



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 |
|----------------------------------|--------|-------|-------|
| Grizzly Short | GRZZX | EC | 36.3 |
| Rydex URSA (short S&P 500) | RYURX | EC | 35.6 |
| Profunds Ultra Bear | URPIX | EC | 33.0 |
| Rydex Arktos | RYAIX | EC | 27.9 |
| Prudent Bear | BEARX | EC | 26.8 |
| Profunds UltraShirt OTC | USPIX | EC | 26.2 |
| Profunds Shrt SmCap | SHPIX | EC | 25.8 |
| Potomac US Short | PSPSX | EC | 20.0 |
| x | x | x | x |
| Caldwell & Oakin Mrkt Opprtnty | COAGX | EA | 2.0 |
| SPDR Gold | GLD | EG | -15 |
| James Market Neutral | JAMNX | EC | -16 |
| PS Gold | DGL | EG | -2.8 |
| Merger Fund | MERFX | EC | -7.7 |
| FBR SmCap Fincl | FBRSX | EA | -8.9 |
| Gabelli Mathers Fund | MATRX | HGI | -9.6 |
| x | x | x | x |
| AmCent Global Gold | BGEIX | EG | -11.4 |
| USAA Pr Mtls | USAGX | EG | -11.9 |
| Gabelli Gold | GOLDX | EG | -12.6 |
| US Gbl Invst US Gold | USERX | EG | -12.6 |
| Reynolds Blue Chip Growth | RBCGX | ELC | -13.0 |
| Hussman Strtg Ttl Rtrn | HSTRX | HB | -13.9 |
| Copley | COPLX | EV | -14.1 |
| Tocqueville Gold | TGLDX | EG | -14.7 |
| PS Agrcltr | DBA | EC | -14.8 |
| iShares China | FXI | EW | -14.9 |
| PS Silver | DBS | EG | -15.1 |
| The Arbitrage | ARBFX | EC | -15.4 |
| Rydex Precious Metals | RYPMX | EG | -15.5 |
| x | x | x | x |
| x | x | x | x |
| PS Oil | DBO | EA | -17.8 |
| Neubrgr & Brmn Lmted Bond | NLMBX | BS | 36.0 |
| Rydex US Govt Bond | RYGBX | BU | 30.0 |
| Wasatch Hsng Trsry | WHOSX | BL | 29.4 |
| Amrcn Bcn Intm Bond | AAPAX | BI | 25.3 |
| iShares 20+yr Trsry | TLT | BL | 24.8 |
| California Invest US Govt Secrty | CAUSX | BU | 23.9 |
| Northern US Gov | NOUGX | BU | 23.8 |
| Vanguard LT Trsry | VUSTX | BL | 22.1 |

'Tis The Season

Along with the economy, the stock market has been going down for about a year now. From peak to trough, the Wilshire 5000, a widely based index of nearly all US stocks from small, mid, to large, is down 52%. The ETF VTI, which is the Vanguard Index Trust that tracks the Wilshire 5000, topped out 10/10/07 at 77.7. As of 11/30/08, it stood at 44.3, which is down 43%.

To put this in perspective, that is the level where it was back in 2002. It was also where it was back in 1995. The S&P 500, which is a measure of just large cap stocks, is also back to where it was in 2002 and in 1997. What this means is that with the bubble run up from circa 1996 and burst in 2000, from the three-year bear market that ended in 2002, and then from the subsequent recovery and bust again, it is now back to where it began some twelve years ago.

This is not how investing is supposed to happen. Has there been no growth, no shareholder equity increase, in the underlying corporation? Was it all just vapor paper?

This brings up an interesting problem. The corporation, the thing we invest in, lives perpetually, but investors have a lifecycle of birth, growth, death. So, people adjust lifestyles over time. They know at

some point they have to change from consumption borrowing to debt-free retirement, from spending their wage, to spending their savings. A corporation, however, because it essentially lives forever, keeps trying to grow and grow and grow and usually does so because of debt. They borrow to expand and never pay it off. Hence, we have 100 year old General Motors that has liquidity problems with more debt than ever. Thinking it will live forever, it never saved or paid down debt, but only continued to borrow and expand. It is a conundrum.

What is clear to this observer is that to invest your capital, whether you are an institution or an individual, as if you are a corporation with an infinite lifespan does not work. We all hear, "over the long term", yes well 12 years later, it is back to where it was. Besides, ironically the corporate body of investors are doing it long term. The truth is that the market, like an individual, has seasons from overvalued to undervalued and back. It is from those that one strives to consistently profit with the most return and the least risk.



AROUND THE CAMPFIRE

We have finally admitted that the US is in a recession. The National Bureau of Economic Research came out a few days ago and said it began last December. That means we are already 12 months into it. Apparently the last two times this happened, 1990-1991 and 2001, NBER announced it right as it was ending. Will we be so lucky again?

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| Fund Style | Legend | Fund Name | Symbol | S | A | Ttl. % return (dividends + or - capital changes) last | | | | | V | NAV | CS | Rank | C |
|---|-----------------|--------------------------------|--------|-----|---|---|--------|--------|--------|--------|-------|-------|------|-------|-------|
| | | | | | | 12m | 9m | 6m | 3m | 1m | | | | | |
| Hybrid 52 funds followed. | S Ws | Gabelli Mathers Fund | MATRX | HGI | H | 0.18 | -0.57 | -0.38 | -0.38 | -0.19 | 0.14 | 10.47 | -1 | ***** | -9.6 |
| | F S W | Hussman Strtg Ttl Rtrn | HSTRX | HB | H | -1.95 | -8.54 | -7.09 | -7.01 | -0.90 | 1.83 | 11.03 | -25 | ***** | -13.9 |
| | Fn So Wns | Wells Fargo Balanced | STAA | HA | H | -5.16 | -7.76 | -7.20 | -2.99 | -4.89 | 1.66 | 19.79 | -28 | ***** | -16.9 |
| | F S W | Greenspring Fund | GRSPX | HGI | H | -12.91 | -12.18 | -16.99 | -16.84 | 1.16 | 3.01 | 20.00 | -58 | ***** | -19.2 |
| | S Wn | Permanent Portfolio Family | PRPFX | HB | H | -13.31 | -18.13 | -18.58 | -15.63 | 0.42 | 2.63 | 30.94 | -65 | **** | -24.8 |
| Usually... Variable combination of stocks, bonds and cash. Risk, growth and income emphasis varies. | F S W | ABN AMRO Mtng Balncd | MOBAX | HB | H | -21.28 | -16.12 | -20.74 | -18.17 | -0.77 | 3.06 | 15.49 | -77 | **** | -25.2 |
| | F S W | ABN AMRO Balncd | CHTAX | HB | H | -23.86 | -18.47 | -23.60 | -20.38 | -1.86 | 3.38 | 4.74 | -88 | **** | -26.1 |
| | F S W | Transamerica Balance | TBAIX | HB | H | -34.36 | -27.38 | -32.62 | -27.27 | -4.90 | 4.70 | 17.66 | -127 | **** | -26.9 |
| | Fn So Ws R2<90d | Oakmark Eqty Incm I | OAKBX | HB | H | -17.32 | -17.81 | -20.73 | -17.05 | -3.71 | 2.76 | 22.33 | -77 | **** | -27.8 |
| | W | CGM Mutual Fund | LOMMX | HGI | H | -54.13 | -53.03 | -58.54 | -53.40 | -25.99 | 8.71 | 13.95 | -245 | **** | -28.1 |
| Gold 11 funds followed. | SWC | Berwyn Income | BERIX | HGI | H | -11.78 | -10.38 | -12.32 | -12.75 | -1.16 | 1.69 | 10.25 | -48 | **** | -28.6 |
| | D | USAA Grth Tax | USBLX | HB | H | -25.49 | -19.13 | -23.37 | -20.13 | -4.06 | 3.19 | 10.41 | -92 | **** | -28.9 |
| | F S W | Jamestown Blncd | JAMBX | HB | H | -23.69 | -19.82 | -23.61 | -19.62 | -1.89 | 3.04 | 10.38 | -89 | **** | -29.2 |
| | F S W | Bridgeway Balanced | BRBPX | HB | H | -19.50 | -16.51 | -19.15 | -16.84 | -4.73 | 2.63 | 10.47 | -77 | **** | -29.2 |
| | Fn S W | Fidelity Global Balanced | FGBLX | HGI | H | -27.16 | -23.87 | -27.45 | -21.28 | -3.30 | 3.53 | 16.39 | -103 | **** | -29.2 |
| Aggressive Growth 39 funds followed. | ETF | SPDR Gold | GLD | EG | E | 3.87 | -16.50 | -8.16 | -17.1 | 12.57 | 6.73 | 80.31 | -10 | ***** | -1.5 |
| | ETF | PS Gold | DGL | EG | E | -1.28 | -17.33 | -8.64 | -2.33 | 12.21 | 6.30 | 30.14 | -17 | ***** | -2.8 |
| | F So Wn | AmCent Global Gold | BGEIX | EG | E | -42.35 | -50.90 | -43.85 | -29.86 | 24.08 | 12.51 | 12.78 | -143 | ***** | -11.4 |
| | D | USAA Pr Mtlis | USAGX | EG | E | -40.56 | -51.21 | -47.16 | -35.41 | 23.49 | 12.68 | 18.77 | -151 | ***** | -11.9 |
| | Fn So Wn | Gabelli Gold | GOLDX | EG | E | -48.40 | -52.29 | -47.93 | -34.46 | 21.28 | 12.87 | 15.96 | -162 | ***** | -12.6 |
| Capital growth higher risk. May industry concentrate. | F S W C | Caldwell & Oakin Mktk Opprtnty | COAGX | EA | E | -1.30 | -0.09 | 1.93 | 3.27 | 0.82 | 2.29 | 22.13 | 5 | ***** | 2.0 |
| | F S W | FBR SmCap Fincl | FBRSX | EA | E | -9.35 | -10.71 | -5.75 | -4.18 | -5.19 | 3.94 | 14.43 | -35 | ***** | -8.9 |
| | ETF | PS Oil | DBO | EA | E | -32.45 | -39.83 | -52.74 | -49.26 | -17.92 | 10.78 | 22.40 | -192 | **** | -17.8 |
| | ETF | PS Energy | DBE | EA | E | -29.82 | -39.23 | -52.73 | -47.06 | -16.64 | 10.16 | 23.44 | -185 | **** | -18.3 |
| | W | CGM Focus | CGMFX | EA | E | -45.18 | -47.87 | -54.22 | -42.78 | -12.59 | 10.67 | 26.60 | -203 | **** | -19.0 |
| Small Cap 104 funds followed. | F S R<12m | Vanguard Energy | VGENX | EA | E | -37.60 | -39.50 | -48.35 | -38.42 | -4.98 | 8.48 | 47.36 | -169 | **** | -19.9 |
| | F S W | Profunds Ultra OTC | UOPIX | EA | E | -73.42 | -60.89 | -70.45 | -64.32 | -23.40 | 14.02 | 8.87 | -292 | **** | -20.9 |
| | F S W | FBR Amrcn Gas | GASFX | EA | E | -27.64 | -22.96 | -30.02 | -24.77 | -3.34 | 4.56 | 14.75 | -109 | **** | -23.8 |
| | F S W | Fidelity Aggrsv Grth | FDEGX | EA | E | -50.42 | -41.92 | -46.08 | -36.81 | -8.89 | 7.69 | 11.28 | -184 | **** | -23.9 |
| | F S W | Transamerica Focus | TPAGX | EA | E | -42.76 | -31.41 | -37.48 | -30.82 | -9.36 | 6.28 | 13.56 | -152 | **** | -24.2 |
| Usually... Market cap less than \$1 billion, no dividend, with growth emphasis. Higher risk. | x | x | x | ESC | E | x | x | x | x | x | x | x | x | ***** | x |
| | x | x | x | ESC | E | x | x | x | x | x | x | x | x | ***** | x |
| | x | x | x | ESC | E | x | x | x | x | x | x | x | x | ***** | x |
| | Fn So Wn R1<6m | Royce Special Eq | RYSEX | ESC | E | -23.01 | -15.94 | -20.58 | -23.52 | -5.94 | 4.26 | 14.24 | -89 | **** | -20.9 |
| | F S W | ABN AMRO TMRO Sml Cap | ATASX | ESC | E | -36.04 | -24.76 | -34.36 | -32.77 | -12.46 | 6.50 | 11.94 | -140 | **** | -21.6 |
| Mid Cap 62 funds followed. | F S W | Buffalo Small Cap | BUFSX | ESC | E | -38.21 | -26.40 | -33.13 | -30.58 | -8.93 | 6.30 | 14.89 | -137 | **** | -21.8 |
| | Fn Wn C | Turner Small Cap Value | TCSVX | ESC | E | -26.93 | -17.90 | -21.07 | -19.80 | -17.99 | 4.60 | 10.35 | -104 | **** | -22.5 |
| | F S W | AmCent Veedot | AMVIX | ESC | E | -42.81 | -34.82 | -42.19 | -33.93 | -9.93 | 7.22 | 4.81 | -164 | **** | -22.7 |
| | Fn S Wn | Oberweiss Emerging Growth | OBEGX | ESC | E | -59.80 | -46.26 | -48.95 | -43.82 | -13.58 | 9.20 | 10.50 | -212 | **** | -23.1 |
| | Fn So Wn | Managers Micro Cap | MMCFX | ESC | E | -41.11 | -30.36 | -34.77 | -34.87 | -10.82 | 6.56 | 22.66 | -152 | **** | -23.2 |
| Risk, growth and dividend emphasis varies. | Si Ws | Rydex OTC | RYOCX | ESC | E | -43.21 | -32.12 | -41.52 | -36.87 | -11.09 | 7.03 | 7.86 | -165 | **** | -23.4 |
| | F S W | TCW Gal SmallCap Grth | TGSNX | ESC | E | -41.83 | -33.97 | -41.88 | -38.32 | -8.54 | 6.89 | 13.49 | -165 | **** | -23.9 |
| | F S W | FMI Common Stk | FMIIX | ESC | E | -26.96 | -23.32 | -29.13 | -29.61 | -7.45 | 4.83 | 14.79 | -116 | **** | -24.1 |
| | Fn So Wn C | William Blair Val Dis | BVDIX | ESC | E | -30.62 | -23.71 | -32.02 | -31.33 | -11.37 | 5.33 | 8.11 | -129 | **** | -24.2 |
| | Fn S W | Fidelity OTC | FOCPX | ESC | E | -47.85 | -37.04 | -44.66 | -39.22 | -12.21 | 7.36 | 27.10 | -181 | **** | -24.6 |

Interest Rates and Bond Prices

US Treasuries are soaring in price, even as other bond market entities tread water or worse decline like rocks, such as the high-yield fund style.

With soaring bond prices comes falling interest rates. They move inversely. In contrast, falling stock prices brings soaring dividend yields. They too move inversely. This has brought up a remarkable event.

The dividend yield on the S&P 500 is now greater than the yield from 10-year Treasuries. This is the first time this has happened since 1958.

The implications are numerous, but one is that we are again being paid for the stock market's inherent risk. This is a positive.



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

As investors around the world scramble to hold US Treasuries, we have to ask whether or not another bubble is being blown? Surely the equity of all these companies with positive cash flow have some value. No portfolio changes.

MONTHLY ACTIVITY

MONTH ENDING: 11/30/2008

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 |
|-------------------------|----------|-------|--------------|------------------|--------------|--------|------------|-------------------|------------|------------------|----------------|------------------|
| 12-Aug | sell | BEGBX | 14.83 | 2,162.9067 | 32,076 | FAGIX | Bond HiYld | Fidelity Cap/Incm | 5.41 | 3,314.9171 | 17,934 | 9% 0% |
| | | | | | | | MM | Money Market | 100 | 188,843.0000 | 188,843 | 91% |
| | | | | | | | MM | Margin Loan | -100 | - | - | 0% |
| Total Valuation= | | | | | | | | | | | 206,777 | 100% |

MAAP Aggressive, Growth, and Balanced Portfolios

| PREVIOUS ACTIVITY | | | | | | TO MONTH ENDING: 11/30/2008 | | | 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 |
| 24-Sep | buy | BERIX | 11.69 | 1,710.8640 | 20,000 | | | | | | | |
| 24-Sep | buy | PRBLX | 24.29 | 823.3841 | 20,000 | | | | | | | |
| 24-Sep | buy | RYSEX | 17.83 | 1,217.050 | 20,000 | | | | | | | |
| 13-Oct | sell (cover) | RYURX (inverse S&P 500) | 49.47 | 1,410.9659 | 69,800 | | | | | | | |
| 14-Oct | sell (cover) | RYURX (inverse S&P 500) | 50.14 | 1,410.9659 | 70,746 | | | | | | | |
| 7-Nov | buy | HrtInd Val HRVIX | 19.10 | 890.0524 | 17,000 | | | | | | | |
| 7-Nov | buy | Royce SEqty RYSEX | 14.51 | 1,171.6058 | 17,000 | | | | | | | |
| 7-Nov | buy | Emrg Mrkt EEM | 24.64 | 689.9351 | 17,000 | | | | | | | |
| 14-Nov | buy | HrtInd Val HRVIX | 17.96 | 946.5479 | 17,000 | | | | | | | |
| 14-Nov | buy | Royce SEqty RYSEX | 13.63 | 1,247.2487 | 17,000 | | | | | | | |
| 14-Nov | buy | Emrg Mrkt EEM | 22.22 | 765.0765 | 17,000 | | | | | | | |
| 14-Nov | buy | Rydex 2x S&P 500 (RSU) | 22.86 | 743.6570 | 17,000 | | | | | | | |
| 19-Nov | sell | Rydex 2x S&P 500 (RSU) | 21.00 | 743.6570 | 15,617 | | | | | | | |
| | | | | | | EEM | Eqty Wrld | Emrg Mrkt ETF | 22.95 | 1,455.0116 | 33,393 | 9% |
| | | | | | | PRBLX | Eqty G/I | Parnassus Bal | 18.83 | 2,203.5103 | 41,492 | 12% |
| | | | | | | WPFRX | Eqty MidCap | Westport Grth | 15.28 | 1,592.3567 | 24,331 | 7% |
| | | | | | | JORNX | Eqty MidCap | Janus Orion | 6.13 | 3,348.7833 | 20,528 | 6% |
| | | | | | | HRVIX | Eqty Value | Heartland Value | 18.37 | 3,420.7587 | 62,839 | 18% |
| | | | | | | BERIX | Hybrid G/I | Berwyn Incm | 10.25 | 1,710.8640 | 17,536 | 5% |
| | | | | | | RYSEX | Eqty SmlCap | Royce Spcl Eqty | 14.24 | 3,540.5595 | 50,418 | 14% |
| | | | | | | MM | Money Market | | 100 | 10,190.0000 | 10,190 | 29% |
| | | | | | | | | | | | Total Valuation= | \$352,527 100% |

| 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 |
| 13-Oct | sell (cover) | RYURX (inverse S&P 500) | 49.47 | 1,133.8020 | 56,089 | | | | | | | |
| 14-Oct | sell (cover) | RYURX (inverse S&P 500) | 50.14 | 1,133.8020 | 56,849 | | | | | | | |
| 7-Nov | buy | HrtInd Val HRVIX | 19.10 | 1,727.7487 | 33,000 | | | | | | | |
| 7-Nov | buy | Royce SEqty RYSEX | 14.51 | 3,445.8994 | 50,000 | | | | | | | |
| 7-Nov | buy | Emrg Mrkt EEM | 24.64 | 689.9351 | 17,000 | | | | | | | |
| 14-Nov | buy | HrtInd Val HRVIX | 17.96 | 1,837.4165 | 33,000 | | | | | | | |
| 14-Nov | buy | Royce SEqty RYSEX | 13.63 | 3,668.3786 | 50,000 | | | | | | | |
| 14-Nov | buy | Emrg Mrkt EEM | 22.22 | 765.0765 | 17,000 | | | | | | | |
| | | | | | | EEM | Eqty Wrld | Emrg Mrkt ETF | 22.95 | 1,455.0116 | 33,393 | 5% |
| | | | | | | PRBLX | Eqty G/I | Parnassus Bal | 18.83 | 2,203.5103 | 41,492 | 7% |
| | | | | | | WPFRX | Eqty MidCap | Westport Grth | 15.28 | 1,592.3567 | 24,331 | 4% |
| | | | | | | JORNX | Eqty MidCap | Janus Orion | 6.13 | 3,348.7833 | 20,528 | 3% |
| | | | | | | HRVIX | Eqty Value | Heartland Value | 18.37 | 5,149.3236 | 94,593 | 27% |
| | | | | | | BERIX | Hybrid G/I | Berwyn Incm | 10.25 | 1,710.8640 | 17,536 | 5% |
| | | | | | | RYSEX | Eqty SmlCap | Royce Spcl Eqty | 14.24 | 8,235.9830 | 117,280 | 33% |
| | | | | | | MM | Money Market | | 100 | 266,318.0000 | 266,318 | 43% |
| | | | | | | | | | | | Total Valuation= | \$615,472 128% |

| 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 |
| 13-Oct | sell (cover) | RYURX (inverse S&P 500) | 49.47 | 524.6590 | 25,955 | | | | | | | |
| 14-Oct | sell (cover) | RYURX (inverse S&P 500) | 50.14 | 524.6590 | 26,306 | | | | | | | |
| 7-Nov | buy | HrtInd Val HRVIX | 19.10 | 1,727.7487 | 33,000 | | | | | | | |
| 7-Nov | buy | Royce SEqty RYSEX | 14.51 | 3,445.8994 | 50,000 | | | | | | | |
| 7-Nov | buy | Emrg Mrkt EEM | 24.64 | 689.9351 | 17,000 | | | | | | | |
| 14-Nov | buy | HrtInd Val HRVIX | 17.96 | 1,837.4165 | 33,000 | | | | | | | |
| 14-Nov | buy | Royce SEqty RYSEX | 13.63 | 3,668.3786 | 50,000 | | | | | | | |
| 14-Nov | buy | Emrg Mrkt EEM | 22.22 | 765.0765 | 17,000 | | | | | | | |
| | | | | | | EEM | Eqty Wrld | Emrg Mrkt ETF | 22.95 | 1,455.0116 | 33,393 | 5% |
| | | | | | | PRBLX | Eqty G/I | Parnassus Bal | 18.83 | 2,203.5103 | 41,492 | 8% |
| | | | | | | WPFRX | Eqty MidCap | Westport Grth | 15.28 | 1,592.3567 | 24,331 | 5% |
| | | | | | | JORNX | Eqty MidCap | Janus Orion | 6.13 | 3,348.7833 | 20,528 | 4% |
| | | | | | | HRVIX | Eqty Value | Heartland Value | 18.37 | 5,149.3236 | 94,593 | 19% |
| | | | | | | BERIX | Hybrid G/I | Berwyn Incm | 10.25 | 1,710.8640 | 17,536 | 5% |
| | | | | | | RYSEX | Eqty SmlCap | Royce Spcl Eqty | 14.24 | 8,235.9830 | 117,280 | 33% |
| | | | | | | FAGIX | Bond HiYld | Fidelity Cap/Incm | 5.41 | 6,629.8343 | 35,867 | 7% |
| | | | | | | MM | Money Market | | 100 | 108,025.0000 | 108,025 | 22% |
| | | | | | | | | | | | Total Valuation= | \$493,046 110% |

Except for Janus Orion and EEM (which is a timing purchase as opposed to a selecting purchase), the other funds remain in the top 20%. So, if the rally begins to falter, I will look to sell JORNX and replace it with a top ranked fund (no-load or ETF).

I have whittled down the cash portion to buy funds that hopefully are buying "cheap" stocks. Stay tuned.

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

S&P 500, Trend Channels, Oversold Indicator

On the chart below, I've circled when the market realized that something was not quite right. It had been going down for nearly a year, but things really fell apart at that point.

As such, you can see the old bear market down

trend lines and the new down trend lines. The simple idea is to buy on panic and sell on comfort within these new trends.

The bottom part of the chart shows major long-term buy signals.



TIMING POSITIONS

STOCKS: Neutral. **GOLD:** Neutral. **BONDS:** Bullish.

STOCK MARKET COMMENTS

- US Gov. fiscal policy, **bullish** (bailouts, more stimulus checks).
- Corporate activity (buy backs, mergers), **neutral** (insiders buying).
- Economy, **bearish** (recession).
- Inflation, **neutral** (deflation more likely).
- Oil prices, **bullish** (cheaper to fill up cars, trains, ships, planes).
- Housing, **bearish** (inventory overhang, falling prices, no liquidity).
- Investor sentiment, **neutral** (lots of bears, but too quick to turn).
- Federal Reserve policy, **bullish** (aggressive easing).
- Market valuation (PE, yield, book), **neutral** (earnings down).
(11,300 projected on Industrials to fair value, trailing earnings).
- Terrorism/war risk, **bearish**.
- Hedge fund/leverage risk, **bearish** (leverage coming down).
- Technical, **neutral**, (very oversold, but probable retest of lows).

As I mentioned last month and now officially confirmed by the recession and recovery watchdog group, National Bureau of Economic Research, we entered a recession about 12 months ago.

This means we are probably closer to the end of the recession than to its beginning. Put another way, we are closer to recovery than what we might think.

The government and Fed are providing stimulus and liquidity, which are some of the building blocks toward recovery. They are being stymied though, by a lack of opportunity, fear, job cuts and leverage unwinding.

Performance Scoreboard

| INDEXES, FUND STYLES & MAAP PORTFOLIOS | % RETURNS FROM THE PAST X MONTHS THRU 11/30/08 | | | | | V Vol- atility | INDEX CLOSE | | PERFORMANCE IN: | | | | | |
|--|---|--------|--------|--------|--------|----------------------|---|-------|-----------------|-------|-------|-------|--------|--------|
| | X= 12 | 9 | 6 | 3 | 1 | | | | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| DJ Wilshire 5000 | -40.71 | -34.20 | -37.91 | -32.54 | -9.36 | 5.0 | 8853.89 | - | 3.94 | 13.72 | 8.24 | 10.85 | 29.44 | -22.08 |
| Dow Jones Industrials | -33.97 | -28.02 | -30.14 | -23.52 | -5.32 | 4.0 | 8829.04 | - | 6.43 | 16.29 | -0.61 | 3.15 | 25.32 | -16.76 |
| Standard & Poors 500 | -39.49 | -32.65 | -36.00 | -30.14 | -7.48 | 4.7 | 896.24 | - | 3.53 | 13.62 | 3.00 | 8.99 | 26.38 | -23.37 |
| Russell 2000 | -38.37 | -31.05 | -36.77 | -36.02 | -11.98 | 5.8 | 473.14 | - | -2.75 | 17.00 | 3.32 | 17.00 | 45.37 | -21.58 |
| Dow Jones World Index | -45.77 | -40.31 | -43.08 | -34.90 | -6.82 | 5.5 | 165.56 | - | 8.43 | 18.52 | 9.41 | 14.43 | 33.42 | -20.73 |
| Gold/Sliver Index (XAU) | -40.61 | -48.32 | -44.01 | -31.92 | 25.33 | 12.2 | 10159 | - | 2184 | 11.11 | 28.87 | 4.65 | 19.89 | 25.57 |
| Dow Jones Ttl Bond | -5.58 | -7.11 | -6.57 | -6.35 | 4.88 | 1.7 | 193.39 | - | 5.24 | 3.70 | 1.40 | 3.99 | 2.20 | 11.96 |
| Small Cap | -41.21 | -34.58 | -38.88 | -36.06 | -11.51 | 6.0 | 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. | -3.52 | 7.20 | 2.63 | 11.74 | 39.43 | -21.96 | |
| Mid Cap | -43.01 | -37.68 | -42.61 | -37.04 | -10.15 | 6.0 | | 6.00 | 6.79 | 8.38 | 12.96 | 33.65 | -21.89 | |
| Large Cap | -40.59 | -34.20 | -38.61 | -33.17 | -8.95 | 5.5 | | 5.81 | 6.11 | 5.75 | 13.34 | 27.54 | -21.75 | |
| Value | -39.14 | -32.77 | -35.73 | -30.75 | -8.41 | 5.0 | | -6.44 | 10.08 | 3.66 | 11.26 | 27.18 | -15.61 | |
| Contrary | 12.58 | 2.75 | 7.95 | 4.88 | -1.63 | 4.7 | | -1.11 | -1.99 | 5.78 | 3.11 | 0.47 | 9.99 | |
| World Growth | -48.78 | -43.70 | -46.96 | -37.67 | -7.09 | 6.6 | | x | x | 13.07 | 17.11 | 34.67 | -15.76 | |
| Growth/Income | -36.80 | -30.85 | -34.55 | -29.27 | -7.32 | 4.7 | | 0.47 | 9.82 | 4.23 | 10.24 | 23.46 | -18.22 | |
| Bond Long | 3.48 | 2.72 | 4.87 | 2.20 | 7.75 | 2.4 | | 6.19 | 2.75 | 10.32 | 8.43 | 8.64 | 6.73 | |
| Bond High Yield | -25.78 | -24.05 | -25.97 | -24.07 | -6.75 | 2.8 | | x | 8.84 | 5.76 | 6.63 | 16.24 | -7.55 | |
| Bond World | -10.19 | -12.07 | -11.76 | -10.41 | 1.11 | 2.0 | | 4.74 | 5.65 | 7.40 | 9.07 | 11.56 | 10.56 | |
| MAAP Aggrsv Grth | -11.89 | -12.61 | -13.63 | -9.16 | -3.73 | 2.0 | For more information about these model portfolios, please see pages five and six. | 4.30 | 9.95 | 7.20 | 0.57 | 15.03 | -4.93 | |
| MAAP Growth | -6.86 | -7.18 | -8.06 | -5.79 | -1.89 | 1.1 | | 3.39 | 5.66 | 3.50 | 1.53 | 11.56 | -1.22 | |
| MAAP Balanced | -14.50 | -13.57 | -15.53 | -11.92 | -3.26 | 1.8 | | 3.17 | 7.59 | 2.01 | 5.88 | 12.57 | 0.09 | |
| MAAP Income | -4.45 | -6.38 | -6.37 | -5.27 | -1.14 | 0.8 | | 4.32 | 2.80 | -1.86 | 1.90 | 7.05 | 1.75 | |

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 nearly 800 funds. Firstly, we separate funds into their primary investment style, Equity, Bond, Hybrid, and then subdivide into categories like 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.

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