



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
Price Japan	PRJPX	EW	34.6
Fidelity Japan	FJPNX	EW	31.3
Matthews Korea	MAKOX	EW	28.2
Boston Prtn Lng/Shrt Eqty	BPLEX	EC	27.7
Fidelity Pacific Basin	FPBFX	EW	26.0
Commonwealth Japan	CNJFX	EW	26.0
Price Latin America	PRLAX	EW	25.8
Fidelity Latin America	FLATX	EW	24.4
Transamerica Eqty	TEQUX	ELC	24.0
Crdt Suisse Japan	WPJGX	EW	23.9
Driehaus Intl Dis	DRIDX	EW	23.5
Price Gbl Stk	PRGSX	EW	22.8
Vanguard Pacific Index	VPACX	EW	21.0
Transamerica Grth Opp	TPSCX	EMC	20.7
Transamerica Focus	TPAGX	EA	20.6
Janus Orion	JORNX	EMC	20.5
Janus Olympus	JAOLX	EA	20.2
Fidelity Emrg Mkt	FEMKX	EW	20.1
Harbor Capital Appreciation	HACAX	ELC	20.1
Preferred Growth	PFGRX	ELC	20.0
Analytic Defensive	ANDEX	EGI	20.0
Janus Overseas	JAOSX	EW	19.9
Selected American Shares	SLASX	ELC	19.9
Fidelity Export	FEXPX	ELC	19.7
Lazard Emrg Mkt Open	LZOEX	EW	19.6
Janus Core Eqty	JAEIX	EGI	19.6
Price International Discovery	PRIDX	EW	19.6
SIT Dvlpng Mkts Grth	SDMGX	EW	19.2
Northeast Investors Growth	NTHFX	ELC	19.1
Monetta	MONTX	EMC	19.0
Loomis Sayles Value	LSGX	EGI	19.0
Price Emrg Mkt Stk	PRMSX	EW	19.0
Fidelity Contra	FCNTX	ELC	18.9
Permanent Portfolio T-Bill	PRTBX	BS	33.2
Permanent Port Versatile Bond	PRVBX	BF	32.5
Harbor Short Duration Fund	HASDX	BS	27.7
Wells Fargo UltrShrt FI	STADX	BS	24.3
Price Emrg Mkt Bond	PREMX	BW	19.6
Homestead Shrt Bond	HOSBX	BS	18.1
Wells Fargo Shrt HiYld	STHXB	BH	16.0
Payden Emrg Mkt Bd	PYEMX	BW	15.8

Catch Up

Given the great and solid and consistently good economic background news that we have been hearing about, that we are in an expansion, inflation is muted, interest rates are low, and that the typical derailments like \$60 barrel oil, and the worst hurricane weather on record have had minimal negative economic impact, you have to wonder why the Dow Industrials are at 10,800 instead of at 18,100.

It has to do with the hang-over from the bubble and burst from the Nineties. I'm not talking only about the tech stock sector wreck either.

I still come just shy of saying that indexing was a fad, but I will say there was a craze, just like the dot com mania, for large cap growth stocks. It is the only way to explain why the S&P 500 is still where it was five years ago, if you measure it from this side of the burst in 2000 and from where it was a long seven years ago, if you measure it from the other side of the top.

I wrote a few years ago that stocks will at best need to go sideways for quite some time to let the economy catch up to where stock valuations are.

Three years ago, for example, the PE ratio was 30x and now it's at 16x. That's not bargain basement levels, but better than it was.

This reduction also means that earnings have doubled, which is why the ratio has been halved. But the price has remained where it was. It is a tough market, have no doubt. Good earnings come in and stocks sit there. Bad earnings come in and stocks get sliced and diced.

Please look at the S&P 500 chart on page seven to see this.

This awareness of the tradeoff between value and price should help us in the investment process. If we buy during periods of high valuation, at best we may end up going sideways. At worst, we may lose capital. If we buy during times of low valuations, we have a much better chance of making money in the future. This means we have to find and buy the areas of low values.

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AROUND THE CAMPFIRE

Remember when it was shown that bees can't fly? Now comes word from NewScientist that they can. With high speed cameras and scaled robots, they determined that the wings of bees don't flap like other insects. Instead of arcing as usual, they move back at 90 degrees, then flip over 230 times per second as it returns. I guess bees are glad to know this.

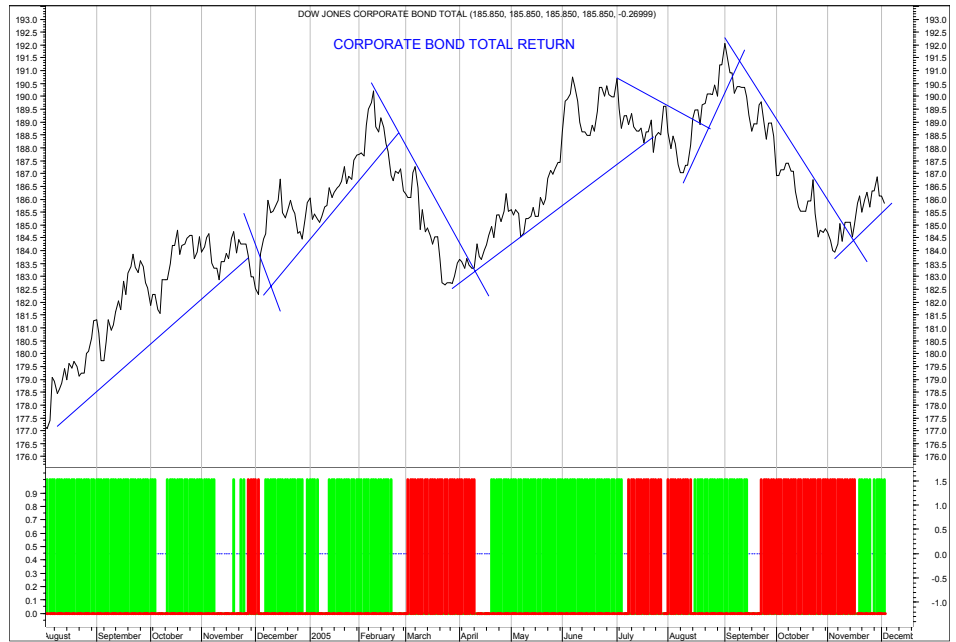
Interest Rates and Bond Prices

As you can see on the chart, the bond timing model went back on a buy signal.

The first warning of an impending trend change was when the bond market quit going down. This may sound simplistic, but obviously before the market can go up, it has to quit going down. This occurred when the market broke through its down trend line.

The warning was confirmed when the actual buy signal was triggered. Since then, however, yields have turned higher again.

Change from bearish to neutral on bonds.



The SLM Bond Market Timing Model is a 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.

MAAP Aggressive Income Portfolio

This portfolio is 100% in cash for the time being.

On page 6, once the Income Portfolio is discontinued, more commentary will be inserted there.

MONTHLY ACTIVITY						MONTH ENDING: 11/30/2005		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
4-Nov	sell	VFSTX	10.48	2557.4900	26802							0%
						MM	Money Market		100	20267.40	20267	100%
						MM	Margin Loan		-100	0.00	0	0%
Total Valuation=										\$202,126	100%	

MAAP Growth and Balanced Portfolios

MONTHLY ACTIVITY

MONTH ENDING: 11/30/2005

MONTH END VALUATIONS

AGGRESSIVE GROWTH, selected, continuously invested, style allocated (stock & balanced funds)

Activity Date	Activity	Fund	Action Price	Number of Shares	Action Value	Symbol	Style	Name	Ending NAV	Number of Shares	Current Value	Percent of Total
2-Dec	Portfolio will be aggressively maintained Aggressively means fully investd continously amongst fund styles											
		PRMSX				EqtyWorld		Price Emrg Mrkts	25.57	1657.9820	42,395	12%
		UNWPX				Gold		US Gbl Prc Mtl	19.03	1373.3103	26,134	8%
		NBISX				EqtyWorld		Nbrgr Brmn Intrntl	21.34	1011.0719	21,576	6%
		RSPFX				Small Cap		RS Partners	37.58	540.4463	20,310	6%
		RYURX				Contrary		Rydex Ursa	8.62	5594.2900	48,223	14%
						MM		MoneyMarket	1.00	186176.63	186,177	54%
Total Valuation=											\$344,814	100%

GROWTH, selected & timed, style & asset allocated (stock, 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
4-Nov	buy	BPLEX	18.11	1656.5433	30000	PRMSX	EqtyWorld	Price Emrg Mrkts	25.57	1184.2729	30282	5%
4-Nov	buy	PRGSX	18.47	1624.2555	30000	NBISX	EqtyWorld	Nbrgr Brmn Intrntl	21.34	2022.1339	43152	7%
4-Nov	buy	TBGVX	25.81	1162.3402	30000	RSPFX	Small Cap	RS Partners	37.58	1080.8927	40620	7%
						BPLEX	EqtyContry	RbcBstn Lng/Shrt	18.16	1656.5433	30083	5%
						PRGSX	EqtyWorld	TRowePr Gbl Stk	18.91	1624.2555	30715	5%
						TBGVX	EqtyWorld	TwdyBrwn Gbl Val	26.02	1162.3402	30244	5%
0%												
0%												
0%												
0%												
		RYURX				EqtyContry		Rydex Ursa	8.34	5594.2900	46656	8%
						MM		MoneyMarket	1.00	347605.63	347606	58%
Total Valuation=											\$599,358	100%

BALANCED, selected & timed, style & asset allocated (stock, balanced, bond, 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
4-Nov	sell	VFSTX	10.48	3965.5100	41559	NBISX	World Grth	Nbrgr Brmn Intrntl	21.34	2022.1339	43152	8%
4-Nov	buy	BPLEX	18.11	1380.4528	25000	RSPFX	Small Cap	RS Partners	37.58	1080.8927	40620	8%
4-Nov	buy	PRGSX	18.47	1353.5463	25000	BPLEX	EqtyContry	RbcBstn Lng/Shrt	18.16	1380.4528	25069	5%
4-Nov	buy	TBGVX	25.81	968.6168	25000	PRGSX	EqtyWorld	TRowePr Gbl Stk	18.91	1353.5463	25596	5%
						TBGVX	EqtyWorld	TwdyBrwn Gbl Val	26.02	968.6168	25203	5%
0%												
0%												
0%												
0%												
						MM		MoneyMarket	1.00	355557.45	355557	69%
Total Valuation=											\$515,198	100%

INCOME (Old)

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
4-Oct	portfolio to be discontinued 12/31/05											
4-Nov	sell	VFSTX	10.48	6371.1400	66770							0%
						MM		MoneyMarket	1.00	188970.75	188971	100%
Total Valuation=											\$188,700	100%

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

Market Timing and Asset Allocation

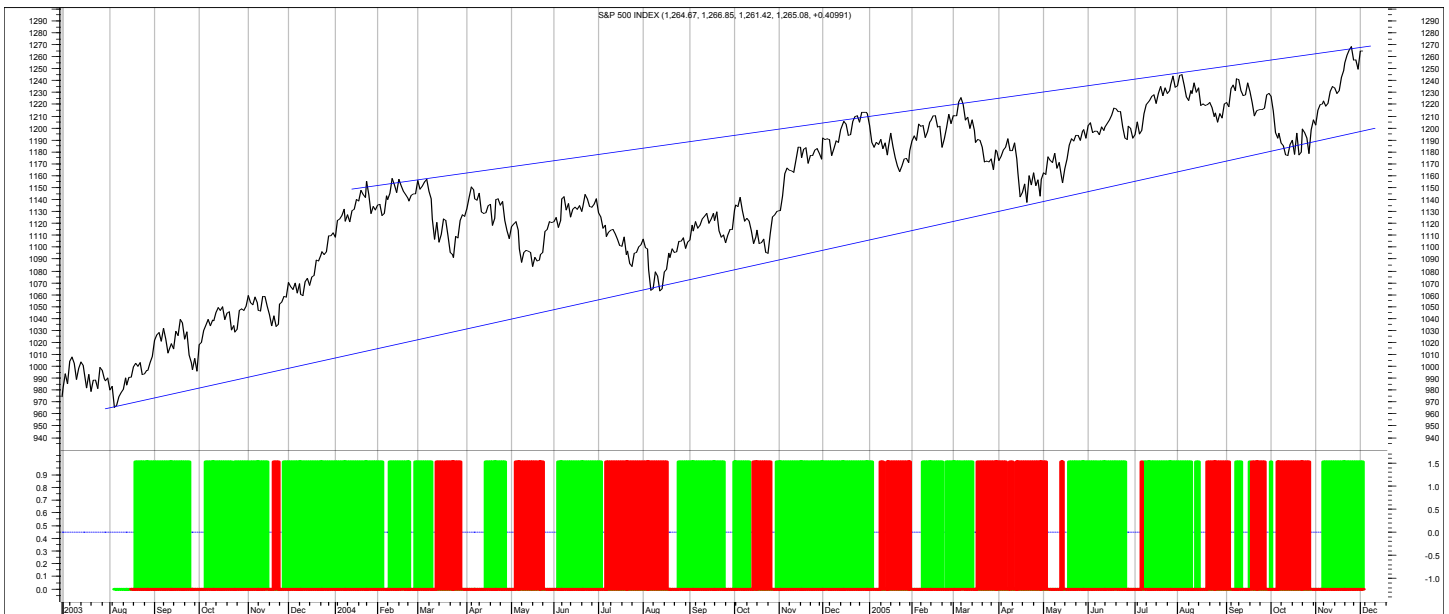
S&P 500 Index

As I've been talking about in the weekly ETF & Sector Trading newsletter, the S&P 500 large cap index is tracing out a rising wedge formation. Currently the market is at what should prove to be the top for this move. Caution is warranted.

From the first bottom to the first top the move took seven months. The second move took about 5 months. The third move took three months. The fourth and current move took about one month. Each of the three moves down also took less and less time.

Obviously there has been compression. If the same pattern holds for this move, the drop should take place over the next month and be waterfall like.

One reason for this wedge relates to what I wrote a few years ago; the overvalued market will go sideways as the economy plays catch up. The PE ratio three years ago was near 30x; today it is around 16x. So, the economy has been strengthening, but the market moves sideways, until it eventually becomes undervalued.



MARKET and FUND COMMENTS

STOCKS: Bearish from neutral
GOLD: Neutral from bearish.
BONDS: Neutral from bearish
Fiscal policy, stimulative (bullish) due to Hurricanes Katrina and Rita rebuild.
Corporate actions (buy backs, mergers), bullish.
Economy flat, neutral.
Inflation up, bearish.
Oil prices, neutral.
Investor sentiment, bearish
Fed tightening, bearish.
Market valuation, bearish when measured against historic norms, but bullish compared to current bonds (low rates), however, if rates rise, this will change very quickly.
Terrorism risk, bearish.
Expect a continued sideways market movement.

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 11/30/05					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2004	2003	2002	2001	2000	1999
Wilshire 5000	8.24	5.55	6.23	2.49	3.80	2.5	1252190	-	10.85	29.44	-22.08	-12.06	-11.41	21.44
Dow Jones Industrials	3.62	0.37	3.23	3.09	3.50	2.3	10805.90	-	3.15	25.32	-16.76	-7.10	-6.18	25.22
Standard & Poors 500	6.45	3.81	4.87	2.39	3.52	2.1	1249.48	-	8.99	26.38	-23.37	-13.04	-10.14	19.53
Russell 2000 (small cap)	6.87	6.82	9.82	1.62	4.74	3.9	677.29	-	17.00	45.37	-21.58	103	-4.20	19.62
Dow Jones World Index	10.81	5.61	9.06	3.47	3.40	2.7	228.27	-	14.43	33.42	-20.73	-16.58	-15.89	23.73
Gold/Silver Index (XAU)	7.36	15.80	32.85	19.67	6.28	6.6	114.61	-	4.65	19.89	25.57	128	-5.94	0.85
Dow Jones Ttl Bond	1.72	-0.10	-0.70	-2.67	0.69	1.1	186.13	-	3.99	2.20	11.96	6.77	13.40	10.92
Small Cap Growth	9.77	7.04	9.24	1.27	3.23	3.6	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.		11.74	39.43	-21.96	-6.21	0.96	38.84
Mid Cap Growth	13.08	9.37	9.64	2.84	3.84	3.0			12.96	33.65	-21.89	-11.03	-0.38	38.52
Large Cap Growth	10.54	7.94	8.00	3.42	3.62	2.6			13.34	27.54	-21.75	-13.19	-3.69	29.36
Value Company	8.85	4.95	5.43	1.31	2.37	2.2			11.26	27.18	-15.61	2.30	9.99	12.27
Contrary	5.88	3.41	4.14	1.58	-0.10	2.2			3.11	0.47	9.99	2.83	13.54	6.12
World Growth	16.13	8.50	12.48	3.83	2.83	3.0			17.11	34.67	-15.76	-19.89	-12.70	49.42
Growth & Income	9.34	5.83	6.51	2.31	3.08	2.2	For more information about these model portfolios, please see pages five and six.		10.24	23.46	-18.22	-7.76	0.03	23.36
Long-term Corp Income	11.21	7.39	5.51	1.21	1.60	1.6			8.43	8.64	6.73	2.45	11.68	-7.61
High Yield Income	6.34	3.53	4.79	0.67	1.04	1.3			6.63	16.24	-7.55	-4.73	-12.68	1.33
International Income	8.73	5.61	4.97	1.36	1.10	1.4			9.07	11.56	10.56	1.48	0.18	3.46
MAAP Aggrsv Grth	5.11	4.86	5.64	2.34	1.74	0.9			0.57	15.03	-4.93	1.42	1.78	26.66
MAAP Growth	2.25	1.71	2.50	0.55	0.47	0.6			1.53	11.56	-1.22	0.75	2.64	18.42
MAAP Balanced	1.54	0.43	2.15	0.13	0.44	0.8			5.88	12.57	0.09	-0.56	0.37	17.81
MAAP Income	-0.77	-0.83	0.03	-0.09	0.09	0.2			0.62	5.16	2.05	1.40	4.38	2.82
MAAP Aggrsv Incm	-1.52	-1.92	0.24	0.26	0.11	0.3			1.90	7.05	1.75	4.59	2.37	6.04

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.

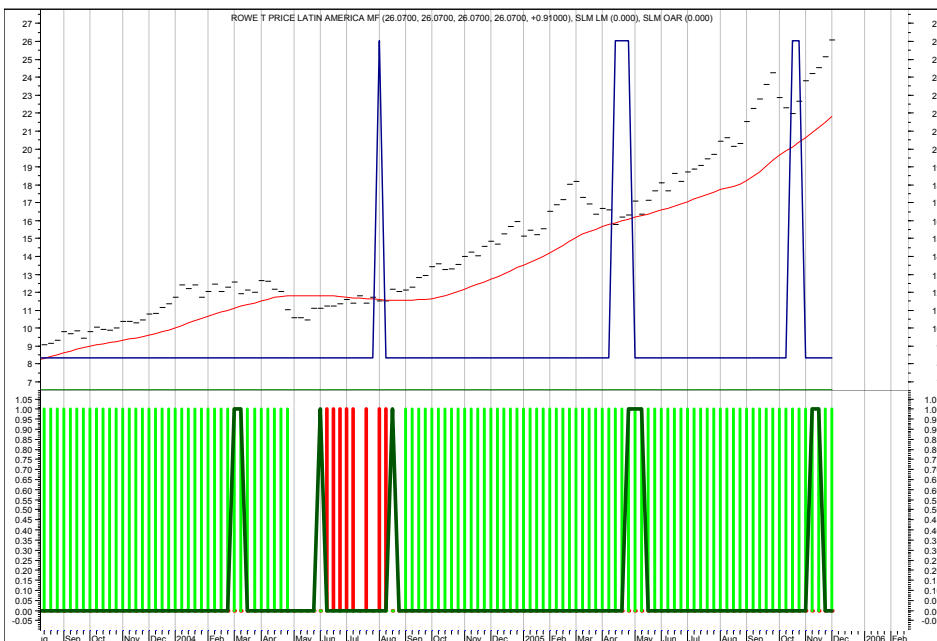
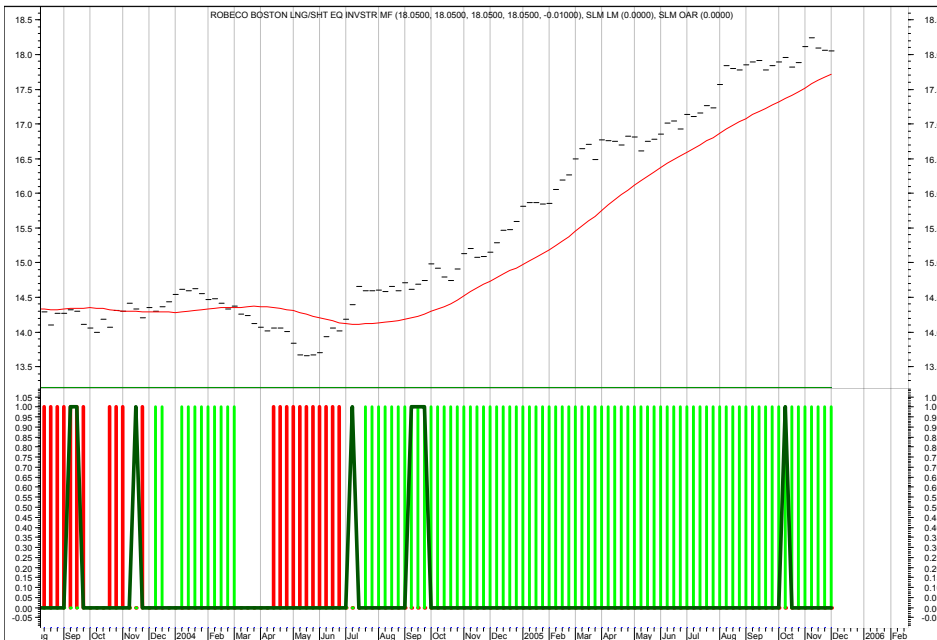
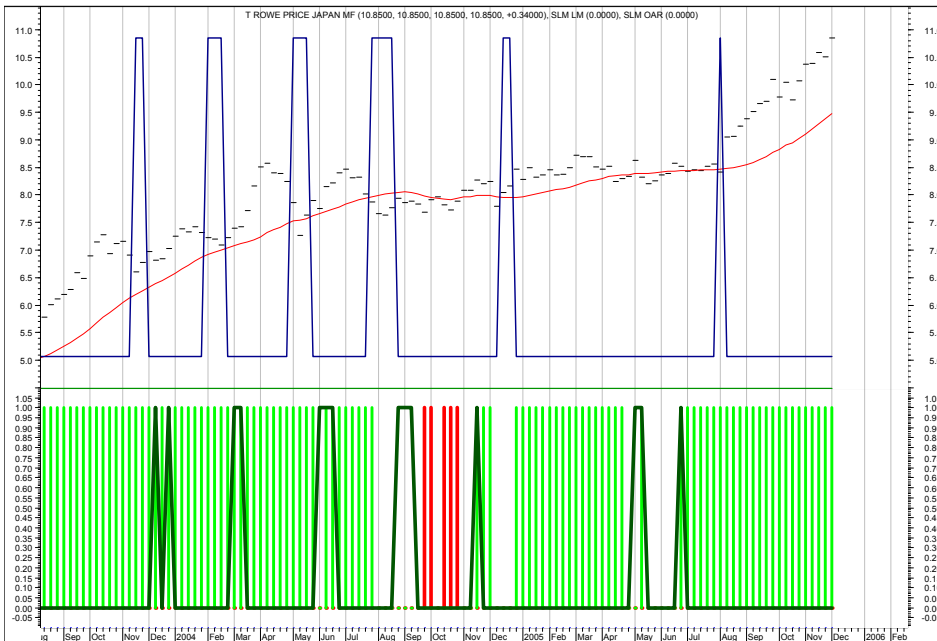
The fund dropped out of the top 20% at the end of January 2005. Even though the timing model remained bullish, the fund was sold. It would not have been rebought in July 2005 with the timing model buy because the fund was not in the top 5% at the time of the buy signal. It could have been bought in May.

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.





The top part of the charts show the weekly Friday close of various funds in the top 5% of the funds we track.

The bottom part of the chart may show up to four indicators. The dark green spike is a buy signal. The lighter green vertical buys show hold and okay to buy signals. The red spikes are sell and avoid signals. The orange spikes or bridges show times when caution is warranted, usually because the fund has already moved up a considerable amount, raising the question whether it can indeed go to the moon. Blank spots indicate a continuation of the previous signal.

On the price area of the chart, additional buy signals may be shown as either blue or green spikes.

The strategy is to select from the top 5% of the funds we monitor and hold as long as they're 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%.

