YAO	EWR	13.34	13.18	1.10	-3.99	-1.19	3.92	24.08	**
Guggnhm Frntr	FRN	EW	-8.12	-8.46	-8.02	-10.43	-7.44	3.43	17.17	**
Guggnhm Glbl Div	LVL	EW	16.17	6.43	4.23	-1.15	-5.17	3.58	13.02	**
iShares Australia	EWA	EW	24.46	7.75	1.27	-9.19	-13.13	4.35	24.41	**
iShares China	FXI	EW	10.46	9.13	-2.86	-7.55	-4.58	4.92	36.01	**
iShares Emrg Mrkt Stk	EEM	EW	11.35	5.55	-0.79	-4.65	-4.83	2.98	41.20	**
iShares Gold	IAU	EG	-11.51	-18.33	-19.30	-12.43	-6.20	3.13	13.46	**
iShares Latin Amr	ILF	EW	3.52	-1.50	-1.67	-6.60	-6.55	3.53	40.49	**
iShares Mexico	EWX	EW	27.01	11.61	1.85	-4.18	-5.54	4.65	68.34	**
iShares South Korea Indx	EWY	EW	10.18	3.00	-2.79	-6.57	-1.34	3.56	57.64	**
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	4.80	0.24	-2.23	-5.13	-5.05	3.27	37.19	**
PS DB Agriculture	DBA	EA	-2.26	-16.21	-11.65	-3.45	-2.78	3.13	25.49	**
PS DB Base Metals	DBB	EG	-6.12	-3.86	-10.71	-7.19	1.90	4.13	17.17	**
PS DB Commodity	DBC	EA	2.46	-10.18	-7.97	-4.68	-1.56	3.23	25.86	**
PS DB Energy	DBE	EA	6.41	-5.88	-3.03	-3.30	-1.63	4.00	27.23	**
PS DB Gold	DGL	EG	-13.01	-19.45	-20.21	-12.96	-6.47	3.22	46.95	**
PS DB Oil	DBO	EA	2.67	-6.83	0.04	-1.36	-1.71	4.77	25.36	**
PS Dynmc Networking	PXQ	EA	7.29	6.15	6.80	-0.65	4.45	4.47	26.03	**
PS Emrg Mrkt Infrastrctr	PXR	EW	5.91	6.02	-3.24	-9.49	-5.12	3.56	38.73	**
PS FTSE RAFI Asia Pac xJpn	PAF	EW	21.11	7.70	0.18	-7.68	-8.36	3.47	54.23	**
PS FTSE RAFI Emrg Mrkt	PXH	EW	8.94	2.22	-2.26	-6.25	-5.55	3.43	20.75	**
PS India	PIN	EW	11.44	5.02	-4.05	-2.61	-7.14	5.56	17.57	**
Pro Shares Short S&P 500	SH	EC	-23.20	-16.51	-14.91	-8.22	-2.37	2.64	29.27	**
Select SPDR Utilities	XLU	EA	9.32	6.86	8.82	1.54	-9.05	3.25	37.68	**
SPDR Gold	GLD	EG	-11.67	-18.45	-19.35	-12.47	-6.20	3.12	133.92	**
US Oil Fund	USO	EA	0.00	-9.14	0.15	-1.36	-1.66	5.20	32.61	**
Vngrd Emrg Mrkt	VWO	EW	11.91	6.08	0.01	-4.40	-5.07	3.05	41.54	**
Wtree Emrg Mrkt Eincl	DEM	EW	6.90	3.35	0.51	-4.24	-4.93	2.58	53.21	**
Wtree India	EPI	EWR	12.45	7.13	-6.10	-3.55	-6.71	6.03	17.65	**
iPath S&P 500 VIX Shrt Trm	VXX	EC	-77.02	-58.43	-35.38	-20.15	0.90	14.09	19.14	*
iShares Silver	SLV	EG	-20.47	-30.37	-33.75	-22.15	-8.61	6.81	21.44	*
Market Vectors Gold Minors	GDX	EG	-31.93	-37.84	-37.33	-21.12	-2.83	7.36	29.50	*
Market Vectors Junior Gold Miners	GDXJ	EG	-35.36	-42.40	-42.08	-24.07	-6.24	9.03	12.02	*
Market Vectors Russia	RSX	EW	8.41	-4.10	-6.82	-12.31	-5.39	5.63	25.30	*
PS DB Precious Metals	DBP	EG	-14.66	-21.69	-23.11	-14.74	-6.64	3.76	45.71	*
PS DB Silver	DBS	EG	-22.06	-31.58	-35.07	-23.17	-9.12	7.01	37.48	*
PS Glbl Gold Precious Mtls	PSAU	EG	-28.45	-34.47	-36.69	-22.96	-5.28	7.41	23.69	*
Pro Shares Short Russell 2000	RWM	ESC	-27.02	-20.70	-18.69	-8.96	-4.29	3.22	20.53	*
SPDR S&P Metals & Mining	XME	EA	-3.09	-7.09	-10.61	-6.95	1.29	5.18	37.65	*

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C-lect 10



The weekly chart above shows a preliminary back test of the new selecting model from 9/29/2000 through the present. It is called C-lect 10. The results from this look promising. As you can see, the upside was substantially better when invested using the top ETFs as measured by their risk-adjusted relative performance.

C, of course, stands for comet; it is the risk-adjusted relative performance. 10 is the number of ETFs used out of a basket of 35. I plan to expand the basket, but the 35 were the oldest and most liquid.

Both C-lect 10 and SPY (S&P 500) started about 100. SPY ended at 157 and C-lect 10 ended at 255, which is about 66% better. Both measures were 100% invested (no timing used).

One caveat was the number of trades. Commissions to buy and sell were not included as costs, but I plan to add this as the back testing continues. There was nearly always an exchange from one ETF to another to be made weekly, though not of all 10 funds.

I also back tested some other indicators, but none worked as well as C. I also added some timing both directly on the etfs and on the market overlay. Adding timing also improves results. But for this testing, I wanted to actually test a stand alone selecting method that does better than the market.

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) **REVIEW**

economy. Consumer costs for housing, cars, and other items goes up. Same for business costs. Same for the government.

The interesting point about the government, however, is that, if the deficit declines, the net cost should not go up.

The question about tapering is how it will impact the economy. Many economic measures are still weak. Higher interest costs should do nothing but weaken it further.

So, a close eye monitoring stocks and bonds continues to be necessary.

Please see the individual portfolio pages for any changes.

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.

New portfolio stops for the World Growth Model are being implemented. These are internally maintained because they may change daily. They will be emailed when close or if triggered.

7/1 C-lect 10 model preliminary results shown.

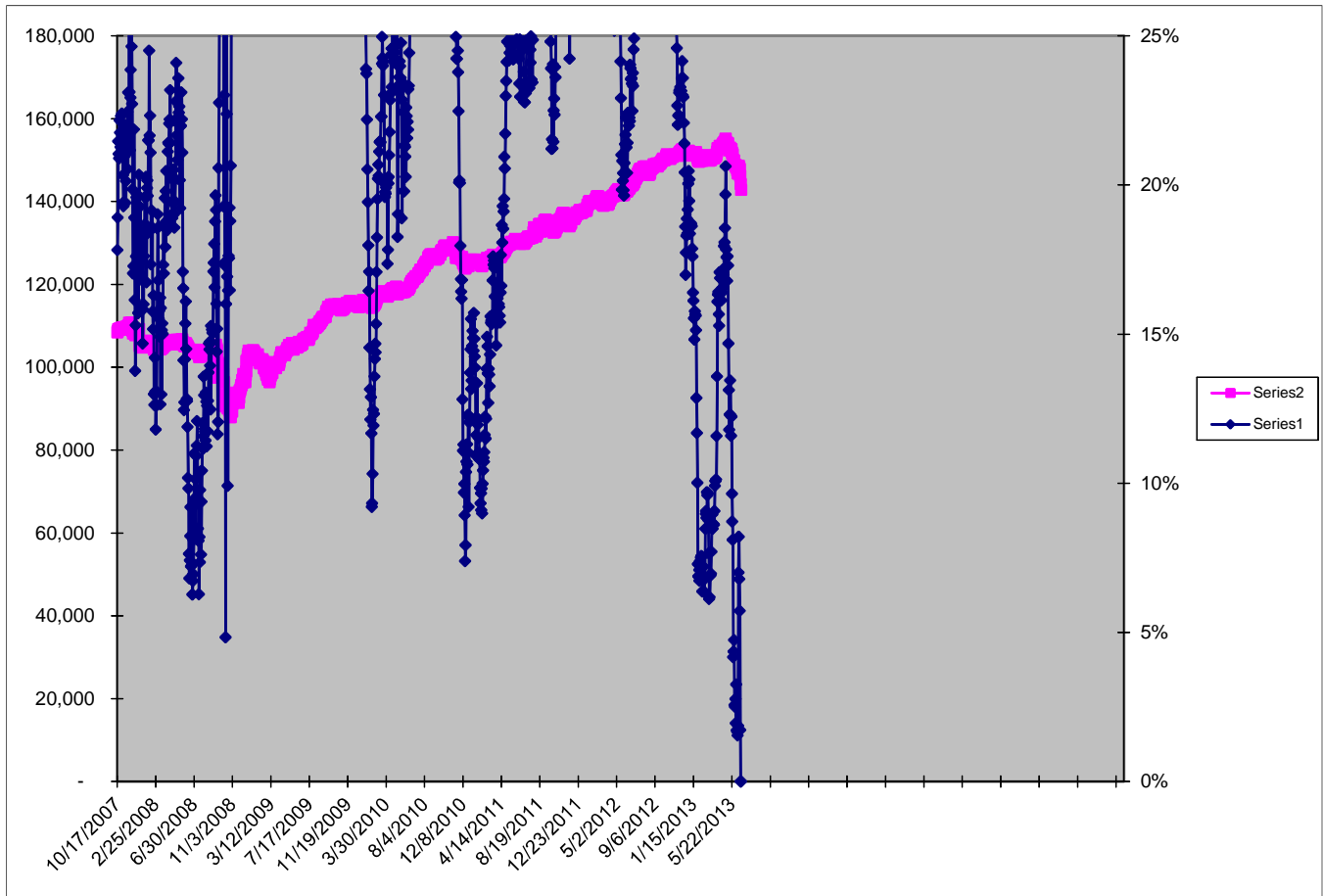
6/24 New page 13 added.

6/17 No changes.

6/10 No changes.

3/11 Right now the World Growth Model is set up to signal one buy and then one sell and then one buy, etc. Given that new subscribers or new money gets allocated to this Model, I am reviewing whether a window of buys makes sense or not. The question basically hinges on where one might buy more that is not too far away from the stop level, where risk of loss exceeds potential for gain. In other words, as an example, if one bought today, the stop level is about 8% away. Based on past history, this is too far away to be within that buy window. A pullback such that the stop is less than 5% away (based on history) is much better risk/reward ratio. This will be communicated in subsequent issues as to when this window is open or closed. It is closed right now.

World Income Index and oversold indicator (repeated)



I haven't talked about the World Income Model or World Income Index because it is not totally completed. It is based on 20% each into JNK (hi-yield), PCY (international), AGG (domestic bond market), TLH (20-year Treasuries), and LQD (corporate bonds).

Back testing is continuing on this Model, but with the huge bond selloff, I at least want to show a history of bonds and the oversold indicator from 10/17/2007 though the present. As you can see, bonds are currently very oversold.

The World Income Index is shown on the left scale and the oversold indicator is shown on the right scale. When the indicator is below 10%, the index is oversold. It is currently at zero percent.

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. 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.

Both portfolios were started on 1/1/10 with \$100,000. However, the Growth Portfolio strategy was changed on 12/10/12 to the World Growth 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).

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 zero for the money market (cash) position.

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 World Growth Index and DJ Aggregate Bond Index are equity and bond indexes and may or may not be useful in comparing returns. Security values fluctuate. Information is provided without consideration for a subscriber's 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.

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