

ETF Selections & Timing

Watercourse Way Holdings, LLC

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

InvestmentST.com

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Rising Tide Lifts Overvaluations

Let's concisely review the three main indicators. Sentiment. Technicals. Fundamentals.

Investors sentiment is too bullish (AAII, Investor's Intelligence, Market Vane), which is a contrary indicator. I must comment, however, from reading the

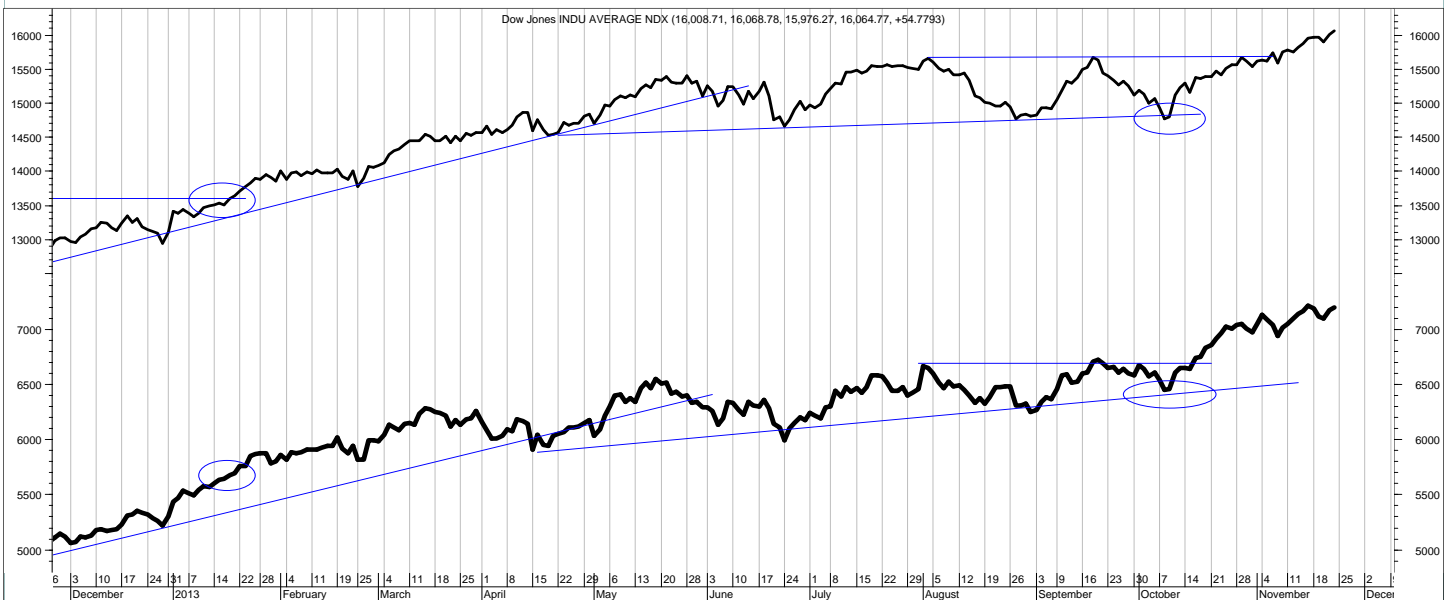
headlines that the tone is still cautious. This contrast between what is evidently done and said is a bit of a mystery.

On a technical basis, the market is still in gear to the upside as shown on the chart below. The NYSE advance/decline line is lagging a bit here,

but is not yet in a danger zone. Besides, we've seen these small divergences before. Until there is some downside confirmation, then the market is essentially in gear to the upside.

Now we come to the funda-

(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	1.3%	1.1%	1.4	1.4	0.0	0.0%
ETF Growth Portfolio	24.9%	24.5%	10.9	9.0	0.2	-0.5%
Index						
Aggrgt Bond (AGG)	-3.6%	-4.2%	-2.4	1.2	-0.8	-0.1%
S&P 500 TR (SPY)	29.6%	29.3%	9.3	8.7	2.7	0.4%
World Growth Index	26.8%	28.9%	10.9	8.5	1.2	0.3%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 11/22/2013							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 11/25	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total
5-Sep	sell	AGG	104.89	320	33,555	AGG	106.85						0.0%
5-Sep	sell	LQD	110.91	300	33,263								
9-Sep	buy	LQD	111.63	300	33,499								
9-Sep	buy	PCY	26.54	1,300	34,512								
28-Oct	sell	PCY	27.95	1,300	36,325								
28-Oct	sell	LQD	115.43	300	34,619								
25-Nov	buy	AGG	107.30	537	57,630								
moves about 50% of total portfolio into AGG													
										1.00	115,321	115,321.00	100.0%
										Total Valuation=		115,321.00	100.0%

WEEKLY REVIEW

11/25 Partially reentering the bond market using AGG, as noted above.

11/18 The bond market is bouncing off its oversold condition. Will wait for reentry signals.

11/11 No changes.

11/4 No changes. Will wait for signals to reenter.

10/28 Time to take short-term profits in both positions as they look to have 'rolled over'. Will watch for reentry points in the weeks ahead.

10/21 Raised the stop levels again to follow the market as it climbs.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	1.3	15.3	4.5
Aggregate Bond	2.5%	4.3	0.9	-3.6	3.9	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 (pending change)

<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 Inflt	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	*

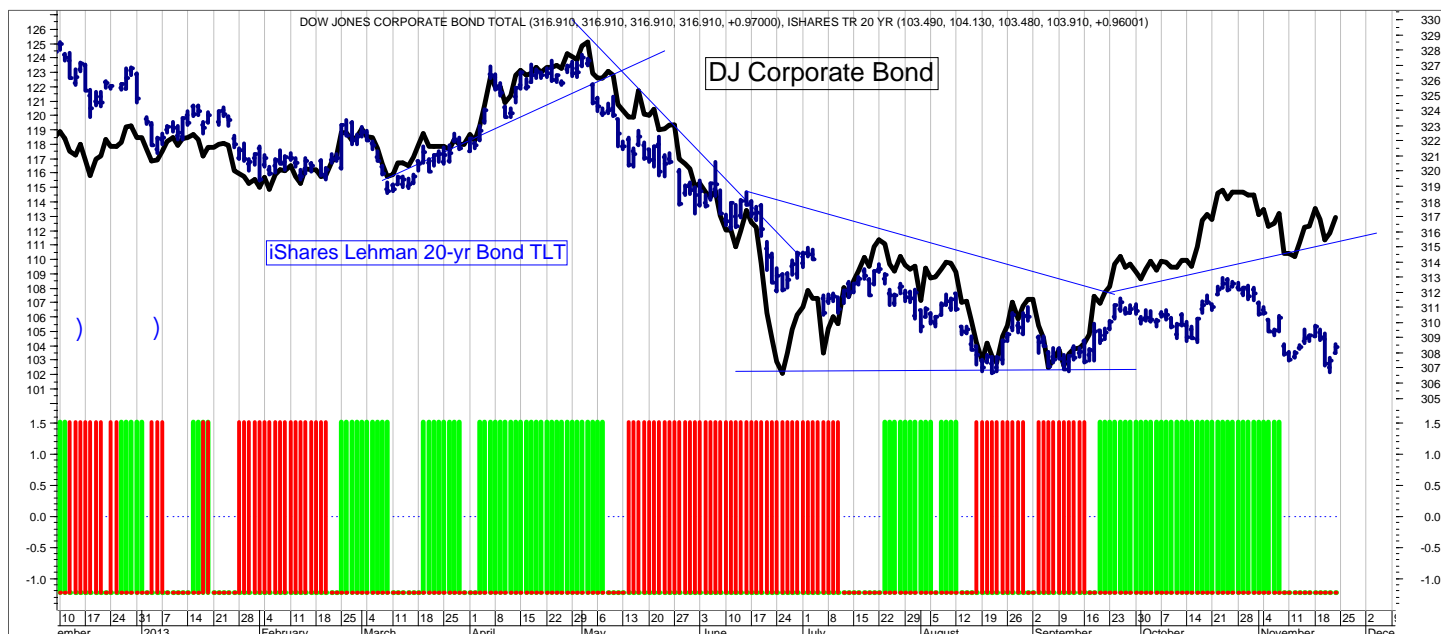
This is the ETF Income Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. CS is Comet Strength (not shown). C is Comet (not shown), which is an ETF's risk-adjusted performance; the higher the better. V, CS,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

11/25 Will look to reenter a bond position as noted on page 2.

11/18 Bonds are retracing some of their oversold condition. Yellen's speech reaffirmed the possibility that tapering will be pushed out into 2014. So, bonds are rallying, but the underlying fundamental news appears to be suggesting that the top is in place.

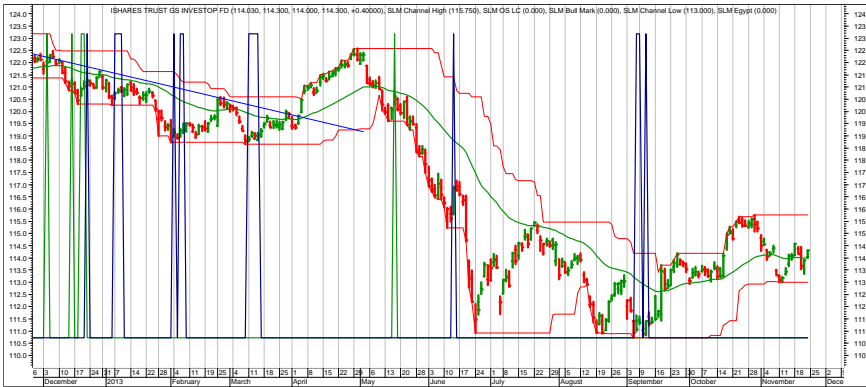
11/11 Bonds have sold off sharply the last few weeks on better economic news (leading economic indicators up and employment gains). Talk of Fed tapering has picked up.

11/4 Will watch for reentry points on pullbacks to recent trend line.

10/28 Taking some profits, as the market looks extended and topy, but will look to reenter on pullbacks.

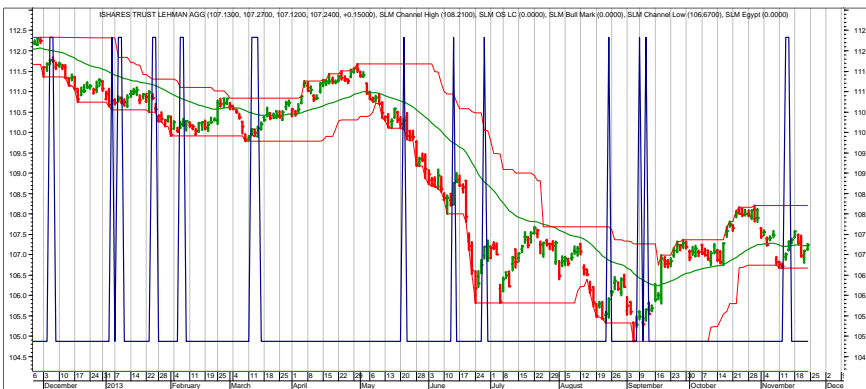
10/21 Rally still on, as market starts to focus on new Chairman Yellen policies to maintain accommodative Fed.

Income Charts (DAILY)



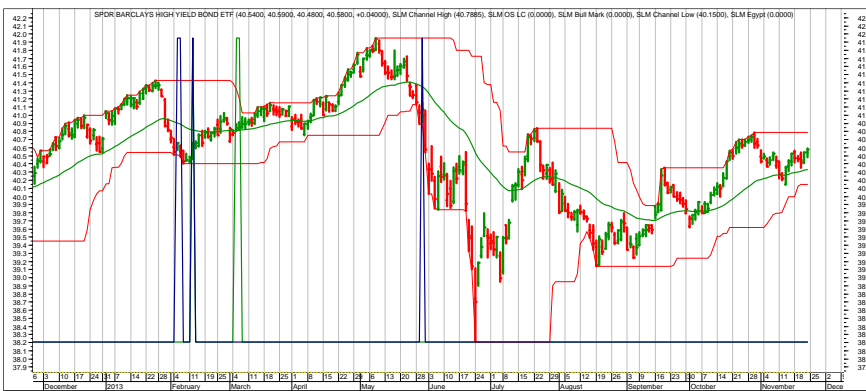
LQD—Investment Grade Corporate

11/25 No change here.
 11/18 Still on the sidelines.
 11/11 Watch for entry points.
 11/4 No changes.
 10/28 Short-term pause and pullback expected.
 10/21 No changes.
 10/14 No changes.



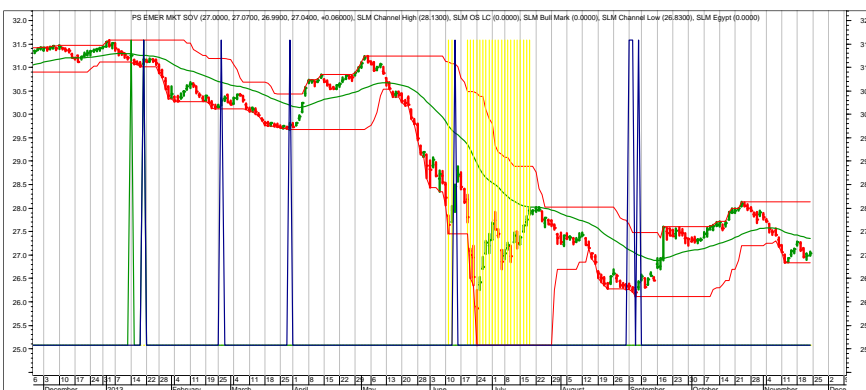
AGG—Aggregate Bond Market

11/25 Looking to buy AGG on the pullback.
 11/18 Holding off.
 11/11 Watch for entry points.
 11/4 No changes.
 10/28 Short-term top expected.
 10/21 No changes.
 10/14 No changes.



JNK—hi-yield bonds

11/25 No changes.
 11/18 No changes.
 11/11 Pulling back.
 11/4 Watch for pullback on which to buy.
 10/28 Short-term pause expected.
 10/21 Pop on through its “triangle pattern”.
 Will watch for pullbacks for potential entry points.
 10/14 No changes.



PCY—International Bonds

11/25 No changes.
 11/18 No changes.
 11/11 Watch for entry points.
 11/4 No changes.
 10/28 Short-term top expected. Will watch for a pullback to reenter.
 10/21 No changes.
 10/14 Moving higher.

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

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

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 11/22/2013						
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	
18-Nov	buy	EEM	42.68	17	736	World Growth							
18-Nov	buy	EFA	66.18	11	738	EEM		Emrg Mrkt	43.03	42.06	179.440	7,547.25	5.3%
18-Nov	buy	IWM	110.07	6	670	EFA		Euro Asia	55.55	66.15	116.060	7,677.37	5.4%
18-Nov	buy	QQQ	83.10	8	675	IWM		Rusl 2000	82.54	111.85	70.960	7,936.88	5.6%
18-Nov	buy	SPY	179.42	4	728	QQQ		Nsdq 100	65.12	83.98	96.280	8,085.59	5.7%
18-Nov	buy	DFE	53.74	13	709	SPY		S&P 500	142.47	180.61	44.820	8,094.94	5.7%
18-Nov	buy	EWP	36.99	19	713	C-lect 5							
18-Nov	buy	PGJ	29.70	23	693	DFE			53.54	53.82	145.300	7,820.05	5.5%
18-Nov	buy	PNQI	63.66	11	710	EWP			37.66	37.02	209.000	7,737.18	5.5%
18-Nov	buy	TAN	39.50	17	682	PGJ			27.97	29.11	257.670	7,500.77	5.3%
This is an incremental buy of 5% of total portfolio. (0.5% in each WGM and C-lect 5 position) (about \$709 in each)						PNQI			60.74	63.28	118.000	7,467.04	5.3%
So, the portfolio will be about 56% invested and 44% cash.						TAN			30.50	39.14	230.000	9,002.20	6.4%
						Two potential ways to sell: Stop loss is roughly 8% below current level or timing model may also signal sell.							
						C-lect Short (under construction)							
						Cash from short							
						1.00 - - 0.0%							
						Money Market							
						1.00 62,358 62,358.00 44.2%							
						Total Valuation= 141,227.27 100.0%							

WEEKLY REVIEW

11/25 No portfolio changes. I still expect to continue to accumulate on pullbacks with the expectation thereafter of higher prices. On the other hand, the portfolio may go back 100% to cash on one of two events. It may either be stopped out, at roughly 8% lower prices. Or the timing model itself may signal sell.
[Corrected information on 11/18 buy from 1% to 0.5%.]

11/18 Given that things are in gear, I will redeploy some of the cash into the positions. I am buying 0.5% in each, which is about 5% of the total portfolio. As well, the difference between where the portfolios is and its sell stop has narrowed to 6% from 9% over the last couple weeks. No other changes.

11/11 No portfolio changes.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.1	24.9	41.2	7.9
World Growth Index	17.2%	-4.2	14.3	26.8	62.7	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).

Based on the successful back testing strategy, C-lect 5 was added to the portfolio on 9/23/13.

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

ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
Guggnhm Solar	TAN	EA	16.66
PS Gldn Drgn USX China	PGJ	EW	14.72
PS NASDAQ Intrnt	PNQI	EA	11.97
Wtree Eur SC Div	DFE	EW	11.38
iShares Spain	EW P	EW	10.75
iShares Italy Indx	EW I	EW	8.70
PS S&P SmICap Hlth Care	PSCH	EA	8.66
Guggnhm Shipping	SEA	EA	8.61
PS Gbl Clean Enrgy	PBD	EW	8.23
iShares Slct Div	IDV	ELC	7.71
iShares EMU Indx	EZU	EW	7.05
SPDR Euro Stoxx 50	FEZ	EW	6.89
Guggnhm China All	YAO	EW R	6.64
Wtree Intrntl SC Div	DLS	EW	6.57
PS S&P SmICap Energy	PSCE	EA	6.53
iShares South Korea Indx	EWY	EW	6.25
PS S&P SmICap Info Tech	PSCT	EA	6.20
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	6.16
Guggnhm China SmI	HAO	EW R	5.85
Wtree DEFA Eqty Incm	DTH	EW	5.83
PS WilderHill Cln Enrgy	PBW	EA	5.76
PS Dynmc Biotech	PBE	EA	5.70
Wtree Intrntl Div Ex Fincl	DOO	EW	5.64
PS Cleantech	PZD	EA	5.17
PS Aerospace & Def	PPA	EA	5.16
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	5.11
Guggnhm BRIC	EEB	EW	5.02
PS FTSE RAFI Dvlp Mrkt xUSA SmI	PDN	EW	5.01
Guggnhm Spin Off	CSD	EMC	5.01
iShares Germany Indx	EWG	EW	4.96
iShares Australia	EW A	EW	4.93
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	4.80
PS Dynmc Networking	PXQ	EA	4.75
Wtree DEFA	DWM	EW	4.60
iShares China	FXI	EW	4.55
PS FTSE RAFI Asia Pac xJpn	PAF	EW	4.47
Vngrd European Indx	VGK	EW	4.42
iShares Europe 350	IEV	EW	4.26
Wtree Intrntl LC Div	DOL	EW	4.24
PS S&P SmICap Indstrils	PSCI	EA	4.21
PS QQQ	QQQ	ELC	3.92
Market Vectors Russia	RSX	EW	3.91
Wtree Intrntl MC Div	DIM	EW	3.88
PS Gbl Water	PIO	EW	3.78
PS Dynmc Pharma	PJP	EA	3.77
PS Dynmc Leisure & Enter	PEJ	EA	3.74
PS BLDR Europe 100 ADR	ADRU	EW	3.51
iShares Pacific ex Jpn	EPP	EW	3.48
Market Vectors Oil Services	OIH	EA	3.27
PS Dynmc Media	PBS	EA	3.12

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

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

ETF Rankings by C to previous week's end

PS Gbl Listd Prvt Eqty	PSP	EW	3.11
Guggnhm Timber	CUT	EA	2.87
Vngrd Europe Pacific	VEA	EW	2.86
PS Dynmc Software	PSJ	EA	2.81
Select SPDR Indl	XLI	EA	2.78
PS BLDR Dvlpd Mrkt 100 ADR	ADR D	EW	2.77
SPDR S&P Metals & Mining	XME	EA	2.72
Select SPDR MatrIs	XLB	EA	2.67
PS Buyback Achievers	PKW	EG I	2.54
iShares EAFE Indx	EFA	EW	2.47
PS S&P SmICap Cnsmr Stpl	PSCC	EA	2.47
PS Dyn Mrkt	PWC	ELC	2.30
Wtree Gbl Eqty Incm	DEW	EW	2.23
PS Dynmc Lrg Cap Grth	PWB	ELC	2.21
PS Dynmc Retail	PMR	EA	2.20
PS Dynmc Energy Explor	PXE	EA	2.19
PS Dynmc Oil & Gas Srvcs	PXJ	EA	2.11
SPDR S&P Regional Banking	KRE	EA	2.10
SPDR DJ Gbl Titans	DGT	EW	2.08
PS Dynmc Energy	PXI	EA	2.08
Vngrd Materials	VAW	EA	2.07
Vngrd TTL Intrntl Stk	VXUS	EW	2.06
PS S&P SmICap Mtrls	PSCM	EA	2.00
Wtree MidCap Earn	EZM	EMC	2.00
PS S&P SmICap Cnsmr Dis	PSCD	EA	1.88
PS FTSE RAFI Emrg Mrkt	PXH	EW	1.82
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	1.75
PS Dynmc Cnsmr Discr	PEZ	EA	1.74
Vngrd Small Cap Grth	VBK	ESC	1.73
Guggnhm Intrntl A Incm	HGI	EW	1.69
PS Dynmc Fncl	PFI	EA	1.67
Wtree Intrntl Utilities	DBU	EW	1.66
Vngrd Tech	VGT	EA	1.62
Wtree Emrg Mrkt Eincm	DEM	EW	1.61
PS Dynmc Healthcare	PTH	EA	1.48
PS Dynmc Technology	PTF	EA	1.46
Guggnhm RJ All	RYJ	ELC	1.44
iShares Hong Kong Indx	EW H	EW	1.43
PS Dyn MagniQuant	PIQ	ELC	1.38
PS FTSE RAFI US 1500 SmI-Mid	PRFZ	EMC	1.36
iShares Brazil Indx	EW Z	EW	1.34
Vngrd Cnsmr Dis	VCR	EA	1.34
PS BLDR Asia 50 ADR	ADRA	EW	1.22
Select SPDR Cnsmr Disc	XLY	EA	1.22
PS Water Resources	PHO	EA	1.15
PS Dynmc Basic MatrI	PYZ	EA	1.10
Vngrd Health	VHT	EA	1.07
Guggnhm Gbl Wtr	CGW	EW	1.02
Guggnhm Gbl Div	LVL	EW	1.02
iShares Emrg Mrkt Stk	EEM	EW	1.02
SPDR S&P Bank	KBE	EA	0.97
iShares Russell 2000	IW M	ESC	0.97
Vngrd Extnd 4500	VXF	ELC	0.93
Select SPDR Health	XLV	EA	0.90
iShares Russell 1000 Grwth Indx	IW F	ELC	0.89

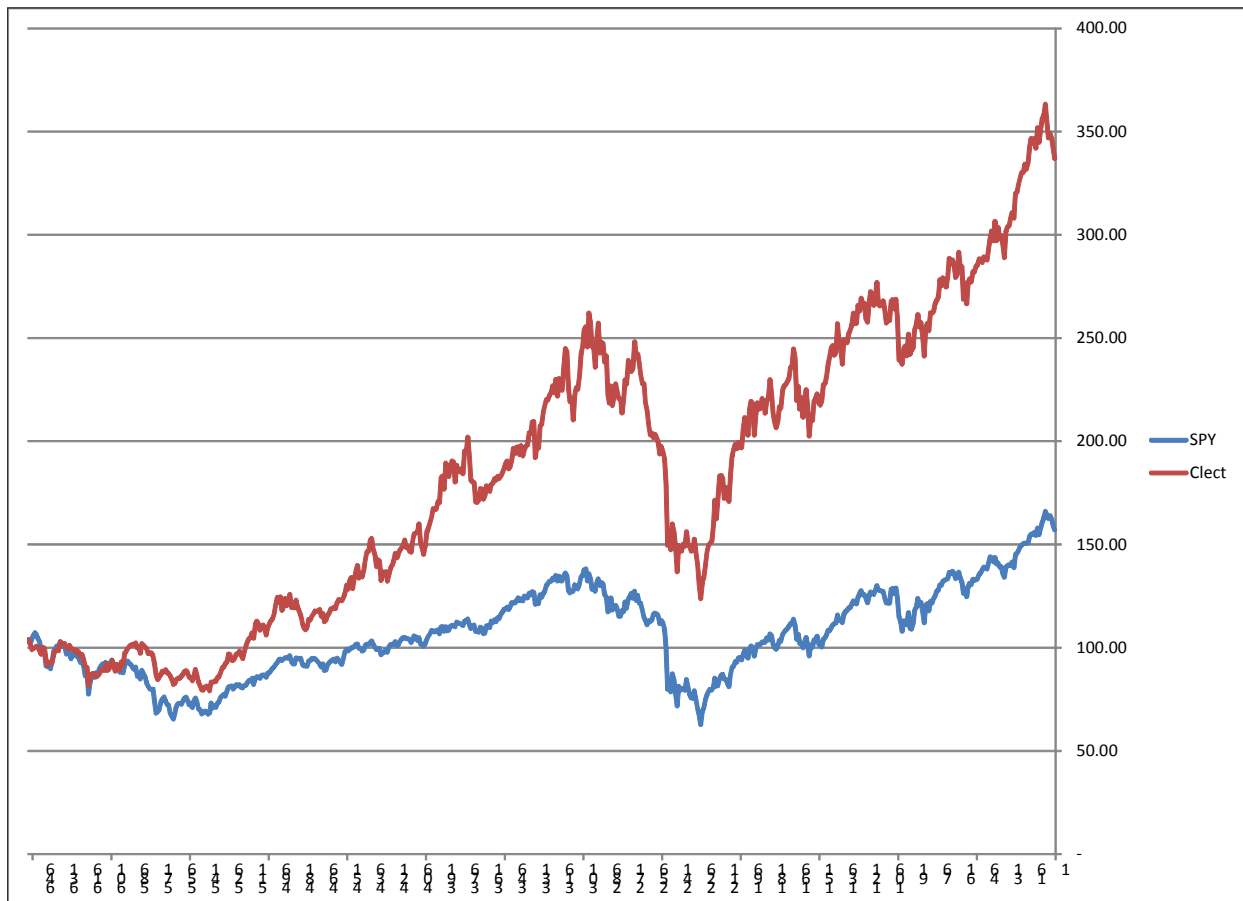
ETF Rankings by C to previous week's end

PS Dyn OTC	PWO	ESC	0.80
Wtree Sml Cap Div	DES	ESC	0.75
Vngrd Grth	VUG	ELC	0.75
PS Dynmc Semicndctr	PSI	EA	0.45
SPDR S&P Retail	XRT	EA	0.42
iShares Canada	EW C	EW	0.40
Vngrd Small Cap	VB	ESC	0.40
iShares Taiwan Indx	EWT	EW	0.32
Guggnhm MidCap Core	CZA	EMC	0.28
Select SPDR Technlgy	XLK	EA	0.23
Vngrd Small Cap Value	VBR	ESC	0.21
iShares DJ Slct Div	DVY	EGI	0.14
iShares Core S&P 500	IVV	ELC	0.12
Wtree MidCap Div	DON	EMC	0.12
SPDR S&P 500	SPY	ELC	0.10
Guggnhm Frntr	FRN	EW	0.09
Vngrd TTL Stock	VTI	ELC	0.06
Market Vectors Semiconductor	SMH	EA	0.06
PS WilderHill Prgsv Enrgy	PUW	EA	0.06
Vngrd Div Apprctn	VIG	EGI	0.06
Vngrd Large Cap	VV	ELC	0.05
Wtree Ttl Earn	EXT	ELC	0.03
PS Zacks Micro Cap	PZI	ESC	0.03
Wtree S&P 500	EPS	ELC	0.01
iShares S&P 100 Indx	OEF	ELC	-0.02
Vngrd MidCap Val	VO	EMC	-0.05
iShares Russell 2000 Value Indx	IWN	ESC	-0.09
Vngrd Emrg Mrkt	VWO	EW	-0.10
Select SPDR Enrgy	XLE	EA	-0.10
PS DWA Tech Ldr	PDP	ELC	-0.15
iShares Russel MidVal	IWS	EMC	-0.16
PS DB Oil	DBO	EA	-0.17
iShares Core S&P Mid Cap	IJH	EMC	-0.26
Guggnhm Insdrr Sent	NFO	EMC	-0.29
Wtree Japan SC Div	DFJ	EW R	-0.29
SPDR Mid Cap Trust	MDY	EMC	-0.30
Wtree LrgCap Div	DLN	ELC	-0.38
iShares Latin Amr	ILF	EW	-0.39
PS Hi Yld Eqty Div	PEY	EGI	-0.39
PS Intrntl Dvdnd	PID	EW	-0.42
iShares Russell 1000 Value Indx	IWD	ELC	-0.44
PS DB Commodity	DBC	EA	-0.44
Select SPDR Div	SDY	EGI	-0.46
Wtree Div Ex Fincl	DTN	ELC	-0.49
PS Dynmc Lrg Cap Value	PWV	ELC	-0.55
Guggnhm Candn Enrg Incm	ENY	EW R	-0.61
PS S&P SmlCap Fincl	PSCF	EA	-0.65
PS S&P 500 BuyWrite	PBP	ELC	-0.70
Guggnhm Multi Ast In	CVY	EV	-0.72
Vngrd Consmr Stpls	VDC	EA	-0.72
PS Dynmc Consmr Staples	PSL	EA	-0.73
Select SPDR Cnsmr Stpl	XLP	EA	-0.73
PS Dividend Achievers	PFM	EGI	-0.74
PS Dynmc Food & Bev	PBJ	EA	-0.77
Wtree Eqty Income	DHS	EGI	-0.84

ETF Rankings by C to previous week's end

PS Emrg Mrkt Infrstrctr	PXR	EW	-0.85
Guggnhm China REIT	TAO	EW R	-0.88
PS Dynmc Bldg Cnstrctn	PKB	EA	-1.00
PS DB Energy	DBE	EA	-1.05
Wtree World Ex US Grth	DNL	EW	-1.07
Guggnhm Dfnsv Eqty	DEF	EV	-1.10
Wtree Middle East Div	GULF	EW	-1.11
PS DB Agriculture	DBA	EA	-1.16
SPDR DJ Industrials	DIA	ELC	-1.16
Select SPDR FinancIs	XLF	EA	-1.20
Alerian MLP	AMLP	EGI	-1.20
Vngrd Fincl Srv	VFH	EA	-1.22
PS S&P 500 Low Volatility Portfolio	SPLV	ELC	-1.23
PS Dynmc Utilities	PUI	EA	-1.32
PS MENA Frntr Countries	PMNA	EW	-1.33
PS DB Base Metals	DBB	EG	-1.44
iShares Prfrd	PFF	EGI	-1.50
Wtree Emrg Mrkt SC Div	DGS	EW	-1.55
PS Fincl Pfd	PGF	EGI	-1.57
Wtree Intrntl REIT	DRW	ERE	-1.58
iShares Silver	SLV	EG	-1.61
iShares Japan	EWJ	EW	-1.62
iShares Singapore	EWS	EW	-1.71
iShares Malaysia Indx	EW M	EW	-1.93
PS DB Silver	DBS	EG	-2.00
US Oil Fund	USO	EA	-2.08
Select SPDR Utilities	XLU	EA	-2.10
Vngrd Utilities	VPU	EA	-2.16
PS Gbl Agriculture	PAGG	EA	-2.21
PS DB Precious Metals	DBP	EG	-2.29
PS S&P SmICap Utilities	PSCU	EA	-2.31
PS Lux Nanotech	PXN	EA	-2.33
SPDR Gold	GLD	EG	-2.48
iShares Gold	IAU	EG	-2.50
Wtree Japan Hedge Eqty	DXJ	EC	-2.78
PS DB Gold	DGL	EG	-2.80
Pro Shares Short S&P 500	SH	EC	-3.01
SPDR S&P Homebuilders	XHB	EA	-3.18
PS DWA Emrg Mrkt T Ldrs	PIE	EW	-3.66
Wtree India	EPI	EW R	-4.20
PS India	PIN	EW	-4.24
iShares Mexico	EW W	EW	-4.65
Pro Shares Short Russell 2000	RWM	ESC	-4.76
Vngrd REIT	VNQ	ERE	-4.84
iShares REIT	IYR	ERE	-4.86
SPDR Wlsh REIT	RWR	ERE	-5.06
PS US REIT	PSR	ERE	-5.18
iShares Cohen&Str REIT	ICF	ERE	-5.32
iShares DJ US Home Constr.	ITB	EA	-6.23
US Natural Gas	UNG	EA	-8.87
PS Gbl Gold Precious Mtls	PSAU	EG	-8.93
Market Vectors Gold Minors	GDX	EG	-15.45
Market Vectors Junior Gold Miners	GDXJ	EG	-26.47
iPath S&P 500 VIX Shrt Trm	VXX	EC	-37.37

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**

mentals and the real problem. The PE ratio is at 20x based on 12-month trailing as reported earnings. This is overvalued. The CAPE (inflation adjusted 10 year average PE) is also in overvalued territory at 25. It was higher in 1929 and 2000 before both “crashes”.

So, the bottom line is one where sentiment has jumped on board the rising trend, which is still upward, but the market fundamentals, its valuations are downward. The market is trending up against a background of overvaluation. It is to suggest that we not get carried away and start thinking the market will nev-

er correct again. It will and from history, it suggests a large decline once it begins.

The Growth Portfolio stop is roughly 8% away. This means a purchase today would suffer an 8% loss before a “normal” stop level is triggered. This is a “mental” stop of the WGI. There is no way to say exactly what it is because it is based on the underlying components (EEM, EFA, IWM, QQQ, SPY), rather than on the index itself.

In addition to the stop, the timing model itself may signal a sell. This too is based on the underlying components and not on the WGI itself. The key here is, depending on the component

movements, the sell signal could be more or less than the 8%.

So, we are in with close stops and constant monitoring.

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; they are based on the World Growth Index, not the individual ETFs. Stops will be emailed when close or if triggered.

11/25 No newsletter changes.

11/18 No newsletter changes.

11/11 No changes.

11/4 No changes.

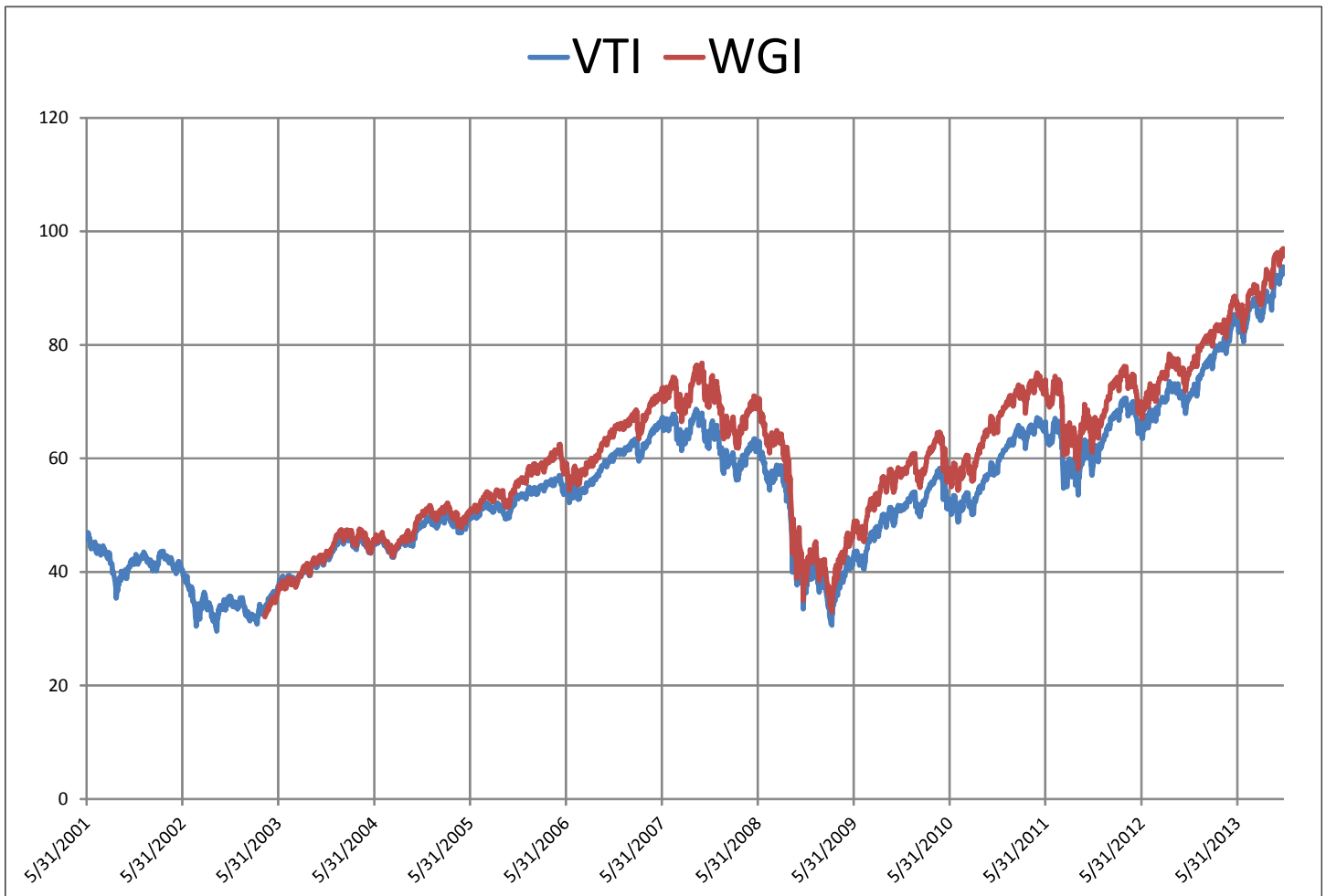
10/28 No changes.

10/21 Work continues on the “shorting/inverse” portfolio and will begin on the new World Income Index (WII).

10/15 Again to clarify, the equity ETF rankings shown on pages 7-10 are now based on weekly C data. The bond ETF rankings are still based on monthly C data.

Plans are underway to investigate a new bond model based on a similar approach as the World Growth Index.

VTI and World Growth Index



The chart shows VTI and WGI from 5/1/2003 to the present. VTI is the Vanguard Total Stock Market ETF. It has less than 2% in non-domestic stocks. It is designed to mimic the US market. WGI is the World Growth Index that is made up of 20% each in EEM, EFA, IWM, QQQ, SPY.

As you can see, the two series track each other fairly closely, but because of the international component the WGI has periods of outperformance. The two are recently back in a neck and neck race because the domestic market is currently stronger than the international markets.

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 is also part of this portfolio. It too uses timing.

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

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

Portfolios are updated through the Friday close the week before.

Dividends are reinvested in additional shares.

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

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

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