



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
PS Commodity	DBC	EC	45.0
PS Energy	DBE	EA	44.2
PS Oil	DBO	EA	39.2
Currency Euro	FXE	EC	24.4
Permanent Portfolio Family	PRPFX	HB	22.4
The Arbitrage	ARBFX	EC	22.1
Federated Mid Cap Indx	FMMSX	EMC	21.5
Vanguard Prcs Mtls	VGPMX	EG	21.1
Janus Twenty	JAVLX	EMC	20.9
CGM Focus	CGMFX	EA	20.5
Potomac US Short	PSPSX	EC	20.0
Price New Era	PRNEX	EC	19.6
Luthold Core Invst	LCORX	HB	19.1
Vanguard Energy	VGENX	EA	19.0
CGM Mutual Fund	LOMMX	HGI	17.9
CGM Realty Fund	CGMRX	LERE	17.9
Fidelity Latin America	FLATX	EWR	17.2
RS Partners	RSNRX	EMC	16.7
Price Latin America	PRLAX	EWR	16.6
Spdr Gold	GLD	EG	16.4
Oakmark Eqty Incm I	OAKBX	HB	16.3
US Gbl Invstrs Global Rsrscs	PSPFX	EWR	16.2
Neuberger & Berman Genesis	NBGNX	ESC	16.1
FPA Crescent	FPACX	HGI	15.7
AMIDEX 35	AMDEX	EW	15.6
Grizzly Short	GRZZX	EC	14.5
Westport Growth	WPFrx	EMC	14.2
Royce Premier Series	RYPRX	EA	14.0
First Eagle Fund of Amr	FEAFX	ELC	13.6
Laudus Rosen USL/S	RMNIX	EC	13.3
USAA Pr Mtls	USAGX	EG	13.3
Fidelity Independence	FDFFX	ELC	13.0
Heartland Value	HRVIX	EV	12.9
Preferred Short Govt Secrts	PFSGX	BS	37.9
Prudent Gbl Incm	PSAFX	BW	11.7
Harbor Bond	HABDX	BF	4.4
AmCent Intl Bond	BEGBX	BW	3.9
AmCent Inf Adj B	ACITX	BU	3.4
Federated US Bond	FMDX	BU	0.7
Crdt Suisse Gbl FI	CGFIX	BW	0.2
Amrcn Bcn Intm Bond	AAPAX	BI	-0.4

Database Updated

With this month's issue, I have introduced ETFs (Exchange Traded Funds) into the fund database. You can see four of them on the top 5% table to the left. There are others on pages 2-4 and still others that did not make the cut to appear at all in the newsletter. As might be expected, the top ones today are all commodity oriented and have benefited from the sharp moves up. The Currency Euro ETF moves up as the dollar moves down.

ETFs are similar to mutual funds in that with one purchase, you get numerous holdings. You are not always necessarily diversified by industry, but you are diversified by individual company holdings.

ETFs are dissimilar to mutual funds in a couple of ways. The main advantage is that they are more liquid. You can buy and sell them all day long if you want to. There is no minimum holding period in order to avoid a short-term redemption charge.

You will have to pay your broker's commission rate on each buy and sell, maybe around \$10 in or out. In addition, another cost to consider is the bid-ask

spread. Some ETF's are not very active and the spread to buy and sell is wide.

Internally, some ETF expenses, like all mutual funds, are lower and some are higher than others. As far as NLMFS&T is concerned, mutual fund performance figures are net of internal expenses. External expenses such as buying and selling costs, however, are not considered.

Nearly all ETFs are passively managed, unlike mutual funds. ETFs basically track some sort of index, like the ones listed to the left, energy, oil, the Euro.

As another advantage, no ETF will ever close its doors due to popularity.

NLMFS&T now tracks nearly 800 funds and ETFs. We will use the same strategies of selecting and timing the ETFs that we do for no-load funds. We welcome ETFs into our arsenal provide you the most return and least risk.

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AROUND THE CAMPFIRE

Have you noticed that ever since they combined food (corn) and oil that both have done exactly the opposite of what some brightly dim bureaucrat had hoped? A gallon of gas is now \$4 and an ear of corn is about half that or \$2.

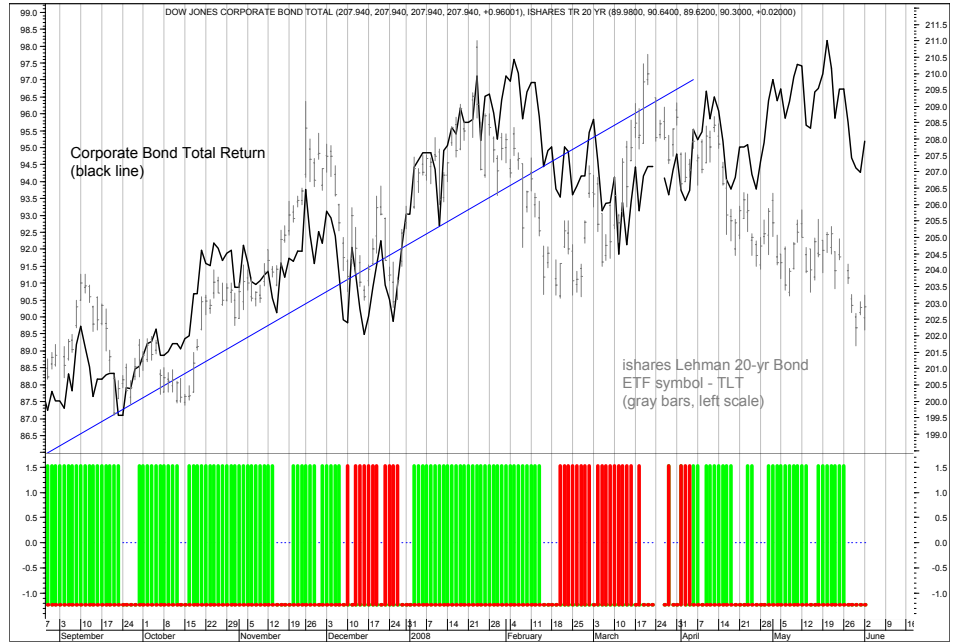
Interest Rates and Bond Prices

The answer to last month's question, why aren't bonds rallying more since the economy is slowing, has been answered.

The answer is because of inflation and the fear of future inflation. Who wants to loan money at 4% when inflation is creeping past that number? The real return would be negative. As a result, rates have to increase to compensate the loaner. Borrowers though will want to lock in these rates, so demand goes up from this area.

None of this is good for the US. Higher rates will continue to harm the housing market and subprime loan market and resets. These, of course, are the areas that can ill afford contrary news.

Caution is warranted.



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

If the Fed. raises our rates either intentionally or because of inflation fears, it should help to put in a base for the US dollar. As such, it is time to take some profits in the international bond funds.

MONTHLY ACTIVITY

MONTH ENDING: 5/31/2008

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
12-Jun	sell	PSAFX		4,108.8060		PSAFX	Bond Wrld	Prudent Gbl Incm	13.62	4,108.8060	55,962	25%
						FAGIX	Bond HiYld	Fidelity Cap/Incm	8.58	3,314.9171	28,442	13%
						BEGBX	Bond Wrld	AmCent Intrn Bond	15.14	2,162.9067	32,746	15%
							MM	Money Market	100	103,685.0000	103,685	47%
							MM	Margin Loan	-100	-	-	0%
Total Valuation=											220,835	100%

MAAP Growth and Balanced Portfolios

MONTHLY ACTIVITY
MONTH ENDING: 5/31/2008
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
14-May	sell	SPECX	10.86	2,872.5056	31,195							0%
14-May	buy	PRBLX	25.36	1,380.1262	35,000	MID SX	Gold	Midas	5.35	6,246.9607	33,421	8%
24-May	buy	RYURX	38.12	1,049.3179	40,000							
12-Jun	sell	OAKGX		1,372.5630		PRBLX	Equity G/I	Parnassus Bal	25.50	1,380.1262	35,193	9%
12-Jun	buy	WPFRX			35,000	OAKGX	Equity Wrld	Oakmark Global	23.65	1,372.5630	32,461	8%
						JORNX	Equity MidCap	Janus Orion	13.15	3,348.7833	44,037	11%
						CGMFX	Equity Aggrsv	CGM Focus	58.10	820.3154	47,660	12%
						RYURX	Contrary	Rydex Ursa	37.72	2,821.9313	106,443	26%
							MM	Money Market	100	108,954.0000	108,954	27%
Total Valuation=											\$408,170	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
14-May	sell	SPECX	10.86	2,460.9830	26,726	MID SX	Gold	Midas	5.35	3,759.3985	20,113	3%
14-May	buy	PRBLX	25.36	1,380.1262	35,000							
24-May	buy	RYURX	38.12	1,049.3179	40,000	PRBLX	Equity G/I	Parnassus Bal	25.50	1,380.1262	35,193	5%
						OAKGX	Equity Wrld	Oakmark Global	23.65	1,372.5630	32,461	5%
						JORNX	Equity MidCap	Janus Orion	13.15	3,348.7833	44,037	7%
						CGMFX	Equity Aggrsv	CGM Focus	58.10	820.3154	47,660	7%
12-Jun	sell	OAKGX		1,372.5630		WPFRX	Equity MidCap	Westport Grth				
12-Jun	buy	WPFRX			35,000							
						RYURX	Equity Contry	Rydex Ursa	37.72	2,267.6039	85,534	13%
							MM	Money Market	100	404,397.0000	404,397	60%
Total Valuation=											\$669,395	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-May	sell	SPECX	10.86	2,460.9830	26,726	MID SX	Gold	Midas	5.35	3,759.3985	20,113	3%
14-May	buy	PRBLX	25.36	1,380.1262	35,000							
24-May	buy	RYURX	38.12	1,049.3179	40,000	PRBLX	Equity G/I	Parnassus Bal	25.50	1,380.1262	35,193	6%
						OAKGX	Equity Wrld	Oakmark Global	23.65	1,372.5630	32,461	6%
						JORNX	Equity MidCap	Janus Orion	13.15	3,348.7833	44,037	8%
						CGMFX	Equity Aggrsv	CGM Focus	58.10	820.3154	47,660	8%
12-Jun	sell	OAKGX		1,372.5630		WPFRX	Equity MidCap	Westport Grth				
12-Jun	buy	WPFRX			35,000	FAGIX	Bond HiYld	Fidelity Cap/Incm	8.58	6,629.8343	56,884	10%
						RYURX	Equity Contry	Rydex Ursa	37.72	1,049.3179	39,580	7%
							MM	Money Market	100	307,765.0000	307,765	53%
Total Valuation=											\$583,693	100%

Evolve out of the lagging fund into the new fund.

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

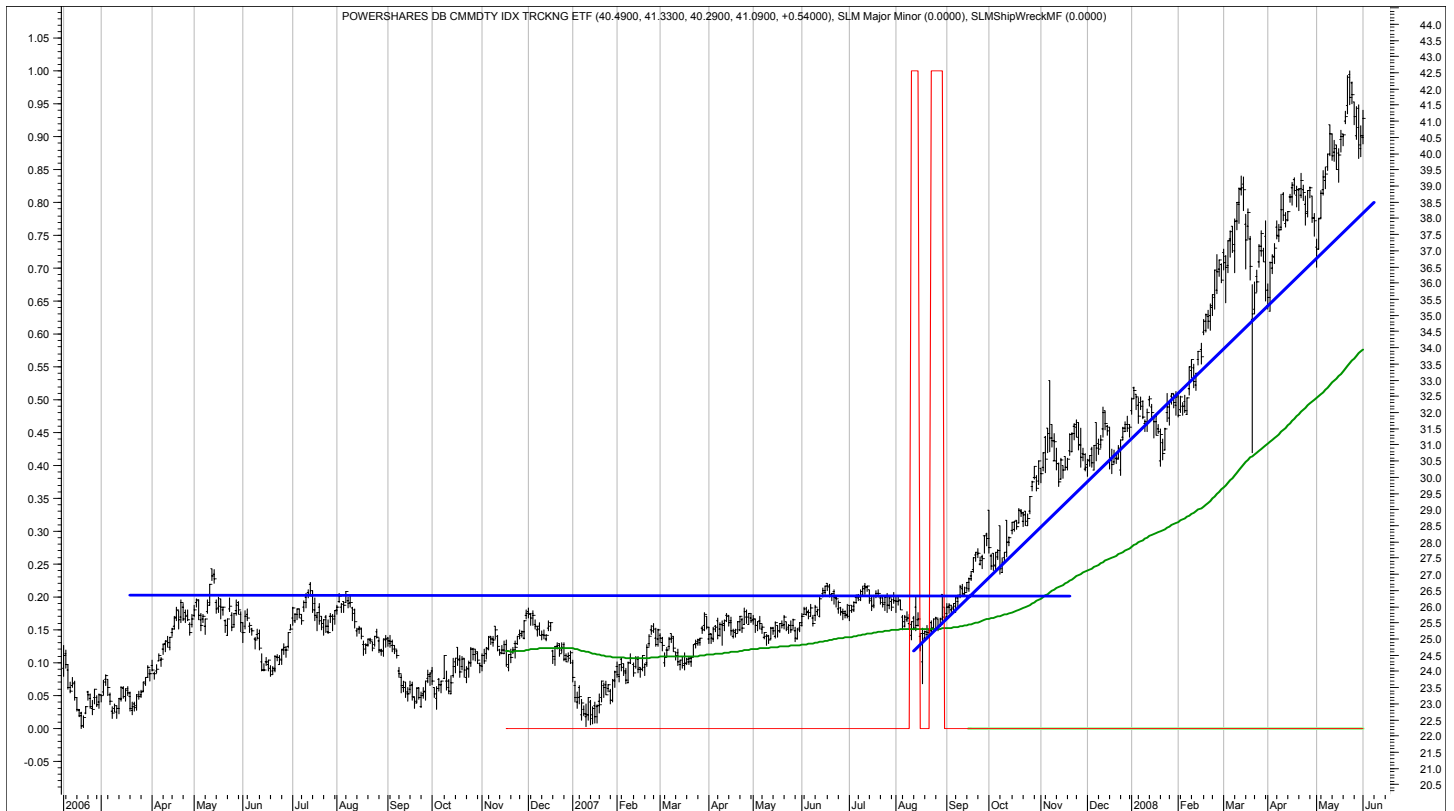
Market Timing and Asset Allocation

Commodity ETF (DBA)

Well, you can't really say that the commodity boom is a bubble yet. The trend from the Fall of 2007 has been a fairly steady ascent. There is no sharply trending upward spike in the rate of change. Until we get that final straight up spike, we can't say

that we have a termination move. We just aren't there yet.

What this means is that we will probably have more of the same movement up, until everyone is convinced of \$300 oil and an ear of corn sells for \$3.



TIMING POSITIONS

STOCKS: Bearish. **GOLD:** Bullish. **BONDS:** Neutral.

STOCK MARKET COMMENTS

US Gov. fiscal policy, **bullish** (housing bill, summer tax rebate).
Corporate activity (buy backs, mergers), **bearish** (credit dried up).
Economy, **bearish**.
Inflation, **bearish**.
Oil prices, **bearish** (still rising).
Housing, **bearish** (inventory overhang, falling prices, no liquidity).
Investor sentiment, **neutral** (some bears, some bulls, not lopsided).
Federal Reserve policy, **neutral** (near the end of easing).
Market valuation (PE, yield, book), **bearish** (too high values).
(7000 projected on the Industrials to fair value vs. bond yield).
Terrorism/war risk, **neutral**.
Hedge fund risk, **neutral**.
Technical, **bearish**, (bearish divergence, broadening top).

The Transport and Industrial average indexes are once again diverging negatively. The Transports were at highs, but the Industrials are lagging. This is bearish.

Moreover, the fundamentals of housing, mortgage resets, and subprime problems appear to have stabilized, but there is not improvement per se. The background is still

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	%RETURNS FROM THE PAST X MONTHS THRU 5/31/08					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2007	2006	2005	2004	2003	2002
DJ Wilshire 5000	-7.77	-3.95	-4.50	5.98	1.93	2.8	14260.80	-	3.94	13.72	8.24	10.85	29.44	-22.08
Dow Jones Industrials	-7.26	-5.39	-5.48	3.03	-1.42	2.5	12638.30	-	6.43	16.29	-0.61	3.5	25.32	-16.76
Standard & Pooers 500	-8.51	-4.99	-5.45	5.24	1.07	2.8	1400.38	-	3.53	13.62	3.00	8.99	26.38	-23.37
Russell 2000	-11.67	-5.62	-2.54	9.05	4.48	3.3	748.28	-	-2.75	17.00	3.32	17.00	45.37	-21.58
Dow Jones World Index	-4.49	-1.44	-4.73	4.86	1.42	2.8	290.85	-	8.43	18.52	9.41	14.43	33.42	-20.73
Gold/Sliver Index (XAU)	29.82	28.89	6.06	-7.70	5.96	6.4	18144	-	2184	11.11	28.87	4.65	19.89	25.57
Dow Jones Ttl Bond	4.35	3.48	1.05	-0.59	-1.05	0.7	206.98	-	5.24	3.70	1.40	3.99	2.20	11.96
Small Cap	-8.30	-4.36	-2.79	8.39	4.57	3.5	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.	-3.52	7.20	2.63	11.74	39.43	-21.96	
Mid Cap	0.16	2.41	-0.57	8.56	4.00	3.4		6.00	6.79	8.38	12.96	33.65	-21.89	
Large Cap	-1.59	0.44	-3.16	7.23	2.79	3.2		5.81	6.11	5.75	13.34	27.54	-21.75	
Value	-10.03	-5.55	-5.03	4.50	1.59	2.9		-6.44	10.08	3.66	11.26	27.18	-15.61	
Contrary	9.86	9.03	6.04	-1.95	0.03	3.0		-1.11	-1.99	5.78	3.11	0.47	9.99	
World Growth	0.87	2.39	-3.45	6.13	2.04	3.5	x	x	13.07	17.11	34.67	-15.76		
Growth/Income	-5.93	-2.57	-3.61	5.59	1.65	2.8	0.47	9.82	4.23	10.24	23.46	-18.22		
Bond Long	4.62	2.92	-2.12	-3.01	-2.16	1.6	6.19	2.75	10.32	8.43	8.64	6.73		
Bond High Yield	-1.99	1.21	0.01	2.13	-0.44	1.4	x	8.84	5.76	6.63	16.24	-7.55		
Bond World	6.18	5.84	1.10	-1.31	-0.98	1.3	4.74	5.65	7.40	9.07	11.56	10.56		
MAAP Aggrsv Grth	4.17	4.94	2.02	1.18	1.37	1.0	For more information about these model portfolios, please see pages five and six.	4.30	9.95	7.20	0.57	15.03	-4.93	
MAAP Growth	2.79	2.87	1.30	0.95	0.42	0.6		3.39	5.66	3.50	1.53	11.56	-1.22	
MAAP Balanced	2.05	2.53	1.22	2.32	1.12	0.9		3.17	7.59	2.01	5.88	12.57	0.09	
MAAP Income	4.03	3.80	2.05	-0.01	-0.16	0.5		4.32	2.80	-1.86	1.90	7.05	1.75	

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 nearly 800 funds. Firstly, we separate funds into their primary investment style, Equity, Bond, Hybrid, and then subdivide into categories like 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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