

# ETF Selections & Timing

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## So Far, So Good

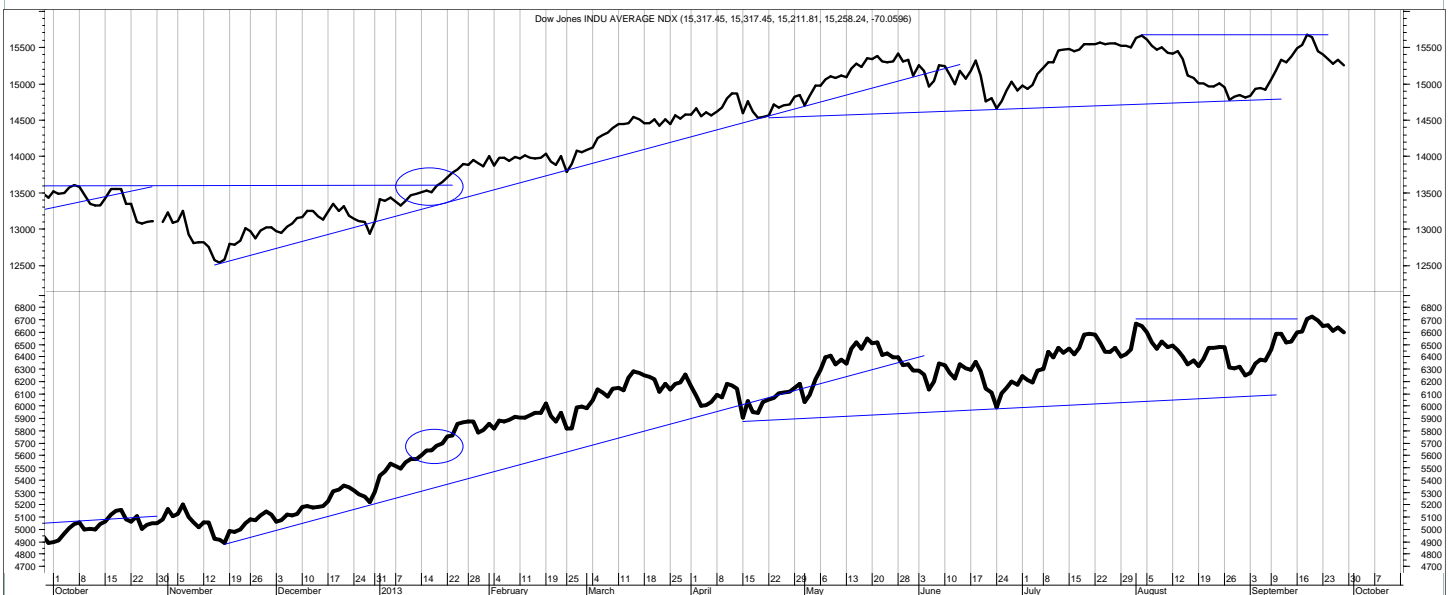
As one person said, so far so good. The new C-lect 5 Model did well its first week. It helped the Growth Portfolio gain about 1%, while the S&P 500 lost about 1% for the week. This now puts the two measures neck and neck for year to date performance. See

the table below.

Obviously, however, one week is far too short a time span upon which to make any sort of conclusion, good or bad, but if the back testing of the model is any indication at all, the first week of real time trades is at least gratifying.

For this week generally speaking, the bigger picture looms; we have the possible government shutdown and later the debt ceiling talks to contend with. Always something in Washington.

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



This is the daily chart of the Dow Industrials (upper) and Dow Transports (lower)

## 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	0.2%	0.9%	0.5	1.0	0.5	0.2%
ETF Growth Portfolio	21.0%	20.0%	11.6	12.3	7.9	1.3%
<b>Index</b>						
Aggrgt Bond (AGG)	-3.6%	-4.6%	-3.1	0.1	1.0	0.5%
S&P 500 TR (SPY)	21.2%	18.7%	7.8	5.3	2.0	-1.0%
World Growth Index	20.4%	20.0%	9.9	8.5	4.9	-0.5%

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# Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 9/27/2013								
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 9/23	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
26-Aug	buy	LQD	112.36	300	33,718								0.0%	
26-Aug	buy	PCY	26.64	1,300	34,642									
26-Aug	buy	AGG	106.09	320	33,959									
28-Aug	sell	PCY	26.32	1,300	34,206									
5-Sep	sell	AGG	104.89	320	33,555	LQD	110.50	Invst Grd	111.63	113.78	300	34,134.00	29.9%	
5-Sep	sell	LQD	110.91	300	33,263	PCY	27.20	Intrntl	26.54	27.36	1,300	35,568.00	31.2%	
9-Sep	buy	LQD	111.63	300	33,499									
9-Sep	buy	PCY	26.54	1,300	34,512									
						Money Market					1.00	44,377	44,377.00	38.9%
												Total Valuation=	114,079.00	100.0%

## WEEKLY REVIEW

9/30 No changes.

9/23 No changes.

9/16 No changes. We'll continue to hold the two positions and sit in cash with the other 40%.

9/9 Stopped out of the other two positions. But LQD and PCY are now signaling a reentry. Buy back as noted above. This will be roughly 33% of the total portfolio in each position.

9/3 Quick trade in PCY, getting stopped out. Watch the other two closely.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	0.2	14.8	4.5
Aggregate Bond	2.5%	4.3	0.9	-3.6	4.0	2.5

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 8/30/13

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

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

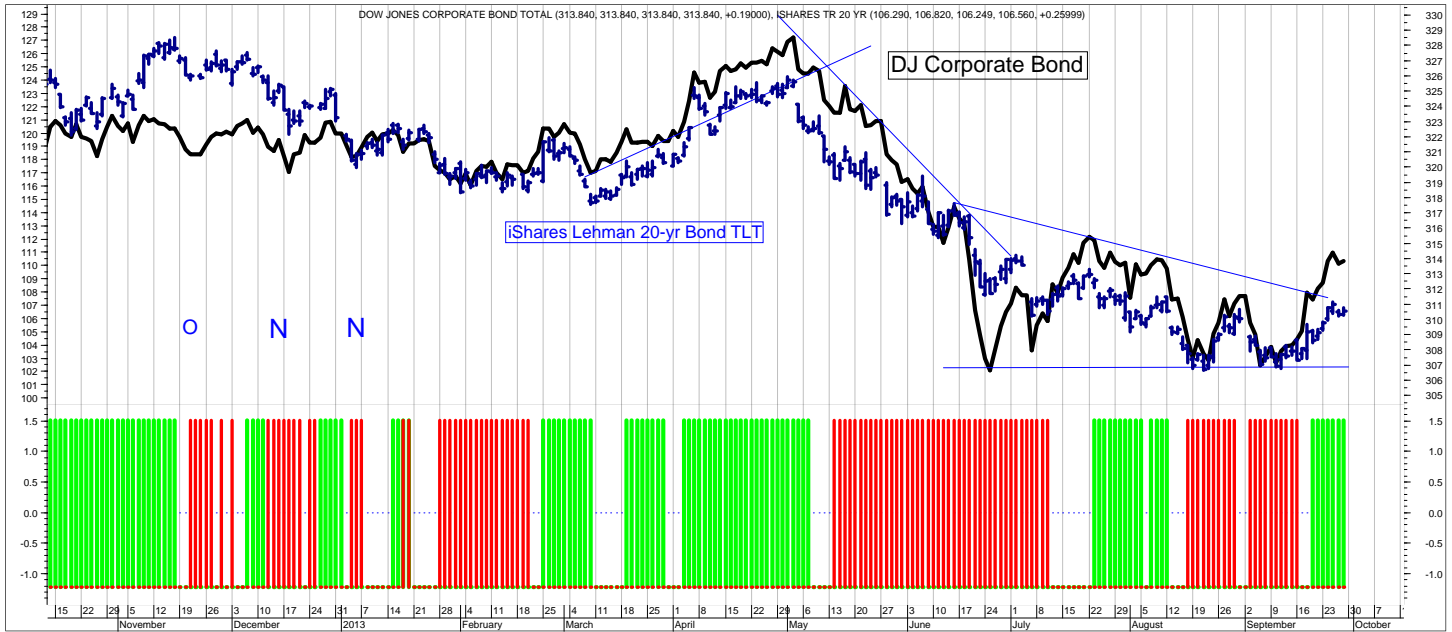
### ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

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

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

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

# SLM Bond Timing Model



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

9/30 Bonds popped up through the short-term down trend line. Expect some pullback and consolidation and then we'll see.

9/23 Tapering has been postponed because the economic numbers are coming in weaker than expected. Bonds rallied on the news.

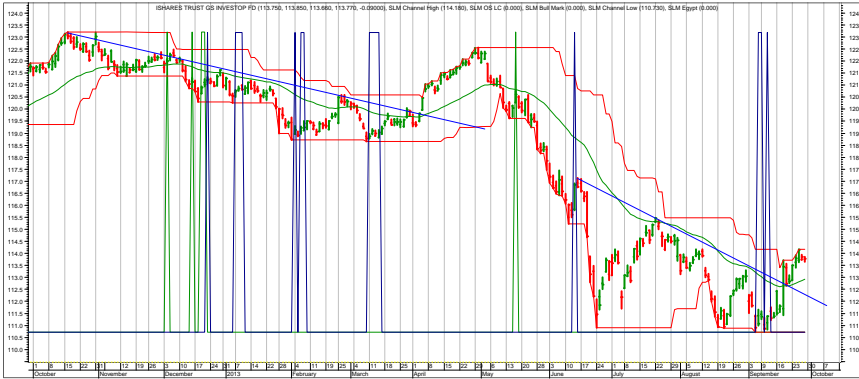
9/16 The bond market is bumping along what will turn out to either be a bottom or a ledge. We will get more information this week in the Fed meeting and potential tapering. Bonds will either move above or below their trend lines shown above.

9/9 Counter rally off for now.

9/3 The counter rally may fall apart and extend the sell off down leg.

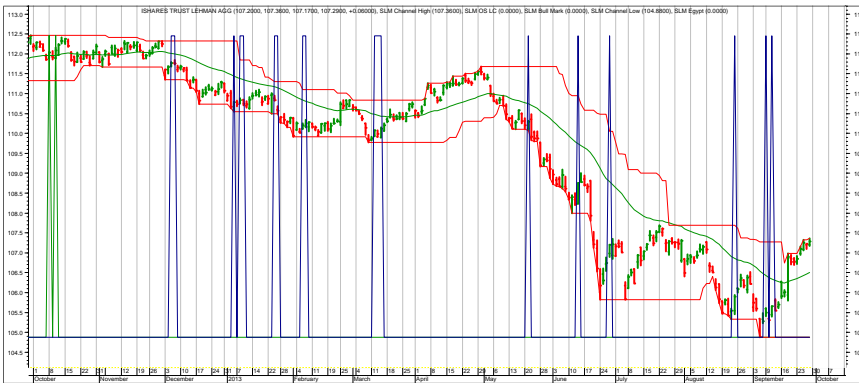
8/26 I'm expecting that counter-trend rally to start and have some purchases shown on page 2.

# Income Charts (DAILY)



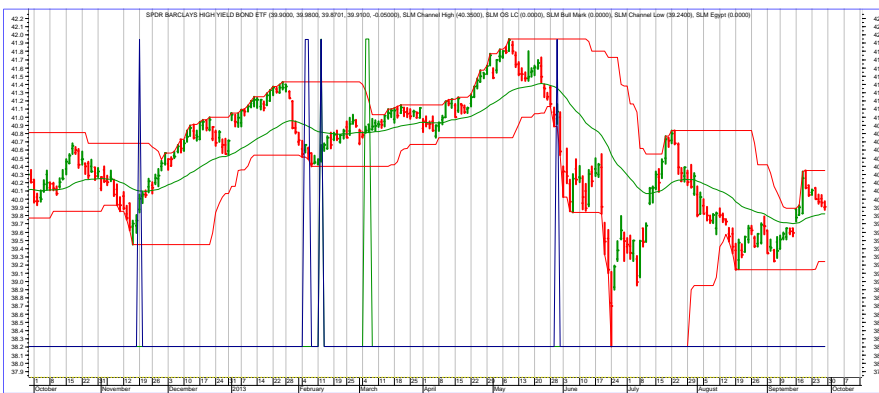
## LQD—Investment Grade Corporate

9/30 Popped through resistance.  
 9/23 No changes.  
 9/16 Holding.  
 9/9 Buy as noted on page 2.  
 9/3 Has rallied to resistance.  
 8/26 Support evident. Will buy.  
 8/19 Watch for support at previous low, but see AGG comments.  
 8/12 No changes.



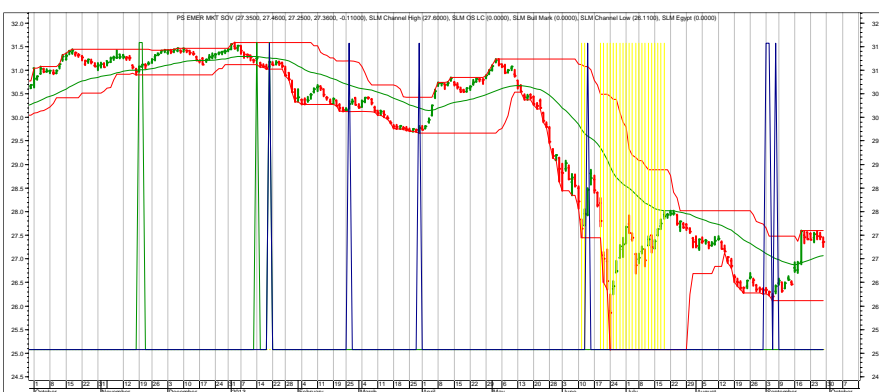
## AGG—Aggregate Bond Market

9/30 Popped through resistance.  
 9/23 No changes.  
 9/16 Holding.  
 9/9 Stopped out. Will watch to reenter.  
 9/3 Rally to resistance. Must stay above stop levels to remain a viable trade.  
 8/26 Last week's scenario is playing out. Will buy with a close stop.



## JNK—hi-yield bonds

9/30 No changes.  
 9/23 Bounced along with the rest of the bond market.  
 9/16 Held at lows.  
 9/9 No changes.



## PCY—International Bonds

9/30 No changes.  
 9/23 No changes. Holding for now.  
 9/16 Watch to see if it clears its downtrend line.  
 9/9 Reenter as noted on page 2.  
 9/3 Stopped out. Will watch for a reentry point.  
 8/26 Pullback appears completed. Will reenter.

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.

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

ACTION FOR			PORTFOLIO DETAILS				Value as of date:			9/27/2013			
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
10-Dec	buy	EEM	43.03	526	22,644	<b>LONG ETFs-</b>							
10-Dec	buy	EFA	55.55	409	22,730	EEM		Emrg Mkt	43.03	41.31	325.440	13,443.93	9.8%
10-Dec	buy	IWM	82.54	274	22,626	EFA		Euro Asia	55.55	64.24	211.060	13,558.49	9.9%
10-Dec	buy	QQQ	65.12	347	22,607	IWM		Rusl 2000	82.54	106.53	128.740	13,714.67	10.0%
10-Dec	buy	SPY	142.47	159	22,663	QQQ		Nsdq 100	65.12	79.05	176.280	13,934.93	10.2%
						SPY		S&P 500	142.47	168.94	81.820	13,822.67	10.1%
23-Sep	sell	EEM	42.22	210	8,856	Two potential ways to sell:							
23-Sep	sell	EFA	64.25	211	13,547	Stop loss is roughly 7% below current level, or timing model may also signal sell.							
23-Sep	sell	IWM	106.60	150	15,980	<b>C-lect 5</b>							
23-Sep	sell	QQQ	78.83	176	13,864	PBE			34.79	35.32	370.000	13,068.40	9.5%
23-Sep	sell	SPY	169.93	81	13,754	PGJ			27.97	28.66	469.000	13,441.54	9.8%
23-Sep	buy	PBE	34.79	370	12,882	PNQI			60.74	62.03	215.000	13,336.45	9.7%
23-Sep	buy	PGJ	27.97	469	13,128	PSCH			48.35	48.76	269.000	13,116.44	9.6%
23-Sep	buy	PNQI	60.74	215	13,069	TAN			30.50	33.66	426.000	14,339.16	10.5%
23-Sep	buy	PSCH	48.35	269	13,016	<b>SHORT ETFs-</b>							
23-Sep	buy	TAN	30.50	426	13,003	<b>Cash from short</b>							
									1.00	-	-	-	0.0%
						<b>Money Market</b>							
									1.00	1,070	1,070.00	1,070.00	0.8%
						<b>Total Valuation=</b>						136,846.69	100.0%

## WEEKLY REVIEW

9/30 No changes.

9/23 In the Growth Portfolio, I will sell half of the existing World Growth Model portfolio and redeploy the proceeds into the new C-lect 5 Model. For each WGM position, I will sell the number of shares necessary to bring each individual ETF position to about 10% of the total. This has the effect of reweighting the Portfolio such that each of the 10 positions (the five current and five new ones) will be invested at about 10% of the total with a nominal cash amount. Both Models (WGM and C-lect 5) employ timing. As I've mentioned, this new model is fairly active, although the current positions, except for one buy/sell, have remained the same top five positions for the last nine weeks.

9/16 The international markets (EEM, EFA) have recently picked up some relative strength to the domestic markets (IWM, QQQ, SPY) and so the spread in performance from the initial buys on 12/10/12 and the daily rebalancing in the World Growth Index have narrowed. This is shown below and more clearly on the Scoreboard table on page one.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.1	21.0	36.8	7.9
World Growth Index	17.2%	-4.2	14.3	20.4	54.5	15.1

The ETF Growth Portfolio changed as of 12/10/12. It is following the new World Growth Model (WGM), which uses the same 5 etfs (EEM, EFA, IWM, QQQ, SPY) as the World Growth Index (WGI). The difference between the two is WGM uses timing and WGI is always fully invested and WGI is rebalanced to 20% in each position daily (this accounts for the different returns when WGM is invested and held).

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

Work continues on the C based selecting model, which, if warranted, will be implemented in this Portfolio.

## ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
PS Gldn Drgn USX China	PGJ	EW	17.40
PS NASDAQ Intrnt	PNQI	EA	14.68
PS S&P SmlCap Hlth Care	PSCH	EA	14.54
Guggnhm Solar	TAN	EA	12.70
PS Dynmc Biotech	PBE	EA	10.90
PS Dynmc Networking	PXQ	EA	10.51
PS S&P SmlCap Info Tech	PSCT	EA	9.71
SPDR S&P Regional Banking	KRE	EA	9.57
PS Aerospace & Def	PPA	EA	9.57
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	9.49
Guggnhm Shipping	SEA	EA	9.37
Wtree Eur SC Div	DFE	EW	9.33
SPDR S&P Bank	KBE	EA	8.80
PS Dynmc Pharma	PJP	EA	7.57
PS WilderHill Cln Enrgy	PBW	EA	7.33
PS Dynmc Consmr Discr	PEZ	EA	6.82
PS Dynmc Leisure & Enter	PEJ	EA	6.72
PS Glbl Clean Enrgy	PBD	EW	6.62
PS Dynmc Media	PBS	EA	6.30
US Oil Fund	USO	EA	6.12
PS Dynmc Retail	PMR	EA	5.79
Guggnhm RJ All	RYJ	ELC	5.78
PS S&P SmlCap Indstrils	PSCI	EA	5.68
PS Zacks Micro Cap	PZI	ESC	5.25
PS Dynmc Food & Bev	PBJ	EA	5.08
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	5.02
iShares Spain	EWP	EW	4.96
Vngrd Small Cap Grth	VBK	ESC	4.78
iShares EMU Indx	EZU	EW	4.73
PS Buyback Achievers	PKW	EGI	4.71
iShares Russell 2000	IWM	ESC	4.43
Wtree Sml Cap Div	DES	ESC	4.27
PS Cleantech	PZD	EA	4.25
PS Dynmc Healthcare	PTH	EA	4.25
PS Dynmc Software	PSJ	EA	4.23
PS S&P SmlCap Energy	PSCE	EA	4.09
PS S&P SmlCap Cnsmr Dis	PSCD	EA	4.06
Guggnhm Spin Off	CSD	EMC	4.00
SPDR Euro Stoxx 50	FEZ	EW	3.98
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	3.98
PS Dynmc Technology	PTF	EA	3.91
PS Dyn OTC	PWO	ESC	3.76
Vngrd Consmr Dis	VCR	EA	3.72
Wtree MidCap Earn	EZM	EMC	3.70
PS Dynmc Fncl	PFI	EA	3.68
Wtree Intrntl SC Div	DLS	EW	3.67
iShares Italy Indx	EWI	EW	3.63
SPDR S&P Retail	XRT	EA	3.60
Vngrd Health	VHT	EA	3.51
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	3.49

This page and the next three show the equity ETF database rankings based on C. C is Comet, which is the risk-adjusted relative performance; the higher the C ranking, the better.

Comet, not stars, because comets come into and out of prominence over time.



## ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
Vngrd Extnd 4500	VXF	ELC	3.33
iShares Slct Div	IDV	ELC	3.30
PS QQQ	QQQ	ELC	3.26
Select SPDR Cnsmr Disc	XLY	EA	3.17
Vngrd Small Cap	VB	ESC	3.15
PS Dynmc Semicndctr	PSI	EA	3.14
Vngrd European Indx	VGK	EW	3.08
PS Dyn MagniQuant	PIQ	ELC	2.98
iShares Europe 350	IEV	EW	2.96
iShares Russell 2000 Value Indx	IWN	ESC	2.77
Guggnhm China All	YAO	EWR	2.75
Wtree DEFA Eqty Incm	DTH	EW	2.61
Select SPDR Indl	XLI	EA	2.61
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	2.49
Wtree Intrntl Div Ex Fincl	DOO	EW	2.49
iShares Germany Indx	EWG	EW	2.46
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	2.45
Wtree DEFA	DWM	EW	2.40
Select SPDR Financs	XLF	EA	2.35
Vngrd Tech	VGT	EA	2.23
Wtree Intrntl MC Div	DIM	EW	2.23
Market Vectors Oil Services	OIH	EA	2.16
Select SPDR Health	XLV	EA	2.16
Vngrd Small Cap Value	VBR	ESC	2.13
Wtree Intrntl LC Div	DOL	EW	2.08
PS S&P SmlCap Mtrls	PSCM	EA	2.00
PS DB Oil	DBO	EA	2.00
PS BLDR Europe 100 ADR	ADRU	EW	1.85
PS BLDR Dvlpd Mrkt 100 ADR	ARDR	EW	1.82
PS Dynmc Consmr Staples	PSL	EA	1.77
Guggnhm Timber	CUT	EA	1.65
Guggnhm Insdrr Sent	NFO	EMC	1.55
Wtree Middle East Div	GULF	EW	1.46
Vngrd Europe Pacific	VEA	EW	1.45
PS S&P SmlCap Fincl	PSCF	EA	1.45
PS Dynmc Oil & Gas Srvcs	PXJ	EA	1.44
Wtree Ttl Earn	EXT	ELC	1.37
Vngrd Fincl Srv	VFH	EA	1.34
Select SPDR Matrls	XLB	EA	1.32
iShares EAFE Indx	EFA	EW	1.32
PS Gbl Water	PIO	EW	1.25
SPDR DJ Gbl Titans	DGT	EW	1.23
PS Hi Yld Eqty Div	PEY	EGI	1.23
iShares China	FXI	EW	1.19
iShares Russell 1000 Value Indx	IWD	ELC	1.16
Guggnhm MidCap Core	CZA	EMC	1.10
PS Dynmc Lrg Cap Grth	PWB	ELC	1.08
Vngrd MidCap Val	VO	EMC	1.03
Vngrd TTL Stock	VTI	ELC	1.01
PS Dyn Mrkt	PWC	ELC	0.94



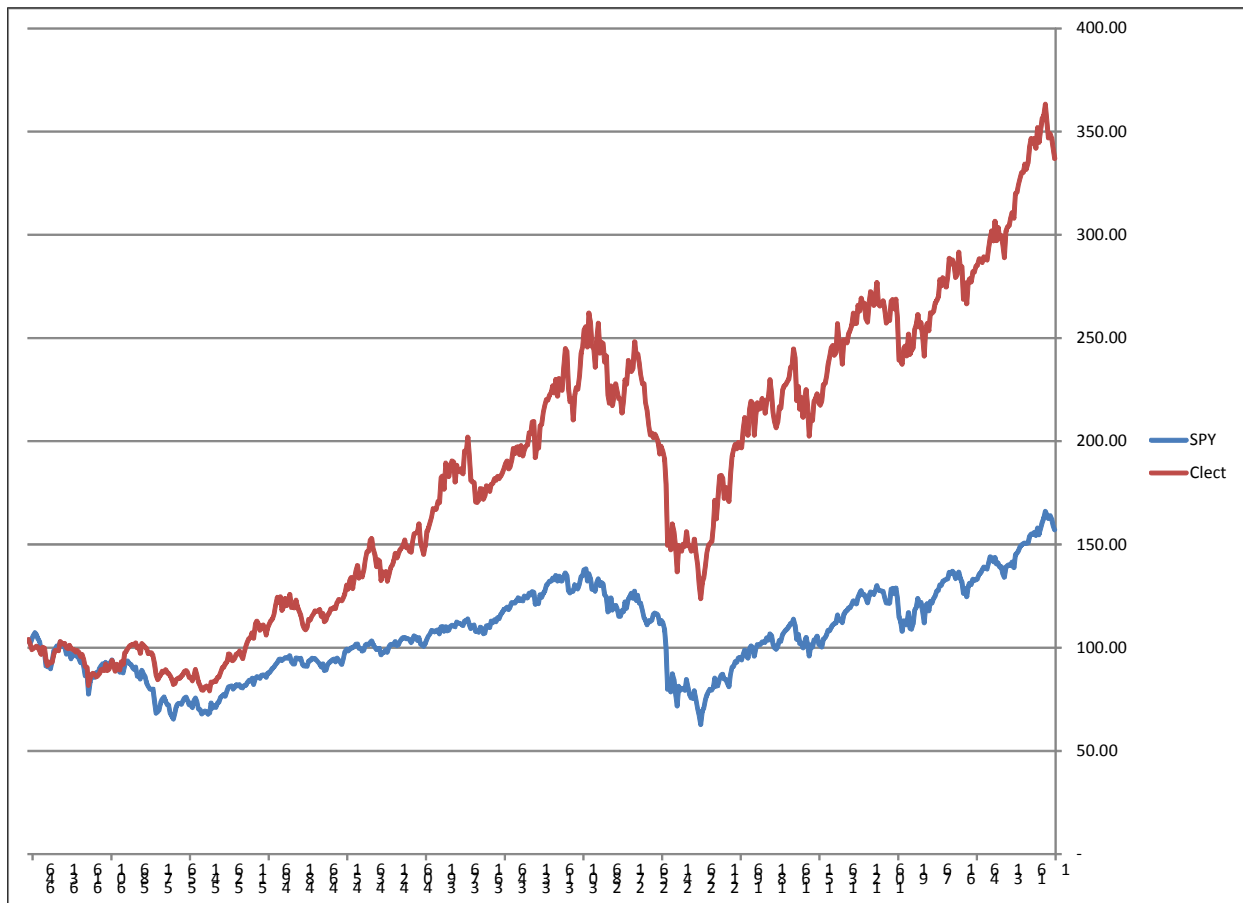
## ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
Vngrd Materials	VAW	EA	0.91
Market Vectors Semiconductor	SMH	EA	0.88
Wtree S&P 500	EPS	ELC	0.85
Market Vectors Russia	RSX	EW	0.83
iShares Core S&P Mid Cap	IJH	EMC	0.83
SPDR Mid Cap Trust	MDY	EMC	0.72
PS DB Energy	DBE	EA	0.72
PS MENA Frntr Countries	PMNA	EW	0.67
PS Dynmc Lrg Cap Value	PWV	ELC	0.65
Vngrd Large Cap	VV	ELC	0.64
iShares Core S&P 500	IVV	ELC	0.57
SPDR S&P 500	SPY	ELC	0.56
Select SPDR Enrgy	XLE	EA	0.53
iShares Russell 1000 Grwth Indx	IWF	ELC	0.48
Vngrd Grth	VUG	ELC	0.42
iShares South Korea Indx	EWY	EW	0.39
Vngrd TTL Intrntl Stk	VXUS	EW	0.37
iShares S&P 100 Indx	OEF	ELC	0.36
Wtree MidCap Div	DON	EMC	0.27
PS Dynmc Basic Matrl	PYZ	EA	0.17
Wtree Glbl Eqty Incm	DEW	EW	0.16
iShares Russel MidVal	IWS	EMC	0.14
PS BLDR Asia 50 ADR	ADRA	EW	0.13
SPDR DJ Industrials	DIA	ELC	0.09
PS DWA Tech Ldr	PDP	ELC	0.06
Alerian MLP	AMLP	EGI	(0.02)
Select SPDR Technlgy	XLK	EA	(0.02)
PS Glbl Listd Prvt Eqty	PSP	EW	(0.05)
PS DB Commodity	DBC	EA	(0.09)
Vngrd Div Apprctn	VIG	EGI	(0.11)
Guggnhm China Sml	HAO	EWR	(0.18)
iShares DJ Slct Div	DVY	EGI	(0.25)
iShares Canada	EWC	EW	(0.27)
PS Lux Nanotech	PXN	EA	(0.30)
PS Water Resources	PHO	EA	(0.31)
Guggnhm Intrntl A Incm	HGI	EW	(0.31)
Wtree LrgCap Div	DLN	ELC	(0.36)
PS WilderHill PrgsV Enrgy	PUW	EA	(0.39)
Guggnhm Glbl Wtr	CGW	EW	(0.42)
Wtree Div Ex Fincl	DTN	ELC	(0.52)
Select SPDR Div	SDY	EGI	(0.67)
iShares Japan	EWJ	EW	(0.69)
iShares Hong Kong Indx	EWK	EW	(0.71)
Wtree Japan SC Div	DFJ	EWR	(0.74)
PS S&P 500 BuyWrite	PBP	ELC	(0.75)
PS Dividend Achievers	PFM	EGI	(0.79)
PS Dynmc Utilities	PUI	EA	(0.81)
Vngrd Consmr Stpls	VDC	EA	(0.95)
PS Dynmc Energy	PXI	EA	(0.96)
PS FTSE RAFI Asia Pac xJpn	PAF	EW	(1.01)

## ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
PS Intrntl Dvdnd	PID	EW	(1.04)
PS DB Base Metals	DBB	EG	(1.06)
Guggnhm Candn Enrg Incm	ENY	EW R	(1.08)
Wtree Eqty Income	DHS	EG I	(1.10)
Guggnhm BRIC	EEB	EW	(1.12)
Guggnhm Dfnsv Eqty	DEF	EV	(1.15)
PS S&P 500 Low Volatility Portfolio	SPLV	ELC	(1.22)
Guggnhm Multi Ast In	CVY	EV	(1.27)
iShares Taiwan Indx	EW T	EW	(1.31)
Select SPDR Cnsmr Stpl	XLP	EA	(1.31)
PS DB Agriculture	DBA	EA	(1.34)
Wtree Intrntl Utilities	DBU	EW	(1.51)
PS S&P Sm lCap Utilities	PSCU	EA	(1.69)
iShares Prfrd	PFF	EG I	(1.73)
PS Fincl Pfd	PGF	EG I	(1.78)
iShares Pacific ex Jpn	EPP	EW	(1.85)
Pro Shares Short S&P 500	SH	EC	(1.94)
Guggnhm Gbl Div	LVL	EW	(2.14)
PS Dynmc Energy Explor	PXE	EA	(2.23)
Vngrd Utilities	VPU	EA	(2.38)
PS Dynmc Bldg Cnstrctn	PKB	EA	(2.39)
Select SPDR Utilities	XLU	EA	(2.62)
Wtree World Ex US Grth	DNL	EW	(2.64)
Wtree Emrg Mrkt Eincm	DEM	EW	(2.70)
iShares Malaysia Indx	EW M	EW	(2.79)
SPDR S&P Metals & Mining	XME	EA	(2.82)
iShares Australia	EW A	EW	(2.82)
iShares Emrg Mrkt Stk	EEM	EW	(2.91)
iShares Singapore	EW S	EW	(3.34)
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	(3.48)
Wtree Japan Hedge Eqty	DXJ	EC	(3.50)
Guggnhm China REIT	TAO	EW R	(3.52)
Vngrd Emrg Mrkt	VW O	EW	(3.71)
SPDR S&P Homebuilders	XHB	EA	(3.87)
PS FTSE RAFI Emrg Mrkt	PXH	EW	(4.04)
PS Gbl Agriculture	PAGG	EA	(4.14)
PS Emrg Mrkt Infrastrctr	PXR	EW	(4.23)
Pro Shares Short Russell 2000	RW M	ESC	(4.36)
Wtree Intrntl REIT	DRW	ERE	(4.53)
Wtree Emrg Mrkt SC Div	DGS	EW	(4.57)
iShares Gold	IAU	EG	(4.75)
SPDR Gold	GLD	EG	(4.76)
Guggnhm Frntr	FRN	EW	(5.00)
PS DB Gold	DGL	EG	(5.17)
PS DB Precious Metals	DBP	EG	(5.29)
Vngrd REIT	VNQ	ERE	(5.68)
SPDR Wlsh REIT	RW R	ERE	(5.73)
iShares Cohen&Str REIT	ICF	ERE	(5.99)
iShares Mexico	EW W	EW	(6.14)
iShares REIT	IYR	ERE	(6.25)
PS US REIT	PSR	ERE	(6.44)
iShares Latin Am r	ILF	EW	(7.03)
iShares Silver	SLV	EG	(7.14)
PS DWA Emrg Mrkt T Ldrs	PIE	EW	(7.91)
PS DB Silver	DBS	EG	(8.02)
iShares Brazil Indx	EW Z	EW	(8.71)
PS India	PIN	EW	(9.37)
iShares DJ US Home Constr.	ITB	EA	(9.96)
Wtree India	EPI	EW R	(11.21)
PS Gbl Gold Precious Mtls	PSAU	EG	(12.27)
US Natural Gas	UNG	EA	(14.18)
Market Vectors Gold Minors	GDX	EG	(15.55)
Market Vectors Junior Gold Minors	GDXJ	EG	(24.38)
iPath S&P 500 VIX Shrt Trm	VXX	EC	(27.97)

## C-lect 5 (reiteration)



The new selecting and timing model is completed under the name of C-lect 5.

The chart above shows only the C-lect 5 without any market timing. The point with this is to show that staying with the leading ETFs is a winning strategy over time, even without employing market timing.

With market timing, the huge bear market downdrafts should be avoided.

# Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) **REVIEW**

Going into this correction, the market was pretty much in gear to the upside. The chart shown on page 1 shows both indexes moving to recent new highs. So, after this pullback, I expect the market to once again rally back to highs. It is on this next recovery rally, like previous ones, where we should still look for any non confirmations as a warning to a more pronounced pullback.

So, a pullback is apparent right now, then I expect another rally. But nothing like a bear

market is expected to result from the current pullback.

Be assured, however, that the two Growth Portfolio parts (World Growth Model and C-lect 5) do have built-in timing.

So, if the market continues lower on this correction, mental sell stops are already in place and could be triggered. We will let you know if they get close. Right now they are about 8% away. This means that currently the downside risk to a sell signal is about 8% away.

Please see the individual portfolio pages for any updates and 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.

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

9/30 The weekly ranking of equity ETFs is shown on pages 7 through 10. Previous rankings were based on monthly data.

9/23 The new C-lect 5 Model is under way today. It combines ETF selecting and timing.

9/16 I had hoped to introduce the new C-lecting model this week, but it looks like it will be next week.

9/9 The monthly database rankings have been postponed, pending the switch to the new weekly ranking C-lect.

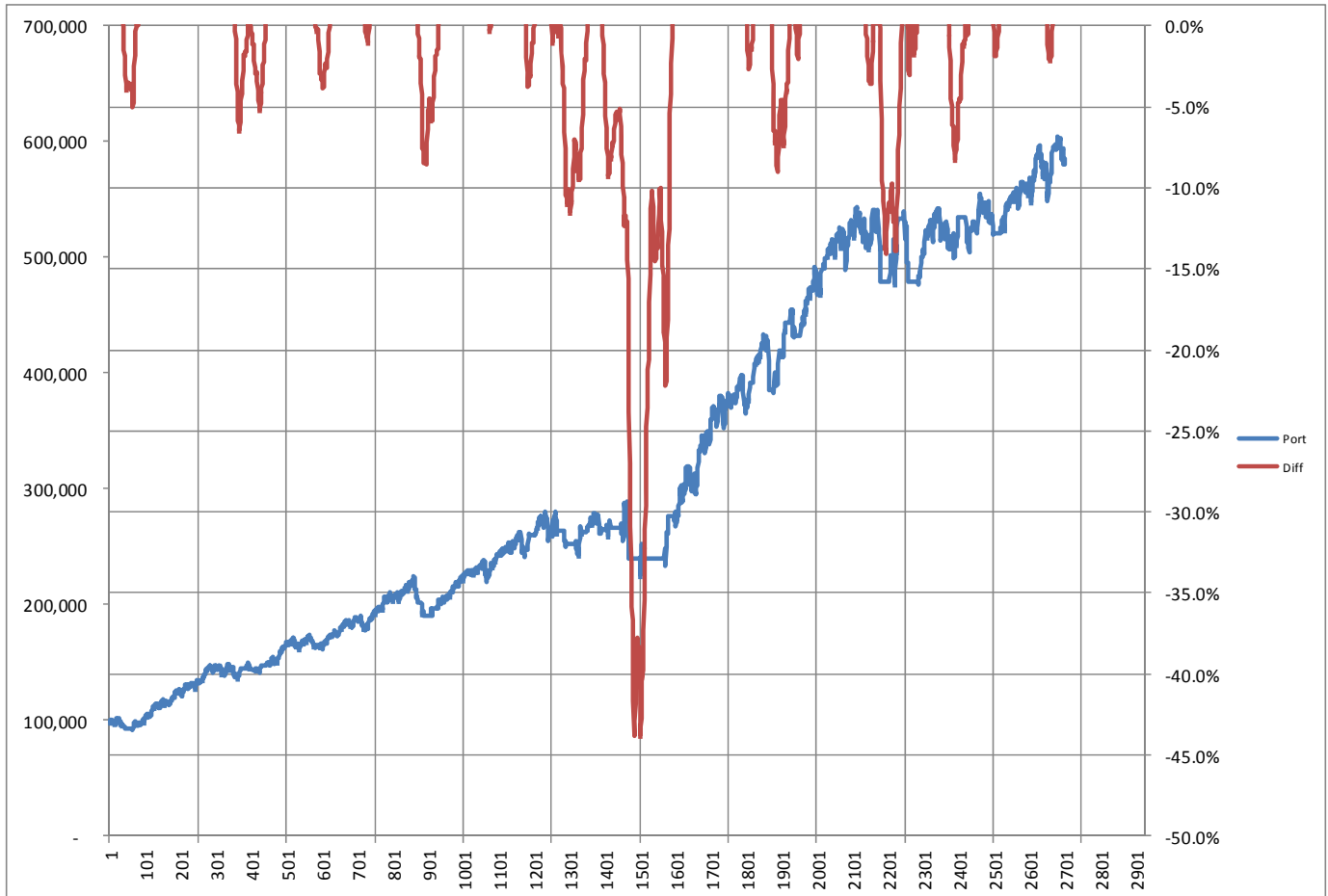
9/3 No changes.

8/26 No new updates.

8/12 No changes.

8/5 No changes.

## Windows (reiteration)



The chart shows the windows for potential buying opportunities after an initial timing model buy. “Port” is the World Growth Model (blue line). “Diff” is the difference between the Model and the potential timing model sell (red line). The “x” axis shows data points, rather than dates, but it is from 9/3/2002 through the present. The potential window to buy is when the red line drops below 0%, although this is somewhat fluid.

The potential sell stop or sell signal (two different signals) is dynamic and will rise if the market is rising. There are times when the difference (red line) widens too far away from the stop levels (above 4%), which means the potential for loss to get to the sell signal is too large. In other words, there are times when the market is overextended to the upside. It is ultimately more profitable to wait for a pullback to buy new positions or add to existing positions, rather than chase the market. The exception to this is when the market turns from a cyclical bear to bull. The new bull is very hard to buy (there are no pullbacks) and fear is still rampant.

So, for example, the most recent initial timing model buy last happened on 12/10/12. There has not been a sell since then. No sell means there has not been a subsequent buy signal. What does this mean for new subscribers since then? No buy signal. So, without a window to buy, still on the sidelines. With the window, however, there have been subsequent times to buy since the initial timing model buy. The last “open window” to buy was in late June/early July.

# 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. On 9/23/13, the new C-lect 5 will also be a part of this portfolio. It too uses timing.

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 and again on 9/23/13.

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.

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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. There may also be emailed Hotline reports sent between issues.

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 (or Tuesday) close in each portfolio. We may also use stop orders. For stops, check the ETF at quarter to the close. If it is below (or above) a stop level, assume it will close there and act on that. Portfolio data will be updated through the previous Friday's close. Fund symbols, rather than names, are the official identification used for activity.

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