



# 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
AmCent Utilities Income	BULIX	EGI	38.6
Caldwell & Oakin M rkt Opprnty	COAGX	EA	37.4
Fidelity Utilities	FIUIX	EGI	36.6
Oakmark Eqty Incm I	OAKBX	HB	34.4
Longleaf Small Cap	LLSCX	ESC	34.1
Nicholas Equity Income	NSEIX	EGI	33.1
Gabelli Gbl Telecomm	GABTX	EWR	31.8
Longleaf Intl	LLINX	EV	31.8
Copley	COPLX	EW	31.8
Commonwth Aus New Zealand	CNZLX	EWR	31.7
Vanguard Slctd Value	VASVX	EV	30.7
Oakmark Global	OAKGX	EW	30.5
Fidelity Asset Manager	FASMX	HA	30.4
Atlas Blncd	ATBAX	HB	29.8
Northern Incm Eqty	NOIEX	HGI	29.1
First Eagle Fund of Amr	FEAFX	ELC	28.6
Merger Fund	MERFX	EC	28.6
Alpine Intl Real Estate	EGLRX	ERE	28.2
Accessor Incm/Grth	ACIGX	HGI	27.8
Oakmark International	OAKIX	EW	27.6
Gabelli Westwood M ighty	WEMMX	ESC	27.6
Matthews China	MCHFX	EWR	27.4
Auxier Focus	AUXFX	EMC	27.4
FBR Amrcn Gas	GASFX	EA	27.4
Spectra N	SPECX	ELC	27.2
Berwyn Income	BERIX	HGI	27.1
Price M id Value	TRMCX	EV	27.1
Vanguard Wellesley Incm	VWINX	HB	26.8
Causeway Intl Val	CIVVX	EW	26.5
Vanguard European Index	VEURX	EWR	26.5
TIAA-CREF Intl Eqty	TIINX	EW	26.4
Fidelity Asset Manager Growth	FASGX	HA	26.3
AmCent Equity Income	TWEIX	EGI	26.2
x	x	x	x
Excelsior Hi Yld	UMHYX	BH	21.6
Legg Mason High Yield	LMHYX	BH	21.3
Northeast Investors Trust	NTHEX	BF	20.4
Fidelity Cap/Incm	FAGIX	BH	19.6
BlackRock Hi Yld	BHYSX	BH	17.7
Westcore Flex Incm	WTLTX	BL	17.0
Accessor High Yld	AHBIX	BH	16.6

## Rotating the Tires

Maintenance helps your car last longer, perform better, and incur lower expenses over its life. In the short-term, it can be a hassle as you have to take it in, be without, and hand over small amounts of cash. In the long-term, it's well worth it. This maintenance principle likewise applies to mutual fund investing.

A little investment hassle now in the form of extra paperwork, taxes, research, and time, may go a long way in providing extra, above market returns that don't accrue to those who buy, hold, and forget.

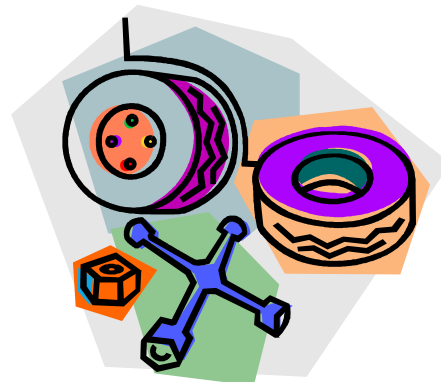
As examples, I've pointed out before how in the Nineties, it was the nifty fifty, the large cap S&P 500 growth stock oriented funds that performed the best. Since then, however, they've barely kept up with the Dow Joneses. The S&P 500 has still not surpassed its 2000 peak. Six years is a long time to go without making any money.

From those lofty heights, however, it was the small cap and value funds that performed the best from 2000-2002. The Russell 2000 is at new all-time highs.

After them came the international funds that have four years of out performance, after previously under performing their domestic brethren.

Over the last year the domestic growth and income oriented funds have performed the best.

Evolving your investment portfolio from one fund style to another helps you capture that extra return, even though maintenance is required and ongoing. Diligence is rewarded, however. For now the domestic and international larger cap equity income funds still dominate the performance list.



### AROUND THE CAMPFIRE

The tomatoes are in and growing nicely. By Memorial Day we'll be eating home-grown tomatoes. There's nothing better.

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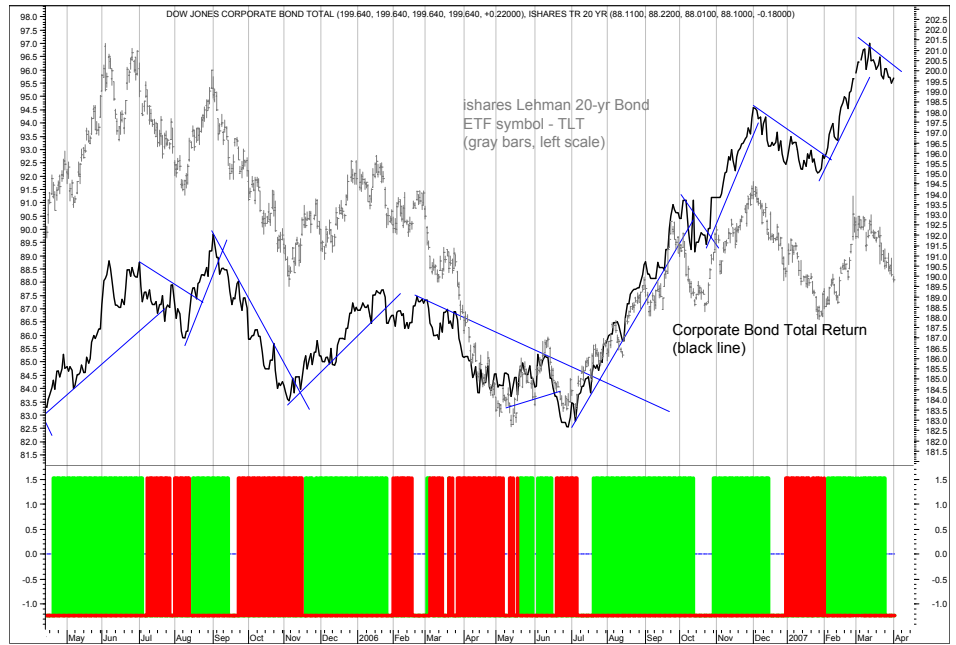
# Interest Rates and Bond Prices

The SLM Bond Timing Model remains bullish, although with the recent pullback in bond prices, there's a possibility of a change coming soon. For the bulls to remain in charge, the market will need to rally.

For the rally to return, however, the market is between two powerful forces of a slowing domestic economy, especially as measured by the housing related indexes, and a continued strong global economy with its increasing inflation.

For example, China's growth may slow from 10% to 5%, but that's still powerful growth, and still a strong demand for commodities. Prices will continue increasing.

Stagflation at home perhaps?



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.

# MAAP Income Portfolio

Continue to hold the long bond in the MAAP Income Portfolio.

## MONTHLY ACTIVITY

MONTH ENDING: 3/31/2007

## 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
						WTLTX	BL	Westcore Flex Incm	10.49	8,059.5646	84,545	40%
							MM	Money Market	100	125,618.0000	125,618	60%
							MM	Margin Loan	-100	-	-	0%
Total Valuation=											210,163	100%

# MAAP Growth and Balanced Portfolios

**MONTHLY ACTIVITY**

**MONTH ENDING:** 3/31/2007

**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-Apr	buy	AmCent Eqty Incm			33,000							0%
10-Apr	buy	Spectra N			12,000	MIDSX	Gold	Midas	4.62	2,487.5622	11,493	3%
10-Apr	buy	Oakmark Global			33,000	VWINX	Hybrid	Vngrd Wellsly	22.02	1,462.3641	32,201	8%
						TWEIX	Eqty G/I	AmCent Eqty Incm				
						SPECX	Eqty LrgCap	Spectra N				
						OAKGX	Eqty Wrld	Oakmark Global				
						CFIMX	Eqty LrgCap	Clipper	89.76	269.8618	24,223	6%
						RYURX	Contrary	Rydex Ursa	7.57	8,506.3693	64,393	17%
							MM	Money Market	100	256,655.0000	256,655	66%
<b>Total Valuation=</b>											<b>\$388,965</b>	<b>100%</b>

**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-Apr	buy	AmCent Eqty Incm			33,000	VWINX	Hybrid	Vngrd Wellsly	22.02	1,950.0088	42,939	7%
10-Apr	buy	Spectra N			12,000	TWEIX	Eqty G/I	AmCent Eqty Incm				
10-Apr	buy	Oakmark Global			33,000	SPECX	Eqty LrgCap	Spectra N				
						OAKGX	Eqty Wrld	Oakmark Global				
						CFIMX	Eqty LrgCap	Clipper	89.76	269.8618	24,223	4%
						RYURX	EqtyContry	Rydex Ursa	7.57	5,846.2800	44,256	7%
							MM	Money Market	100	534,685.0000	534,685	83%
<b>Total Valuation=</b>											<b>\$646,103</b>	<b>100%</b>

**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-Apr	buy	AmCent Eqty Incm			33,000	VWINX	Hybrid	Vngrd Wellsly	22.02	1,950.0088	42,939	8%
10-Apr	buy	Spectra N			12,000	TWEIX	Eqty G/I	AmCent Eqty Incm				
10-Apr	buy	Oakmark Global			33,000	SPECX	Eqty LrgCap	Spectra N				
						OAKGX	Eqty Wrld	Oakmark Global				
						CFIMX	Eqty LrgCap	Clipper	89.76	269.8618	24,223	4%
							MM	Money Market	100	497,005.0000	497,005	88%
<b>Total Valuation=</b>											<b>\$564,167</b>	<b>100%</b>

Based on recent weakness that appears to be over for now, it's time to increase our stock fund exposure. Please note the buys above. For your personal investment portfolio, use equivalent percentages, rather than dollar amounts.

All MAAP portfolio performances include a separate annual 2% management fee expense (the fee we would charge to manage it). All dividends are reinvested.

# Market Timing and Asset Allocation

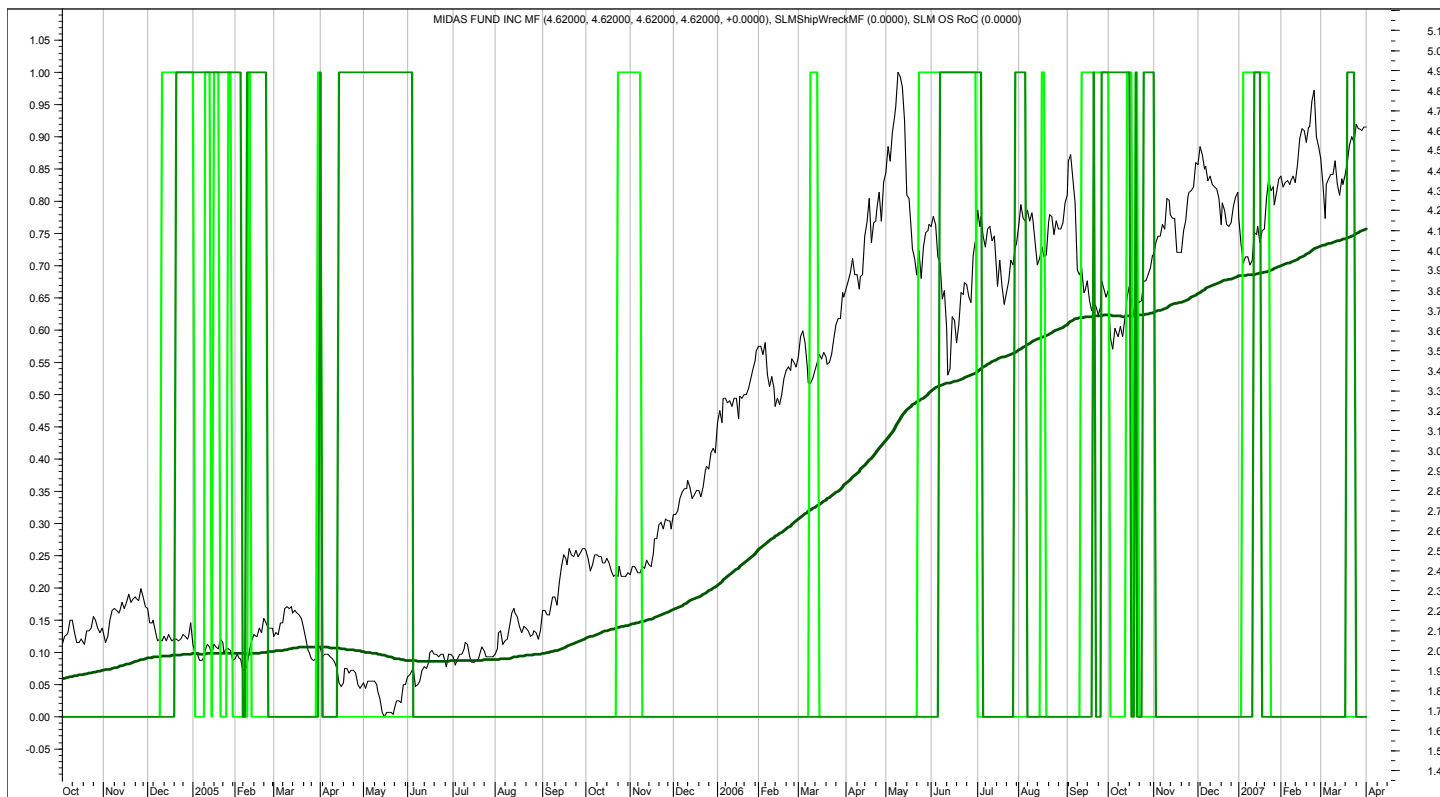
## Midas Fund (MIDSX, gold fund)

After the huge run up in gold between the summers of 2005-2006, as measured by this proxy fund shown below, gold as moved broadly sideways as it digests the jump.

I'm still expecting this movement to continue,

although the swings between peaks and troughs should narrow.

At some point a break down or break out will occur, we don't know when or in which direction, but more than likely upward.



### MARKET POSITION and STOCK MARKET COMMENTS

STOCKS: Neutral.  
GOLD: Neutral, within a broad trading range.  
BONDS: Neutral.

US Gov. fiscal policy, neutral.

Corporate actions (buy backs, mergers), bullish.

Economy, neutral.

Inflation, bearish as it increases.

Oil prices, neutral.

Housing, bearish.

Investor sentiment, neutral.

Federal Reserve policy, bearish (inverted yield curve).

Market valuation, neutral.

Exogenous events: Terrorism risk, neutral; hedge fund risk, neutral.

Liquidity is driving the market, not valuations. Inflation remains a background problem. The current correction should move the market sideways for awhile.

### 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**, shown bi monthly.

**BONDS**, page 5

First three are under a rework for 2007, emphasizing timing on funds directly. Signals last months to years.

# Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	%RETURNS FROM THE PAST X MONTHS THRU 3/31/07					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2006	2005	2004	2003	2002	2001
DJ Wilshire 5000	9.53	12.14	7.97	106	0.96	1.7	14409.30	-	13.72	8.24	10.85	29.44	-22.08	-12.06
Dow Jones Industrials	11.21	10.80	5.78	-0.87	0.70	16	12354.40	-	16.29	-0.61	3.15	25.32	-16.76	-7.10
Standard & Pooers 500	9.73	11.86	6.36	0.18	1.00	16	1420.86	-	13.62	3.00	8.99	26.38	-23.37	-13.04
Russell 2000	4.65	10.49	10.35	166	0.93	2.6	800.71	-	17.00	3.32	17.00	45.37	-2158	103
Dow Jones World Index	13.77	15.48	11.37	2.51	1.79	2.0	284.47	-	18.52	9.41	14.43	33.42	-20.73	-16.58
Gold/Sliver Index (XAU)	-3.26	-4.57	6.69	-3.68	-1.90	6.9	137.01	-	11.11	28.87	4.65	19.89	25.57	128
Dow Jones Ttl Bond	7.15	8.88	3.27	2.02	-0.10	1.0	199.42	-	3.70	1.40	3.99	2.20	11.96	6.77
Small Cap	4.10	9.61	10.52	2.32	0.42	2.8	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.		7.20	2.63	11.74	39.43	-2196	-6.21
Mid Cap	7.24	11.51	10.70	3.71	1.16	2.4			6.79	8.38	12.96	33.65	-2189	-1103
Large Cap	5.92	9.99	7.16	1.31	0.92	2.0			6.11	5.75	13.34	27.54	-2175	-13.19
Value	12.13	13.47	8.97	1.27	0.82	2.0			10.08	3.66	11.26	27.18	-15.61	2.30
Contrary	2.64	-1.90	0.52	1.26	0.77	2.0			-1.99	5.78	3.11	0.47	9.99	2.83
World Growth	2.50	-2.20	0.36	1.20	0.80	2.1	For more information about these model portfolios, please see pages five and six.		x	13.07	17.11	34.67	-15.76	-19.89
Growth/Income	10.33	12.25	8.00	1.23	0.94	1.8			9.82	4.23	10.24	23.46	-18.22	-7.76
Bond Long	6.68	7.97	1.63	0.65	-1.80	1.7			2.75	10.32	8.43	8.64	6.73	2.45
Bond High Yield	x	x	x	x	-0.15	2.1			8.84	5.76	6.63	16.24	-7.55	-4.73
Bond World	6.98	6.57	3.56	1.04	0.05	1.1			5.65	7.40	9.07	11.56	10.56	1.48
MAAP Aggrsv Grth	5.09	2.72	2.31	0.70	0.05	0.9			9.95	7.20	0.57	15.03	-4.93	1.42
MAAP Growth	3.90	2.68	1.93	0.61	0.11	0.4			5.66	3.50	1.53	11.56	-1.22	0.75
MAAP Balanced	5.88	4.84	3.87	0.58	0.16	0.6			7.59	2.01	5.88	12.57	0.09	-0.56
MAAP Income	2.92	2.29	2.37	0.97	0.07	0.3			2.80	-1.86	1.90	7.05	1.75	4.59

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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## SAMPLE FUND EVOLUTION SELECTING AND TIMING

This is to show a sample evolution of the newly combined fund selecting and fund timing strategies working together. It is not indicative of actual results or picks. The funds were chosen because they show the strategies in action.

The selecting strategy is to buy from the top 5% and hold as long as the fund remains in the top 20% (5% and next 15%) of the funds we track. The timing strategy shows precise buy and sell points based only on the fund. The green is hold, the red is sell/avoid. The green spike is buy. No color indicates that the previous signal is still in effect.

I pick up the process with the first valid buy signal in September, 2004. The fund selecting model showed MNEFX in the top 5% at the time. The timing model also gave a buy signal, as shown by the dark green spike, the inverted V on the top chart.

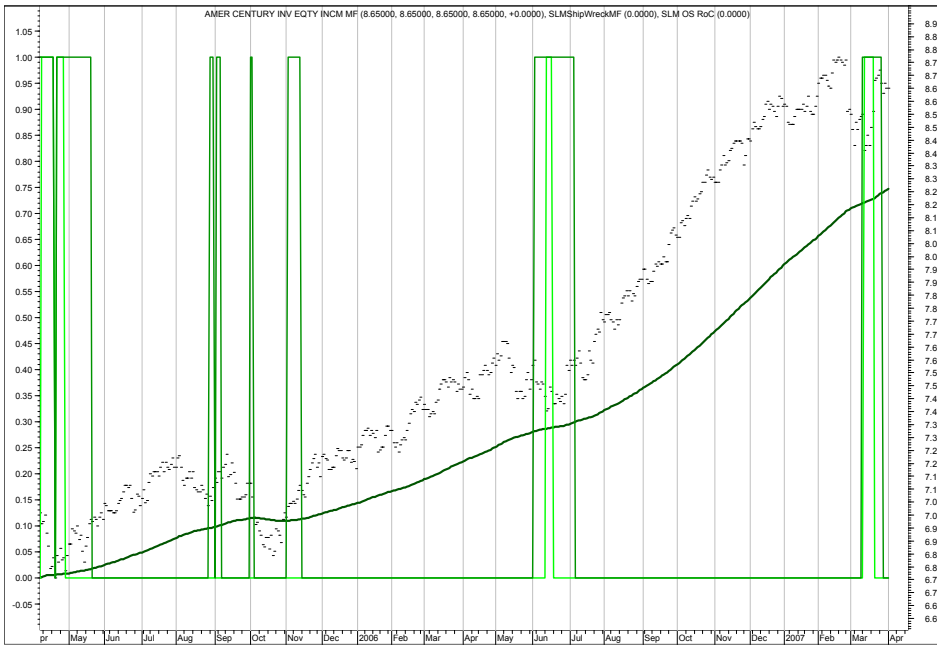
The fund dropped out of the top 20% at the end of January 2005. Even though the timing model remained bullish, the fund was sold. It would not have been rebought in July 2005 with the timing model buy because the fund was not in the top 5% at the time of the buy signal. It could have been bought in May.

The second chart shows its replacement. There was a buy spike and the fund was in the top 5%. Three months later it dropped out of the top 20% and was sold.

The third chart shows the replacement fund for the reinvestment. It was selected because it was in the top 5% and there was a timing model buy signal. The fund is still in the top 5%.

The end result is a gain of about 37% over the last 13 months. The Wilshire 5000 was up roughly 15% over the same period.





All of these funds are currently in the top 5%. The 200-day moving average is the solid trending dark line. The green spikes are buy signals (assuming the fund is within the top 5% at the time of the signal).

The top chart is TWEIX, American Century Equity Income.

The middle chart is SPECX, Spectra N.

The bottom chart is OAKGX, Oakmark Global.

