



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
CGM Focus	CGMFX	EA	33.9
James Market Neutral	JAMNX	EC	33.1
Caldwell & Oakin Mkt Opprtnty	COAGX	EA	32.6
ABN AMRO Mntg Balncd	MOBAX	HB	31.9
Matthews China	MCHFX	EWR	30.6
Investec China HK	ICHKX	EWR	30.4
Price New Asia	PRASX	EWR	29.0
Janus Twenty	JAVLX	EMC	28.9
SIT Dviping Mrkts Grth	SDMGX	EWR	28.5
AmCent Hertg Investors	TWHIX	EMC	28.0
Gabelli Mathers Fund	MATRX	HGI	27.9
CGM Mutual Fund	LOMMX	HGI	27.4
ABN AMRO Mntg Grth	MCGFX	ELC	27.2
US Gbl Invstrs China Rgn	USCOX	EWR	26.6
Janus Gbl LifeScienc	JAGLX	EWR	25.8
AmCent Vista Investors	TWCVX	ESC	25.6
Fidelity Emrg Mkt	FEMKX	EW	25.4
Janus Orion	JORNX	EMC	25.4
Legg Mason Emrg Mkt	LMEMX	EW	25.3
Fidelity Southeast Asia	FSEAX	EWR	24.9
Transamerica Grth Opp	TPSCX	EMC	24.6
Harbor International Growth	HAIGX	EW	24.5
Price Latin America	PRLAX	EWR	24.5
Artisan International	ARTIX	EW	24.4
AmCent Emrg Mkt	TWMIX	EW	24.2
The Arbitrage	ARBFX	EC	24.0
Chase Grth	CHASX	ELC	23.8
SSgA Emrg Mkt	SSEMXX	EWR	23.8
Price Emrg Mkt Stk	PRMSX	EW	23.5
AmCent Ultra Investors	TWCUX	EMC	23.4
SIT International Growth	SNGRX	EW	23.0
Harbor International	HAINX	EW	22.9
Badgley Blncd	BMFBX	HB	22.5
AmCent Inf Adj B	ACITX	BU	14.0
x	x	x	x
Price US Treasury Intermediate	PRTIX	BI	12.4
Vanguard IT Trsry	VFITX	BI	10.8
Harbor Bond	HABDX	BF	10.5
AmCent Intl Bond	BEGBX	BW	10.4
Price International Bond	RPIBX	BW	10.2
Dreyfus US Long	DRGBX	BL	9.7

The Market

Third quarter Gross Domestic Product came in at a robust growth rate of 3.9%. That was the good news. From there, it has been only downhill. The Fed (FOMC) now forecasts growth in 2008 of 1.8% to 2.5%. In addition, consider the following.

As I wrote about last month, one technical indicator to watch was the worsening negative divergence between the Dow Industrials and Transports. Most folks know of this as the Dow Theory. One index had moved to a new high, but it was unaccompanied by the other index. From there, they both, which is the confirmation, have closed below previous low points, which is to say they both have closed below their August lows. This is bearish.

Moreover, consumer sentiment dribbles downward to 76.1. A year ago it was at 92.1. Future buying plans for vehicles, homes, and other large expenditures worsened to levels last seen 15 years ago.

The Conference Board reported that its gauge of future economic growth declined 0.5% in October. Building permits were the main negative contribu-

And of course there is the overall bad news from the housing market. Some economists are forecasting a \$2 to \$4 trillion haircut of housing values by the time it is all done and said. Unlike the stock market peak in 2000, consumers were using their houses as a source of cash. This liquidity has now dried up.

So why are stocks rallying off there mid November lows? Should we expect new highs? Should we gnash our teeth that we missed the "buy the dips" opportunity? Or should we now be thinking in terms of "sell and short the rallies"?

Right now, the Fed is helping an oversold market by lowering interest rates. Bargain hunters are stepping in. Liquidity drives the market in the short-term, but over the long-term it is economic growth that is the engine. The consumer and the investor are both forecasting a switch in gears.

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AROUND THE CAMPFIRE

My ISP (Internet Service Provider) has switched its hosting parameters, which helped to get my website back on line for the most part. In the process, the user names and passwords have been "lost". Going forward, therefore, the user name will be NLMF and the password NLMF (the same for both, case sensitive). I apologize for the inconvenience.

Interest Rates and Bond Prices

The SLM Bond Timing Model remains bullish for now, suggesting lower interest rates and higher bond prices ahead.

From a fundamental point of view, the economy is still growing, but is weaker than it has been in the recent past. This supports higher bond prices.

Another message from the rising bond market is the specter of deflation, arising on the heels of falling real estate values.

Housing prices have dropped and are expected to further decline, wiping out anywhere from \$2 to \$4 trillion in value or about 10% of the total real estate wealth of \$21 trillion.

It is not \$100 oil or \$800 gold that the bond market is focused on. Deflation is the worry again.



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

No changes this month to the MAAP Income Portfolio.

MONTHLY ACTIVITY

MONTH ENDING:

11/30/2007

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
10-Oct	buy	Fidelity Cap/Incm	9.05	3,314.9171	30,000	PSAFX	Bond Wrld	Prudent Gbl Incm	13.52	3,878.9760	52,444	24%
15-Oct	buy	AmCent Intrntl Bond	14.43	2,079.0021	30,000	FAGIX	Bond HiYld	Fidelity Cap/Incm	8.74	3,314.9171	28,972	13%
						BEGBX	Bond Wrld	AmCent Intrn Bond	15.04	2,079.0021	31,268	14%
							MM	Money Market	100	103,725.0000	103,725	48%
							MM	Margin Loan	-100	-	-	0%
Total Valuation=											216,409	100%

MAAP Growth and Balanced Portfolios

MONTHLY ACTIVITY

MONTH ENDING: 11/30/2007

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
					-							0%
					-	MIDSX	Gold	Midas	5.56	6,246.9607	34,733	9%
						SPECX	Eqty LrgCap	Spectra N	1160	1646.0905	19,095	5%
						OAKGX	Eqty Wrld	Oakmark Global	27.47	1217.2630	33,438	8%
						JORNX	Eqty MidCap	Janus Orion	13.10	2,276.1760	29,818	7%
						RYURX	Contrary	Rydex Ursa	37.39	17012739	63,611	16%
							MM	Money Market	100	219,383.0000	219,383	55%
Total Valuation=											\$400,078	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
					-							
					30,000	MIDSX	Gold	Midas	5.56	3,759.3985	20,902	3%
						SPECX	Eqty LrgCap	Spectra N	1160	1234.5679	14,321	2%
						OAKGX	Eqty Wrld	Oakmark Global	27.47	1217.2630	33,438	5%
						JORNX	Eqty MidCap	Janus Orion	13.10	2,276.1760	29,818	5%
						RYURX	EqtyContry	Rydex Ursa	37.39	1,169.2560	43,718	7%
							MM	Money Market	100	518,597.0000	518,597	78%
Total Valuation=											\$660,795	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
					60,000							
						MIDSX	Gold	Midas	5.56	3,759.3985	20,902	4%
						SPECX	Eqty LrgCap	Spectra N	1160	1234.5679	14,321	2%
						OAKGX	Eqty Wrld	Oakmark Global	27.47	1217.2630	33,438	6%
						JORNX	Eqty MidCap	Janus Orion	13.10	2,276.1760	29,818	5%
						FAGIX	Bond HiYld	Fidelity Cap/Incm	8.74	6,629.8343	57,945	10%
							MM	Money Market	100	420,218.0000	420,218	73%
Total Valuation=											\$576,642	100%

In all three portfolios, on December 17th, buy CGMFX (CGM Focus Fund) in the amounts of \$20,000 or roughly 3-5% of the total portfolios.

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

The Trend of Gold

The chart below shows the ETF GLD for gold.

As you can see the long-term trend remains up. On a short-term basis, the gold market has pulled back to major support, signaling a buy signal.

The portfolios in this newsletter already have a

“normal” amount invested, but if the reader does not have any gold, now is a good time to accumulate it as a hedge and diversification tool against a number of future possibilities, such as, inflation, a falling dollar, and financial crisis.



TIMING POSITIONS

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

STOCK MARKET COMMENTS

- US Gov. fiscal policy, neutral.
- Corporate activity (buy backs, mergers), bearish (credit dried up).
- Economy, neutral.
- Inflation, neutral.
- Oil prices, bearish.
- Housing, bearish.
- Investor sentiment, bearish (too many bulls).
- Federal Reserve policy, bullish (lowering rates, providing liquidity).
- Market valuation (PE, yield, book), bearish (unsustainable).
- Terrorism risk, neutral.
- Hedge fund risk, bearish (leverage problem).

The Federal Reserve is doing its job as the lender of last resort, providing much needed liquidity to those who extended credit and to those who borrowed against hope that future capital gains will make up for current cash flow shortcomings.

Stock market investors have confirmed a bear market when both the Industrials and Transports closed below their August lows.

The Fed's injections will give some temporary support to the market, but 2008 may prove ugly.

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	%RETURNS FROM THE PAST X MONTHS THRU 11/30/07					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2006	2005	2004	2003	2002	2001
DJ Wilshire 5000	5.78	4.63	-3.42	0.57	-4.73	2.5	14932.70	-	13.72	8.24	10.85	29.44	-22.08	-12.06
Dow Jones Industrials	9.41	8.99	-1.88	0.10	-4.01	2.4	13371.70	-	16.29	-0.61	3.15	25.32	-16.76	-7.10
Standard & Poors 500	5.75	5.28	-3.23	0.49	-4.40	2.4	14811.4	-	13.62	3.00	8.99	26.38	-23.37	-13.04
Russell 2000	-2.33	-3.22	-9.37	-3.16	-7.28	2.7	767.77	-	17.00	3.32	17.00	45.37	-2158	103
Dow Jones World Index	12.28	9.23	0.25	3.45	-4.70	2.4	305.28	-	18.52	9.41	14.43	33.42	-20.73	-16.58
Gold/Sliver Index (XAU)	14.60	22.49	22.40	2152	-9.05	6.4	17107	-	11.11	28.87	4.65	19.89	25.57	128
Dow Jones Ttl Bond	3.60	2.60	3.26	2.40	0.65	0.9	204.82	-	3.70	140	3.99	2.20	11.96	6.77
Small Cap	3.73	1.66	-5.93	-2.70	-7.73	2.8	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	-2196	-6.21	
Mid Cap	12.16	9.60	-0.25	2.17	-5.52	2.8		6.79	8.38	12.96	33.65	-2189	-1103	
Large Cap	11.32	10.14	1.30	3.35	-4.27	2.6		6.11	5.75	13.34	27.54	-2175	-13.19	
Value	4.09	2.14	-5.65	-1.34	-4.77	2.5		10.08	3.66	11.26	27.18	-15.61	2.30	
Contrary	2.57	0.84	1.59	0.04	2.04	2.3		-1.99	5.78	3.11	0.47	9.99	2.83	
World Growth	2.30	0.63	1.51	-0.05	-2.17	2.3		x	13.07	17.11	34.67	-15.76	-19.89	
Growth/Income	7.35	5.64	-2.70	0.60	-4.64	2.5		9.82	4.23	10.24	23.46	-18.22	-7.76	
Bond Long	4.67	4.43	6.61	4.72	2.70	1.8		2.75	10.32	8.43	8.64	6.73	2.45	
Bond High Yield	X	-0.74	-3.01	0.37	-2.53	2.7		8.84	5.76	6.63	16.24	-7.55	-4.73	
Bond World	5.61	5.21	4.50	4.19	0.00	1.2		5.65	7.40	9.07	11.56	10.56	148	
MAAP Aggrsv Grth	3.53	2.91	2.11	2.86	-1.19	1.2	For more information about these model portfolios, please see pages five and six.	9.95	7.20	0.57	15.03	-4.93	142	
MAAP Growth	3.07	2.39	1.47	1.55	-0.41	0.3		5.66	3.50	1.53	11.56	-1.22	0.75	
MAAP Balanced	3.59	2.37	0.82	1.29	-1.14	0.5		7.59	2.01	5.88	12.57	0.09	-0.56	
MAAP Income	4.32	3.04	1.95	1.72	-0.34	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.

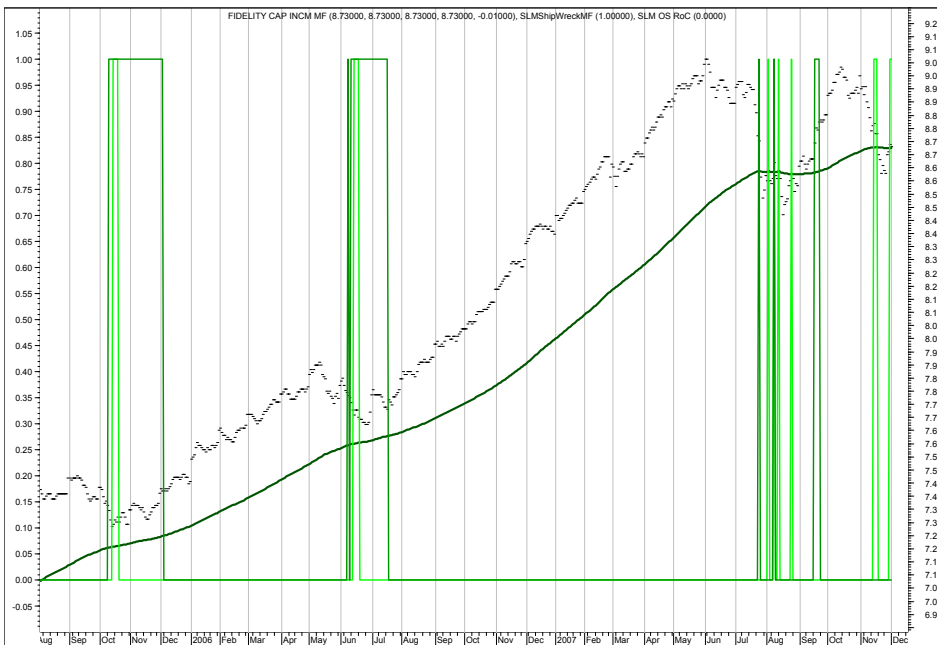
The fund dropped out of the top 20% at the end of January 2005. Even though the timing model remained bullish, the fund was sold. It would not have been rebought in July 2005 with the timing model buy because the fund was not in the top 5% at the time of the buy signal. It could have been bought in May.

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.

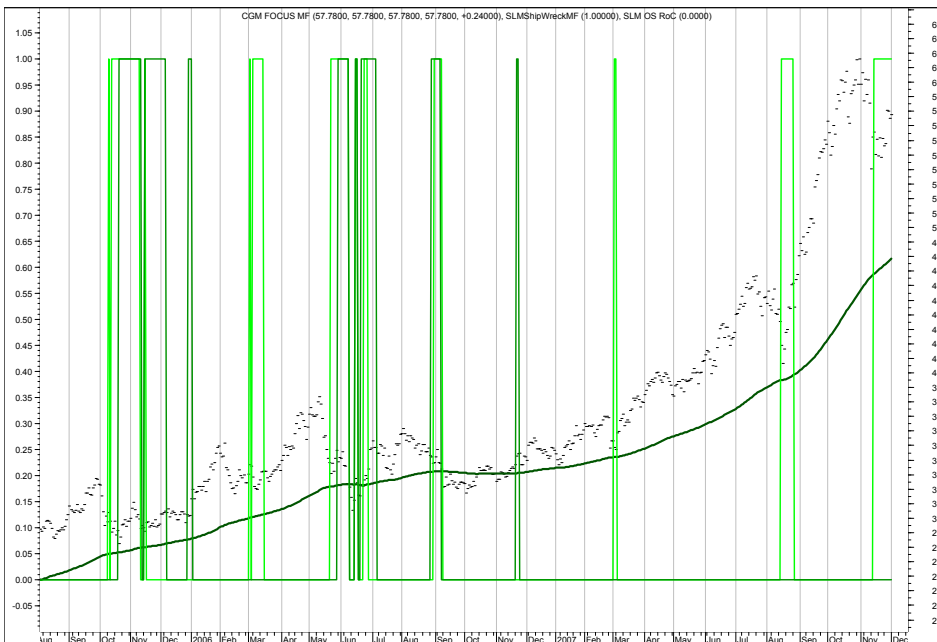




These funds are currently in the top 5%. The 200-day moving average is the solid trending dark line. The green spikes are buy signals (assuming the fund is within the top 5% at the time of the signal).

The top chart is FAGIX, Fidelity Capital and Income Fund.

The middle chart is CGMFX, CGM Focus Fund.



The bottom chart is JAMNX, James Market Neutral Fund. See that plunge in price in August (circled)? That's how lots of hedge funds looked at the bottom. Most investors only see month end statements, but if they knew of the intramonth plunge, there might have been even more fear. With the rebound, I'd be of the mind to sell, getting out.

