

ETF Selections & Timing

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Test Successful So Far

The stock market appears to have reached at least a short-term bottom. I nibbled some last week, going from 0% invested to 40% in two growth ETFs.

Basically, I've been watching three things to signal a turning point that should lead to a

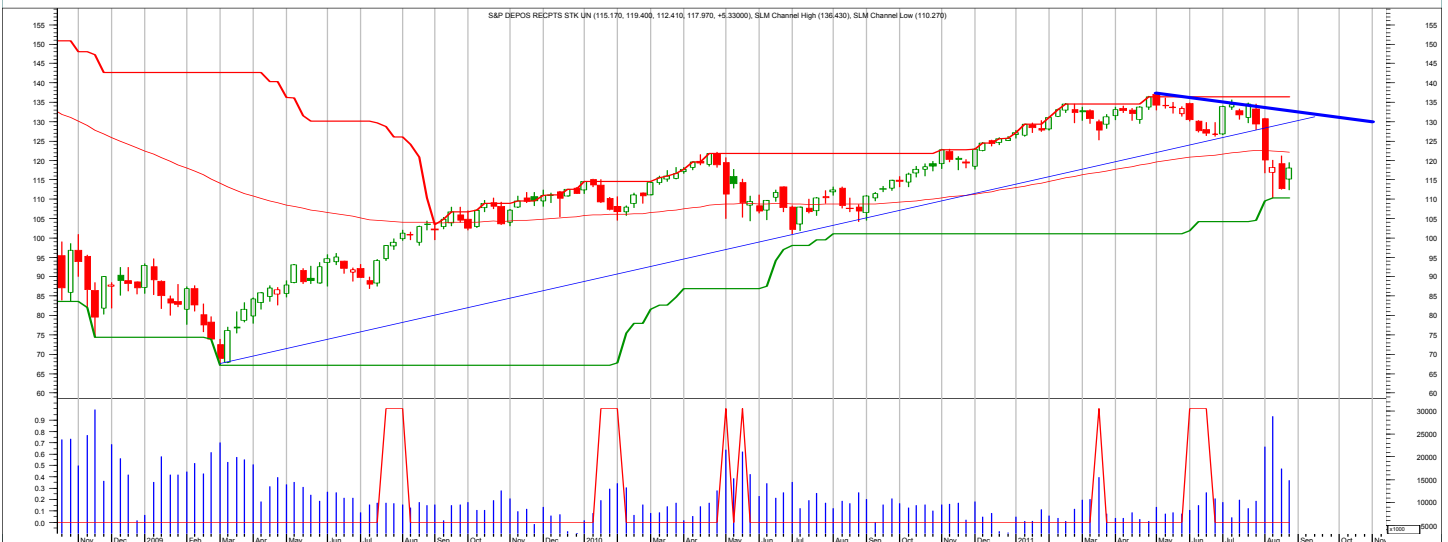
tradeable rally, the news, sentiment, and technicals.

The market discounted the worst of the economic and default fears; bad news continued, but it quit falling. It is down about 7% for the year.

On the sell off, investor sentiment grew bearish. The

VIX index (fear index) spiked above 30. Investor's Intelligence percentage of bulls dropped. The AAII survey of bulls and bears also showed fear. At the same time, corporate insiders must have been

(Continued on bottom right on page 12 see REVIEW)



The chart is the WEEKLY S&P 500 with a 80-week (400-day) moving average.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
ETF Income Portfolio	2.5%	3.0%	1.7	0.2	0.7	-0.3%
ETF Growth Portfolio	6.4%	13.1%	4.7	2.6	2.4	2.2%
Aggrgt Bond (AGG)	3.4%	1.2%	3.7	1.8	1.1	-0.6%
Wilshire 5000	-7.3%	11.0%	-11.7	-12.6	-9.7	5.0%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 8/26/2011							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 8/29	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
6-Apr	sell	AGG	104.60	373.7	39,079	AGG		total bond	107.41	109.38	501.2	54,825.19	51.0%	
6-Apr	sell	TLT	90.54	232.0	20,995									
6-Apr	sell	TLH	110.51	200.7	22,169	PHB	17.40	high yield			1,400.0		about 25%	
18-Apr	buy	AGG	105.63	500.0	52,825									
16-May	buy	BWX	61.10	400.0	24,450									
29-Jun	stop	AGG	106.67	505.0	53,858									
1-Jul	stop	TIP	109.87	201.2	22,096									
11-Jul	sell	BWX	60.57	400.8	24,266									
11-Jul	buy	AGG	107.41	500.0	53,715									
29-Aug	buy	PHB		1,400.0										
						Money Market					1.00	52,689	52,689.00	49.0%
												Total Valuation=	107,514.19	100.0%

WEEKLY REVIEW

8/29 Bonds still overbought, but pulling back into up channel. Will watch for a buy area.

8/22 No changes. Bonds overbought.

8/15 No changes.

8/8 On pullbacks in bonds, I'll look to reenter. The economy is weaker than expected.

8/1 The weak economy is taking center stage. GDP for the first half of 2011 was corrected down and now the second half projection is getting lowered. Bonds are rallying.

7/25 Not much change in bond prices as investors await the US debt solution.

Performance	2010	2011	Incptn
ETF Income Portfolio	4.8	2.9	7.8
Aggregate Bond	2.5	4.0	6.6

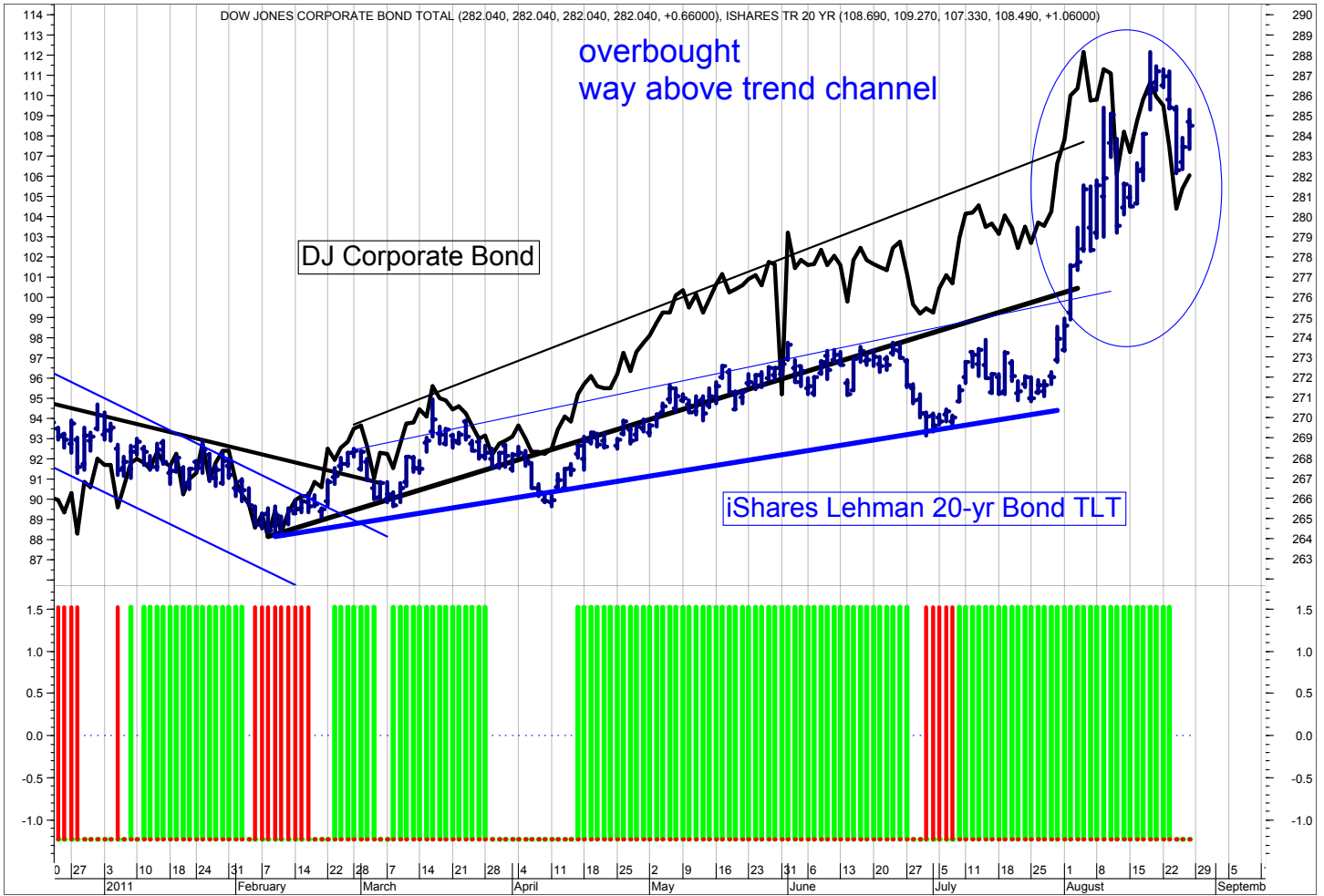
ETF Income Database and Ranking to 7/31/11

<i>Fund Name</i>	<i>D 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 Inftn	TIP	B	7.33	2.28	6.17	2.71	3.19	1.13	114.17	*****
Wtree Dryfs N Zind Dollar	BNZ	B	17.92	11.00	15.25	9.46	6.08	3.35	27.05	*****
PS Bid America	BAB	B	3.53	3.02	8.45	4.35	3.73	1.84	26.96	****
PS DB Dollar Bearish	UDN	B	11.12	5.30	5.42	-0.75	0.80	2.60	28.99	****
SPDR Intrntl TBond	BWX	B	9.87	2.32	6.31	-0.14	1.44	2.51	62.66	****
Wtree Dryfs Brazil Real	BZF	B	7.39	2.50	11.07	2.08	0.92	2.25	29.50	****
Wtree Dryfs Indn Rupee	ICN	B	10.21	4.28	7.17	1.78	1.73	1.95	27.91	****
Wtree Dryfs Jpn Yen	JYF	B	11.30	4.14	6.35	4.99	5.05	2.25	33.68	****
Currency Euro	FXE	B	10.21	3.21	4.96	-2.98	-0.93	3.47	143.14	***
iShares 10-20yr Trsry	TLH	B	1.02	-0.93	6.21	4.54	3.65	2.16	118.76	***
iShares 20+ yr Trsry	TLT	B	-2.55	-2.49	7.34	4.29	4.06	3.32	97.92	***
iShares 3-7yr Trsry	IEI	B	2.50	0.46	3.42	3.02	1.87	1.07	119.29	***
iShares 7-10yr Trsry	IEF	B	2.46	-0.11	5.18	4.44	2.92	1.53	98.66	***
iShares Agg Bond	AGG	B	0.29	-0.36	2.37	1.60	1.40	0.78	108.16	***
iShares High Yld	HYG	B	2.74	0.34	-0.80	-1.94	-0.28	1.68	91.05	***
iShares Inter Gov	GVI	B	0.66	-0.33	1.87	1.45	0.99	0.65	110.22	***
iShares Intrntl Tbond	IGOV	B	6.98	0.82	4.71	-0.40	1.52	2.29	108.16	***
iShares Long Corp Bond	LQD	B	1.88	0.01	3.59	1.72	2.03	1.39	112.37	***
PS 1-30 Ldr Trsry	PLW	B	0.21	-1.14	5.36	3.88	3.03	2.02	28.93	***
PS DB G10 Currency	DBV	B	5.88	4.39	2.90	-2.55	-1.25	2.77	24.47	***
PS Emrg Mrkt Svrgn Debt	PCY	B	1.81	-2.72	4.68	3.03	1.59	1.68	27.52	***
PS Fdmntl Hi Yield Corp	PHB	B	2.55	0.16	0.49	-0.70	0.11	1.48	18.53	***
PS Insrđ CA Muni	PWZ	B	-3.88	-4.91	4.82	2.31	0.17	1.50	23.03	***
PS Insrđ Natl Muni	PZA	B	-3.04	-4.08	4.30	2.37	0.47	1.46	23.30	***
PS Insrđ NY Muni	PZT	B	-3.79	-4.81	3.94	2.07	0.04	1.27	22.70	***
PS Prfd	PGX	B	-0.07	-1.75	-0.21	-2.63	-1.95	1.23	14.06	***
Vngrđ Intrmđt Bond	BND	B	0.50	-0.53	2.39	1.61	1.36	0.78	82.26	***
Wtree Dryfs Chns Yuan	CYB	B	2.24	-0.12	0.99	-0.89	0.35	0.77	25.51	***
Wtree Dryfs Emrg Crrncy	CEW	B	6.35	1.21	5.22	-0.97	0.39	1.83	23.38	***
Wtree Dryfs Euro	EU	B	11.18	4.87	6.01	-3.42	-0.35	3.53	23.46	***
Wtree Dryfs S Africa Rand	SZR	B	1.50	-4.21	9.89	-0.57	1.95	2.88	29.78	***
iShares 1-3yr Trsry	SHY	B	0.32	-0.01	0.46	0.42	0.21	0.22	84.48	**
iShares Inter Bond	MBB	B	-2.46	-2.19	1.55	0.98	0.58	0.71	107.33	**
PS DB Dollar Bullish	UUP	B	-11.42	-5.99	-5.95	0.38	-0.90	2.72	21.03	**
PS Low Duration	PLK	B	0.00	-0.12	0.79	1.31	0.39	0.29	25.50	**
Vngrđ ShrtTrm Bond	BSV	B	-0.04	-0.71	0.80	0.77	0.46	0.47	81.40	**
Wtree Dryfs Comđty Cur	CCX	B	NA	11.79	9.76	1.32	2.30	0.00	28.44	**
Wtree Emrg Mrkt Lcl Debt	ELD	B	NA	2.36	7.54	0.50	1.49	NA	54.32	**
PS VRDO Tax Free Wkly	PVI	B	0.00	0.00	0.00	0.00	-0.04	0.01	24.99	*

ETF data on pages 3, 7, 8, and 9 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

8/29 Fear of recession and default drove the rally. Conditions have improved however, and a pullback is expected. Longer-term the same fears will linger.

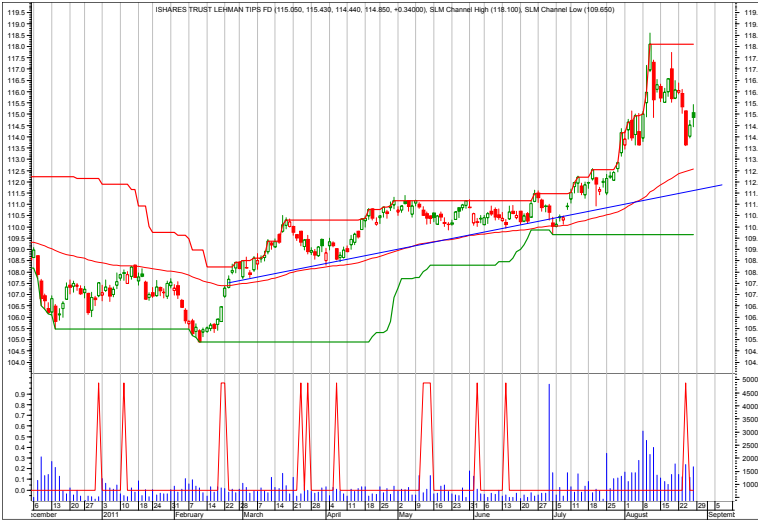
8/22 No change. Still overbought. Fear of recession is in control.

8/15 Bond market way overbought still. Don't chase.

8/8 Fears of not just a slowdown, but a recession, have pushed yields down and prices up. The bond market is overbought at this juncture. I'll look to buy on any pullback.

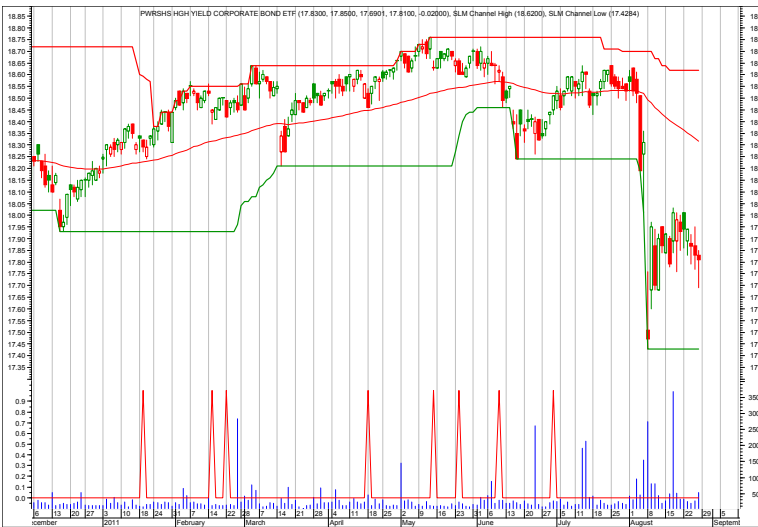
8/1 The weak economy is taking the headlines over the debt impasse.

Income Charts



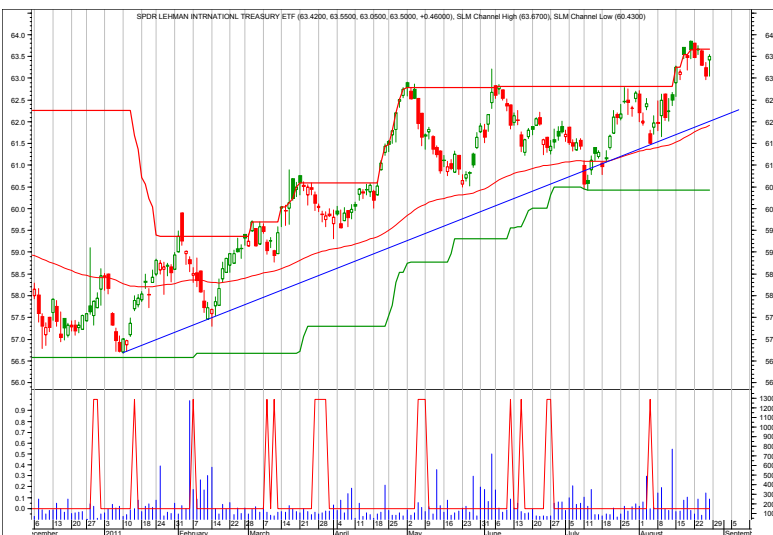
TIP—Inflation Protected

8/29 Pulling back.
 8/22 Short term parabolic is terminal.
 8/15 Very short-term parabolic move? This is a terminal move, if so.
 8/8 Overbought, but trend bullish.
 8/1 Soaring.
 7/25 Higher highs and higher lows is a bull market (yields down, prices up).
 7/18 After a 'fake break', TIP has moved higher.



PHB—High Yield

8/29 Will buy on this pullback.
 8/22 Bounce in progress.
 8/15 Rally back to resistance and then turn over again, if economy continues to come in weaker than expected.
 8/8 Falling apart in recession fears.



BWX—International TBond

8/29 Trend is up.
 8/22 Breakout?
 8/15 Still sorting through the range.
 8/8 Range bound. Watch for breakout or breakdown.
 8/1 Still in range.
 7/25 Avoid.
 7/18 Short-term trend down.
 7/11 Selling.
 7/5 Still about support.
 6/27 Needs to rally for the story to remain intact.

Each chart shows daily prices (top portion), volume (bottom portion), a moving average (smoothed red line on price portion, a relative strength indicator between the ETF and AGG (Aggregated bond ETF) (orange line), and red spikes. The spikes show potential places to buy and sell short. If the moving average is trending down, the spike shows a potential sell shorts. If the moving average is trending up, the spike shows potential buys. The charts do not show selling or covering signals.

Growth Portfolio

ACTION FOR						PORTFOLIO DETAILS				Value as of date:		8/26/2011		
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 8/29	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total	
25-Jul	short	EWP	39.88	(100)	(3,978)	LONG ETFs-								
						QQQ	50.00	NSDQ 100	50.17	53.13	440	23,377.20	20.3%	
						IWM	65.00	Rsl 2000	65.05	69.11	340	23,497.40	20.4%	
27-Jul	sell	PTH	30.31	100	3,021									
27-Jul	sell	PUI	16.89	500	8,435									
28-Jul	sell	DHS	40.90	100	4,080									
1-Aug	sell	PKW	25.63	125	3,194									
1-Aug	sell	CZA	30.18	200	6,026									
4-Aug	sell	PBJ	18.41	150	2,752									
22-Aug	buy	QQQ	50.17	440	22,085	SHORT ETFs-								
22-Aug	buy	IWM	65.05	340	22,127									
23-Aug	cover	EWP	34.89	100	3,479									
									Cash from short		1.00	-	0.0%	
									Money Market		1.00	68,092	68,092.00	59.2%
									Total Valuation=			114,966.60	100.0%	

WEEKLY REVIEW

8/29 No changes. Will begin to accumulate on short-term pullbacks, as I expect the market to work its way higher from here. But monitor the raised stops.

8/22 Will reenter the market. The short-term test appears successful so far. Please carefully note the stops.

8/15 No changes for now. Please note the new lowered stop level for EWP.

8/8 The remainder of the long positions were stopped out last week. Everything is in cash, except for the short Spain position (EWP). I lowered the buy/cover stop on it. Won't look to buy anything until news improves, technicals improve, and bullish sentiment evaporates.

8/1 Three positions were stopped out last week as they fell below support levels. The short position in EWP (Spain) is still intact.

7/25 Still waiting for some risk resolution before buying. In the meantime, reshort EWP. Note the changed stop levels.

Performance	2010	2011	Incptn
ETF Growth Portfolio	8.1	6.4	15.0
Wilshire 5000	15.5	-7.3	7.1

Top ETF Growth Ranking to 7/31/11 (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 Gold	IAU	EG	37.28	19.50	21.98	3.93	8.40	4.32	15.87	*****
iShares Silver	SLV	EG	120.99	60.74	41.83	-17.13	14.80	11.74	38.85	*****
PS DB Gold	DGL	EG	35.75	18.39	21.47	3.74	8.34	4.30	56.92	*****
PS DB Precious Metals	DBP	EG	50.59	26.49	25.73	-2.19	9.92	6.04	60.40	*****
PS DB Silver	DBS	EG	119.63	59.84	42.08	-17.27	14.85	11.81	69.82	*****
PS Dynmc Pharma	PJP	EA	37.90	17.73	14.72	1.18	-1.19	3.73	26.49	*****
PS Dynmc Sml Cap Grth	PWT	ESC	40.31	53.98	24.64	10.48	-0.21	5.63	18.97	*****
PS S&P SmlCap Energy	PSCE	EA	71.18	53.58	13.96	-2.15	4.81	7.63	40.56	*****
SPDR Gold	GLD	EG	37.06	19.36	21.88	3.89	8.42	4.32	158.29	*****
SPDR NASDAQ 100	QQQQ	ELC	29.06	26.69	32.92	10.91	3.16	5.47	57.77	*****
Guggnhm Dfnsv Eqty	DEF	EV	17.82	7.95	4.52	-3.33	-2.71	2.41	25.85	****
Guggnhm Ocn Grth	OTR	ELC	27.80	12.14	8.32	-0.46	0.93	3.49	30.48	****
iShares Cohen&Str REIT	ICF	ERE	21.95	14.46	7.81	-0.61	1.85	4.03	73.85	****
PS DB Commodity	DBC	EA	32.28	20.25	6.13	-5.08	4.56	4.89	30.28	****
PS DWA Emrg Mrkt T Ldrs	PIE	EW	25.47	8.05	12.68	0.36	3.46	4.77	19.46	****
PS DWA Tech Ldr	PDP	ELC	29.72	16.39	6.24	-3.09	-1.42	4.31	25.71	****
PS Dynmc Consmr Staples	PSL	EA	18.41	11.91	10.83	-1.27	-2.20	3.57	31.00	****
PS Dynmc Energy	PXI	EA	51.79	37.38	10.69	-2.35	2.99	5.63	43.70	****
PS Dynmc Energy Explor	PXE	EA	48.56	36.45	6.15	-5.17	2.90	5.85	26.25	****
PS Dynmc Food & Bev	PBJ	EA	25.96	14.49	12.41	-0.15	-1.89	3.30	19.75	****
PS Dynmc Healthcare	PTH	EA	30.42	19.61	11.08	-4.10	-4.91	3.92	30.18	****
PS Dynmc Lrg Cap	PJF	ELC	20.63	27.59	11.68	2.96	-1.25	4.07	26.08	****
PS Dynmc Mid Cap	PJG	EMC	24.04	33.63	14.27	4.92	-0.41	4.26	27.05	****
PS Dynmc Mid Cap Grth	PWJ	EMC	30.73	44.60	12.93	5.41	-2.36	5.52	23.57	****
PS Dynmc Mid Cap Value	PWP	EMC	19.07	27.88	13.50	4.40	0.97	3.73	17.23	****
PS Dynmc Oil & Gas Srvcs	PXJ	EA	55.56	39.76	10.16	-3.07	4.19	7.42	25.59	****
PS Dynmc Sml Cap	PJM	ESC	24.57	42.08	16.77	4.55	-3.11	5.69	24.58	****
PS Dynmc Sml Cap Value	PWY	ESC	23.47	38.61	15.78	3.98	-2.12	5.49	16.73	****
PS NASDAQ Intrnt	PNQI	EA	46.14	13.75	9.43	-5.00	1.37	4.74	39.34	****
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	19.27	15.06	11.57	-1.09	-2.98	4.02	31.63	****
PS S&P SmlCap Hlth Care	PSCH	EA	36.97	25.82	13.99	-6.24	-4.19	4.56	32.02	****
PS US REIT	PSR	ERE	22.64	13.70	8.67	-0.33	1.05	3.68	51.78	****
Select SPDR Ergy	XLE	EA	41.99	29.05	4.51	-5.01	1.46	5.72	76.45	****
SPDR Wish REIT	RWR	ERE	20.81	13.16	7.40	-1.04	1.71	3.99	67.74	****
Vngrd Consmr Stpls	VDC	EA	15.96	8.11	9.08	-1.01	-1.44	3.01	78.77	****
Vngrd Health	VHT	EA	21.53	10.92	8.73	-3.51	-3.90	3.33	61.65	****
Wtree Intrntl Basic Mtrl	DBN	EA	42.29	43.15	19.60	3.76	-4.30	6.84	34.47	****
Wtree Intrntl Energy	DKA	EA	38.07	38.52	23.66	2.35	-5.49	6.54	29.63	****
Wtree Japan SC Div	DFJ	EWR	12.53	13.15	1.37	4.53	2.88	3.48	44.99	****
Wtree Pcfc Ex Japn Eqt In	DNH	EW	26.64	23.12	12.71	1.67	-4.52	5.48	62.89	****
Wtree Pcfc Ex Japn Ttl Div	DND	EW	28.36	21.64	11.15	3.81	-2.87	4.29	69.47	****

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

Fund Name	Symbol	Style	12m	9m	6m	3m	1m	V	NAV	Rank
Guggnhm BRIC	EEB	EW	8.46	-1.99	-0.31	-6.77	-2.08	4.05	44.75	***
Guggnhm Candn Enrg Incm	ENY	EWR	23.61	14.59	-4.27	-11.64	-1.07	6.04	20.42	***
Guggnhm China All	YAO	EWR	9.54	-3.17	2.06	-5.28	-1.03	3.61	27.79	***
Guggnhm China REIT	TAO	EWR	8.96	-1.55	-0.27	0.03	1.87	3.96	19.89	***
Guggnhm Gbl Div	LVL	EW	9.21	-0.46	-0.70	-9.22	-3.46	5.16	15.06	***
Guggnhm Gbl Wtr	CGW	EW	16.88	8.34	3.38	-5.33	-2.85	4.26	21.12	***
Guggnhm Insdr Sent	NFO	EMC	27.67	16.85	5.89	-3.27	-3.38	4.51	34.88	***
Guggnhm Intrntl A Incm	HGI	EW	9.90	-1.30	-2.72	-7.34	-2.24	4.21	18.93	***
Guggnhm MidCap Core	CZA	EMC	22.00	11.68	3.25	-5.54	-4.12	3.65	30.50	***
Guggnhm Multi Ast In	CVY	EV	12.25	5.40	1.80	-4.96	-2.84	3.05	20.89	***
Guggnhm Ocn Tomo	OTP	ELC	18.85	8.12	-0.08	-6.99	-3.48	4.47	26.35	***
Guggnhm RJ All	RYJ	ELC	26.78	16.67	1.30	-7.42	-2.63	5.05	21.84	***
Guggnhm Sctr Rotn	XRO	ELC	21.91	10.23	3.51	-6.46	-4.04	4.24	25.65	***
Guggnhm Spin Off	CSD	EMC	21.30	10.98	6.68	-4.16	-1.84	3.79	23.97	***
iShares Canada	EWC	EW	16.05	6.98	-1.12	-8.19	-2.31	3.78	30.94	***
iShares DJ Sict Div	DVY	EGI	12.79	6.78	2.72	-4.32	-2.99	3.24	51.34	***
iShares EAFE Indx	EFA	EW	13.10	2.98	-1.23	-7.49	-2.38	5.17	58.71	***
iShares Emrg Mrkt Stk	EEM	EW	13.79	2.15	2.84	-5.78	-1.03	4.57	47.11	***
iShares Europe 350	IEV	EW	12.36	1.19	-2.24	-11.58	-4.73	6.34	40.09	***
iShares Mexico	EWV	EW	21.29	7.46	1.73	-3.89	-1.20	4.02	61.81	***
iShares REIT	IYR	ERE	17.00	9.95	4.26	-2.80	0.22	3.63	60.43	***
iShares Russel 2000	IWM	ESC	22.64	13.43	2.30	-7.70	-3.70	5.01	79.74	***
iShares Russel MidVal	IWS	EV	17.62	9.42	-0.33	-6.90	-3.94	4.08	45.87	***
iShares Sict Div	IDV	ELC	15.80	3.96	-0.63	-9.72	-3.29	5.49	34.44	***
PS Aerospace & Def	PPA	EA	10.39	5.55	-4.21	-7.40	-6.67	4.60	19.02	***
PS AlphQ	PQY	ELC	24.40	7.66	1.17	-4.58	-3.23	3.95	29.37	***
PS BLDR Asia 50 ADR	ADRA	EW	12.17	4.45	-2.34	-3.53	-0.44	3.82	27.63	***
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	11.46	2.80	-1.98	-7.59	-2.24	5.48	21.79	***
PS BLDR Europe 100 ADR	ADRU	EW	10.96	1.66	-1.89	-9.35	-2.91	5.57	21.35	***
PS Buyback Achievers	PKW	EGI	25.36	12.97	3.97	-4.33	-3.01	3.77	26.08	***
PS Cleantech	PZD	EA	14.17	7.71	-1.95	-11.25	-6.03	5.76	26.67	***
PS DB Agriculture	DBA	EA	24.13	8.59	-5.95	-5.31	1.61	4.11	32.25	***
PS DB Base Metals	DBB	EG	24.66	10.20	2.33	4.07	4.98	5.08	25.07	***
PS DB Energy	DBE	EA	26.12	25.86	7.74	-8.91	2.49	5.52	30.47	***
PS DB Oil	DBO	EA	15.23	13.80	-0.86	-15.78	0.24	5.64	28.82	***
PS Dividend Achievers	PFM	EGI	15.11	7.50	2.54	-4.84	-2.68	3.08	14.55	***
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	22.50	5.15	1.19	-7.39	-2.09	4.89	22.05	***
PS Dyn Dvlp Intrnl Opp	PFA	EW	22.48	10.33	1.83	-4.08	-1.73	5.38	18.78	***
PS Dyn MagniQuant	PIQ	ELC	23.52	13.27	3.16	-5.54	-3.64	4.66	25.47	***
PS Dyn Mrkt	PWC	ELC	19.97	8.59	-0.36	-7.19	-5.28	4.15	44.76	***
PS Dyn OTC	PWO	ESC	19.62	8.12	1.66	-6.97	-5.10	4.57	50.01	***
PS Dynmc Basic Matrl	PYZ	EA	30.57	15.19	5.37	-6.14	-2.45	5.26	38.23	***
PS Dynmc Biotech	PBE	EA	15.13	5.45	-0.61	-9.06	-5.98	4.63	21.08	***
PS Dynmc Consmr Discr	PEZ	EA	25.72	13.53	7.02	-3.16	-1.91	4.92	26.69	***
PS Dynmc Fncl	PFI	EA	7.96	6.05	-2.45	-8.32	-4.49	3.72	18.73	***
PS Dynmc Industrls	PRN	EA	22.49	11.43	-2.24	-9.89	-5.83	5.45	29.25	***
PS Dynmc Leisure & Enter	PEJ	EA	30.09	10.46	4.46	-0.72	-2.54	4.42	19.22	***
PS Dynmc Lrg Cap Grth	PWB	ELC	23.41	10.84	3.67	-3.80	-1.74	4.11	16.97	***
PS Dynmc Lrg Cap Value	PWV	ELC	15.31	8.22	1.84	-4.91	-3.10	3.65	19.36	***
PS Dynmc Media	PBS	EA	19.64	11.28	4.62	-7.17	-4.29	5.47	14.50	***
PS Dynmc Networking	PXQ	EA	23.78	5.53	-4.37	-13.76	-10.93	5.82	25.19	***
PS Dynmc Retail	PMR	EA	25.33	16.06	9.74	-5.69	-2.31	5.17	20.73	***
PS Dynmc Software	PSJ	EA	16.19	4.29	-1.59	-9.64	-6.51	4.31	24.83	***
PS Dynmc Utilities	PUI	EA	11.21	6.15	3.91	-3.67	-4.85	2.87	16.47	***
PS Emrg Mrkt Infrastrctr	PXR	EW	18.65	1.96	-1.64	-9.57	-3.95	5.55	51.03	***
PS FTSE RAFI Asia Pac xJpn	PAF	EW	26.01	10.04	1.98	-6.38	-1.53	4.89	57.22	***
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	18.67	6.39	0.20	-5.01	-1.47	4.46	24.79	***
PS FTSE RAFI Emrg Mrkt	PXH	EW	11.70	1.08	-0.08	-6.54	-1.59	4.04	25.30	***
PS FTSE RAFI US 1000	PRF	ELC	15.74	8.56	-1.34	-6.93	-3.35	4.14	56.55	***
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	22.38	13.73	1.53	-7.26	-3.32	5.10	65.52	***
PS Gbl Agriculture	PAGG	EA	36.65	8.16	1.84	-0.95	1.37	5.16	33.26	***
PS Gbl Coal	PKOL	EA	29.33	8.82	-4.38	-6.11	3.06	5.63	35.18	***
PS Gbl Gold Precious Mtls	PSAU	EG	18.44	0.39	6.26	-8.12	3.82	5.05	46.77	***
PS Gbl Steel	PSTL	EA	10.29	4.13	-6.33	-7.54	-3.68	5.23	21.96	***

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

Fund Name	D Symbol	Style	12m	9m	6m	3m	1m	V	NAV	Rank
PS Gbl Water	PIO	EW	11.31	4.22	-1.57	-8.84	-3.80	4.83	19.49	***
PS Ibtstn Altrntv	PTO	ELC	11.88	3.94	2.79	-2.15	0.86	2.63	12.02	***
PS Intrntl Dvdnd	PID	EW	13.89	4.60	1.66	-5.76	-1.43	3.95	15.91	***
PS Mega Cap	PMA	ELC	19.24	12.15	1.58	-5.31	-2.29	3.81	26.40	***
PS Mrngstr Stk	PYH	ELC	14.74	7.85	-2.15	-7.17	-3.08	3.79	20.47	***
PS RvrFrnt Tac Bal	PAO	EGI	12.94	5.50	1.25	-5.76	-2.60	3.03	12.81	***
PS RvrFrnt Tac G&I	PCA	EGI	8.42	3.11	1.09	-4.48	-1.74	2.27	13.01	***
PS S&P 500 High Qlty	PIV	ELC	18.54	9.25	3.18	-4.74	-3.35	3.45	13.94	***
PS S&P SmlCap Cnsmr Dis	PSCD	EA	22.88	16.20	8.34	-1.46	-1.27	5.65	29.05	***
PS S&P SmlCap Fincl	PSCF	EA	13.46	8.66	0.27	-5.84	-1.23	3.75	27.23	***
PS S&P SmlCap Indstrils	PSCI	EA	16.75	11.21	-1.30	-6.95	-3.29	5.08	28.78	***
PS S&P SmlCap Info Tech	PSCT	EA	20.61	8.63	-4.40	-12.24	-7.72	5.73	28.67	***
PS S&P SmlCap Mtrls	PSCM	EA	21.92	9.04	0.56	-6.14	-3.41	5.16	28.59	***
PS S&P SmlCap Utilities	PSCU	EA	15.77	7.35	4.83	-0.55	-2.64	2.75	29.51	***
PS Water Resources	PHO	EA	14.52	6.28	-3.80	-8.75	-4.65	5.11	18.46	***
PS WilderHill Prgsv Enrgy	PUW	EA	15.51	8.85	-3.53	-9.86	-2.24	5.31	27.60	***
PS Zacks Micro Cap	PZI	ESC	15.75	7.91	-4.23	-9.37	-4.23	5.96	11.32	***
Select SPDR Cnsmr Disc	XLY	EA	26.11	12.45	6.64	-2.22	-1.39	4.32	39.65	***
Select SPDR Cnsmr Stpl	XLP	EA	14.27	7.16	6.75	-2.19	-1.28	3.11	30.83	***
Select SPDR Health	XLV	EA	19.43	9.46	7.70	-3.18	-3.97	3.27	34.12	***
Select SPDR Indl	XLI	EA	14.49	7.77	-4.30	-10.39	-6.87	5.14	34.68	***
Select SPDR Matrils	XLB	EA	18.74	9.22	-1.12	-7.00	-3.45	4.57	38.01	***
Select SPDR Technlgy	XLK	EA	17.75	6.00	-0.69	-3.48	0.43	4.29	25.81	***
Select SPDR Utilities	XLU	EA	9.22	4.57	4.57	0.03	-0.93	2.36	33.17	***
SPDR DJ Gbl Titans	DGT	EW	11.54	3.70	-2.86	-8.11	-2.16	4.53	58.37	***
SPDR DJ Industrials	DIA	ELC	15.69	8.82	2.13	-5.40	-2.18	3.71	121.13	***
SPDR S&P 500	SPY	ELC	17.28	9.15	0.51	-5.20	-2.00	3.84	129.33	***
Vngrd Cnsmr Dis	VCR	EA	27.94	13.37	7.20	-2.25	-1.85	4.50	64.20	***
Vngrd Emrg Mrkt	VWO	EW	15.40	3.09	3.94	-4.51	-0.62	4.17	48.32	***
Vngrd Extnd 4500	VXF	ELC	24.69	14.08	2.37	-6.76	-3.23	4.72	56.57	***
Vngrd Grth	VUG	ELC	22.84	11.07	2.64	-3.12	-0.73	3.94	64.22	***
Vngrd Large Cap	VV	ELC	18.24	9.66	0.73	-5.14	-2.01	3.92	59.37	***
Vngrd Materials	VAW	ELC	24.91	10.97	1.44	-6.32	-2.46	4.69	83.95	***
Vngrd MidCap Val	VO	EMC	23.79	12.52	2.09	-6.13	-3.43	4.29	77.66	***
Vngrd Small Cap	VB	ESC	23.98	13.92	2.84	-7.49	-3.63	4.96	75.22	***
Vngrd Small Cap Grth	VBK	ESC	31.21	18.11	4.86	-7.39	-3.88	5.27	82.57	***
Vngrd Small Cap Value	VBR	ESC	16.97	9.54	0.73	-7.34	-3.32	4.59	67.75	***
Vngrd Tech	VGT	EA	19.31	6.93	-1.06	-4.43	-0.14	4.62	63.26	***
Vngrd TTL Stock	VTI	ELC	18.84	10.10	0.89	-5.45	-2.27	3.99	66.85	***
Vngrd Utilities	VPU	ELC	10.72	5.73	4.60	-0.79	-1.11	2.34	71.18	***
Wtree DEFA	DWM	EW	12.79	2.11	-1.49	-8.42	-3.49	5.45	48.42	***
Wtree DEFA Eqty Incm	DTH	EW	10.80	-0.28	-1.81	-10.50	-4.23	6.28	42.37	***
Wtree Div Ex Fincl	DTN	ELC	17.82	8.43	2.85	-4.12	-3.17	3.43	49.79	***
Wtree Emrg Mrkt Eincm	DEM	EW	16.25	4.28	4.19	-7.34	-1.82	4.77	59.87	***
Wtree Emrg Mrkt SC Div	DGS	EW	17.82	0.93	2.00	-6.32	0.80	5.04	52.95	***
Wtree Eqty Income	DHS	EGI	15.98	6.74	4.87	-3.53	-1.86	3.02	40.72	***
Wtree Gbl Eqty Incm	DEW	EW	13.21	2.18	0.34	-8.67	-3.28	4.79	43.63	***
Wtree Intrntl Div Ex Fincl	DOO	EW	12.15	0.24	-0.63	-9.45	-3.64	5.68	45.50	***
Wtree Intrntl LC Div	DOL	EW	10.68	0.22	-1.76	-9.12	-3.20	5.65	46.32	***
Wtree Intrntl MC Div	DIM	EW	14.00	2.13	-1.04	-7.69	-3.05	5.30	52.37	***
Wtree Intrntl SC Div	DLS	EW	15.64	3.72	-1.61	-7.82	-1.76	4.83	51.31	***
Wtree LrgCap Div	DLN	ELC	16.68	8.60	2.62	-4.66	-2.49	3.40	47.84	***
Wtree LrgCap Grth	ROI	ELC	17.80	8.14	1.01	-5.85	-1.28	3.66	37.85	***
Wtree MidCap Div	DON	EMC	17.00	9.75	2.40	-5.46	-2.73	3.73	53.00	***
Wtree MidCap Earn	EZM	EMC	23.84	14.01	2.51	-6.89	-3.95	4.44	56.41	***
Wtree S&P 500	EPS	ELC	16.62	7.94	0.60	-5.23	-2.24	3.55	44.56	***
Wtree Sml Cap Div	DES	ESC	10.55	5.08	-1.13	-6.53	-2.77	4.02	46.32	***
Wtree Ttl Div	DTD	ELC	16.58	8.66	2.46	-4.56	-2.33	3.38	48.30	***
Wtree Ttl Earn	EXT	ELC	17.47	8.21	0.66	-5.70	-2.44	3.65	45.89	***
Wtree World Ex US Grth	DNL	EW	19.92	5.46	6.25	-4.41	-0.28	4.46	56.60	***

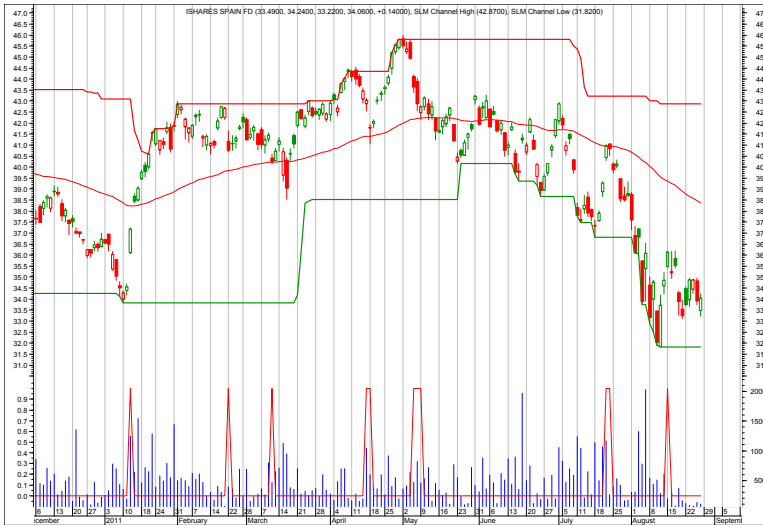
This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.

Bottom ETF Growth Ranking to same month end

<i>Fund Name</i>	<i>D 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 Sml	HAO	EWR	1.88	-13.64	-7.21	-9.86	-3.82	4.80	27.16	**
Guggnhm Euro-Pac	EEN	EW	11.07	-2.07	-5.62	-11.91	-5.39	4.70	18.96	**
Guggnhm Frntr	FRN	EW	8.19	-7.70	-0.23	-4.75	-5.93	4.27	22.05	**
Guggnhm Intrntl SmlCap	XGC	EW	12.50	-5.01	-5.48	-10.42	-2.06	4.22	22.77	**
Guggnhm Timber	CUT	EA	5.42	-3.77	-11.18	-15.93	-6.97	5.50	19.63	**
iShares China	FXI	EW	2.72	-5.81	-0.45	-6.30	-1.37	3.17	42.36	**
iShares Latin Amr	ILF	EW	6.26	-4.97	-3.58	-8.57	-4.05	4.69	49.53	**
iShares Prfrd	PFF	EGI	-1.65	-2.30	-0.97	-3.39	-2.42	1.57	38.70	**
iShares Spain	EWP	EW	-1.93	-9.85	-7.55	-15.48	-8.14	8.84	38.71	**
PS Actv Alph MultiCap	PQZ	ELC	9.11	-1.77	-10.47	-14.16	-6.34	4.55	17.73	**
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	7.05	-1.02	-1.70	-6.48	-2.17	4.10	45.58	**
PS Dynmc Bldg Cnstrctn	PKB	EA	4.15	3.06	-8.06	-11.65	-5.54	5.22	12.44	**
PS Dynmc Semicndctr	PSI	EA	17.56	4.90	-10.48	-16.39	-9.85	6.78	15.20	**
PS Dynmc Technology	PTF	EA	14.35	3.38	-5.60	-10.44	-7.17	5.32	24.80	**
PS Fincl Pfd	PGF	EGI	1.56	-2.99	-0.96	-4.05	-2.66	1.92	17.55	**
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	10.35	0.00	-3.90	-9.93	-4.52	5.83	39.46	**
PS Gbl Listd Prvt Eqty	PSP	EW	11.68	-3.13	-6.66	-16.63	-4.03	6.37	10.23	**
PS Gbl Nuclr Enrgy	PKN	EW	5.23	-2.47	-10.89	-6.04	0.62	4.88	19.32	**
PS Gldn Drgn USX China	PGJ	EW	8.81	-4.79	-3.33	-8.61	0.57	4.15	26.42	**
PS Hi Yld Eqty Div	PEY	EGI	4.55	0.28	-1.50	-6.17	-3.41	3.15	8.51	**
PS India	PIN	EW	1.82	-9.91	2.64	-4.42	-2.34	5.30	22.91	**
PS S&P 500 BuyWrite	PBP	ELC	1.89	-2.06	-0.33	-2.38	-0.76	2.24	20.95	**
Select SPDR Financls	XLF	EA	0.58	1.62	-9.79	-9.68	-3.62	4.41	14.80	**
SPDR Euro Stoxx 50	FEZ	EW	6.45	-3.87	-6.21	-14.90	-7.70	7.66	37.47	**
Vngrd Fincl Srv	VFH	EA	2.92	2.88	-7.75	-8.99	-3.27	4.42	31.06	**
Wtree Eur SC Div	DFE	EW	14.53	-1.51	-5.77	-14.85	-5.03	6.60	40.98	**
Wtree India	EPI	EWR	-0.04	-14.16	0.73	-6.27	-2.51	5.54	23.34	**
Wtree Intrntl REIT	DRW	ERE	9.43	-4.53	-1.35	-6.49	-1.46	4.08	28.44	**
Wtree Intrntl Utilities	DBU	EA	4.64	-4.05	-4.05	-9.76	-3.58	5.67	20.35	**
Wtree Japan Hedge Eqty	DXJ	EC	-2.48	1.49	-8.37	-3.81	-2.19	3.81	35.35	**
Wtree Middle East Div	GULF	EW	3.90	-7.27	-9.75	-10.89	-3.10	4.41	15.18	**
Guggnhm Airline	FAA	EA	-12.94	-26.10	-18.94	-14.57	-12.99	5.68	31.08	*
Guggnhm Shipping	SEA	EA	-27.00	-26.26	-24.47	-21.16	-9.56	NA	20.53	*
Guggnhm Solar	TAN	EA	-15.62	-23.54	-19.22	-26.93	-9.56	9.41	6.43	*
PS Dynmc Banking	PJB	EA	-5.14	0.20	-9.98	-8.66	-3.82	3.96	11.82	*
PS Gbl Clean Enrgy	PBD	EW	-4.78	-8.97	-10.76	-18.18	-7.37	6.54	12.69	*
PS Gbl Wind Energy	PWND	EW	-16.50	-9.04	-8.12	-17.91	-5.69	7.14	9.26	*
PS Lux Nanotech	PXN	EA	-7.51	-11.88	-16.95	-14.91	-4.52	5.84	8.23	*
PS MENA Frntr Countries	PMNA	EW	-6.33	-14.65	-10.14	-7.52	-3.08	3.44	11.72	*
PS WilderHill Cln Enrgy	PBW	EA	-9.50	-17.10	-20.52	-19.44	-7.89	6.27	8.29	*

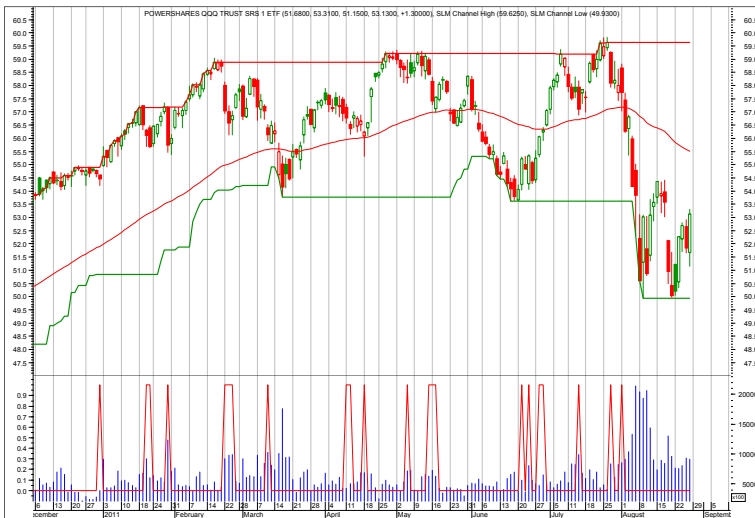
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Growth Charts



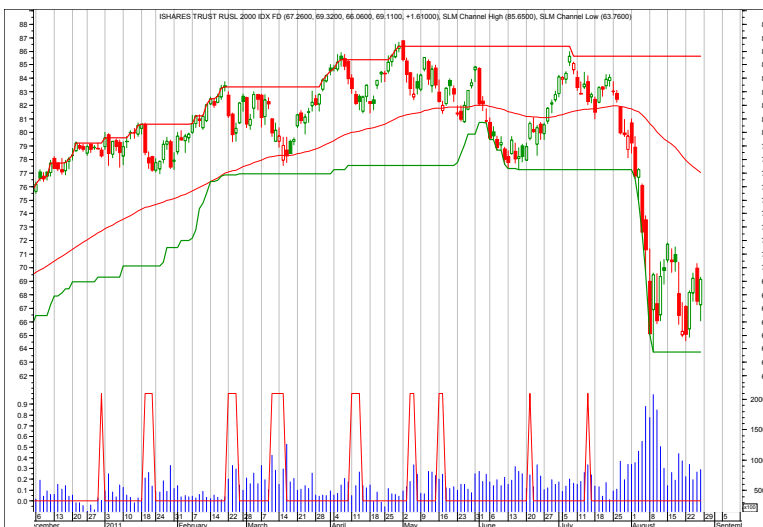
EWP—Spain

8/29 Stand aside for now.
 8/22 Watch the lowered stop.
 8/15 Rally back into its down channel.
 8/8 Weekly chart. Long term view. May be breaking down.
 8/1 Well defined down channel. This European country is still dealing with its sovereign debt issue.
 7/25 It's near the top of its down channel.
 Time to reshoot.



QQQ—NASDAQ 100

8/29 Beginning to bounce, but watch for what was support (buying) at March and June lows to potentially turn into resistance (selling).
 8/22 Due for a bounce of 5-15%.



IWM—Russell 2000

8/29 Watch for a bounce.
 8/22 Test is successful so far. Rally back to downtrend.
 8/15 Rally back to downtrend.
 8/8 Previous support should now turn to resistance on any rallies.
 8/1 New more severe down channel forming?
 7/25 At top of channel.
 7/18 No change.
 7/11 Back into the down channel.
 7/5 Possible trend change.
 6/27 Watch for possible top!?

Each chart shows daily prices (top portion), volume (bottom portion), a moving average (smoothed red line on price portion), a relative performance indicator between the ETF and S&P 500 (orange line), and red 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, but the ETF declines, the spike shows a potential buy. The charts do not show selling or covering signals.

Overflow from Page 1 and Newsletter Updates

(Continued from page 1) **REVIEW**

scratching their heads about all the pessimism because they turned into net buyers.

The last thing I was watching was market technicals. As I've mentioned, the market formed its first negative divergence in July, prior to the current sell off, for the bull market that began in March, 2009. It went down in unison. But then the reverse happened; it formed a positive divergence in mid August. Additionally, the number of new lows

spiked on the sell off to plus 1200, which is a number associated with bottoms.

So, on all of that information, I moved from 0% invested to 40% invested.

At this stage, I will now watch for the market to move higher and confirm the potential short to intermediate-term bottom. I will also look to accumulate more.

Longer-term, however, the market still has a number of issues. The obvious first-one is

how Congress will deal with the debt and deficits. Bernanke last week essentially reminded them that they should "do something". The Fed for its part will keep interest rates low out to at least early 2013.

So, expecting a decent rally here, but one that I expect will probably not get to a bull market recovery high. From this rally, we will see how it unfolds.

Just to clarify a couple of terms that I use.

Short-term is days to weeks.

Intermediate-term is weeks to months.

Long-term is months to years.

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.

8/29 No changes.

8/22 For Growth and Income Portfolio performances, I've included the from inception to current returns. For example, the Growth Portfolio since inception is up 12.5% versus the Wilshire 5000 up 2.1%.

8/15 No changes.

8/8 Monthly updates for ETF rankings are posted to their pages this month.

8/1 Backtesting some strategies in the newish model. It will be a slower process than first anticipated, though initial results suggest one thing; an allocation into strong ETFs is very important. In other words, buying the strong ETF with even poor timing may be more profitable than buying a weak ETF with near perfect timing. This may be obvious, but hard numbers help see it.

7/25 Some progress in the newish ETF timing and selecting model begin made.

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, page2: 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.

All 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.

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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.

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