

No-Load Mutual Fund Selections & Timing Newsletter

P.O. Box 830396
Richardson, TX 75083-0396

972-680-2366
InvestmentST.com

11/28/12

Dear Subscriber,

It is time to make another lateral move, selling a 3 comet fund (HBFBX) and buying a 5 comet fund (BUFBX). Both are in the Hybrid Style (H). As a reminder, this is the time of year when funds declare their 'extra' dividends and any capital gains for the full year. For this reason and to capture a long-term capital gain from another position, I'll hold a bit longer the others that have slipped in rankings. HBFBX is a long-term gain.

BUFBX representatives say no capital gain is planned for 2012, but an additional income dividend is planned. BUFBX also has a 60 day holding period in order to avoid a short-term redemption charge of 2%.

Aggressive Growth Portfolio

Sell all HBFBX and buy \$50,000 (about 10% of the total portfolio) into BUFBX. (Cash levels remain about the same.)

Growth

Sell all HBFBX and buy \$85,000 (about 10%) into BUFBX. (Cash levels go up by about 2%.)

Balanced

Sell all HBFBX and buy \$53,000 (about 7%) into BUFBX. (Cash levels remain about the same.)

TIMING

Neutral on stocks long-term and intermediate-term.

Bullish on bonds.

Bullish on gold.

The stock market finally reacted negatively to the upcoming Fiscal Cliff, which is something I've been expecting for some time now. The rest of the backdrop remains positive with the Fed still easing and housing recovering. Consumers are feeling better, even with unemployment around 8%. Tax increases, however, will directly effect all of us. Thus, I remain neutral on stocks.

Steve McKee
Editor