



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
x	x	x	x
x	x	x	x
x	x	x	x
x	x	x	x
ING Corp Leaders	LEXCX	EGI	28.9
Vanguard Energy	VGENX	EA	26.2
Boston Prtn Lng/Shrt Eqty	BPLEX	EC	23.8
US Gbl Invstrs Global Rsrccs	PSPFX	EWR	23.3
FBR Amrcn Gas	GASFX	EA	22.5
AmCent Utilities Income	BULIX	EGI	22.3
RS Contrarian	RSCOX	EC	22.3
Oakmark Intrntl Small Cap	OAKEX	EW	22.2
Artisan MidCap Val	ARTQX	EMC	20.5
SAFECO Growth	SAFGX	ESC	19.7
Excelsior Energy NatRes	UMESX	EA	19.3
Amana Incm	AMANX	EV	19.3
Fidelity Contra	FCNTX	ELC	19.0
Neuberger & Berman Intrntl	NBISX	EW	18.6
Vanguard Slctd Value	VASVX	EV	18.0
AXA Rosen Intl SmCap	RISIX	EW	17.9
Lazard Emrg Mkt Open	LZOEX	EWR	17.7
Crtd Suisse Gbl Tech	WPGTX	EW	17.7
Third Ave Value	TAVFX	EV	17.7
Fidelity Utilities	FIUIX	EGI	17.0
Alpine Intl Real Estate	EGLRX	ERE	16.8
Strong Div Incm	SDVIX	EGI	16.6
Fidelity Europe	FIEUX	EWR	16.4
Price Latin America	PRLAX	EWR	16.0
ABN AMRO Intl Eqty	RIEQX	EW	16.0
1838 Large Cap	ELCEX	ELC	15.9
Baron Growth	BGRFX	ELC	15.9
Vanguard Intl Expl	VINEX	EW	15.6
Dodge & Cox Intl Stock	DODFX	EW	15.3
x	x	x	x
x	x	x	x
Accessor Intrmtd Fl	AIFIX	BI	17.9
Atlantic Whll Hi Yld	WHYFX	BH	15.9
Brundg Stry Fl	BRSFX	BI	14.4
AmCent US Govt Short	TWUSX	BS	11.2
SAFECO High Yield Bond	SAFHX	BH	10.5
Price Emrg Mkt Bond	PREMX	BW	9.8

Investing or Gambling

There is a school of thought out there that investing in the stock market is no different from gambling in Las Vegas at the craps and black jack tables, slot machines, or other favorite gaming devices. Those who win are thought lucky, those who lose got the education or entertainment value. But is there really no difference between gambling and investing?

Absolutely there is. It has to do with the difference between a player/investor's luck and skill. If you go to the roulette wheel with a calculator to somehow plot the speed and curve of the ball and wheel and gravity, then lay down your bet, rather than winning anything, you'd be shown the door.

Card counters of blackjack are routinely barred from the gambling houses. Why? Those players introduced an element of skill in their selecting of how much to bet and on what to bet. The house wants nothing to do

with a player's skill, but relies simply on the game's mathematical odds over the long run to win.

With the stock market, it can be different. Unless you throw darts at the stock or fund pages, you apply skill to select what to buy and sell. That element differentiates investing from gambling.

Of course, the skill some employ makes us wonder whether they are employing any skill at all when it comes to picking stocks or funds. Some investors gain more, while others gain

less. Some simply lose. As you may infer, this has led to a whole other school of thought that is akin to the first one mentioned, which is to say that there is no element of skill to picking stocks. You can't

(Continued on page 7)

If you bet on a horse, that's gambling. If you bet you can make three spades, that's entertainment. If you bet cotton will go up three points, that's business. See the difference?
Blackie Sherrod



AROUND THE CAMPFIRE

Overheard at the race track, "I hope I break even today, I need the money."

The switchover is slowly progressing. Hopefully it should be completed this month and next month's issue will show the results.

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Interest Rates and Bond Prices

A strong economy and strong inflation should cause longer-term interest rates to continue to climb into the summer months. As for short-term rates, the Federal Reserve is doing its part to raise them in a measured 1/4 point fashion.

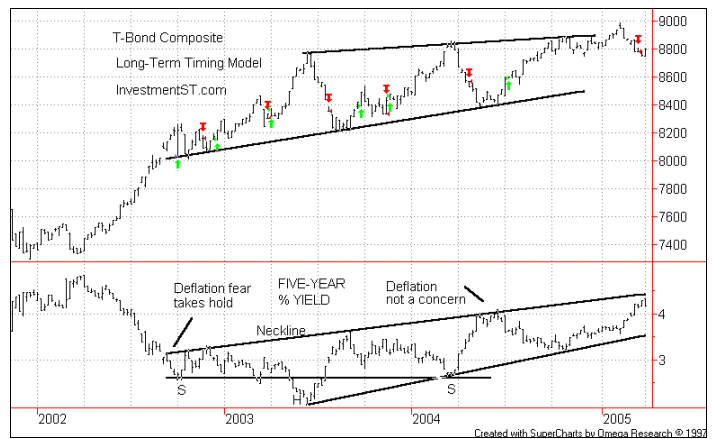
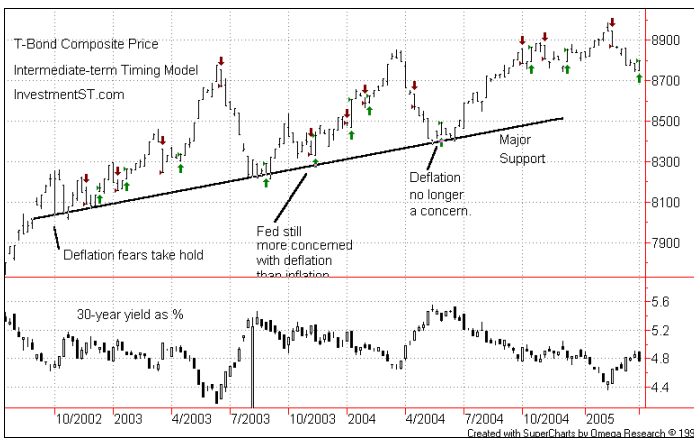
Inflation is becoming a concern, according to the Fed's March policy statement. In fact, the core CPI (consumer price index) is at a nine-year high at 2.4%, which is double the 40-year low of 1.1% seen last year.

Looking past the summer, however, I suspect the Fed will ease off in raising rates. At that time, short-term rates should be close to 3%, while long-term

rates should be above 6%.

The reason for this forecast continues to be the weakness in the leading economic indicators. Over the last nine months, they are up three of nine times. They are forecasting a slowing of the economy, not a recession, but a slowdown. The Fed will raise rates against this backdrop, but surely don't want to trigger another recession. In this regard, the thing to watch is the yield-curve. We don't want to see it invert where short rates move above long rates.

Caution for bonds, including high-yield is warranted.



The SLM Bond Market Timing Models are forecasting tools of the direction of bond prices and yields, which move inversely. The right one forecasts the long-term (months to years); the left forecasts the intermediate-term (weeks to months). Up arrows identify buy signals; expect prices to move higher and interest rates to move lower. Down arrows show sell signals; expect lower prices and higher interest rates.

MAAP Model Portfolios

No changes for now.

MONTHLY ACTIVITY			MONTH ENDING: 3/31/05		MONTH END VALUATIONS							
AGGRESSIVE GROWTH												
Activity Date	Activity	Fund	Action Price	Number of Shares	Action Value	Symbol	Style	Name	Ending NAV	Number of Shares	Current Value	Percent of Total
												0%
												0%
												0%
						NBISX	World Grth	Nbrgr Brmn Intrntl	18.89	1011.0719	19,099	6%
						RSPFX	Small Cap	RS Partners	34.34	540.4463	18,559	6%
												0%
												0%
												0%
												0%
												0%
						RYURX	Contrary	Rydex Ursa	8.69	5594.2900	48,614	15%
							MM	Money Market	1.00	242213.63	242,214	74%
									Total Valuation=		\$328,486	100%

MAAP Model Portfolios

MONTHLY ACTIVITY

MONTH ENDING: 3/31/05

MONTH END VALUATIONS

GROWTH

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	
												0%	
												0%	
						NBISX	World Grth	Nbrgr Brmn Intrntl	18.89	2022.1339	38198	6%	
						RSPFX	Small Cap	RS Partners	34.34	1080.8927	37118	6%	
												0%	
												0%	
												0%	
												0%	
												0%	
						RYURX	Contrary	Rydex Ursa	8.69	5594.2900	48614	8%	
							MM	Money Market	1.00	463789.63	463790	79%	
								Growth emphasis, 0-50% per style.			Total Valuation=	\$587,720	100%

BALANCED

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	
												0%	
												0%	
						NBISX	World Grth	Nbrgr Brmn Intrntl	18.89	2022.1339	38198	8%	
						RSPFX	Small Cap	RS Partners	34.34	1080.8927	37118	7%	
												0%	
												0%	
												0%	
						VFSTX	Corp Incm	Vngrd Short Corp	10.53	3898.6200	41052	8%	
						NCINX	Corp Incm	Nicholas Incm	2.18	34525.8200	75266	15%	
							MM	Money Market	1.00	316730.45	316730	62%	
								All styles permitted, 0-50% per style.			Total Valuation=	\$508,365	100%

INCOME

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	
												0%	
						VFSTX	Corp Incm	Vngrd Short Corp	10.53	6263.70	65957	35%	
						BUFHX	High Yld	Buffalo High Yield	11.13	3200.48	35621	19%	
												0%	
						NCINX	Corp Incm	Nicholas Incm	2.18	5754.33	12544	7%	
							MM	Money Market	1.00	74941.75	74942	40%	
								Income emphasis, 0-50% per style.			Total Valuation=	\$188,793	100%

AGGRESSIVE INCOME

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	
												0%	
						VFSTX	Corp Incm	Vngrd Short Corp	10.53	2521.48	26551	13%	
						BUFHX	High Yld	Buffalo High Yield	11.13	3242.46	36089	18%	
												0%	
						NCINX	Corp Incm	Nicholas Incm	2.18	23019.23	50182	25%	
							MM	Money Market	1.00	91093.40	91093	45%	
							MM	Margin Loan	-1.00	0.00	0	0%	
								Income emphasis, 0-100% per style.			Total Valuation=	\$203,424	100%

All MAAP portfolio performance include an annual 2% management fee expense. All dividends are reinvested.

Market Timing and Asset Allocation

(Continued from page 1)

do it consistently over the long-term. Hence, if you can't beat them, join them. Index investing is big as a result of this thinking.

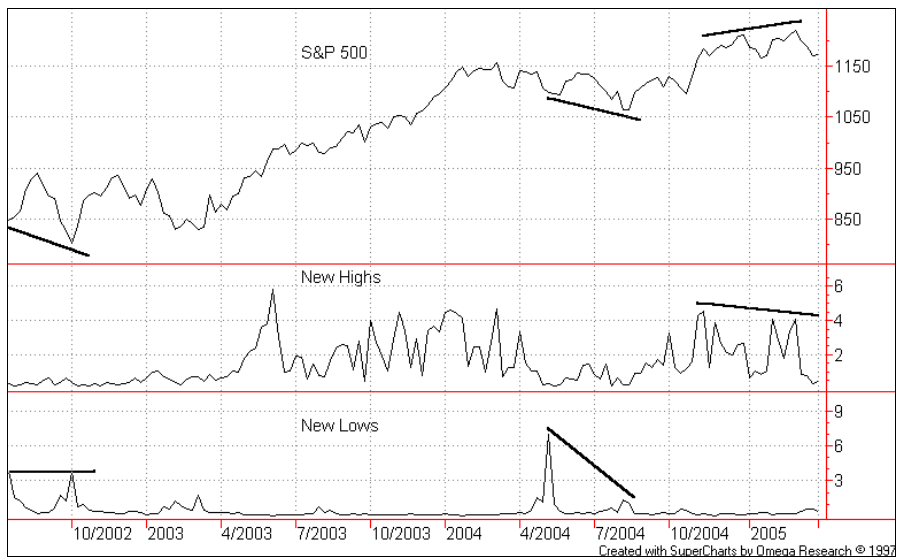
The gruesome statistics do support the notion since some 70% of all equity mutual funds in any one year under perform their comparable indexes.

What this has led to, however, is the unintended and counter intuitive consequence of changing index fund investors into gamblers. But after all, they're not employing any skill per se in the underlying stock picks, instead they're relying on luck. They're gambling, betting on the historic fact that stocks have trended higher over time.

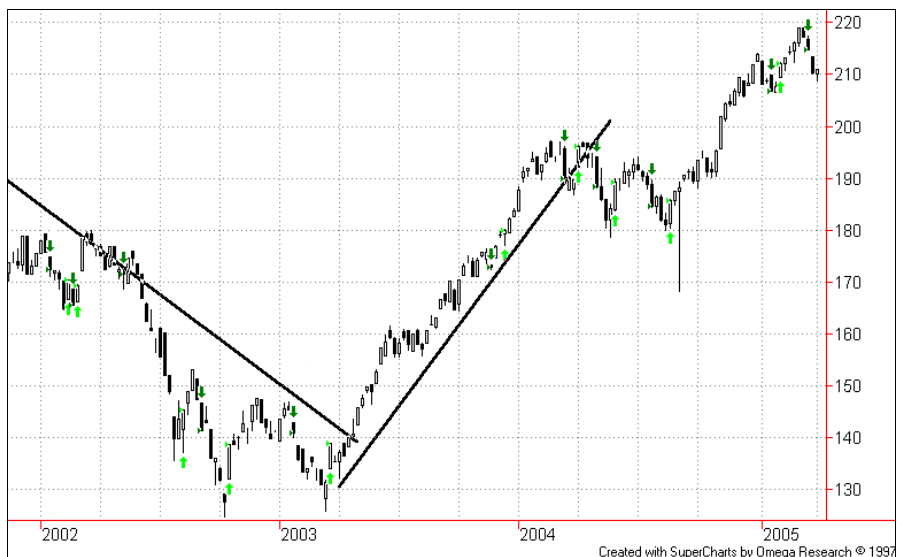
The folks who assemble the index might be employing skill, but the investors therein are not. Even still, most indexes are simply made up arbitrarily. For example, an index could be based on market capitalization, but there's nothing intrinsically superior or skillful in that measure.

Betting on a roll of dice is entertainment. Betting that the wheels will land perfectly is gambling. Betting that an index fund will go up is business. There's no difference between them because there's no skill involved in either of them.

New Highs and Lows



DJ World Index



MARKET and FUND COMMENTS

Fiscal policy—no tax rebates for 2005—neutral, offset by enormous Microsoft dividend and corporate stock repurchases.

Economy up, bullish.

Inflation up, neutral.

Oil up, bearish.

Investor sentiment, bearish because too bullish.

Fed tightening, bearish.

Market valuation, bearish.

Terrorism risk, bearish.

Still a mixed stock picture.

SLM TIMING MODELS

LCITT, modified 1/96, 3/97, 9/98.

Large cap stock intermediate-term, signals lasting weeks to months.

LC Long-term, modified 11/95

Large cap stock long-term, lasting months to years. Under reconstruction.

SCITT, introduced 3/03

Small cap stock intermediate-term, signals lasting weeks to months.

GOLD, web site, InvestmentST.com

BONDS, intermediate and long-term, page five.

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	% RETURNS FROM THE PAST X MONTHS THRU 3/31/05					V Vol- atility	INDEX CLOSE	PERFORMANCE IN:						
	X=	12	9	6	3			1	2004	2003	2002	2001	2000	1999
Wilshire 5000	5.42	4.48	6.82	-2.78	-1.90	2.1	11638.27	-	10.85	29.44	-22.08	-12.06	-11.41	21.44
Dow Jones Industrials	1.41	0.65	4.20	-2.59	-2.44	1.8	10503.76	-	3.15	25.32	-16.76	-7.10	-6.18	25.22
Standard & Poors 500	4.83	3.48	5.92	-2.58	-1.91	1.9	1180.60	-	8.99	26.38	-23.37	-13.04	-10.14	19.53
Russell 2000 (small cap)	4.20	3.98	7.36	-5.60	-2.99	3.4	615.08	-	17.00	45.37	-21.58	1.03	-4.20	19.62
Dow Jones World Index	8.85	9.15	10.55	-1.42	-2.28	2.3	210.89	-	14.43	33.42	-20.73	-16.58	-15.89	23.73
Gold London PM Fix	0.90	8.01	2.85	-1.86	-1.83	3.4	427.50	-	4.65	19.89	25.57	1.28	-5.94	0.85
T-Bond TTL Rtrn Cmpst	0.03	3.26	-0.14	-0.49	-0.43	1.1	8796.77	-	3.99	2.20	11.96	6.77	13.40	10.92
Small Cap Growth	4.23	2.70	6.12	-2.26	-1.57	3.3	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.		11.74	39.43	-21.96	-6.21	0.96	38.84
Mid Cap Growth	7.17	5.87	8.33	-0.98	-0.81	2.6			12.96	33.65	-21.89	-11.03	-0.38	38.52
Large Cap Growth	8.37	6.67	9.48	-2.18	-1.30	2.3			13.34	27.54	-21.75	-13.19	-3.69	29.36
Value Company	7.76	6.16	6.77	-0.12	-0.62	2.1			11.26	27.18	-15.61	2.30	9.99	12.27
Contrary	5.15	5.53	4.00	3.66	1.65	2.2			3.11	0.47	9.99	2.83	13.54	6.12
World Growth	11.75	12.54	12.31	0.86	-1.90	2.7	For more information about these model portfolios, please see page six.		17.11	34.67	-15.76	-19.89	-12.70	49.42
Growth & Income	7.11	5.95	6.78	-0.44	-0.88	1.9			10.24	23.46	-18.22	-7.76	0.03	23.36
Long-term Corp Income	7.30	7.12	5.31	2.51	1.15	1.7			8.43	8.64	6.73	2.45	11.68	-7.61
High Yield Income	4.66	4.59	2.80	-0.40	-1.03	1.2			6.63	16.24	-7.55	-4.73	-12.68	1.33
International Income	7.30	7.76	5.32	0.95	0.44	1.4			9.07	11.56	10.56	1.48	0.18	3.46
MAAP Aggrsv Grth	1.49	1.94	2.21	0.23	-0.11	0.5			0.57	15.03	-4.93	1.42	1.78	26.66
MAAP Growth	2.06	2.18	2.22	0.08	-0.26	0.4			1.53	11.56	-1.22	0.75	2.64	18.42
MAAP Balanced	4.29	3.83	3.21	-0.53	-0.90	0.8			5.88	12.57	0.09	-0.56	0.37	17.81
MAAP Income	-3.45	0.78	-0.21	-1.12	-0.78	0.7			0.62	5.16	2.05	1.40	4.38	2.82
MAAP Aggrsv Incm	-3.91	1.69	0.00	-1.40	-1.29	1.0			1.90	7.05	1.75	4.59	2.37	6.04

Funds and MAAP portfolio data include dividend reinvestment and fees (2% annual for MAAP). Market data does not include dividends, except for T-Bond Index.

Managed Asset Allocation Program (MAAP)

Fund Selection. We conduct a three-step selection process on more than 900 funds. Firstly, we separate funds into their primary investment style, Equity, Bond, Hybrid, and then subdivide into small, large, value, etc.. Secondly, we rank the funds by recent performance relative to their peer group (CS). Thirdly, we consider their historical risk, as measured by their volatility (V).

Portfolio Allocation. We follow a straightforward approach to allocation: Overweight the portfolio to the investment style that is performing the strongest out of the three (stocks, bonds, cash) major asset classes.

Diversification. We diversify by fund company, investment style, and asset class. The funds themselves normally reduce specific company risk, so that the main investment risks are the market and then the industry.

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 five portfolios shown on pages 5 and 6. See Scoreboard above for comparative performances.

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