



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
Boston Prtn Lng/Shrt Eqty	BPLEX	EC	23.6
Price Latin America	PRLAX	EWR	23.3
Investec China HK	ICHKX	EWR	22.3
Merger Fund	MERFX	EC	22.1
Matthews China	MCHFX	EWR	22.1
Westcore Intrntl	WTIFX	EW	22.1
Oakmark Intrntl Small Cap	OAKEX	EW	21.9
Price New Asia	PRASX	EWR	21.4
Berwyn Income	BERIX	HGI	21.3
Reynolds Blue Chip Growth	RBCGX	ELC	20.9
Yacktman Focused	YAFFX	EV	20.5
Fidelity Latin America	FLATX	EWR	20.0
Yacktman	YACKX	EV	19.8
iShares Latin Amr	ILF	EW	19.6
Alpine Intl Real Estate	EGLRX	ERE	19.3
US Gbl Invst World PMtl	UNWPX	EG	19.0
Metzler/Payden Emrg Mkt	MPYMX	EW	19.0
Toqueville Gold	TGLDX	EG	18.9
Artisan Intl SmCap	ARTJX	EW	18.9
AMIDEX 35	AMDEX	EW	18.5
Matthews Pacific Tiger	MAPTX	EWR	18.4
The Arbitrage	ARBFX	EC	17.9
Matthews Asian G/I	MACSX	EW	17.7
Price International Discovery	PRIDX	EW	17.6
Wells Fargo Emrg Mkt	MNEFX	EW	17.6
Fidelity Asset Manager Income	FASIX	HA	17.5
FPA Crescent	FPACX	HGI	17.4
Oakmark International	OAKIX	EW	17.3
Vanguard Intl Expl	VINEX	EW	17.1
Price Emrg Mkt Stk	PRMSX	EW	17.0
Lazard Emrg Mkt Open	LZOEX	EWR	16.9
Vngrd Emrg Mkt	VWO	EW	16.7
CommonWth Aus New Zealand	CNZLX	EWR	16.5
USAA Intrm Bond	USIBX	BI	22.3
Managers Gbl Bond	MGG BX	BW	20.7
Fidelity New Markets Income	FNMIX	BW	20.7
Fidelity Cap/Incm	FAGIX	BH	19.1
USAA Income	USAIX	BF	19.0
USAA HiYld	USHYX	BH	18.2
Managers Bond	MGFX	BF	18.1
Payden Emrg MktBd	PYEMX	BW	17.7

Working For A Living

Jobs and its converse measurement that is the unemployment rate was released today. It reflects that all important definition of who we are. Man, the working animal.

The unemployment rate, however, crept up to 10.2%, which is the highest it has been in 26 years. Only in the recession of 1982 has it ever been higher as measured from 1948.

As bad as this sounds, we should put it into perspective because during the Great Depression, the unemployment rate surged to 25%. One in every four Americans was not working. Today it is one in every ten US workers who are unemployed. In hindsight, we may have to wonder if some of the draconian measures that were taken were really necessary when compared to that era. There is always a tradeoff.

In any event, the unemployment rate is a lagging indicator of the economy. When the economy improves from out of a recession, unemployment may continue to worsen for a short period thereafter, but then begin to improve with the economy. With this in mind, it was also reported that preliminary GDP (gross domestic product) expanded by 3.5% in Q3. So, even though the unemployment report increased and exceeded 10%, it may shortly begin a trek back down to below 6%, assuming the economy continues on its growth path.

Helping with that domestic GDP expansion, we can see from the table to the left that stock markets around the world have been increasing and dominate once again the Top 5% Funds By C list. International stock market expansion in turn, like our market, reflects growing investor, consumer, and institutional confidence in and hard numbers from economies that no longer contract, but expand.

It is the emerging areas of the world that dominate, like Latin America and Asia. But domestic large cap and value funds still round out the list.

It is an interesting dichotomy. Domestic value large caps and international emerging markets both doing well in tandem.

What has fallen out of favor are the small caps. They were dominating during the early part of recovery, but large caps now appear relatively cheaper and less risky, so their rankings have improved.

Continue to work at the job of investing, evolving with the funds that are working the hardest.

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AROUND THE CAMPFIRE

Has the year flown by or what? As we near my favorite holiday, I will take this time and space to wish you and yours a very merry

Thanksgiving.

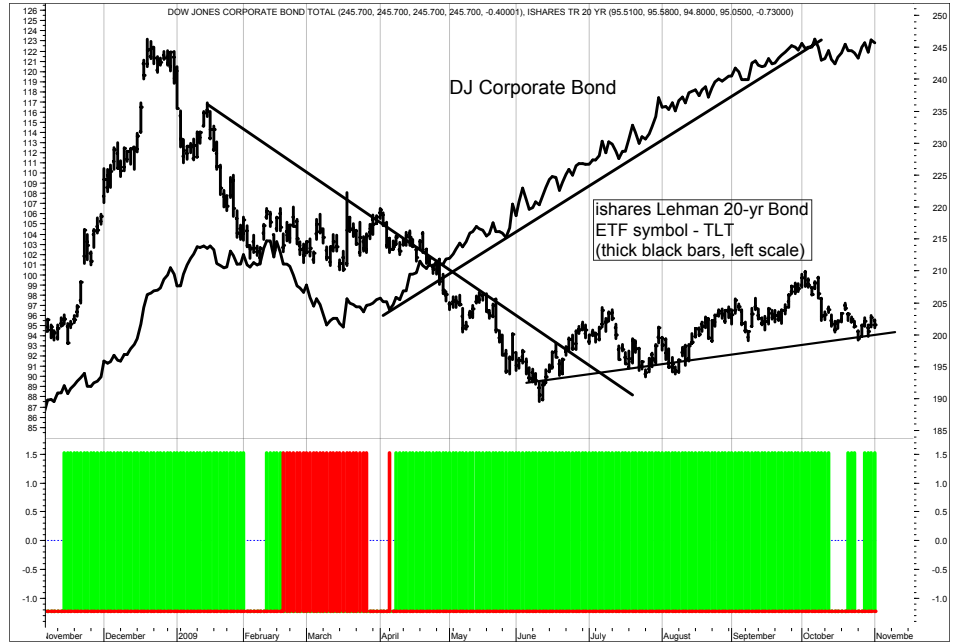
Interest Rates and Bond Prices

The corporate bond market is pausing, consolidating its gains after its solid accumulation phase that lasted from April through September.

Government bonds have also corrected back to their major support.

This recent sideways to down reaction in bonds was in line with increasingly positive economic reports that suggest the worst recession in years is nearing an end. Preliminary GDP for Q3 in fact grew some 3%.

Cash for Clunkers, the first time homebuyer tax credit, and other fiscal stimulus programs have done the job. The big question now is whether recovery will be sustained once life support is removed.



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. The model is based on the corporate bond market.

MAAP: Income

I mentioned last month not to chase yields and to wait for a correction to buy. That correction is upon us. So watch for email Hotline updates for bond fund recommendations or look at the list on page 4.

MONTHLY ACTIVITY

MONTH ENDING: 10/31/2009

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
						FGMNX	Bond Gov	Fidelity GNM A	11.53	1,835.0778	21,158	10%
						PYGNX	Bond Gov	Payden GNM A	10.29	1,970.9423	20,281	9%
						LKFIX	Bond Fxble	LKCM Fincm	10.94	1,906.5777	20,858	10%
						FAGIX	Bond HiYld	Fidelity Cap/Incm	8.17	3,488.3271	28,500	13%
						MM	Money Market		100	126,370.0000	126,370	58%
						MM	Margin Loan		-100	-	-	0%
Total Valuation=											217,167	100%

MAAP: Aggressive Growth, Growth, and Balanced

PREVIOUS ACTIVITY						TO MONTH ENDING: 10/31/2009			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	
						BERIX	Hybrid	Berwyn Income	12.44	3,649.6601	45,402	1%	
						EEM	Eqty Wrld	Emrg Mrkt ETF	37.57	927.5058	34,846	8%	
						JAOSX	Eqty Wrld	Janus Overseas	38.65	1,552.3568	59,999	14%	
						WTIFX	Eqty Wrld	Westcore Intrntl	1154	3,391.4729	39,138	9%	
						BUFSX	Eqty SmlCap	Buffalo Small Cap	20.88	1,226.2416	25,604	6%	
						FMIMX	Eqty SmlCap	FMI Com Stk	20.31	618.8119	12,568	3%	
						YACKX	Eqty Value	Yacktman	14.35	2,575.4231	36,957	9%	
						MM	Money Market		100	165,943.0000	165,943	39%	
											Total Valuation=	\$420,457	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	
						BERIX	Hybrid	Berwyn Income	12.44	7,293.4703	90,731	12%	
						EEM	Eqty Wrld	Emrg Mrkt ETF	37.57	1,127.5058	42,360	6%	
						JAOSX	Eqty Wrld	Janus Overseas	38.65	2,257.9735	87,271	12%	
						WTIFX	Eqty Wrld	Westcore Intrntl	1154	6,782.9457	78,275	11%	
						BUFSX	Eqty SmlCap	Buffalo Small Cap	20.88	2,452.4831	51,208	7%	
						FMIMX	Eqty SmlCap	FMI Com Stk	20.31	1,237.6237	25,136	3%	
						YACKX	Eqty Value	Yacktman	14.35	5,150.8462	73,915	10%	
						MM	Money Market		100	281,066.0000	281,066	39%	
											Total Valuation=	\$729,962	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	
						BERIX	Hybrid	Berwyn Income	12.44	3,646.7601	45,366	8%	
						EEM	Eqty Wrld	Emrg Mrkt ETF	37.57	727.5058	27,332	5%	
						JAOSX	Eqty Wrld	Janus Overseas	38.65	2,257.9735	87,271	14%	
						WTIFX	Eqty Wrld	Westcore Intrntl	1154	6,782.9457	78,275	13%	
						BUFSX	Eqty SmlCap	Buffalo Small Cap	20.88	1,226.2416	25,604	4%	
						FMIMX	Eqty SmlCap	FMI Com Stk	20.31	618.8119	12,568	2%	
						YACKX	Eqty Value	Yacktman	14.35	5,150.8462	73,915	12%	
						FAGIX	Bond HiYld	Fidelity Cap/Incm	8.17	6,973.8343	56,976	9%	
						LKFIX	Bond Fixble	LKCM Fincm	10.94	4,766.4442	52,145	9%	
						MM	Money Market		100	142,946.0000	142,946	24%	
											Total Valuation=	\$602,398	100%

Two funds fell out of the top 20% this month. They are BUFSX and FMIMX. Watch for an emailed Hotline because I will be evolving out of them into others.

All MAAP portfolio performances include an annual 2% management fee expense, as if we managed it for you. All dividends are reinvested.

Market Timing and Asset Allocation

S&P 500 with 200-day moving average

From collapse to recovery one month at a time, a picture tells a 1000 words from a frightful bear market to a hopeful bull market.

As you can see with the more narrow bands in the bull market, volatility has decreased. Corrections and rallies stay within bounds. The world sighs a collective whew; disaster has been averted.

With the stock market correcting now back to its major support within that well-defined up channel, I am now turning bullish from neutral on an intermediate-term basis. I remain bullish on a long-term basis.

What this means is that I expect the stock market to make recovery highs and to continue to make higher highs (continued in the bottom left box below—)



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

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

STOCK MARKET COMMENTS (SUM: 5 bull, 7 neutral, 0 bear)

- US Gov. fiscal policy, **bullish** (turning to neutral as programs end).
- Corporate activity **neutral** (buy backs very low).
- Economy, **neutral** (worst appears over, but no growth yet).
- Inflation, **neutral**. (commodities' overhang)
- Oil prices, **neutral** (supply and demand equalizing).
- Housing, **neutral** (affordability index at highs, but gobs of inventory).
- Investor sentiment, **neutral** (bulls and bears balanced).
- Federal Reserve policy, **bullish** (aggressive easing still).
- Market valuation (PE, yield, book), **bullish** (undervalued).
(18,400 projected on DJ Industrials to fair value, earnings discounted).
- Terrorism/war risk, **neutral** (monitor Israel and Iran).
- Hedge fund/leverage risk, **bullish** (liquidity improving).
- Technical, **bullish**, (higher highs and higher lows).

(continued from above)

in the weeks, months, or years ahead.

This expectation, however, is not to say that I will necessarily remain bullish over those time periods; it is only an expectation for new highs. The background will change over time; for example, market divergences or fiscal and monetary support will be modified. Hence the bullish/neutral/bearish equations will change.

In the meantime, the market has corrected and is at support and should make new highs by year's end.

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	%RETURNS FROM THE PAST X MONTHS THRU 10/31/09					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2008	2007	2006	2005	2004	2003
DJ Wilshire 5000	8.71	27.39	18.48	4.65	-2.68	6.7	10619.00	-	-36.68	3.94	13.72	8.24	10.85	29.44
Dow Jones Industrials	4.16	21.40	18.91	5.90	0.00	5.5	9712.73	-	-33.84	6.43	16.29	-0.61	3.15	25.32
Standard & Pooors 500	6.96	25.46	18.72	4.93	-1.98	6.3	1036.19	-	-38.49	3.53	13.62	3.00	8.99	26.38
Russell 2000	4.70	26.88	15.43	1.09	-6.87	8.4	562.77	-	-34.80	-2.75	17.00	3.32	17.00	45.37
Dow Jones World Index	20.35	35.93	25.62	6.40	-1.82	7.5	213.83	-	-42.85	8.43	18.52	9.41	14.43	33.42
Gold/Sliver Index (XAU)	93.24	26.31	30.51	5.40	-5.30	14.0	156.64	-	-28.54	21.84	11.11	28.87	4.65	19.89
Dow Jones Ttl Bond	33.47	16.58	16.18	3.80	0.65	3.1	246.10	-	1.80	5.24	3.70	1.40	3.99	2.20
Small Cap	11.12	29.55	16.46	2.52	-4.83	7.9	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	15.92	32.22	17.63	4.23	-3.80	7.4			-41.93	6.00	6.79	8.38	12.96	33.65
Large Cap	14.31	30.63	19.26	4.88	-2.27	6.5			-39.89	5.81	6.11	5.75	13.34	27.54
Value	13.83	31.53	19.71	5.37	-2.58	7.0			-37.96	-6.44	10.08	3.66	11.26	27.18
Contrary	-10.51	-6.16	-3.74	-1.32	2.16	6.0			5.36	-1.11	-1.99	5.78	3.11	0.47
World Growth	-11.42	-6.79	-4.11	-1.47	2.25	6.2			-47.03	x	x	13.07	17.11	34.67
Growth/Income	9.12	24.18	16.76	4.01	-2.32	6.1	For more information about these model portfolios, please see pages five and six.		-36.20	0.47	9.82	4.23	10.24	23.46
Bond Long	11.97	2.48	4.10	1.24	-1.69	3.6			11.91	6.19	2.75	10.32	8.43	8.64
Bond High Yield	24.38	21.41	15.01	4.53	0.39	4.2			-23.05	x	8.84	5.76	6.63	16.24
Bond World	21.97	13.53	10.20	3.72	-0.32	3.1			-7.34	4.74	5.65	7.40	9.07	11.56
MAAP Aggrsv Grth	14.81	21.60	12.39	2.91	-1.82	3.1	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	16.36	21.74	12.45	3.19	-1.68	3.2			-5.75	3.39	5.66	3.50	1.53	11.56
MAAP Balanced	18.20	24.84	15.29	4.97	-1.45	3.9			-13.09	3.17	7.59	2.01	5.88	12.57
MAAP Income	3.83	4.93	4.10	2.23	0.09	0.8			-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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