



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	39.1
Atlas Blncd	ATBAX	HB	38.5
Oakmark Eqty Incm I	OAKBX	HB	38.5
Fidelity Utilities	FIUIX	EGI	37.6
Berwyn Income	BERIX	HGI	36.5
Gabelli Westwood Mighty	WEMMX	ESC	36.0
Nicholas Equity Income	NSEIX	EGI	35.5
First Eagle Fund of Amr	FEAFX	ELC	35.4
Fidelity Asset Manager	FASMXX	HA	35.1
Longleaf Small Cap	LLSCX	ESC	35.0
Copley	COPLX	EV	34.6
Price Mid Value	TRMCX	EV	34.3
Janus Balanced	JABAX	HB	34.0
Lazard Mid Cap	LZMOX	EW	33.7
Janus Contrarian	JSVAX	EMC	33.7
Longleaf Intl	LLINX	EW	33.7
Oakmark Global	OAKGX	EW	33.5
Fidelity Value	FDVLX	EV	33.5
Fidelity Asset Manager Growth	FASGX	HA	33.4
Buffalo US Gbl	BUFGX	EW	33.3
Vanguard Health Care	VGHGX	EA	32.9
Spectra N	SPECX	ELC	32.8
Boston Prtn MidCap Val	BPMCXX	EMC	32.7
Price Balanced	RPBAX	HB	32.7
Price Capital Appreciation	PRWCX	HGI	32.7
Auxier Focus	AUXFX	EMC	32.6
Northern Incm Eqty	NOIEX	HGI	32.6
Aegis Value	AVALX	EV	32.5
Exeter Modrt	EXBAX	HGI	32.4
Columbia Balanced	CBALX	HB	32.3
Vanguard Wellington	VWELX	HB	32.3
1st Source Incm Eqty	FMIEX	EGI	32.3
McMorgan Balanced	MCMBX	HB	32.3
Nicholas High Incm	NCINX	BH	45.7
Northeast Investors Trust	NTHEX	BF	6.3
Legg Mason High Yield	LMHYX	BH	6.1
Fidelity Cap/Incm	FAGIX	BH	6.0
Payden Emrg MrkBd	PYEMX	BW	4.1
Excelsior Hi Yld	UMHYX	BH	3.5
Accessor High Yld	AHBIX	BH	0.5
Loomis Sayles Bond	LSBRX	BF	0.5

Hybrids

Saying with the car theme from last month, hybrids are hot, both cars and mutual fund investments. They are shown with an “H” at the front of the style column to the left and on page two.

Hybrid cars use some combination of gas and another source of power, like electricity. They are attractive again especially since gasoline has jumped 50% over the last four months from \$2.00/gallon to \$3.00/gallon. This is even before the traditional summer driving season starts. What me worry about inflation?

The Fed is not quite as sanguine and I still expect the next move in interest rates to be up, not down.

As to mutual funds, hybrid funds use some combination of investments also to power their performance. They split their investments between stocks, bonds, and cash. Within each primary group, they may use domestic or international, large or small cap, growth or value equi-

ties. In the bond section, they may use long, short, or intermediate. They further break their bond holdings into investment or junk grade.

The hybrid funds dominate the top 5% list to the left. Subscribers know this list is made up of the top 5% of the total funds we track. The investment strategy is to buy from this list on dips, hold as long as the fund remains in the top 20%, which is the top 5% plus the next 15% of the funds we track, and sell whenever the fund drops out of the top 20%. It would be replaced out of the top 5% whenever a buy signal is generated, which is generally on sell offs.

Subscribers may see this over the internet on pages nine and 10. These pages are not sent out through the mail, as they are in full and living color.

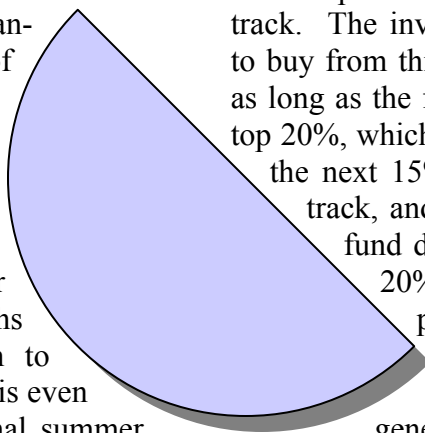


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AROUND THE CAMPFIRE

Before dinner, mom asks if he washed his hands; he answers yes. Simple enough, but what's the unspoken word? She's really asking, did you use warm water with plenty of soap rubbing them together for at least 20 seconds and hang the towel back up? He's really saying, I turned on the faucet, wetted my hands, and wiped them off on my jeans.

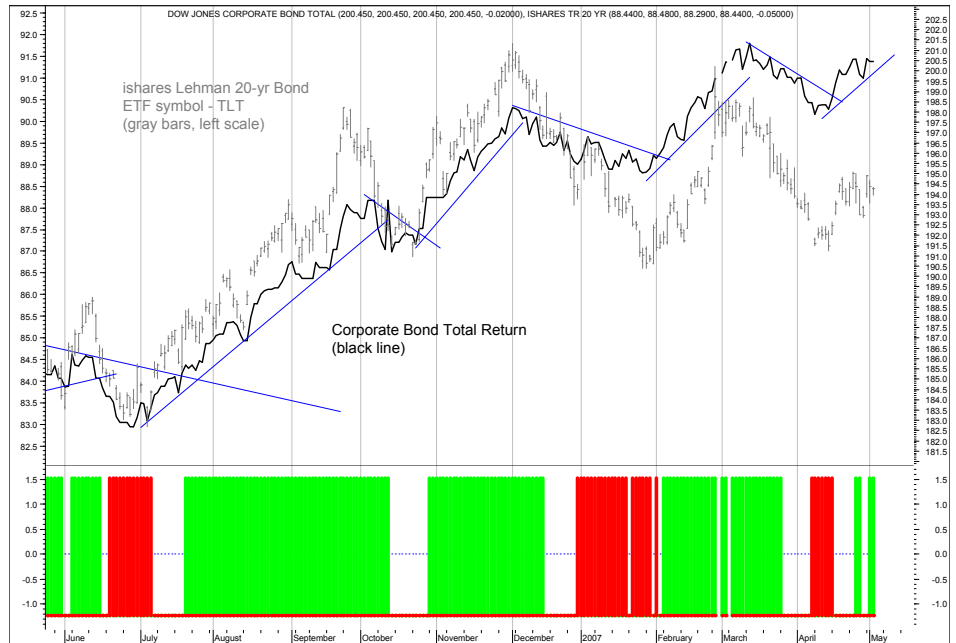
Interest Rates and Bond Prices

Little flip flops last month in the timing model as the markets try to digest and figure out whether we are coming into an expansion or contraction.

As I've mentioned, I vote for a rate rise at worst, steady at best. Least likely is a rate cut.

The reasons for this are obvious. Economies both here and abroad continue to move ahead. The price of gasoline has increased 50% in the last few months. Inflation is increasing. The world is awash in liquidity, raising just a few billion for richly priced takeovers is chump change.

The only negative is housing, but like other recent bubbles, the investment market moves on to create the next bubble, which now appears to be takeovers.



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:

4/30/2007

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	10.54	8,092.1346	85,291	40%
							MM	Money Market	100	125,737.0000	125,737	60%
							MM	Margin Loan	-100	-	-	0%
Total Valuation=											211,028	100%

MAAP Growth and Balanced Portfolios

MONTHLY ACTIVITY

MONTH ENDING: 4/30/2007

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	8.74	3,775.7437	33,000							0%
10-Apr	buy	Spectra N	9.72	1,646.0905	16,000	MIDSX	Gold	Midas	4.66	2,487.5622	11,592	3%
10-Apr	buy	Oakmark Global	27.11	1,217.2630	33,000							
						VWINX	Hybrid	Vngrd Wellsly	22.40	1,462.3641	32,757	8%
						TWEIX	Eqty G/I	AmCent Eqty Incm	8.92	3,775.7437	33,680	9%
						SPECX	Eqty LrgCap	Spectra N	9.86	1,646.0905	16,230	4%
						OAKGX	Eqty Wrld	Oakmark Global	27.50	1,217.2630	33,475	9%
						CFIMX	Eqty LrgCap	Clipper	92.98	269.8618	25,092	6%
						RYURX	Contrary	Rydex Ursa	36.49	1,701.2739	62,079	16%
							MM	Money Market	100	174,734.0000	174,734	45%
Total Valuation=											\$389,639	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-Apr	buy	AmCent Eqty Incm	8.74	3,775.7437	33,000							
10-Apr	buy	Spectra N	9.72	1,234.5679	12,000	VWINX	Hybrid	Vngrd Wellsly	22.40	1,950.0088	43,680	7%
10-Apr	buy	Oakmark Global	27.11	1,217.2630	33,000	TWEIX	Eqty G/I	AmCent Eqty Incm	8.92	3,775.7437	33,680	5%
						SPECX	Eqty LrgCap	Spectra N	9.86	1,234.5679	12,173	2%
						OAKGX	Eqty Wrld	Oakmark Global	27.50	1,217.2630	33,475	5%
						CFIMX	Eqty LrgCap	Clipper	92.98	269.8618	25,092	4%
						RYURX	EqtyContry	Rydex Ursa	36.49	1,169.2560	42,666	7%
							MM	Money Market	100	457,527.0000	457,527	71%
Total Valuation=											\$648,292	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-Apr	buy	AmCent Eqty Incm	8.74	3,775.7437	33,000							
10-Apr	buy	Spectra N	9.72	1,234.5679	12,000	VWINX	Hybrid	Vngrd Wellsly	22.40	1,950.0088	43,680	8%
10-Apr	buy	Oakmark Global	27.11	1,217.2630	33,000	TWEIX	Eqty G/I	AmCent Eqty Incm	8.92	3,775.7437	33,680	6%
						SPECX	Eqty LrgCap	Spectra N	9.86	1,234.5679	12,173	2%
						OAKGX	Eqty Wrld	Oakmark Global	27.50	1,217.2630	33,475	6%
						CFIMX	Eqty LrgCap	Clipper	92.98	269.8618	25,092	4%
							MM	Money Market	100	419,806.0000	419,806	74%
Total Valuation=											\$567,905	100%

The market has headed higher again.

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

International and S&P 500 indexes with relative strength indicator

After the Nifty Fifty Nineties, the domestic stock market (dark line bottom half of chart) underperformed international markets (dark line top half) for about three years. This is shown below by the relative strength line as a large “V” (gray line), changing

direction in 2000.

Since 2003 the domestic market has been playing catch up. The relative strength is basically moving sideways with a very slight bias to the domestic stock market.



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, bearish.
 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 higher, not low valuations. An unexpected risk is the growing probability of an interest rate rise.

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 4/30/07					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2006	2005	2004	2003	2002	2001
DJ Wilshire 5000	12.59	16.91	8.12	2.89	3.77	1.8	14952.40	-	13.72	8.24	10.85	29.44	-22.08	-12.06
Dow Jones Industrials	14.92	16.78	8.13	3.50	5.73	1.9	13062.90	-	16.29	-0.61	3.15	25.32	-16.76	-7.10
Standard & Pooers 500	13.11	16.11	7.58	3.07	4.33	1.7	1482.37	-	13.62	3.00	8.99	26.38	-23.37	-13.04
Russell 2000	6.54	16.27	6.22	1.78	1.73	2.1	814.57	-	17.00	3.32	17.00	45.37	-2158	103
Dow Jones World Index	14.95	19.85	11.88	5.57	4.13	2.0	296.21	-	18.52	9.41	14.43	33.42	-20.73	-16.58
Gold/Sliver Index (XAU)	-13.31	-3.38	-0.18	-2.02	0.04	5.5	137.06	-	11.11	28.87	4.65	19.89	25.57	128
Dow Jones Ttl Bond	8.28	7.42	3.48	2.41	0.59	1.0	200.59	-	3.70	1.40	3.99	2.20	11.96	6.77
Small Cap	7.05	17.69	9.30	3.73	2.47	2.4	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	10.14	19.16	11.00	4.72	3.78	2.3		6.79	8.38	12.96	33.65	-2189	-1103	
Large Cap	9.39	16.17	8.19	3.15	3.84	2.0		6.11	5.75	13.34	27.54	-2175	-13.19	
Value	14.52	17.98	9.24	3.22	3.56	2.0		10.08	3.66	11.26	27.18	-15.61	2.30	
Contrary	0.04	-3.54	0.47	0.25	-1.24	3.3		-1.99	5.78	3.11	0.47	9.99	2.83	
World Growth	-0.25	-3.98	0.31	0.14	-1.35	3.5		x	13.07	17.11	34.67	-15.76	-19.89	
Growth/Income	13.34	16.82	8.94	3.71	3.83	1.9	9.82	4.23	10.24	23.46	-18.22	-7.76		
Bond Long	9.87	6.83	1.34	1.86	0.49	1.7	2.75	10.32	8.43	8.64	6.73	2.45		
Bond High Yield	28.28	28.08	23.82	2.08	0.70	2.0	8.84	5.76	6.63	16.24	-7.55	-4.73		
Bond World	6.88	5.97	3.42	2.69	0.76	1.1	5.65	7.40	9.07	11.56	10.56	148		
MAAP Aggrsv Grth	6.80	5.96	3.37	2.57	0.71	1.1	For more information about these model portfolios, please see pages five and six.	9.95	7.20	0.57	15.03	-4.93	142	
MAAP Growth	3.79	2.96	1.59	0.80	0.34	0.3		5.66	3.50	1.53	11.56	-1.22	0.75	
MAAP Balanced	6.23	5.63	3.57	1.01	0.66	0.5		7.59	2.01	5.88	12.57	0.09	-0.56	
MAAP Income	3.12	2.50	2.38	0.97	0.41	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.

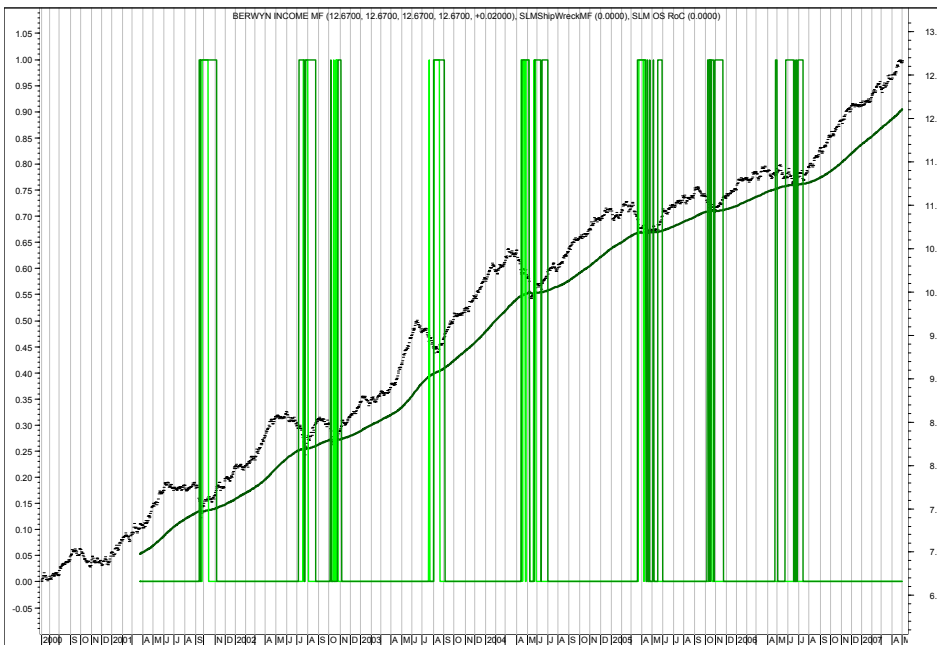
The fund dropped out of the top 20% at the end of January 2005. Even though the timing model remained bullish, the fund was sold. It would not have been rebought in July 2005 with the timing model buy because the fund was not in the top 5% at the time of the buy signal. It could have been bought in May.

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 BERIX, Berwyn Income Fund.

The middle chart is JABAX, Janus Balanced Fund.

The bottom chart is PRWCX, Price Capital Appreciation Fund.

