

No-Load Mutual Fund Selections & Timing Newsletter

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

972-680-2366
InvestmentST.com

11/29/11 about 11:05 am cst (the original email said pm, but corrected to am)

Dear Subscriber,

The stock market continues its yo-yo ways, up one day (month) and down the next without too much of a discernable trend. Sovereign debt and economic issues, both abroad and domestic, pull the trades. Yet, the market remains long-term, relative to bonds "cheap". So, on a timing basis with this mixture of uncertainty, I will only deploy a small amount of cash out of the money market into the new position noted below.

On a selection basis, I will make a lateral trade out of WTIFX (Westcore International) into AFSAX (FBR Balanced). I must comment that WTIFX has been a great hold. We'll be selling with a long-term capital gain. But it has fallen into the 3 comet category.

AFSAX is in the hybrid style, owning both stocks and bonds. It does not expect to pay any capital gains this year, but only the "normal" dividend.

PORTFOLIOs

In Aggressive Growth, Growth, and Balanced, sell all shares of WTIFX. In Aggressive Growth buy \$25,000 (about 5%) into AFSAX. In Growth buy \$42,000 (about 5%) into AFSAX. In Balanced buy \$36,000 (about 5%) into AFSAX.

Also in Income Portfolio buy \$25,000 (about 10%) into LQD. Also in Balanced buy \$36,000 (about 5%) into LQD (LQD is an iShares ETF invested in investment grade corporate bonds). LQD has come down into what looks to be a low-risk entry area around \$110.00. Use a sell-stop of \$108.00, selling if it closes below that level.

TIMING

Stocks Intermediate-term neutral. Long-term neutral (trend sideways at best).

Bonds Neutral

Gold Neutral

Thank you,

Steve McKee
Editor