

No-Load Mutual Fund Selections & Timing Newsletter

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

972-680-2366
InvestmentST.com

4/17/12 about 7:10pm for action to take on 4/18/12 (Wednesday)

Dear Subscriber,

Time to make some lateral moves, in which we sell three laggard funds and replace them with three leading funds. The cash levels will also be reduced slightly.

PORTFOLIOS

To sell:

In the Aggressive Growth, Growth, and Balanced Portfolios, sell all FASIX, DLENX, ARTSX. FASIX is a long-term capital gain, while DLENX and ARTSX are short-term. For those very concerned with taxes, ARTSX will go long-term in about 3 months (assuming you bought when we did). There are no redemption charges for the sales.

To buy:

Aggressive Growth, buy \$49,000 (about 10%) each into MOBAX (Aston Montag Balanced in the Hybrid style), \$49,000 into DVY (iShares DJ Select Dividend in the Growth/Income style), and TGCNX (TCW Select Equities in the Large Cap style). This reduces the cash position by about 5% (from 48% to 43%).

Growth, buy \$87,000 (about 10%) each into MOBAX, DVY, and TGCNX. This reduces the cash position by about 4% (from 44% to 40%).

Balanced, buy \$69,000 (about 9%) each into MOBAX, DVY, and TGCNX. This reduces the cash position by about 4% (from 44% to 40%).

TIMING

The stock market had another very mild pullback and is again moving higher. There is not much change to the fundamentals or technicals at this point. Investor sentiment remains somewhat muted, though climbing toward the danger zone of too much bullishness. It's simply surprising it's not there yet. The long-term negative divergence between the Dow Industrials and Transports is also still apparent. How these get resolved should be interesting.

Stocks Intermediate-term neutral. Long-term neutral.

Bonds Neutral (waiting for a pullback)

Gold Bullish

Thank you, Steve McKee, Editor