



No-Load Mutual Fund Selections & Timing Newsletter

Striving to provide you with the most return and the least risk.

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Top 5% Funds By C

C measures the risk (V) adjusted relative performance between fund and market (CS).

Fund	Symbol	Style	C
Merger Fund	MERFX	EC	30.2
Aegis Value	AVALX	EV	29.3
AMIDEX 35	AMDEX	EW	27.8
Marshall Small Cap	MRSCX	ESC	27.2
Boston Prtn Lng/Shrt Eqty	BPLEX	EC	26.7
ABN AMRO Mid Cap	CHTTX	EMC	26.2
FPA Crescent	FPACX	HGI	24.8
Marshall Mid Cap Stock	MRMSX	EMC	24.8
Needham Grwth	NEEGX	ESC	24.0
Berwyn Income	BERIX	HGI	24.0
Wells Fargo Growth	SGROX	ELC	23.4
Flex Quantex	FLCGX	ELC	23.3
Legg Mason Spcl Invest	LMASX	ELC	23.3
Legg Mason Opp	LMOPX	EMC	23.2
Profunds Ultra OTC	UOPIX	EA	22.9
Wells Fargo MidCap Dis	SMCDX	EMC	22.8
Heartland Value	HRVIX	EV	22.6
Lazard Mid Cap	LZMOX	EW	22.4
First Eagle Fund of Amr	FEAFX	ELC	22.3
Fidelity Asset Manager Income	FASIX	HA	22.2
Saratoga LargeCap Val	SLCVX	EV	22.2
USAA Balncd Str	USBSX	HB	22.1
Tweedy Browne Global Value	TBGVX	EW	22.1
Metzler/Payden Emrg M rkt	MPYMX	EW	22.1
Price Latin America	PRLAX	EW	22.0
Lazard Small Cap Open	LZCOX	ESC	21.9
Wells Fargo Opportunity	SOPFX	ELC	21.9
Nicholas Equity Income	NSEIX	EGI	21.9
Gamco Westwood M mites	WMMCX	ESC	21.8
Fairholme	FAIRX	ELC	21.8
Wasatch Ultra Grth	WAMCX	ESC	21.8
Amana Grth	AMAGX	EMC	21.7
Royce Opportunity	RYPNX	ESC	21.7
USAA Intrm Bond	USIBX	BI	26.8
Fidelity Cap/Incm	FAGIX	BH	25.8
BlackRock Hi Yld	BHYSX	BH	25.0
USA HiYld	USHYX	BH	24.6
Federated High Yld	FHYTX	BH	21.9
Loomis Sayles Bond	LSBRX	BF	20.9
Northeast Investors Trust	NTHSX	BF	20.6
Neubrg & Brmn Lmted Bond	NLMBX	BS	20.5

Be Right and Sit Tight

Some times, all it takes is a little confidence. A year ago it looked like the world as we know it was about to implode. The Great Depression II was already named and numbered. To be sure, the markets the world over had crumbled in many ways and global corporate blood was running in the streets.

And that was the bottom. From that time on, stocks have rallied just as they fell; like there is no tomorrow. From very cheap to almost expensive in the space of a year, they have reversed and run higher.

Some funds have turned in 12-month returns that are nothing short of spectacular, as you can see on pages 2-4. Numbers that run from 50% to 80% and on up to more than 100% in some leveraged cases.

Of course, there are a couple of real problems in looking at an isolated 12-month period from rock bottom lows to recovery highs.

How were things the year before that? Has a return even of 70% put the fund back above where it was two years ago, let alone to new all-time highs? What of the future?

Unfortunately, those spectacular returns usually have come with devastating losses from the prior years. For most investors, this typically means nothing but losses. The reason is that folks tend to sell out toward the bottom and then don't get back in until later.

I've said for many years as a contrarian investor that we want to sell in greed and buy in fear.

So, as measured just over the last two years, success came from avoiding the bear market and then getting back in to ride the bull market. It went from being right, that is, actually sidestepping the bear market, sitting with settled profits on the sidelines, to being right in getting back in to join the bull market. And more than that, sitting tight and holding on, letting profits run to the upside.

There's a lot to think about and do as an investor who actually tries to profit from the market, rather than ride it out fully invested as a bobber on the ocean, being tossed about by waves of emotions of fear and greed.

So, be right. Be in when the markets are going up. Be out when the markets are going down. And sit tight during those main moves. And do it in real time with real money, battling those common-to-all fears and greeds over long periods. Buying when everyone, including yourself, is fearful. Selling when everyone, including yourself, is greedy.



AROUND THE CAMPFIRE

When my kids learned to drive, I said never drive behind a cement or gravel truck. We hope nothing comes loose, but you never know. Recently I called them and told them to make sure that they weren't followed by a Toyota. We hope the problems are solved, but ...

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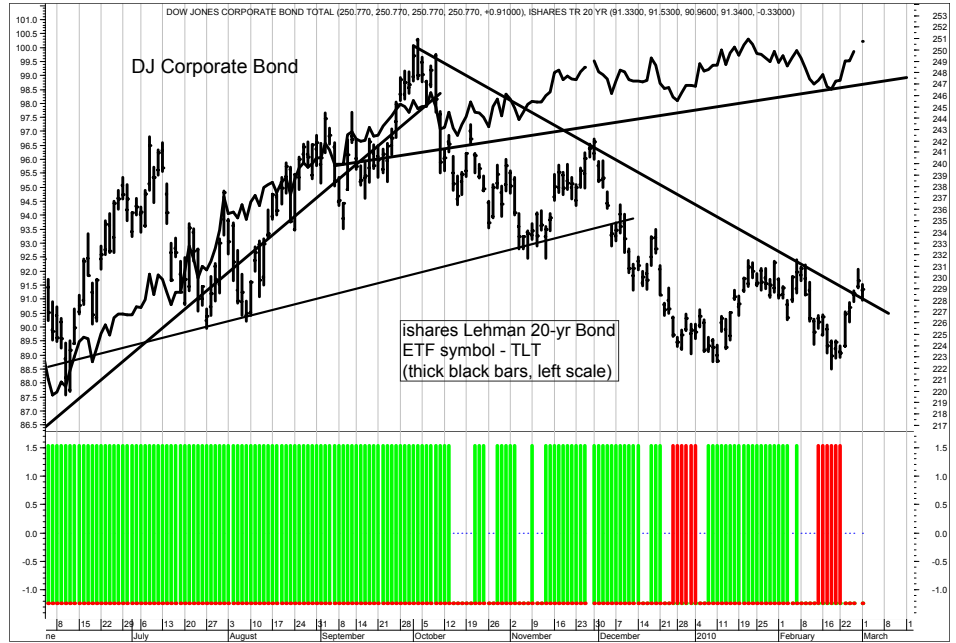
Interest Rates and Bond Prices

The bond market continues to run at odds with itself. Bifurcated comes to mind. Corporates go one way and governments another.

Even within the government market, it is out of sorts with itself. For example, 20 year Treasuries yield 4.04% (TLT, etf) and municipals yield 4.66% (MLN, etf). The after tax difference is huge. Would the Federal Government really let state governments go belly up after it bailed out bunches of companies?

Last I checked taxable income should yield greater than tax free income in order to compensate for the taxes paid.

So, still bullish on bonds in this environment.



The SLM Bond Market Timing Model shown on bottom part of chart above is an intermediate to long-term (months to years) forecasting tool of the direction of bond prices and yields, which move inversely. If you see this as a PDF file off the internet, the green bars are buy/hold, the red bars are sell/avoid signals. White spaces indicate that the previous signal is still in effect. If you see this as a printed version, the dark bars indicate red, the lighter bars indicate green. The model is based on the corporate bond market.

MAAP: Income

No portfolio changes last month. As mentioned, even though the GNMA funds are in the middle of the pack, I am giving the GNMA funds the benefit of the doubt in this odd bond market environment.

MONTHLY ACTIVITY

MONTH ENDING: 2/28/2010

MONTH END VALUATIONS

INCOME, selected & timed, style and asset allocated (bond, balanced, cash)

Activity Date	Activity	Fund	Action Price	Number of Shares	Action Value	Symbol	Fund Style	Fund	Ending NAV	Number of Shares	Current Value	Percent of Total
						FGMNX	Bond Gov	Fidelity GNMA	1151	1890.9011	21764	10%
						PYGNX	Bond Gov	Payden GNMA	10.29	1978.6639	20,360	9%
						LKFIX	Bond Flxble	LKCM Fincm	1105	1924.1477	21262	10%
						FAGIX	Bond HiYld	Fidelity Cap/Incm	8.61	3,556.2071	30,619	14%
						MM	MoneyMarket		100	125,961,0000	125,961	57%
						MM	Margin Loan		-100	-	-	0%
Total Valuation=											219,966	100%

MAAP: Aggressive Growth, Growth, and Balanced

PREVIOUS ACTIVITY		TO MONTH ENDING: 2/28/2010				MONTH END VALUATIONS						
AGGRESSIVE GROWTH, selected & timed, style allocated (stock, balanced, cash)												
Activity Date	Activity	Fund	Action Price	Number of Shares	Action Value	Symbol	Style	Name	Ending NAV	Number of Shares	Current Value	Percent of Total
10-Feb	buy	FASIX	11.93	1,760.2682	21,000							
26-Feb	buy	FASIX	12.05	1,742.7386	21,000							
						BERIX	Hybrid	Berwyn Income	12.90	3,691.3901	47,619	11%
						FASIX	Hybrid	Fidelity AstMgr Incm	12.05	3,503.0068	42,211	10%
						EEM	Eqty Wld	Emrg Mrkt ETF	38.96	927.5058	36,136	8%
						JAOSX	Eqty Wld	Janus Overseas	42.40	1,552.3568	65,820	16%
						WTIFX	Eqty Wld	Westcore Intrntl	11.42	3,429.8629	39,169	9%
						YACKX	Eqty Value	Yacktman	15.25	2,609.9431	39,802	9%
						MM	MoneyMarket		100	163,397.0000	163,397	38%
										Total Valuation=	\$434,153	100%

GROWTH, selected & timed, style & asset allocated (stock, balanced, cash)												
Activity Date	Activity	Fund	Action Price	Number of Shares	Action Value	Symbol	Style	Fund	Ending NAV	Number of Shares	Current Value	Percent of Total
10-Feb	buy	FASIX	11.93	3,185.2473	38,000							
26-Feb	buy	FASIX	12.05	3,153.5270	38,000							
						BERIX	Hybrid	Berwyn Income	12.90	7,376.8603	95,161	13%
						FASIX	Hybrid	Fidelity AstMgr Incm	12.05	6,338.7743	76,382	10%
						EEM	Eqty Wld	Emrg Mrkt ETF	38.96	1,127.5058	43,928	6%
						JAOSX	Eqty Wld	Janus Overseas	42.40	2,257.9735	95,738	13%
						WTIFX	Eqty Wld	Westcore Intrntl	11.42	6,860.3857	78,346	10%
						YACKX	Eqty Value	Yacktman	15.25	5,219.8862	79,603	11%
						MM	MoneyMarket		100	283,982.0000	283,982	38%
										Total Valuation=	\$753,140	100%

BALANCED, selected & timed, style & asset allocated (stock, balanced, bond, cash)												
Activity Date	Activity	Fund	Action Price	Number of Shares	Action Value	Symbol	Style	Fund	Ending NAV	Number of Shares	Current Value	Percent of Total
10-Feb	buy	FASIX	11.93	2,514.6689	30,000							
10-Feb	buy	FASIX	12.05	2,489.6266	30,000							
						BERIX	Hybrid	Berwyn Income	12.90	3,688.4501	47,581	8%
						FASIX	Hybrid	Fidelity AstMgr Incm	12.05	5,004.2955	60,302	10%
						EEM	Eqty Wld	Emrg Mrkt ETF	38.96	727.5058	28,344	5%
						JAOSX	Eqty Wld	Janus Overseas	42.40	2,257.9735	95,738	16%
						WTIFX	Eqty Wld	Westcore Intrntl	11.42	6,859.7257	78,338	13%
						YACKX	Eqty Value	Yacktman	15.25	5,219.8862	79,603	13%
						FAGIX	Bond HiYld	Fidelity Cap/Incm	8.61	7,080.7543	60,965	10%
						LKFIX	Bond Flxble	LKCM Fincm	11.05	4,810.3742	53,155	8%
						MM	MoneyMarket		100	121,576.0000	121,576	19%
										Total Valuation=	\$625,602	100%

On the stock market correction last month, I made a couple of buys. The Aggressive Growth and Growth portfolios are now 62% invested and 38% in cash or money market funds.

Keep an eye out for Hotline updates sent to your email for March as I evolve out of some lagging funds into leading funds.

All MAAP portfolio performances include an annual 2% management fee expense, as if we managed it for you. All dividends are reinvested.

Market Timing and Asset Allocation

EEM (Emerging Markets ETF)

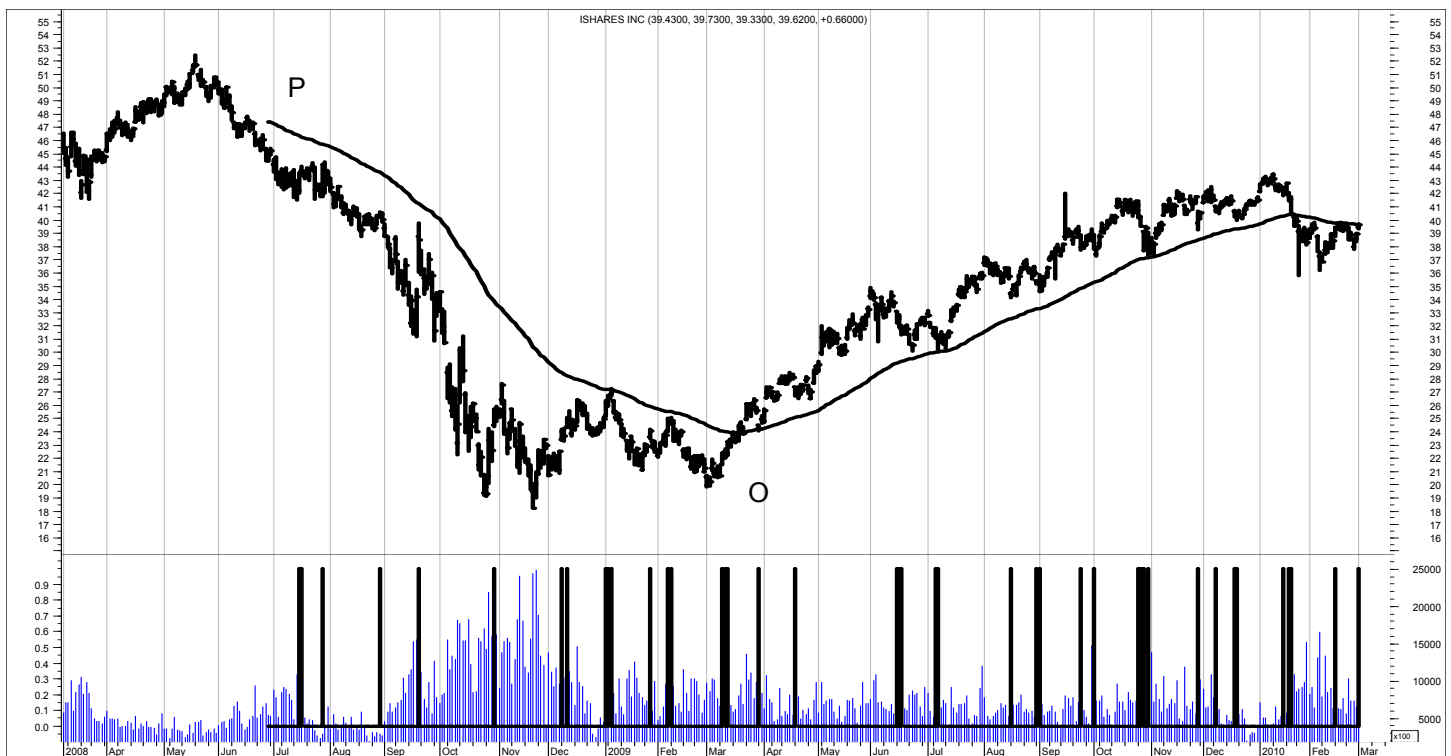
With all the news about Greece's fiscal problems and potential solutions, I went looking for a corresponding ETF that focuses on the Athens Exchange. Didn't find one. So the chart below is of the EEM (emerging markets ETF) from 2008 through the present.

The other reason I looked for the Greek ETF was because last month I mentioned tongue-in-cheek that we

could always sell Alaska to pay down our debt.

Apparently some German lawmakers proposed the same thing about Greece, floating a trial balloon in the newspapers about the possibility of Greece selling some uninhabited islands. Greece's Prime Minister replied that there are more creative ways to deal with the deficits.

Not sure, but what could possibly be more creative?



TIMING POSITIONS (Intermediate is weeks to months. Long term is months to years.)

STOCKS: Neutral intermediate-term Bullish long-term
GOLD: Neutral. **BONDS:** Bullish.

STOCK MARKET COMMENTS (SUM: 5 bull, 6 neutral, 1 bear)

- US Gov. fiscal policy, **bullish** (old and new programs in place).
- Corporate activity **neutral** (buy backs low, insiders cautious).
- Economy, **neutral** (leading indicators up, job growth nonexistent).
- Inflation, **neutral**. (oil, gold, wood, etc in neutral).
- World input, **bearish** (China, Canada, Australia tightening).
- Housing, **neutral** (foreclosure inventory overhang).
- Investor sentiment, **neutral** (some enthusiasm for the rally).
- Federal Reserve policy, **bullish** (easing still the watchword).
- Market valuation (PE, yield, book), **bullish** (undervalued).
(16,500 projected on DJ Industrials to fair value, earnings discounted).
- Terrorism/war risk, **neutral** (monitor Israel and Iran).
- Hedge fund/leverage risk, **bullish** (liquidity improving).
- Technical, **bullish**, (markets "in gear" to the upside).

There were not any changes to the stock market timing inputs shown on the left. Hence, no changes to the stock timing models.

Stocks sold off in February and became oversold, but at the same time, some investor pessimism rose. Economic news was poor, but stocks quit going down. The news was discounted. Since then, stocks have rallied back up and some indexes are hitting new recovery highs for this bull market move that began a year ago. I think it has more to go in terms of duration and magnitude.

But, as usual, it is on sell offs and rallies that potential problems show up first in the form of non-confirmations. Keep an eye out.

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	% RETURNS FROM THE PAST X MONTHS THRU 2/28/10					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2009	2008	2007	2006	2005	2004
DJ Wilshire 5000	53.05	21.59	9.09	2.20	2.06	5.1	11439.10	-	26.52	-36.68	3.94	13.72	8.24	10.85
Dow Jones Industrials	46.19	21.47	8.73	-0.19	2.56	4.6	10325.30	-	18.82	-33.84	6.43	16.29	-0.61	3.15
Standard & Pooors 500	50.25	20.17	8.22	0.81	2.85	4.9	1104.49	-	23.45	-38.49	3.53	13.62	3.00	8.99
Russell 2000	61.58	25.32	9.87	8.42	4.41	6.7	628.56	-	25.22	-34.80	-2.75	17.00	3.32	17.00
Dow Jones World Index	54.19	17.11	4.46	-1.84	-0.57	5.4	217.88	-	31.97	-42.85	8.43	18.52	9.41	14.43
Gold/Sliver Index (XAU)	35.49	0.77	9.76	-12.15	9.10	11.3	16139	-	35.85	-28.54	21.84	11.11	28.87	4.65
Dow Jones Ttl Bond	20.89	13.31	3.88	0.33	0.00	2.2	249.86	-	17.89	180	5.24	3.70	140	3.99
Small Cap	60.19	25.48	10.83	6.69	3.92	6.3	Columns 2 through 6 are the average returns and Column 7 is the average V (Volatility) for all funds in each fund style. Usually, the larger the V, the greater the risk.	3186	-39.13	-3.52	7.20	2.63	1174	
Mid Cap	58.90	23.63	10.87	5.15	4.22	5.7		35.93	-41.93	6.00	6.79	8.38	12.96	
Large Cap	53.48	21.33	9.61	1.99	3.40	5.1		33.01	-39.89	5.81	6.11	5.75	13.34	
Value	59.50	22.57	9.11	2.63	2.99	5.4		30.13	-37.96	-6.44	10.08	3.66	11.26	
Contrary	-9.20	-10.09	-4.49	-2.56	-1.41	5.2		-5.99	5.36	-1.11	-1.99	5.78	3.11	
World Growth	60.76	17.08	5.02	-2.81	0.80	6.1	For more information about these model portfolios, please see pages five and six.	37.01	-47.03	x	x	13.07	17.11	
Growth/Income	47.81	19.96	8.68	1.86	2.90	4.8		25.16	-36.20	0.47	9.82	4.23	10.24	
Bond Long	-2.94	0.11	-4.20	-5.17	-0.37	3.5		-8.70	1191	6.19	2.75	10.32	8.43	
Bond High Yield	28.30	14.42	6.87	1.76	-0.31	2.7		30.64	-23.05	x	8.84	5.76	6.63	
Bond World	14.30	4.50	-0.43	-3.39	-0.21	2.5		10.54	-7.34	4.74	5.65	7.40	9.07	
MAAP Aggrsv Grth	32.46	11.80	4.99	0.87	1.04	3.1		2135	-10.73	4.30	9.95	7.20	0.57	
MAAP Growth	32.52	12.18	6.37	0.92	0.96	3.1		20.83	-5.75	3.39	5.66	3.50	153	
MAAP Balanced	37.09	15.70	6.95	1.45	1.12	3.3		24.69	-13.09	3.17	7.59	2.01	5.88	
MAAP Income	6.69	4.90	3.10	0.74	0.44	0.5		5.60	-4.78	4.32	2.80	-1.86	190	

Funds and MAAP portfolio data include dividend reinvestment. Market data does not include dividends, except for T-Bond Index. (MAAP performance prior to 2010 includes a simulated 2% fee deduction as if the portfolio was managed. Subscribers may generally add 2% to the numbers.)

Managed Asset Allocation Program (MAAP)

Fund Selection. We conduct a three-step selection process on nearly 800 funds and ETFs. Firstly, we separate them into their primary Asset class, Equity, Bond, Hybrid. And we subdivide them into Styles like small, large, value, international, etc.. Secondly, we rank the funds by recent performance relative to the market and peer group (CS). Thirdly, we measure their risk by volatility (V).

Portfolio Allocation (market timing). We follow a straightforward approach to allocation: Overweight the Portfolio to the investment Style that is performing the strongest on a risk-adjusted basis. We also use contrary (bear market) funds, ETFs, and cash (money market funds).

Diversification. We diversify by fund company, investment style, and asset class. The funds themselves normally reduce specific company risk, so that the main investment risk is the market's direction (up or down).

MAAP. Our Managed Asset Allocation Program brings our proprietary fund selection and market timing models together. We EVOLVE, buying from the top 5%, holding as long as the fund is in the top 20%. If it drops below 4 comets, we evolve, selling that fund and buying from the top 5% again. We overlay market timing on this fund selection evolution. The results are four portfolios shown on pages 5 and 6. See Scoreboard above for comparative performances.

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