



No-Load Mutual Fund Selections & Timing Newsletter

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

Date: May, 2009 (pricing data through 4/30/09)

Publisher: Watercourse Way Holdings, LLC

Volume: 27 Number: 5

InvestmentST.com

Editor: Stephen L. McKee

Top 5% Funds By C

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

Fund	Symbol	Style	C
Reynolds Blue Chip Growth	RBCGX	ELC	32.0
x	x	x	x
Yacktman Focused	YAFFX	EV	8.4
Merger Fund	MERFX	EC	8.3
The Arbitrage	ARBFX	EC	8.2
Boston Prtn Lng/Shrt Eqty	BPLEX	EC	7.8
Caldwell & Oakin Mkt Opprtnty	COAGX	EA	7.1
Yacktman	YACKX	EV	5.6
Rydex URSA (short S&P 500)	RYURX	EC	5.3
x	x	x	x
Hussman Strtg Ttl Rtrn	HSTRX	HB	4.0
Pin Oak Aggrsv Stk	POGSX	EA	4.0
Hussman Strtg Grth	HSGFX	EMC	3.0
Matthews China	MCHFV	EWR	2.8
Buffalo Small Cap	BUFSX	ESC	2.2
Wells Fargo Small Cap	MNSCX	ESC	2.2
SPDR Gold	GLD	EG	2.1
USAA Pr Mtls	USAGX	EG	2.1
White Oak Grth Stk	WOGSX	ELC	1.8
Flex Quantex	FLCGX	ELC	1.7
Royce Special Eq	RYSEX	ESC	1.6
Toqueville Gold	TGLDX	EG	1.5
Berwyn Income	BERIX	HGI	1.0
Matthews Korea	MAKOX	EWR	1.0
PS Gold	DGL	EG	0.9
Matthews Pacific Tiger	MAPTX	EWR	0.9
FMI Common Stk	FMIMX	ESC	0.9
Janus Gbl Tech	JAGTX	EWR	0.8
Weitz Partners Val	WPVLX	EV	0.8
Buffalo Science Tech	BUFTX	EA	0.7
Buffalo Mid Cap	BUFMX	EMC	0.5
Vanguard Cap Value	VCVLX	EGI	0.5
Price New Asia	PRASX	EWR	0.4
Payden GNMA	PYGNX	BU	2.4
Fidelity GNMA	FGMNX	BU	10.7
Vanguard GNMA	VFIIX	BU	9.1
AmCent GNMA Income	BGNMX	BU	8.9
Wells Fargo Short Govt Bond	MNSGX	BS	8.0
USAA GNMA	USGNX	BU	7.9
Price GNMA	PRGMX	BU	7.1
AmCent Treasury Note	CPTNX	BI	6.3

How To Ride The Roller Coaster

The great thing about the strategy of “buying low and selling high” otherwise known as market timing or “trying to avoid the bear market and to invest during the bull market” is the quick recovery in the portfolios to new all-time highs. This is what happened after the bear market from 2000-2002. It is also taking place in this recovery rally after the near two-year long bear market.

After the bear market of 2000-2002 ran its course, the bull market began. The portfolios in the Newsletter were beginning to hit new all-time highs by mid 2003, a mere half-year later. The S&P 500, however, took eight long, grueling years to finally hit new all-time highs in mid 2007. From there, investors gave it all back as the indexes went straight back down in a bear market.

As well today, the portfolios in the NLMFS&T Newsletter are now off of their prior peaks by only about 4%. Moreover, the portfolios are up about 4% year to date through 4/30/09. The stock market for its part is still off about 43% from its peak and still down roughly 2% YTD.

Buy low and sell high is the market timers working definition.

That is the goal.

Many people, of course, pooh pooh market timing. They say it takes two decisions, one to buy and one to sell and one to buy. That is really three decisions, but who’s counting. They also say it cannot be done successfully. This is a denial of intrinsic value. There are times when companies are cheap and times when companies are dear. To say otherwise is to sever the association between a company and its stock. This is a costly opinion.

So, ride the roller coaster of denial or get off and on and off and on as you recognize value.

On another subject, this Newsletter includes ETFs in the database. It used to be a separate service, but no more. However, since merging the two due to no interest, that has changed. So, please email me if you would be interested and willing to pay for a weekly trading ETF service. If so, I’ll begin anew to backtest and present the results. ETFs would remain part of this monthly letter.

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AROUND THE CAMPFIRE

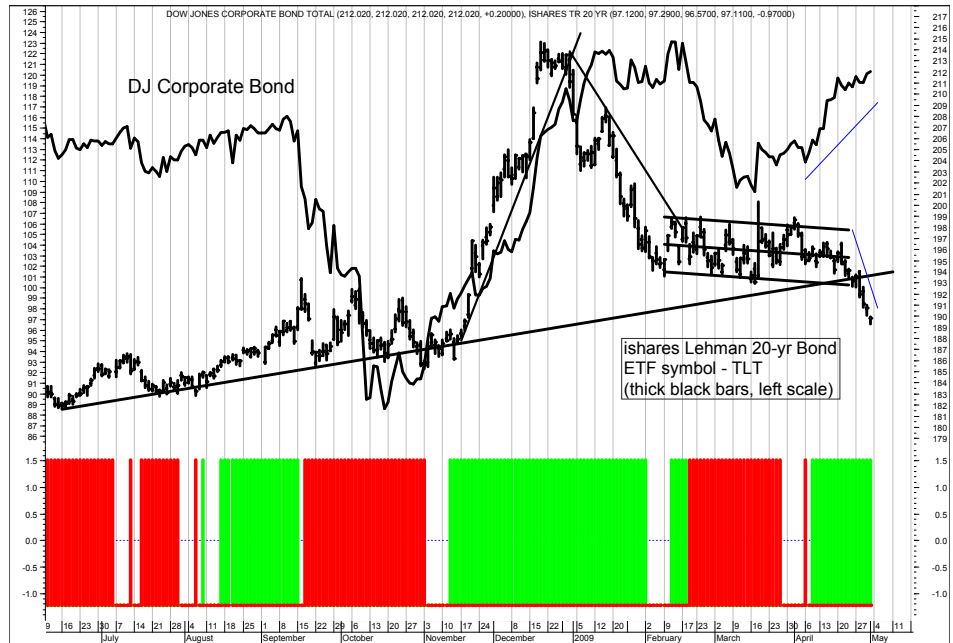
President Obama recently addressed the nation. Was there something odd about having the President instructing us to wash our hands, cover our mouths when we cough, and stay at home when we feel sick? I imagine if Senator McCain were elected, he would have said the same thing. It is just peculiar to have a President telling us what should be so obvious.

Interest Rates and Bond Prices

The bond market, like the stock market, is not cohesive all the time; it does not always move in lockstep. Now is one of those occasions. As you can see on the chart, the government bond market has tumbled (vertical bars), while the corporate bond market (solid line) has rallied. The SLM Bond Barometer is based on corporates, so it still shows positive.

The reason for this divergence is because of the financial turmoil of the last year. Flight to safety went into governments and out of corporates. Now the reverse is happening.

I am working on a timing solution to this situation, as it may happen again.



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

The high-yield bond fund has jumped strongly the past couple of months on hopes that things aren't as bad as everyone was projecting. As noted above though, government bonds have sank. Quite a see-saw. No changes for now.

MONTHLY ACTIVITY

MONTH ENDING: 4/30/2009

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
13-Mar	buy	FGMNX	11.25	1,777.7778	20,000	FGMNX	Bond Gov	Fidelity GNMA	11.31	1,777.7778	20,107	10%
24-Apr	buy	PYGNX	10.19	1,962.7085	20,000	PYGNX	Bond HiYld	Fidelity Cap/Incm	6.23	3,314.9171	20,652	10%
							MM	Money Market	100	147,850.0000	147,850	71%
							MM	Margin Loan	-100	-	-	0%
Total Valuation=											208,609	100%

MAAP: Aggressive Growth, Growth, and Balanced

PREVIOUS ACTIVITY		TO MONTH ENDING: 4/30/2009				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
8-Jan	sell	Parnassus Eqty Incm	19.56	2,213.0003	43,286							
8-Jan	sell	Westport Grth	15.08	1,597.5667	24,091							
8-Jan	sell	Janus Orion	6.70	3,379.8433	22,645							
8-Jan	sell	Berwyn Incm	10.47	1,738.7740	18,205	EEM	Eqty Wrld	Emrg Mrkt ETF	28.67	1,855.0116	53,183	14%
8-Jan	buy	Jamestown Blncd	10.61	1,885.0411	20,000							
8-Jan	buy	Buffalo Small Cap	16.31	1,226.2416	20,000	HRVIX	Eqty Value	Heartland Value	18.42	3,420.7587	63,010	17%
8-Jan	buy	FMI Com Stk	16.16	1,237.6238	20,000	RYSEX	Eqty SmlCap	Royce Spcl Eqty	14.45	3,798.0995	54,883	15%
8-Jan	buy	AstnTmr SmlCp	12.44	1,607.7170	20,000							
20-Jan	buy	EEM	22.53	400.0000	9,012	JAM BX	Hybrid	Jamestown Blncd	10.42	1,885.0411	19,642	5%
						BUFSX	Eqty SmlCap	Buffalo Small Cap	18.34	1,226.2416	22,489	6%
						FMIMX	Eqty SmlCap	FMI Com Stk	16.91	1,237.6238	20,928	6%
						ATASX	Eqty SmlCap	AstnTmr SmlCp	13.19	1,607.7170	21,206	6%
						MM	Money Market		100	18,767.0000	18,767	32%
										Total Valuation=	\$374,108	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
8-Jan	sell	Parnassus Eqty Incm	19.56	2,213.0103	43,286							
8-Jan	sell	Westport Grth	15.08	1,597.5667	24,091	EEM	Eqty Wrld	Emrg Mrkt ETF	28.67	2,255.0116	64,651	10%
8-Jan	sell	Janus Orion	6.70	3,379.8433	22,645	HRVIX	Eqty Value	Heartland Value	18.42	5,149.3236	94,851	15%
8-Jan	sell	Berwyn Incm	10.47	1,738.7740	18,205							
8-Jan	buy	Jamestown Blncd	10.61	3,770.0283	40,000	RYSEX	Eqty SmlCap	Royce Spcl Eqty	14.45	8,835.0730	127,667	20%
8-Jan	buy	Buffalo Small Cap	16.31	2,452.4831	40,000							
8-Jan	buy	FMI Com Stk	16.16	2,475.2475	40,000	JAM BX	Hybrid	Jamestown Blncd	10.42	3,770.0283	39,284	6%
8-Jan	buy	AstnTmr SmlCp	12.44	3,215.4341	40,000	BUFSX	Eqty SmlCap	Buffalo Small Cap	18.34	2,452.4831	44,979	7%
20-Jan	buy	EEM	22.53	800.0000	18,024	FMIMX	Eqty SmlCap	FMI Com Stk	16.91	2,475.2475	41,856	6%
						ATASX	Eqty SmlCap	AstnTmr SmlCp	13.19	3,215.4341	42,412	7%
						MM	Money Market		100	193,449.0000	193,449	30%
										Total Valuation=	\$649,148	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
14-Nov	buy	HrtInd Val HRVIX	17.96	1,837.4165	33,000							
14-Nov	buy	Royce SEqty RYSEX	13.63	3,668.3786	50,000	EEM	Eqty Wrld	Emrg Mrkt ETF	28.67	1,455.0116	41,715	8%
14-Nov	buy	Emrg Mrkt EEM	22.22	765.0765	17,000	HRVIX	Eqty Value	Heartland Value	18.42	5,149.3236	94,851	18%
8-Jan	sell	Parnassus Eqty Incm	19.56	2,213.0103	43,286	RYSEX	Eqty SmlCap	Royce Spcl Eqty	14.45	8,835.0730	127,667	24%
8-Jan	sell	Westport Grth	15.08	1,597.5667	24,091	JAM BX	Hybrid	Jamestown Blncd	10.42	1,885.0411	19,642	4%
8-Jan	sell	Janus Orion	6.70	3,379.8433	22,645	BUFSX	Eqty SmlCap	Buffalo Small Cap	18.34	1,226.2416	22,489	4%
8-Jan	sell	Berwyn Incm	10.47	1,738.7740	18,205	FMIMX	Eqty SmlCap	FMI Com Stk	16.91	1,237.6238	20,928	4%
8-Jan	buy	Jamestown Blncd	10.61	1,885.0411	20,000	ATASX	Eqty SmlCap	AstnTmr SmlCp	13.19	1,607.7170	21,206	4%
8-Jan	buy	Buffalo Small Cap	16.31	1,226.2416	20,000	FAGIX	Bond HiYld	Fidelity Cap/Incm	6.23	6,629.8343	41,304	8%
8-Jan	buy	FMI Com Stk	16.16	1,237.6238	20,000							
8-Jan	buy	AstnTmr SmlCp	12.44	1,607.7170	20,000							
						MM	Money Market		100	132,714.0000	132,714	25%
										Total Valuation=	\$522,516	100%

No portfolio changes at this time. They are roughly 2/3 invested and 1/3 in cash (or bond funds for the Balanced). Even at these levels, they are more than keeping up with the Jones' (see page 8 for the Scoreboard).

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

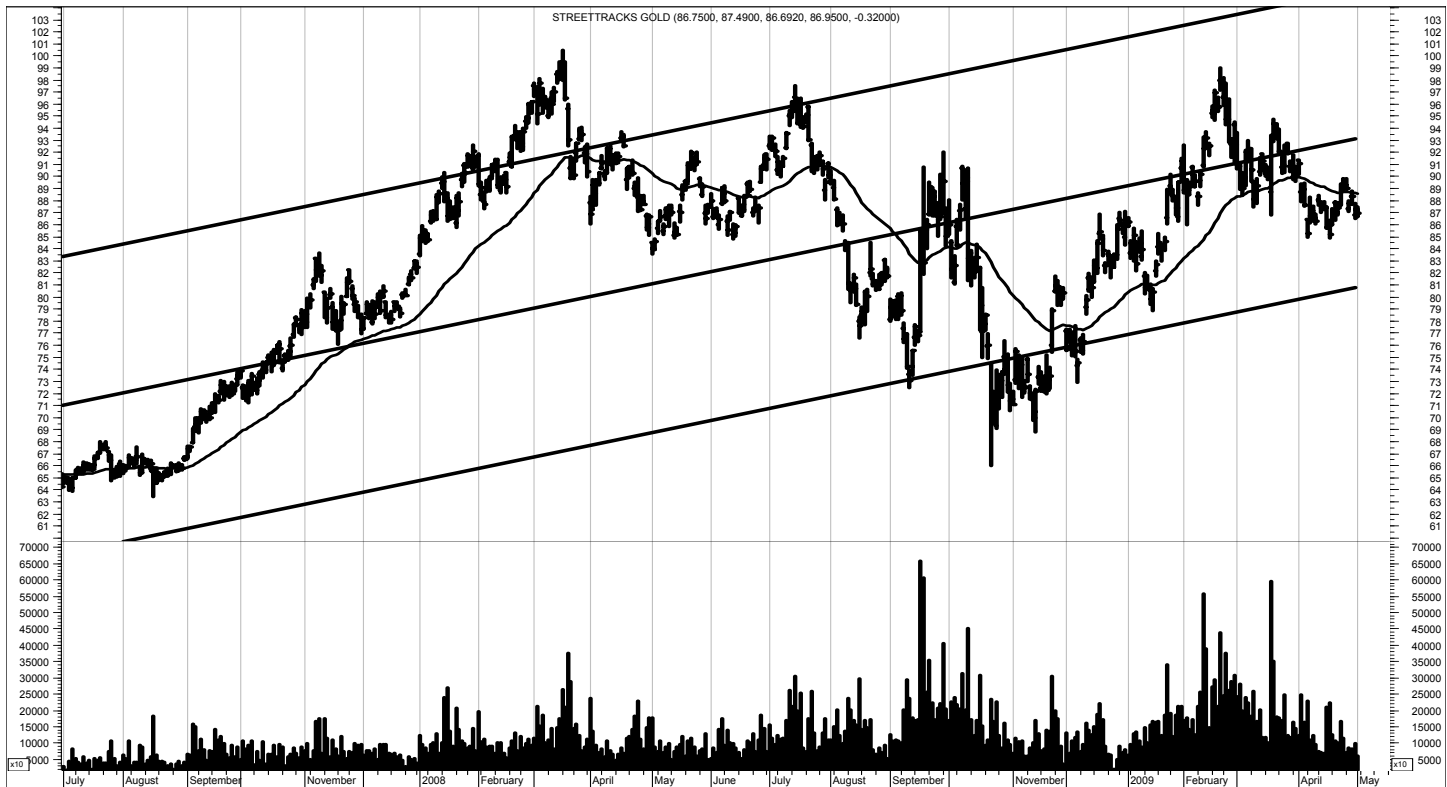
Market Timing and Asset Allocation

The ETF GLD (gold)

It has been awhile since I last talked about gold. The stock market has dominated the conversation. So, shown below is a daily chart from July 2007 through the present of the price of the ETF GLD. I am neutral on gold, but want to offer a couple of thoughts.

Gold's long-term trend is up for a number of reasons. Debt monetization. China reserve conversion. Lower production.

The recession, however, has offset the intermediate-term demand for gold. Still, over time, the world's "value of things" is bigger than its gold reserves. So there is an assumption that gold needs to get to \$5,000, or \$10,000 or even more per ounce to equalize or reserve against all of the paper money. The assumption is that the paper money isn't really based on anything. But there is that "value of things". That is the argument.



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

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

STOCK MARKET COMMENTS (4 bull, 6 neutral, 2 bear)

US Gov. fiscal policy, **bullish** (bailouts to banks, homeowners).
Corporate activity (buy backs, dividends, mergers), **bearish**.
Economy, **bearish** (recession, although things are improving).
Inflation, **neutral**. (still muted)
Oil prices, **neutral** (stabilizing at lower levels).
Housing, **neutral** (buyers stepping in, but lots of overhang).
Investor sentiment, **bullish** (lots of bears).
Federal Reserve policy, **bullish** (aggressive easing).
Market valuation (PE, yield, book), **bullish** (slightly undervalued).
(9900 projected on Industrials to fair value, earnings discounted).
Terrorism/war risk, **neutral**.
Hedge fund/leverage risk, **neutral** (lower leverage).
Technical, **neutral**, (broke through top of channel).

I raised the Housing stock market comment from bearish to neutral this month. Buyers are returning, even though there is still much inventory. Prices seem to be stabilizing, however, at these lower prices.

I also raised the Technical view of the market from bearish to neutral. The reason is that the stock market has broken to the upside through its previously defined up channel. This is positive. Why not go full bullish? There is yet still the great possibility of a test of the recent lows, although this fades with each passing day.

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	%RETURNS FROM THE PAST X MONTHS THRU 4/30/09					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2008	2007	2006	2005	2004	2003
DJ Wilshire 5000	-35.94	-30.77	-8.25	7.53	10.48	6.6	8963.04	-	-36.68	3.94	13.72	8.24	10.85	29.44
Dow Jones Industrials	-36.29	-28.21	-12.41	2.09	7.35	5.5	8168.12	-	-33.84	6.43	16.29	-0.61	3.15	25.32
Standard & Pooers 500	-37.01	-31.13	-9.90	5.68	9.39	6.2	872.81	-	-38.49	3.53	13.62	3.00	8.99	26.38
Russell 2000	-31.92	-31.76	-9.29	9.93	15.33	8.1	487.56	-	-34.80	-2.75	17.00	3.32	17.00	45.37
Dow Jones World Index	-40.64	-34.49	-4.19	8.21	11.77	6.9	170.22	-	-42.85	8.43	18.52	9.41	14.43	33.42
Gold/Sliver Index (XAU)	-29.91	-28.91	48.06	-3.22	-10.76	12.2	120.02	-	-28.54	21.84	11.11	28.87	4.65	19.89
Dow Jones Ttl Bond	127	3.38	14.88	0.34	3.07	2.3	21182	-	180	5.24	3.70	140	3.99	2.20
Small Cap	-32.67	-30.63	-5.38	10.20	13.19	7.5	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.	-39.13	-3.52	7.20	2.63	11.74	39.43	
Mid Cap	-34.07	-30.11	-1.78	12.37	12.88	7.3		-41.93	6.00	6.79	8.38	12.96	33.65	
Large Cap	-33.26	-28.70	-3.75	9.57	10.59	6.4		-39.89	5.81	6.11	5.75	13.34	27.54	
Value	-32.50	-26.96	-5.08	9.44	12.82	6.8		-37.96	-6.44	10.08	3.66	11.26	27.18	
Contrary	-2.56	-4.93	-7.09	-4.53	-2.64	5.9		5.36	-1.11	-1.99	5.78	3.11	0.47	
World Growth	-42.04	-35.75	-1.24	10.40	11.78	7.7		-47.03	x	x	13.07	17.11	34.67	
Growth/Income	-33.25	-28.40	-7.02	5.89	9.14	5.9		-36.20	0.47	9.82	4.23	10.24	23.46	
Bond Long	1.78	3.17	6.57	-2.51	-2.99	3.5		1191	6.19	2.75	10.32	8.43	8.64	
Bond High Yield	-15.11	-12.42	8.02	5.20	7.21	3.8		-23.05	x	8.84	5.76	6.63	16.24	
Bond World	-6.52	-5.60	6.96	2.21	1.46	2.5		-7.34	4.74	5.65	7.40	9.07	11.56	
MAAP Aggrsv Grth	-7.09	-5.60	2.16	8.20	8.49	3.2	For more information about these model portfolios, please see pages five and six.	-10.73	4.30	9.95	7.20	0.57	15.03	
MAAP Growth	-2.62	-1.43	3.48	8.26	8.74	2.5		-5.75	3.39	5.66	3.50	1.53	11.56	
MAAP Balanced	-9.48	-7.48	2.52	8.29	9.44	3.1		-13.09	3.17	7.59	2.01	5.88	12.57	
MAAP Income	-5.69	-4.77	-0.26	0.79	0.97	0.7		-4.78	4.32	2.80	-1.86	1.90	7.05	

Funds and MAAP portfolio data include dividend reinvestment and fees (2% annual for MAAP, as if Investment Selections & Timing, Inc. were managing a subscriber's portfolio). 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 nearly 800 funds and ETFs. Firstly, we separate them into their primary Asset class, Equity, Bond, Hybrid. Then 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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