



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
Investec China HK	ICHKX	EWR	43.9
Matthews China	MCHFX	EWR	43.8
Fidelity Convertible Securities	FCV SX	EGI	40.8
AmCent Veedot	AMVIX	ESC	39.0
Atlas Blncd	ATBAX	HB	38.5
Fidelity Southeast Asia	FSEAX	EWR	37.9
Price New Asia	PRASX	EWR	37.0
Longleaf Intl	LLINX	EW	35.9
First Eagle Fund of Amr	FEAFX	ELC	35.6
FPA Crescent	FPACX	HGI	34.7
Leuthold Core Invst	LCORX	HB	34.4
ABN AMRO Mid Cap	CHTTX	EMC	34.4
Westcore Select	WTSLX	EMC	34.3
AmCent Hertg Investors	TWHIX	EMC	34.3
AmCent Emrg Mkt	TWMIX	EW	33.8
Fidelity Pacific Basin	FPBFX	EWR	32.9
Gabelli Westwood Mghty	WEMMX	ESC	32.9
Vanguard Global Eqty	VHGEX	EW	32.8
Fidelity Levrg Co Stk	FLVCX	EMC	32.7
Westport Growth	WPRFX	EMC	32.6
Aegis Value	AVALX	EV	32.4
Delafield	DEFIX	ESC	32.3
The Arbitrage	ARBFX	EC	32.3
Commonwth Aus New Zealand	CNZLX	EWR	32.3
SIT Dvlpng Mkts Grth	SDMGX	EWR	32.2
Gabelli Gbl Telecomm	GABTX	EWR	32.2
AmCent New Opp II	ANOIX	ESC	32.1
Accessor Intrntl Eqty	AIINX	EW	32.1
Perritt Micro Cap Opp	PRCGX	ESC	32.0
Vanguard Convertible Securities	VCV SX	EGI	31.9
Wells Fargo Overseas	SOVRX	EW	31.9
Oakmark Eqty Incm I	OAKBX	HB	31.9
Spectra N	SPECX	ELC	31.8
x	x	x	x
TIAA-CREF HiYld	TCHYX	BH	31.6
Neubrg & Brmn Lmtd Bond	NLMBX	BS	31.4
Legg Mason High Yield	LMHYX	BH	31.4
Atlas Strtgc Incm	ATSAX	BF	30.1
Northeast Investors Trust	NTHEX	BF	28.8
Permanent Port Versatile Bond	PRVBX	BF	25.4
Fidelity Cap/Incm	FAGIX	BH	25.3

Interest Rates Driving

The first half of the year has been a fairly pleasant surprise with stocks outperforming both bonds and cash equivalents. Cash is up roughly 2 1/2%, while stocks are up about 6 1/2%.

The market has been driven higher by a couple of factors. One is the mergers & acquisition crew has found things still a bargain. Two is the expectation by nearly all investors that the Fed's next move will be to lower rates. Three is the increasing sophistication by international bankers that understand the comparison between the first two factors. These forces move in tandem. Lower bond rates makes company free cash flows cheap by comparison. Central Bankers, specifically China, diversify out of their investments in Treasury bills and bonds into businesses.

This should continue to work together and drive stocks higher until, apart from any other factor, they find that selling the bonds at lower prices to buy businesses at higher prices eventually cancels out each other.

Or they hit the mania wall in similar fashion to the Japanese in the Nineties, but it does not have to happen this way.

In fact we may have already had a bit of a taste of how it will happen from the reactions of two hedge funds run by Bear Stearns. It appears they were fully mortgaged to the hilt with the complete expectation, read no hedge, that interest rates are headed lower. Instead they rose from roughly 4.8% to 5.2%. This mere 40 basis point rise was enough to send them into bankruptcy.

Granted, they invested in some very speculative things, but this too is simply a sign of the times, is it not?

So, the first half of the year has been a steady ascent. It is the second half of the year where we may see the fireworks, especially if everyone is wrong about the direction of the Fed's next move or if investors realize that they will not be refinancing speculative investments at lower rates, a lesson many consumers and housing buyers have been learning of late.

TABLE OF CONTENTS

Top 5% of NLMFST	Page 1
Fund Data	Page 2-4
MAAP Income	Page 5
MAAP Growth	Page 6
Timing & Allocation	Page 7
Scoreboard	Page 8



AROUND THE CAMPFIRE

I hope your Fourth of July was safe, enjoyable, and patriotic.

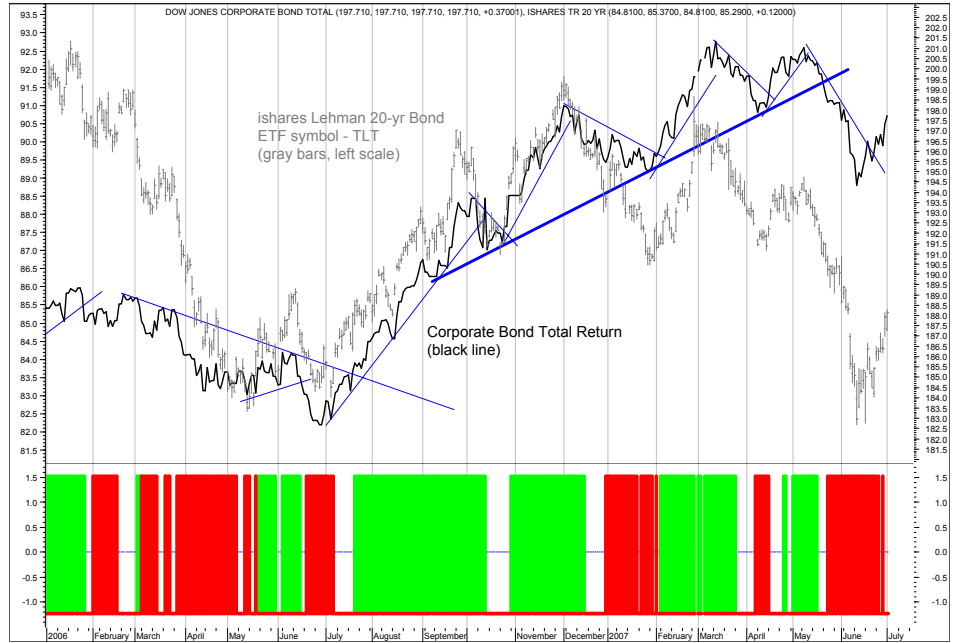
Ours was associated with rain. Last year the lakes were closed because of lack of rain. This year they are closed because of flooding. It is raining again as I write this. When you read it, it will probably be raining again.

Interest Rates and Bond Prices

The SLM Bond Market Timing Model remains bearish.

As we go to press the bond market has sold off sharply again. The 10-year bond nears a yield of 5.2%. This is the level where the two hedge funds at Bear Sterns ran into trouble and were forced to sell their assets at steep losses. It will be interesting to see what unfolds next. Will others run into trouble?

With the Bond Model bearish, invest only in very short term, very high quality, instruments. Cash yielding 5% still looks very attractive. There is little risk. Inflation is running at 2%, which may be the upper end of the Fed's target range, but the 3% real yield is historically attractive.



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

Sitting in cash at this juncture, I await a solid, confirmed trend lower in either inflation or the economy before reentering bonds.

MONTHLY ACTIVITY

MONTH ENDING:

6/30/2007

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
15-Jun	sell	Westcore Flex Incm	10.59	8,124.5646	86,039							
						MM	Money Market		100	212,476.0000	212,476	100%
						MM	Margin Loan		-100	-	-	0%
Total Valuation=										212,476	100%	

MAAP Growth and Balanced Portfolios

MONTHLY ACTIVITY

MONTH ENDING: 6/30/2007

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
15-Jun	sell	Vngrd Wellsly	22.27	1462.3641	32,567							0%
15-Jun	sell	Clipper	96.54	269.868	26,052	MIDSX	Gold	Midas	4.80	2,487.5622	11,940	3%
13-Jul	buy	Midas			20,000							
						TWEIX	Eqty G/I	AmCent Eqty Incm	8.89	3,775.7437	33,566	9%
						SPECX	Eqty LrgCap	Spectra N	10.22	1,646.0905	16,823	4%
						OAKGX	Eqty Wrld	Oakmark Global	28.01	1,217.2630	34,096	9%
						RYURX	Contrary	Rydex Ursa	36.33	1,701.2739	61,807	16%
							MM	Money Market	100	233,748.0000	233,748	60%
Total Valuation=											\$391,981	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
15-Jun	sell	Vngrd Wellsly	22.27	1950.0008	43,427							
15-Jun	sell	Clipper	96.54	269.868	26,052							
13-Jul	buy	Midas			20,000							
						TWEIX	Eqty G/I	AmCent Eqty Incm	8.89	3,775.7437	33,566	5%
						SPECX	Eqty LrgCap	Spectra N	10.22	1,234.5679	12,617	2%
						OAKGX	Eqty Wrld	Oakmark Global	28.01	1,217.2630	34,096	5%
						RYURX	EqtyContry	Rydex Ursa	36.33	1,169.2560	42,479	7%
							MM	Money Market	100	528,943.0000	528,943	81%
Total Valuation=											\$651,701	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
15-Jun	sell	Vngrd Wellsly	22.27	1950.0008	43,427							
15-Jun	sell	Clipper	96.54	269.868	26,052							
13-Jul	buy	Midas			20,000							
						TWEIX	Eqty G/I	AmCent Eqty Incm	8.89	3,775.7437	33,566	6%
						SPECX	Eqty LrgCap	Spectra N	10.22	1,234.5679	12,617	2%
						OAKGX	Eqty Wrld	Oakmark Global	28.01	1,217.2630	34,096	6%
							MM	Money Market	100	491,173.0000	491,173	86%
Total Valuation=											\$571,452	100%

The gold model, shown on page seven, is showing buy signals and so we will buy some gold funds as noted above in the three portfolios. This is a timing move and not a selecting move, as the gold funds are in the lower 80% of the funds we track.

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

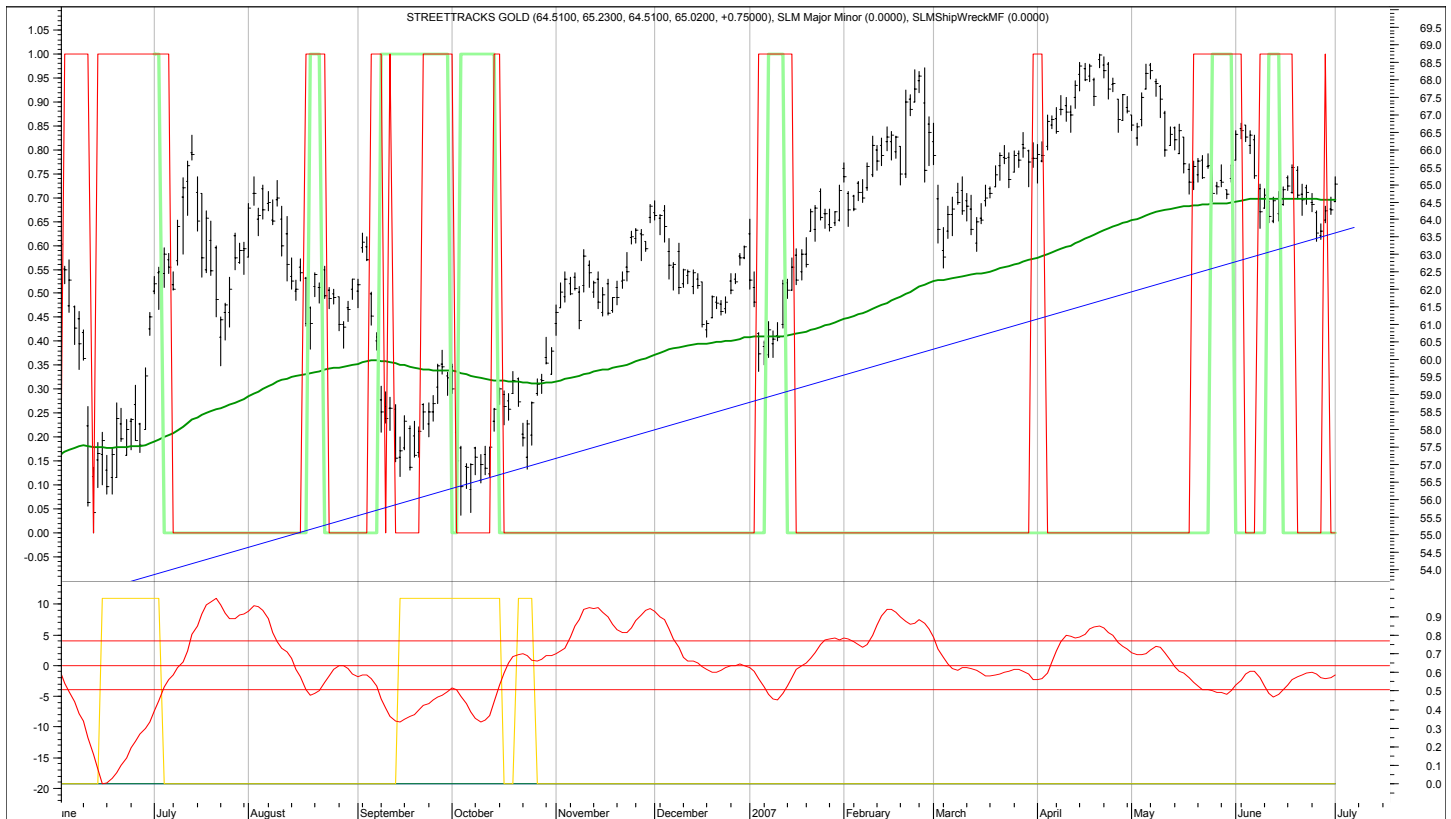
Gold ETF

As you can see on the chart below, the Gold ETF, a proxy for precious metals funds, is showing various buy signals.

On a technical basis, it is oversold and at a major long-term support line that dates back about two

years. On a fundamental basis, inflation continues to increase around the world. These are bullish factors.

So, as a timing move, not a selecting move, take action as noted in the portfolio page 6. If gold rebounds, those funds will move up in comets.



MARKET POSITION and STOCK MARKET COMMENTS

STOCKS: Bearish.
GOLD: Bullish.
BONDS: Bearish.

US Gov. fiscal policy, neutral.

Corporate actions (buy backs, mergers), bullish.

Economy, neutral.

Inflation, bearish.

Oil prices, bearish.

Housing, bearish.

Investor sentiment, bearish.

Federal Reserve policy, bearish (tightening).

Market valuation, bearish.

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

The evidence continues to build for a top in stocks. Expect a pullback into the fall months.

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 6/30/07					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2006	2005	2004	2003	2002	2001
DJ Wilshire 5000	18.38	13.97	6.68	5.56	-1.63	2.0	15210.60	-	13.72	8.24	10.85	29.44	-22.08	-12.06
Dow Jones Industrials	20.25	14.81	7.59	8.53	-1.61	2.1	13408.60	-	16.29	-0.61	3.15	25.32	-16.76	-7.10
Standard & Pooors 500	18.36	12.54	6.00	5.81	-1.78	2.0	1503.35	-	13.62	3.00	8.99	26.38	-23.37	-13.04
Russell 2000	15.05	14.90	5.85	4.12	-1.59	2.2	833.70	-	17.00	3.32	17.00	45.37	-21.58	103
Dow Jones World Index	22.90	18.53	9.10	6.43	-0.58	2.0	302.75	-	18.52	9.41	14.43	33.42	-20.73	-16.58
Gold/Sliver Index (XAU)	-5.31	5.86	-4.43	-0.77	-2.73	4.5	135.95	-	11.11	28.87	4.65	19.89	25.57	128
Dow Jones Ttl Bond	7.74	2.20	0.96	-1.04	-0.51	1.0	197.34	-	3.70	1.40	3.99	2.20	11.96	6.77
Small Cap	17.29	18.20	9.93	6.08	-0.61	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	-21.96	-6.21	
Mid Cap	19.91	19.04	11.50	7.49	-0.95	2.4		6.79	8.38	12.96	33.65	-21.89	-11.03	
Large Cap	16.77	14.01	7.66	6.05	-1.12	2.2		6.11	5.75	13.34	27.54	-21.75	-13.19	
Value	19.25	14.77	6.87	4.94	-2.06	2.2		10.08	3.66	11.26	27.18	-15.61	2.30	
Contrary	-1.80	0.60	1.05	-0.41	1.09	2.0		-1.99	5.78	3.11	0.47	9.99	2.83	
World Growth	-2.19	0.36	0.89	-0.51	1.14	2.1	x	13.07	17.11	34.67	-15.76	-19.89		
Growth/Income	18.94	14.72	7.59	5.93	-1.33	2.1	9.82	4.23	10.24	23.46	-18.22	-7.76		
Bond Long	6.17	-0.05	-1.04	-2.01	-1.55	1.6	2.75	10.32	8.43	8.64	6.73	2.45		
Bond High Yield	x	x	x	0.40	-1.99	2.2	8.84	5.76	6.63	16.24	-7.55	-4.73		
Bond World	6.06	3.06	0.55	-0.75	-1.14	1.1	5.65	7.40	9.07	11.56	10.56	1.48		
MAAP Aggrsv Grth	3.51	3.10	1.48	0.78	0.04	0.5	For more information about these model portfolios, please see pages five and six.	9.95	7.20	0.57	15.03	-4.93	1.42	
MAAP Growth	3.57	2.81	1.48	0.87	0.07	0.3		5.66	3.50	1.53	11.56	-1.22	0.75	
MAAP Balanced	6.19	5.21	1.88	1.29	-0.09	0.5		7.59	2.01	5.88	12.57	0.09	-0.56	
MAAP Income	3.42	3.50	2.08	1.10	0.10	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.

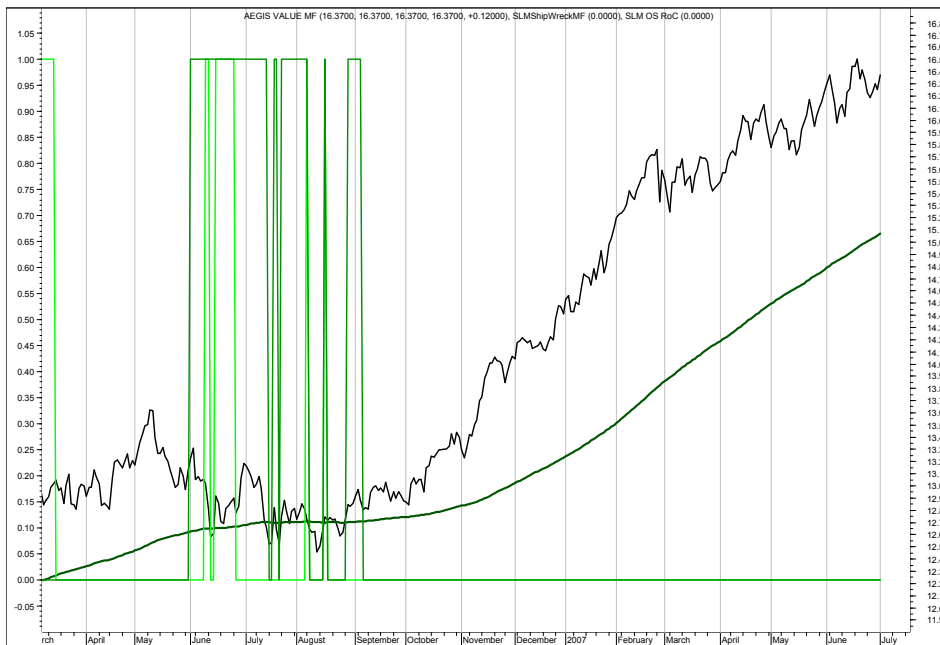
The fund dropped out of the top 20% at the end of January 2005. Even though the timing model remained bullish, the fund was sold. It would not have been rebought in July 2005 with the timing model buy because the fund was not in the top 5% at the time of the buy signal. It could have been bought in May.

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 150-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 AVALX, Aegis Value Fund.

The middle chart is PRASX, Price Asia Fund. Heck of a short-term jump.

The bottom chart is FCVSX, Fidelity Convertible Fund.

