



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 (comet)

C measures the risk (V) adjusted relative performance between fund and market (CS).

Top 5% funds are grouped by class E* equity, H* hybrid, and B* bond and listed alphabetically.

(Bolded listings are ETFs.)

Fund	Symbol	Style	C
Accessor Growth	AGROX	ELC	9.1
Aquinas Small Cap	AQBLX	ESC	18.6
Artisan Mid Cap	ARTMX	EMC	17.9
Brown Small	BIASX	ESC	18.5
iShares Silver	SLV	EG	32.7
PS Agrcltr	DBA	EC	17.3
PS Silver	DBS	EG	32.5
Fidelity Pacific Basin	FPBFX	EWR	23.1
Fidelity Southeast Asia	FSEAX	EWR	17.9
James Small Cap	JASCX	ESC	18.0
LKCM SmCap	LKSCX	ESC	17.4
Managers Special Equity	MGSEX	ESC	18.5
Matthews Asian G/I	MACSX	EW	18.8
Matthews China	MCHFX	EWR	17.8
Meridian Growth	MERDX	EMC	17.3
Midas	MIDSX	EG	17.4
Nicholas Limited Edition	NCLEX	ESC	19.5
Royce Div Value	RYDVX	EV	17.3
Tocqueville Gold	TGLDX	EG	23.1
US Gbl Invst US Gold	USERX	EG	17.5
US Gbl Invst World PMtl	UNWPX	EG	20.5
US Gbl Invstrs Global Rsrcls	PSPFX	EWR	21.0
Value Line Fund	VLIFX	EGI	17.8
Wasatch Micro Cap	WMICX	ESC	17.6
Wasatch SmCap Grth	WAAEX	ESC	19.5
Wasatch Ultra Grth	WAMCX	ESC	21.8
Wells Fargo Discovery	STDIX	EA	17.6
Fidelity Asset Manager Income	FASIX	HA	16.6
Permanent Portfolio Family	PRPFX	HB	19.9
Value Line Asset Allctn	VLAAX	HB	17.7
BlackRock Hi Yld	BHYSX	BH	7.7
Buffalo High Yld	BUFHX	BH	7.7
Federated High Yld	FHYTX	BH	9.1
Fidelity Cap/Incm	FAGIX	BH	9.3
Marshall Intm Bond	MAIBX	BI	8.2
USAA Intm Bond	USIBX	BI	9.8
Bernstein Intrmdt Duratn	SNIDX	BI	5.1

Easing Worries

Ever since the Federal Reserve began to implement its quantitative easing program II (QE II) back on November 4th, bonds have tumbled, gold has jumped, and stocks have gone sideways. Now the Fed has announced that they may ease even further. They are not worried about inflation, according to a recent report, but more about deflation. Given the fairly good economic news of the past couple of weeks, and the market's reactions to QE II, we have to begin wondering what it is that the Fed sees that no one else seems to be getting.

With these contradictory cross-currents, however, it may well be to keep in mind that the Fed does have a two-pronged mandate. One is price stability, but the other is maximum employment. Clearly at this time, it is more focused on the latter, rather than the former. Apparently, it will leave monetary policy as loose as possible until unemployment ratchets down from 10% to the 6% area, or until inflation does in fact shoot back up to the 4% rate.

So how is this playing out? The bond market is evidently looking far ahead of the curve to when it is sure inflation will again come to the forefront, even if price hikes are not even on the horizon currently.

Some may point to gold as a harbinger of inflation, but gold has been rising without it; other commodities remain flat. This suggests

gold is viewed more as a hedge against a weak dollar and sovereign debt issues, rather than as an indication of future inflation.

For stocks, they are going sideways for now. Yet, as noted on page 7, there are faint signs of possible negative divergences showing up for the first time since March, 2009 when the bull market began.

For the economy, even if company jobs are not there, corporate earnings are. Earnings have surged, recovering nearly to where they were prior to the financial implosion of 2008. In fact, the estimated growth rate for earnings of the S&P 500 for the 4th quarter is 31%.

Given low interest rates, stocks are still cheap on an earnings model. The trouble though, as we're seeing with the bond market's reaction, is that rates may not stay low.

So, with all this talk about more monetary easing, it appears the Fed is simply focused on its job, maximum employment. Inflation remains muted. But if we look at bonds, and underneath the stock market surface, concerns are beginning to emerge.

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AROUND THE CAMPFIRE

Rock stars have their fans lining up for tickets, retailers have their shoppers lining up for sales, while wine drinkers line up on the third Thursday of November for the Beaujolais Nouveau. The new wine of the season.

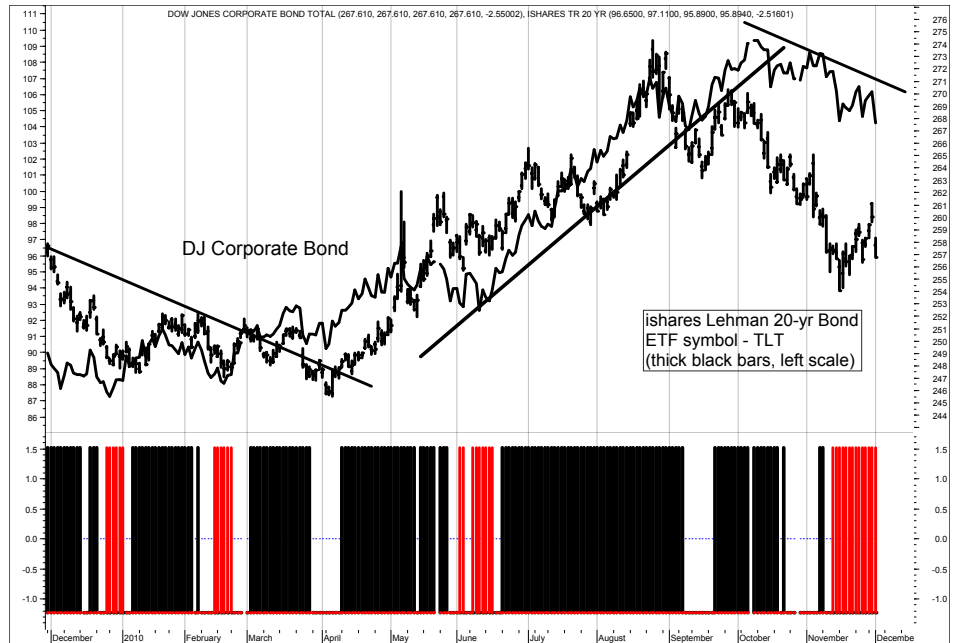
Hope your seasons are joyful.

Interest Rates and Bond Prices

My bond timing model turned bearish from bullish. So prices are projected to fall and yields to rise in the weeks and months ahead.

This model change has come about even with quantitative easing II underway in which the Fed buys bonds. This change suggests one of two things or perhaps even both. Either the economy is much stronger than the expectation or inflation will be much worse than the expectation.

In other words, why would bonds sell off with such a large vocal buyer? Does the market have it wrong or does the Fed? Right now, the market is voting for lower prices and higher yields. Given the recent news on consumer sentiment, housing, retail sales, car sales, unemployment news, and the like, it is clear that the bond bear market has a reason to exist. Its duration, however, is another question.



The SLM Bond Market Timing Model shown on bottom part of chart above is an intermediate-term (weeks to months) 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 black (green before) 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 green, the lighter bars indicate red. The model is based on the corporate bond market.

MAAP: Income

Given the bearish tone of the bond market, I'll wait to redeploy.

MONTHLY ACTIVITY

MONTH ENDING:

11/30/2010

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
27-Jul	sell	LKFIX	11.12	1,954.8377	21,738	PLW	Bond Flex	PS Laddered 1-30	28.80	775.6208	22,338	10%
27-Jul	sell	FGMNX	11.88	1,966.6656	23,364	TLH	Bond Intrmd	iShares 10-20 yr T	117.92	380.1296	44,825	20%
27-Jul	sell	PYGNX	10.53	1,986.2089	20,915	FBNDX	Bond Intrmd	Fidelity Corp Bond	7.45	3,033.0873	22,597	10%
27-Jul	buy	PLW	28.48	772.4719	22,000							
27-Jul	buy	TLH	115.75	380.1296	44,000	FAGIX	Bond HiYld	Fidelity Cap/Incm	9.40	3,709.2471	34,867	15%
27-Jul	buy	FBNDX	7.35	2,993.1973	22,000							
27-Jul	buy	HASDX	8.03	2,739.7260	22,000							
29-Oct	sold	HASDX	8.02	2,739.7260	21,973							
						MM	Money Market		100	103,240.0000	103,240	45%
						MM	Margin Loan		-100	-	-	0%
Total Valuation=											227,866	100%

MAAP: Aggressive Growth, Growth, and Balanced

PREVIOUS ACTIVITY			TO MONTH ENDING: 11/30/2010			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-Apr	sell	EEM	43.74	927.5058	40,569							
15-Apr	buy	TBGVX	22.51	1,802.2657	40,569	BERIX	Hybrid	Berwyn Income	13.38	3,799.3001	50,835	1%
15-Apr	sell	JAOSX	47.38	1,552.3568	73,551	FASIX	Hybrid	Fidelity AstMgr Incm	12.65	3,535.5068	44,724	10%
15-Apr	buy	CHTTX	29.72	2,474.7981	73,551	WTIFX	Eqty Wrld	Westcore Intrntl	14.36	3,429.8629	49,253	1%
20-May	sell	YACKX	15.14	2,609.9431	39,515	TBGVX	Eqty Wrld	Twdy Brn Glbl Value	22.74	1,802.2657	40,984	9%
20-May	buy	ASQIX	6.41	4,212.1685	27,000	ASQIX	Eqty SC	Amrcn Cntry Quant	7.26	4,212.1685	30,580	7%
20-May	buy	MRSCX	14.57	1,853.1229	27,000	MRSCX	Eqty SC	Marshall SmCap	17.33	1,853.1229	32,115	7%
11-Jun	buy	HRVIX	25.13	1,591.7230	40,000	HRVIX	Eqty V	Heartland Value	27.42	1,591.7230	43,645	9%
22-Nov	sell	CHTTX	29.98	2,475.7981	74,224							
						MM	Money Market		100	175,608.0000	175,608	38%
										Total Valuation=	467,743	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-Apr	sell	EEM	43.74	1,127.5058	49,317							
15-Apr	buy	TBGVX	22.51	2,190.8975	49,317	BERIX	Hybrid	Berwyn Income	13.38	7,592.5103	101,588	13%
15-Apr	sell	JAOSX	47.38	2,257.9735	106,983	FASIX	Hybrid	Fidelity AstMgr Incm	12.65	6,397.5843	80,929	10%
15-Apr	buy	CHTTX	29.72	3,599.6899	106,983	WTIFX	Eqty Wrld	Westcore Intrntl	14.36	6,860.3857	98,515	12%
20-May	sell	YACKX	15.14	5,219.8862	79,029	TBGVX	Eqty Wrld	Twdy Brn Glbl Value	22.74	2,190.8975	49,821	6%
20-May	buy	ASQIX	6.41	8,580.3432	55,000	ASQIX	Eqty SC	Amrcn Cntry Quant	7.26	8,580.3432	62,293	8%
20-May	buy	MRSCX	14.57	3,774.8799	55,000	MRSCX	Eqty SC	Marshall SmCap	17.33	3,774.8799	65,419	8%
11-Jun	buy	HRVIX	25.13	1,591.7230	40,000	HRVIX	Eqty V	Heartland Value	27.42	1,591.7230	43,645	5%
22-Nov	sell	CHTTX	29.98	3,599.6899	107,919							
						MM	Money Market		100	310,368.0000	310,368	38%
										Total Valuation=	\$812,578	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-Apr	sell	EEM	43.74	727.5058	31,821							
15-Apr	buy	TBGVX	22.51	1,413.6430	31,821	BERIX	Hybrid	Berwyn Income	13.38	3,796.2701	50,794	7%
15-Apr	sell	JAOSX	47.38	2,257.9735	106,983	FASIX	Hybrid	Fidelity AstMgr Incm	12.65	5,050.7355	63,892	9%
15-Apr	buy	CHTTX	29.72	3,599.6899	106,983	WTIFX	Eqty Wrld	Westcore Intrntl	14.36	6,859.7257	98,506	14%
20-May	sell	YACKX	15.14	5,219.8862	79,029	TBGVX	Eqty Wrld	Twdy Brn Glbl Value	22.74	1,413.6430	32,146	5%
20-May	buy	ASQIX	6.41	6,240.2496	40,000	ASQIX	Eqty SC	Amrcn Cntry Quant	7.26	6,240.2496	45,304	7%
20-May	buy	MRSCX	14.57	2,745.3672	40,000	MRSCX	Eqty SC	Marshall SmCap	17.33	2,745.3672	47,577	7%
11-Jun	buy	HRVIX	25.13	1,193.7923	30,000	HRVIX	Eqty V	Heartland Value	27.42	1,193.7923	32,734	5%
22-Nov	sell	CHTTX	29.98	3,599.6899	107,919	FAGIX	Bond HiYld	Fidelity Cap/Incm	9.27	7,413.3443	68,722	10%
22-Nov	sell	LKFIX	11.28	4,927.6342	55,584							
						MM	Money Market		100	245,767.0000	245,767	36%
										Total Valuation=	\$685,442	100%

I raised the cash levels as a reaction to the increasing bullishness amongst investors and advisors (a contrarian indicator), even as some potential negative divergences begin to show in the markets (see page 7). A correction of up to 15% from these levels should not be ruled out, but then a resumption of the bull market may unfold in 2011.

Market Timing and Asset Allocation

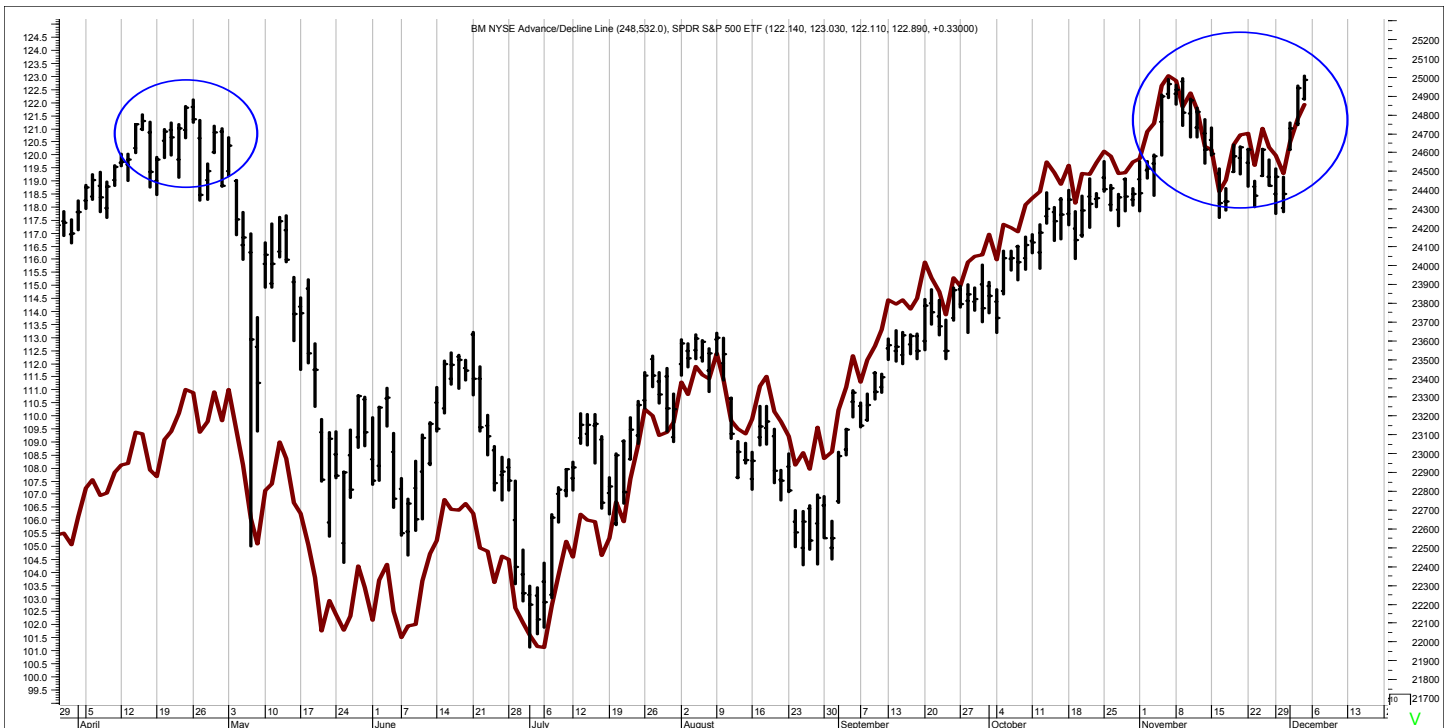
S&P 500 (SPY) and NYSE Advance-Decline Line

For the first time since the bear market bottom in March, 2009, this bull market is showing the beginning of a negative internal divergence between the S&P 500 and the NYSE advance-decline line. This is shown in the last circle on the chart. The S&P 500 is nearing a recovery high, but the advance-decline line is lagging the advance. This new development signals underlying weakness, in that participation is narrowing.

Even in the previous peak in April, things were “in gear” to

the upside. Shown in the first circle drawn. There was a correction afterwards to be sure, but the backdrop to that always suggested that higher prices would eventually prevail. The situation today, however, is different.

So, if you have leverage, this new information suggests you cut back. If you are fully invested, this new information suggests you at least tighten your stops. For my part, I have raised the cash levels.



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

STOCKS: Neutral intermediate-term **Bullish** long-term

GOLD: Neutral **BONDS:** Bearish

STOCK MARKET COMMENTS (SUM: 5 bull, 5 neutral, 2 bear)

US Gov. fiscal policy, **neutral** (tough decisions, twiddling thumbs).

Corporate activity **bullish** (earnings recovery to pre-financial crisis).

Economy, **bullish** (still expanding, job pickup in 2011?).

Inflation, **neutral**. (deflation still the question).

World input, **neutral** (sovereign debt issues; China tightening).

Housing, **neutral** (lots of overhang still).

Investor sentiment, **bearish** (too many bulls).

Federal Reserve policy, **bullish** (quantitative easing).

Market valuation (PE, yield, book), **bullish** (very undervalued).

(29,200 projected on DJ Industrials to fair value, earnings discounted).

Exogenous events, **neutral** (Korea war? Debt payback?).

Hedge fund/leverage risk, **bullish** (consolidations, M&A picking up).

Technical, **bearish**, (negative divergences showing up).

It is always an interesting phenomena to watch the interplay, the dance between the market and its participants. At significant turns from bear to bull and bull to bear, typically we see the external averages (the raw numbers) hit new lows or highs, yet internal divergences multiply in various ways.

The latest example is a case in point. As noted above, the advance-decline line is lagging the stock market's advance for the first time, but participant sentiment has markedly turned bullish.

Underneath all of that, however, is the supporting facts of low interest rates, recovered earnings, and projected growth. These fundamentals must continue.

Performance Scoreboard

INDEXES, FUND STYLES & MAAP PORTFOLIOS	%RETURNS FROM THE PAST X MONTHS THRU 11/30/10					V Vol- atility	INDEX CLOSE		PERFORMANCE IN:					
	X= 12	9	6	3	1				2009	2008	2007	2006	2005	2004
DJ Wilshire 5000	11.36	8.96	9.31	14.04	0.42	4.5	12464.30	-	26.52	-36.68	3.94	13.72	8.24	10.85
Dow Jones Industrials	6.39	6.59	8.58	9.90	-1.01	3.8	11006.00	-	18.82	-33.84	6.43	16.29	-0.61	3.15
Standard & Pooors 500	7.75	6.89	8.37	12.51	-0.23	4.3	1180.55	-	23.45	-38.49	3.53	13.62	3.00	8.99
Russell 2000	25.40	15.66	9.88	20.75	3.36	6.3	727.01	-	25.22	-34.80	-2.75	17.00	3.32	17.00
Dow Jones World Index	6.53	8.53	11.75	10.95	-2.16	4.2	236.47	-	31.97	-42.85	8.43	18.52	9.41	14.43
Gold/Sliver Index (XAU)	16.04	32.08	22.56	15.13	4.34	7.2	213.17	-	35.85	-28.54	21.84	11.11	28.87	4.65
Dow Jones Ttl Bond	8.48	8.12	6.26	-0.11	-0.75	1.1	270.16	-	17.89	1.80	5.24	3.70	1.40	3.99
Small Cap	25.10	16.67	11.99	20.42	3.42	5.8	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.	3186	-39.13	-3.52	7.20	2.63	11.74	
Mid Cap	19.75	13.55	11.77	17.36	1.87	5.3		35.93	-41.93	6.00	6.79	8.38	12.96	
Large Cap	12.37	10.09	10.95	15.87	0.89	4.8		33.01	-39.89	5.81	6.11	5.75	13.34	
Value	11.13	8.02	8.25	12.92	0.20	4.4		30.13	-37.96	-6.44	10.08	3.66	11.26	
Contrary	-9.15	-7.16	-2.57	-1.97	-0.30	4.5		-5.99	5.36	-1.11	-1.99	5.78	3.11	
World Growth	6.96	9.96	14.98	10.88	-2.96	4.6	For more information about these model portfolios, please see pages five and six.	37.01	-47.03	x	x	13.07	17.11	
Growth/Income	9.14	7.25	8.41	11.85	0.13	4.1		25.16	-36.20	0.47	9.82	4.23	10.24	
Bond Long	1.09	6.63	3.03	-7.09	-1.78	2.8		-8.70	11.91	6.19	2.75	10.32	8.43	
Bond High Yield	6.36	4.51	5.13	2.65	-1.58	1.7		30.64	-23.05	x	8.84	5.76	6.63	
Bond World	-0.57	2.74	5.23	-0.84	-4.22	2.0		10.54	-7.34	4.74	5.65	7.40	9.07	
MAAP Aggrsv Grth	8.68	7.74	7.46	9.14	0.46	2.5		2135	-10.73	4.30	9.95	7.20	0.57	
MAAP Growth	8.88	7.89	7.53	8.63	0.54	2.5		20.83	-5.75	3.39	5.66	3.50	1.53	
MAAP Balanced	11.15	9.57	9.26	9.42	0.90	2.3		24.69	-13.09	3.17	7.59	2.01	5.88	
MAAP Income	4.36	3.59	2.76	-0.22	-0.52	0.6		5.60	-4.78	4.32	2.80	-1.86	1.90	

Funds and MAAP portfolio data include dividend reinvestment. Market data does not include dividends, except for T-Bond Index. (MAAP performance deducts a simulated 2% fee as if the portfolio was managed. Subscribers may generally add 2% to the numbers to get actual results.)

Managed Asset Allocation Program (MAAP)

Fund Selection. Our selection process is on nearly 800 funds and ETFs. Firstly, we separate them into their primary Asset class, Equity, Hybrid, Bond. We then subdivide them into Styles like small, large, value, international, etc.. Next, we rank the funds by performance relative to the market and peer group (CS). We measure their risk by volatility (V). We then rank and pick them by risk-adjusted performance.

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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