



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
Midas	MIDSX	EG	24.8
US Gbl Invst US Gold	USERX	EG	23.6
Vanguard European Index	VEURX	EWR	22.7
Oakmark International	OAKIX	EW	22.6
Fairholme	FAIRX	ELC	22.4
Merger Fund	MERFX	EC	22.4
US Gbl Invst World PMtl	UNWPX	EG	22.2
Laudus Rosen Value L/S	BRMIX	EC	22.1
USAA World Growth	USAWX	EW	21.9
Prudent Bear	BEARX	EC	21.8
USAA International	USIFX	EW	21.6
SSgA Intl Stock	SSAIX	EW	20.8
James Market Neutral	JAMNX	EC	20.2
Vanguard Prcs Mtls	VGPMX	EG	19.8
Amrcn Bcn Intrntl Eqty	AAIPX	EW	19.2
Kinetics Internet	WWWFX	EA	19.1
Oakmark Global	OAKGX	EW	19.1
USAA Pr Mtls	USAGX	EG	19.1
Janus Overseas	JAOSX	EW	19.0
Schwab International Index	SWINX	EW	18.9
Causeway Intl Val	CIVXX	EW	18.5
The Arbitrage	ARBFX	EC	18.4
Vanguard Dev Mkt	VDMIX	EW	18.2
Loomis Sayles Value	LSGIX	EGI	18.1
Homestead Value	HOVLX	EW	18.1
Profunds Rising Rates	RRPIX	EC	18.1
Dreyfus Intl Stock	DIISX	EW	18.0
Harbor International	HAINX	EW	18.0
Rydex Juno (short 30year TBond)	RYJUX	EC	17.8
Matthews China	MCHFX	EWR	17.7
CGM Realty Fund	CGMRX	ERE	17.7
AmSouth Intl Eqty	IIPIX	EW	17.7
Vanguard Intl Value	VTRIX	EW	17.6
Permanent Portfolio T-Bill	PRTBX	BS	48.3
Permanent Port Versatile Bond	PRVBX	BF	44.1
Wells Fargo UltrShrt FI	STADX	BS	31.7
Harbor Short Duration Fund	HASDX	BS	26.5
Janus Short term Bond	JASBX	BS	25.9
Northeast Investors Trust	NTHFX	BF	25.7
Prudent Gbl Incm	PSAFX	BW	23.8
AMF Shrt US Gov	ASITX	BS	23.5

Transition or Turbulence

With the recent market tumble in May and June, the question naturally comes to mind as to whether we're still in a bull market or not? Was the sell off a warning shot across a transition ship from bull to bear or was the sell off simply turbulence, suggesting that we'll soon reach recovery highs?

The question is important because what works to make profits in a bull market doesn't work in a bear market. If you buy the dips in a bull market, it's because you expect new highs. In a bear market, however, the dips turn out to be ledges on the way to the ultimate bottom.

Likewise, momentum measures, moving averages, and other technical indicators stop working as the market transitions from bull to bear and vice versa. Over-sold and overbought levels shift.

Fundamental measures also falter. PE ratios for example become meaningless as a once strong economy lapses into recession while the market acts like a leading indicator. Housing stocks are examples of this now.

Arguing for the turbulence side, investor sentiment became far too bearish far too quick on

the sell off. The percentage of advisors who became bearish jumped from about 25% to nearly 40% on the decline. This is the highest level since the bear market bottom in 2003, according to Investor's Intelligence.

The transition side is dominated more by fundamentals like the rise in interest rates. Higher rates provide competition for the investor's dollar, hurts corporate profits, and increases consumer costs. On a valuation basis, it suggests a lower stock market.

In addition, the bull market's duration, which has lasted some three years, argues that the transition from bull to bear, if not already taking place, is near.

My expectation is for another rally to recovery highs by some of the indexes, which sets up some negative divergences. The Dow Transports are nearly there already. From there, I expect the transition to unfold.

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AROUND THE CAMPFIRE

Buying some groceries last weekend, I was in the breakfast cereal aisle and noticed the Chex selection. They make different "flavors" of Chex using corn, wheat, and rice. Because of the increased demand for corn from ethanol, the price for the Corn Chex was much higher than for the other kinds.

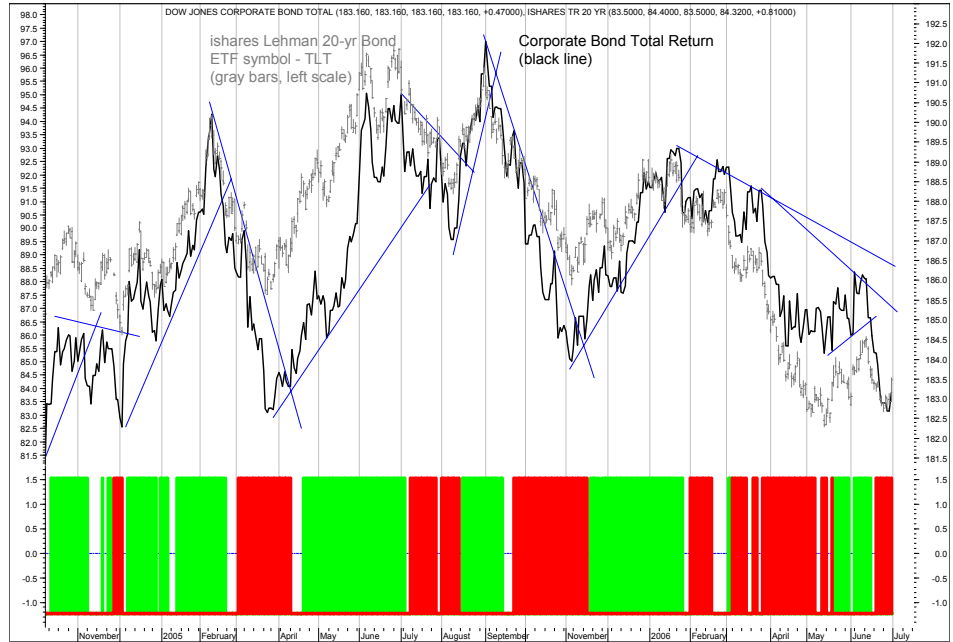
Interest Rates and Bond Prices

The best guess of last month was spot on. The SLM Bond Market Timing Model turned bearish again after a brief fling with bullish.

The sell off was very severe, so some backing and filling should be expected over the next month.

The longer-term outlook for bonds remains murky. Precious metals continue to work higher. Inflation is above the Fed's comfort level. Oil is creeping toward \$80 per barrel. All suggest higher interest rates for 2006 as the excesses are reined in.

The one bright spot, if one can call it that, is the yield inversion. Eventually, this will slow the economy and in turn yields will come back down.



The SLM Bond Market Timing Model shown 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

As mentioned last month what might happen, the bond timing model shifted from bull to bear, implying lower prices and higher yields. I'll stay with the cash and ultra-short fund for now.

MONTHLY ACTIVITY

MONTH ENDING: 6/30/2006

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
7-Jun	buy	Wfargo UltraShrt (STADX)	9.2	4,385.9649	40,000	STADX	Bond Shrt	Wfargo Ultra Shrt	9.11	4,403.249	40,113	20%
							MM	Money Market	100	165,338.9200	165,339	80%
							MM	Margin Loan	-100	-	-	0%
Total Valuation=										205,452	100%	

MAAP Growth and Balanced Portfolios

MONTHLY ACTIVITY

MONTH ENDING: 6/30/2006

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
30-Jun	buy	Kintcs Intrnt (WWWFX)	27.30	732.6007	20,000							0%
22-Jun	buy	Amrcn Intrntl Eqty (AAIPX)	21.82	916.5903	20,000	MIDSX	Gold	Midas	4.05	2,487.5622	10,075	3%
22-Jun	buy	Ssga Intrntl Stk (SSAIX)	11.79	1,696.3528	20,000	UNWPX	Gold	US Gbl Prc Mtl	28.86	1,447.1803	4,1766	11%
7-Jun	buy	Fairholme (FAIRX)	27.12	737.4631	20,000	PRIDX	Eqty Intrntl	Price Intrntl Discvry	45.39	2,15.9827	9,803	3%
7-Jun	buy	Causewy Intrn VI (CIVVX)	17.93	1,115.4490	20,000	JAOSX	Eqty Intrntl	Janus Overseas	37.35	562.5879	2,1013	6%
7-Jun	buy	Janus Overseas (JAOSX)	35.55	562.5879	20,000	CIVVX	Eqty Intrntl	Causeway Intrntl	18.22	1,115.4490	20,323	5%
						FAIRX	Eqty LrgCap	Fairholme	27.44	737.4631	20,236	5%
						AAIPX	Eqty Intrntl	Amrcn Intrntl Eqty	22.73	916.5903	20,834	6%
						SSAIX	Eqty Intrntl	Ssga Intrntl Stk	12.35	1,696.6528	20,954	6%
						WWWFX	Eqty Aggrsv	Kinetics Intrnt	27.30	732.6007	20,000	5%
25-May	buy	Midas (MIDSX)	4.02	2,487.5622	10,000							
25-May	buy	Price Intrntl Dis (PRIDX)	46.30	215.9827	10,000							
7-Apr	sell	PRMSX	29.45	1,746.9420	51,447							
7-Apr	sell	NBISX	24.49	1,052.6219	25,779							
						RYURX	Contrary	Rydex Ursa	8.32	5,679.0300	47,250	12%
							MM	Money Market	100	146,427.9100	146,428	39%
Total Valuation=											\$378,681	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
30-Jun	buy	Kintcs Intrnt (WWWFX)	27.30	732.6007	20,000	PRGSX	EqtyWorld	TRowePr Gbl Stk	20.18	1,652.9555	33,357	5%
22-Jun	buy	Amrcn Intrntl Eqty (AAIPX)	21.82	916.5903	20,000	TB GVX	EqtyWorld	TwdyBrwn Gbl Val	27.74	1,178.4102	32,689	5%
22-Jun	buy	Ssga Intrntl Stk (SSAIX)	11.79	1,696.3528	20,000	JAOSX	Eqty Intrntl	Janus Overseas	37.35	562.5879	2,1013	3%
7-Jun	buy	Fairholme (FAIRX)	27.12	737.4631	20,000	CIVVX	Eqty Intrntl	Causeway Intrntl	18.22	1,115.4490	20,323	3%
7-Jun	buy	Causewy Intrn VI (CIVVX)	17.93	1,115.4490	20,000	FAIRX	Eqty LrgCap	Fairholme	27.44	737.4631	20,236	3%
7-Jun	buy	Janus Overseas (JAOSX)	35.55	562.5879	20,000	AAIPX	Eqty Intrntl	Amrcn Intrntl Eqty	22.73	916.5903	20,834	3%
7-Jun	buy	Midas (MIDSX)	3.94	5,076.1421	20,000	SSAIX	Eqty Intrntl	Ssga Intrntl Stk	12.35	1,696.6528	20,954	3%
						WWWFX	Eqty Aggrsv	Kinetics Intrnt	27.30	732.6007	20,000	3%
						MIDSX	Gold	Midas	4.05	5,076.1421	20,558	3%
7-Apr	sell	PRMSX	29.45	1,247.8129	36,748							
7-Apr	sell	NBISX	24.49	2,105.2239	51,557	RYURX	EqtyContry	Rydex Ursa	8.32	5,679.0300	47,250	8%
							MM	Money Market	100	372,014.8500	372,015	59%
Total Valuation=											\$629,228	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
30-Jun	buy	Kintcs Intrnt (WWWFX)	27.30	732.6007	20,000	PRGSX	EqtyWorld	TRowePr Gbl Stk	20.18	1,377.4663	27,797	5%
22-Jun	buy	Amrcn Intrntl Eqty (AAIPX)	21.82	916.5903	20,000	TB GVX	EqtyWorld	TwdyBrwn Gbl Val	27.74	982.0068	27,241	5%
22-Jun	buy	Ssga Intrntl Stk (SSAIX)	11.79	1,696.3528	20,000	JAOSX	Eqty Intrntl	Janus Overseas	37.35	562.5879	2,1013	4%
7-Jun	buy	Fairholme (FAIRX)	27.12	737.4631	20,000	CIVVX	Eqty Intrntl	Causeway Intrntl	18.22	1,115.4490	20,323	4%
7-Jun	buy	Causewy Intrn VI (CIVVX)	17.93	1,115.4490	20,000	FAIRX	Eqty LrgCap	Fairholme	27.44	737.4631	20,236	4%
7-Jun	buy	Janus Overseas (JAOSX)	35.55	562.5879	20,000	AAIPX	Eqty Intrntl	Amrcn Intrntl Eqty	22.73	916.5903	20,834	4%
7-Jun	buy	Midas (MIDSX)	3.94	5,076.1421	20,000	SSAIX	Eqty Intrntl	Ssga Intrntl Stk	12.35	1,696.6528	20,954	4%
						WWWFX	Eqty Aggrsv	Kinetics Intrnt	27.30	732.6007	20,000	4%
						MIDSX	Gold	Midas	4.05	5,076.1421	20,558	4%
7-Apr	sell	NBISX	24.49	2,105.2239	51,557							
							MM	Money Market	100	339,170.4200	339,170	63%
Total Valuation=											\$538,127	100%

Continued to buy some funds last month on stock and gold market weaknesses. Repeat after me: Buy in fear, sell in greed.

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

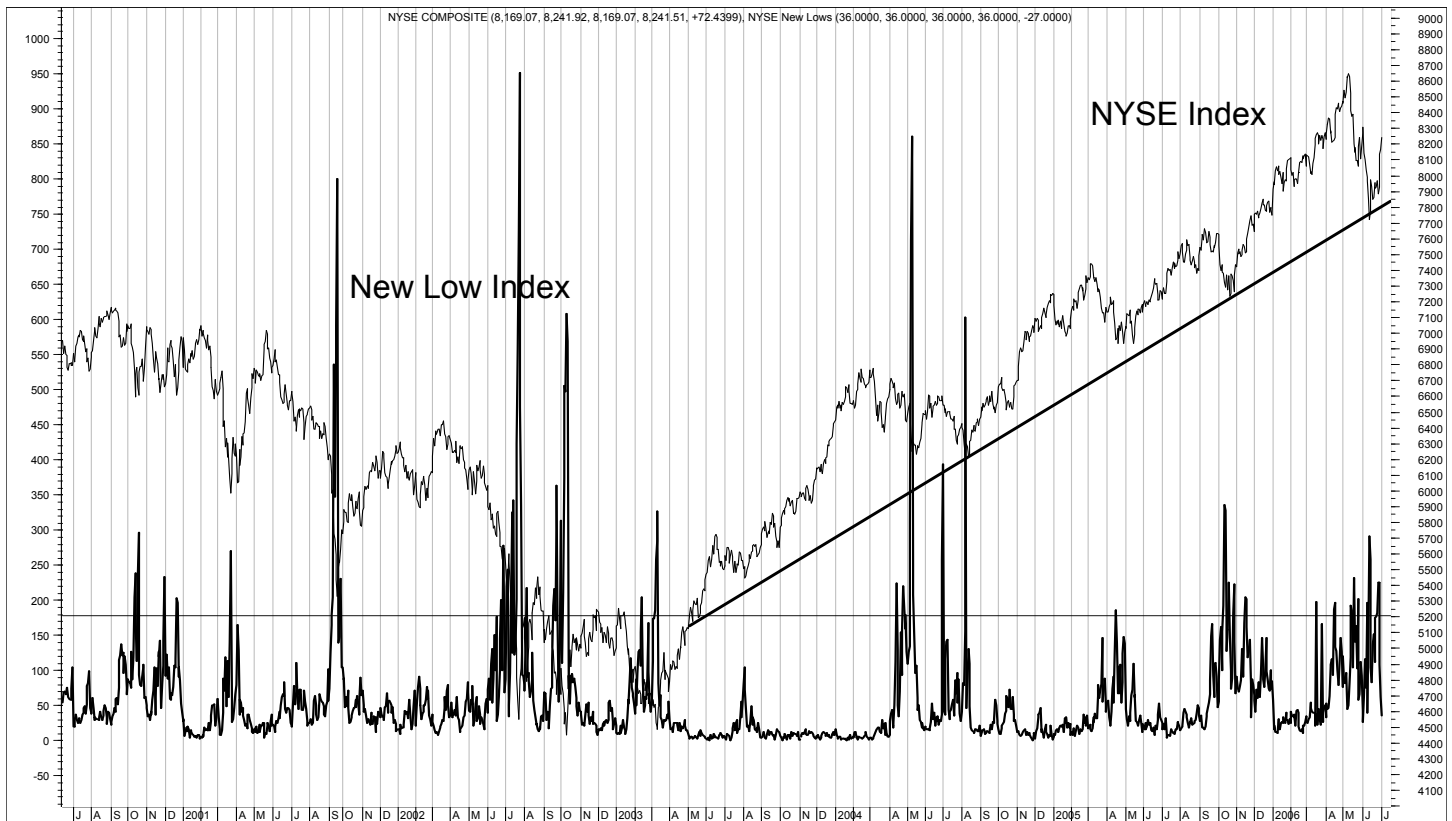
Market Timing and Asset Allocation

The New York Stock Exchange Index and number of New Lows

The chart below shows the NYSE index and the number of new lows.

As you can see, the NYSE uptrend line remains intact, suggesting that the recent sell off was simply

turbulence in an ongoing bull market. The key to watch for is whether new highs will be achieved before new lows are hit. For new lows to come, the uptrend line would then be broken.



MARKET and FUND COMMENTS

STOCKS: Neutral, continued sideways trend.

GOLD: Bullish.

BONDS: Bearish.

US Gov. fiscal policy, neutral.

Corporate actions (buy backs, mergers), bullish.

Economy, from bullish to bearish by early 2007.

Inflation, bearish as it increases.

Oil prices, bearish.

Investor sentiment, bullish (high put buying, editors bearish).

Federal Reserve policy, bearish (tightening).

Market valuation, bearish.

Exogenous events: Terrorism risk, bearish; hedge fund risk, neutral; unwinding of Japan carry trade, neutral.

Too much pessimism and the market has rallied. Watch for negative divergences between major indexes to develop in the month's ahead before the Fall plunge.

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 2006, emphasizing timing on funds directly. Signals last months to years.

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	% RETURNS FROM THE PAST X MONTHS THRU 6/30/06					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2005	2004	2003	2002	2001	2000
DJ Wilshire 5000	8.19	4.56	2.48	-2.33	0.06	1.9	12849.30	-	8.24	10.85	29.44	-22.08	-12.06	-11.41
Dow Jones Industrials	8.52	5.50	4.04	0.37	-0.16	1.8	11150.20	-	-0.61	3.15	25.32	-16.76	-7.10	-6.18
Standard & Poors 500	6.62	3.37	1.76	-1.90	0.01	1.6	1270.20	-	3.00	8.99	26.38	-23.37	-13.04	-10.14
Russell 2000	13.29	8.52	7.64	-5.29	0.51	3.5	724.67	-	3.32	17.00	45.37	-21.58	103	-4.20
Dow Jones World Index	16.48	8.59	5.21	-1.49	-0.25	2.4	246.33	-	9.41	14.43	33.42	-20.73	-16.58	-15.89
Gold/Silver Index (XAU)	54.36	27.14	12.14	1.38	0.68	8.8	143.57	-	28.87	4.65	19.89	25.57	128	-5.94
Dow Jones Ttl Bond	-3.59	-2.81	-2.83	-1.59	-1.01	0.9	183.16	-	1.40	3.99	2.20	11.96	6.77	13.40
Small Cap	13.28	7.34	5.88	-5.31	-0.67	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.		2.63	11.74	39.43	-21.96	-6.21	0.96
Mid Cap	12.97	6.51	3.63	-4.00	-0.35	2.9			8.38	12.96	33.65	-21.89	-11.03	-0.38
Large Cap	7.87	2.91	0.06	-4.17	-0.53	2.3			5.75	13.34	27.54	-21.75	-13.19	-3.69
Value	8.13	5.23	3.58	-1.59	-0.67	2.1			3.66	11.26	27.18	-15.61	2.30	9.99
Contrary	5.41	4.41	4.95	4.65	0.51	2.3			5.78	3.11	0.47	9.99	2.83	13.54
World Growth	25.44	12.81	7.57	-1.80	-1.09	3.3	For more information about these model portfolios, please see pages five and six.		13.07	17.11	34.67	-15.76	-19.89	-12.70
Growth/Income	8.18	4.15	2.66	-2.13	-0.31	2.0			4.23	10.24	23.46	-18.22	-7.76	0.03
Bond Long	-6.34	-4.04	-4.39	-1.80	0.07	1.9			10.32	8.43	8.64	6.73	2.45	11.68
Bond High Yield	3.51	2.36	1.94	-0.88	-1.10	0.9			5.76	6.63	16.24	-7.55	-4.73	-12.68
Bond World	1.29	0.36	0.93	0.13	-0.74	1.2			7.40	9.07	11.56	10.56	1.48	0.18
MAAP Aggrsv Grth	14.73	9.88	7.79	2.31	0.77	1.4			7.20	0.57	15.03	-4.93	1.42	1.78
MAAP Growth	6.99	4.65	3.52	1.18	0.66	0.6			3.50	1.53	11.56	-1.22	0.75	2.64
MAAP Balanced	5.96	4.04	3.21	0.99	0.75	0.6			2.01	5.88	12.57	0.09	-0.56	0.37
MAAP Income	1.94	1.80	1.47	0.61	0.19	0.3			-1.86	1.90	7.05	1.75	4.59	2.37

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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To reprint selected material, provide full credit, including name, address, phone number, and web site InvestmentST.com.

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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.

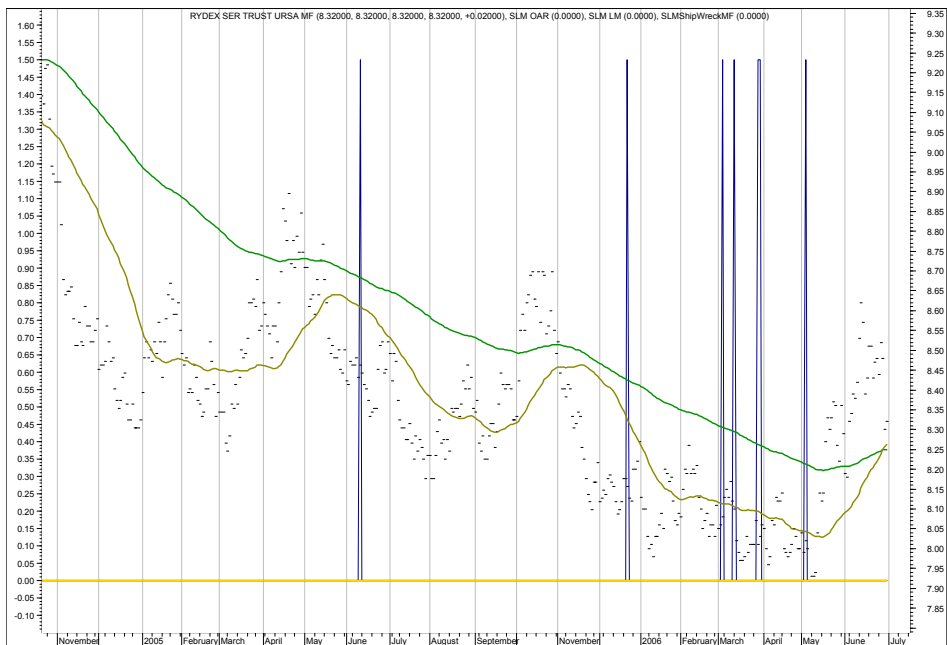
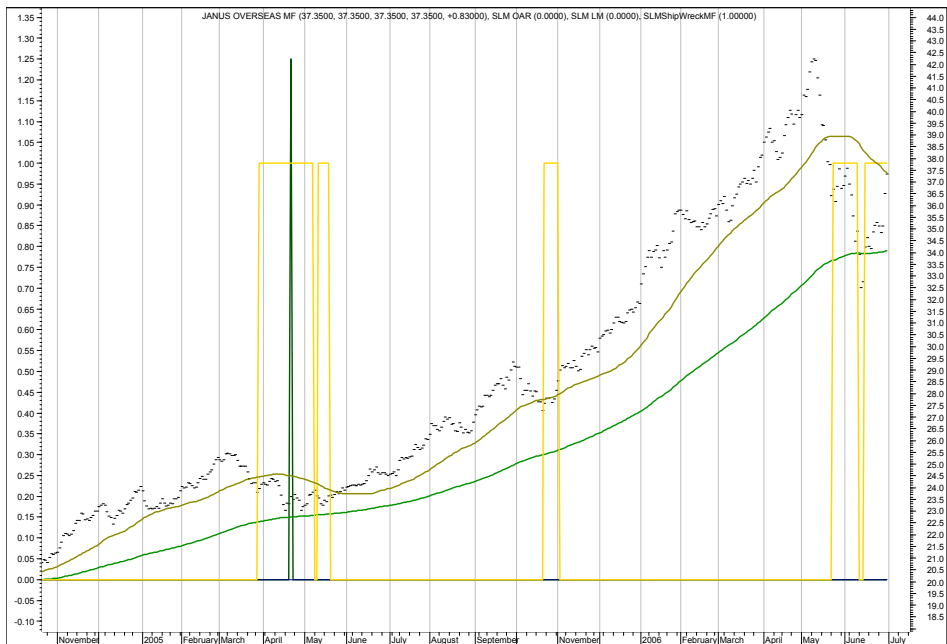
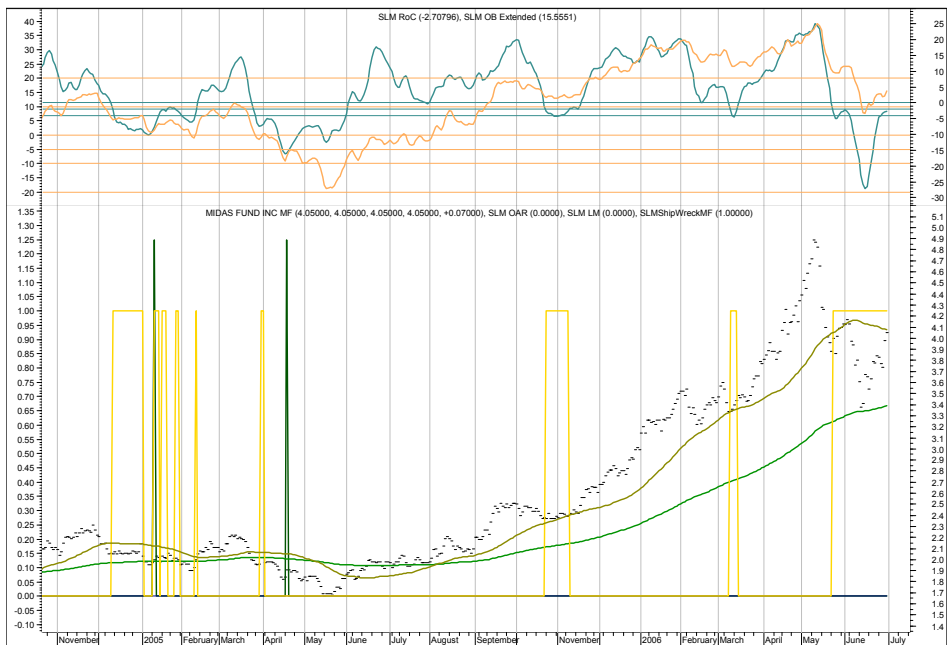
The fund dropped out of the top 20% at the end of January 2005. Even though the timing model remained bullish, the fund was sold. It would not have been rebought in July 2005 with the timing model buy because the fund was not in the top 5% at the time of the buy signal. It could have been bought in May.

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.





The charts show the daily closes of various funds in the top 5% of the funds we track.

The chart may also show up to three indicators on the price area. These buy signals may be shown as either blue, gold, or green spikes. These are contrary indicators, buying on weakness.

Our strategy is to buy from the top 5% of the funds we monitor and hold as long as they remain in the top 20%. If they fall out of the top 20% because of this selection strategy, sell. Alternatively, if the fund gets a timing sell signal, sell. Replace with funds from the top 5%.

Midas Fund is at the top (MIDSX).

Janus Overseas is in the middle (JAOSX).

Rydex Ursa is on the bottom (RYURX).