

Selections & Timing

Vanguard Fund Family

PO Box 3367 Bella Vista AR 72715

Striving to provide you with the most return and the least risk.

Date: July 2016 (pricing data through 6/30/16)

Publisher: Watercourse Way Holdings, LLC

Volume: 2 Number: 7 SelectionsAndTiming.com 401kSelections.com Editor: Stephen L. McKee

UPDATE: VWINX slipped to number four, but rather than sell to buy precious metals (VGPMX), I'll not make any changes. Part of the reason is because VGPMX was not part of the backtest. It also appears overbought and due for a pullback. The portfolio is looking better over the last three months.

VANGUARD, selected & timed (3-month hold at least), style and asset allocated (stock, bond, balanced, cash)												
Past & Future Activity	Activity	Fund	Action Price	Number of Shares	Action Value	Fund	Fund Style	At month end Symbol	Ending NAV	Number of Shares	Current Value	Percent of Total
PAST												
3-Jun	sell	VFISX	10.75	2,842.3006	30,555	Invst Grd LT	BL	VWESX	10.95	2,792.3729	30,576	30%
3-Jun	sell	VFSTX	10.73	2,853.5034	30,618	REIT	EA RE	VGSIX	29.48	1,077.9504	31,778	32%
3-Jun	buy	VWESX	10.74	2,793.2961	30,000	Wellesly	H	VWINX	26.03	1,272.5306	33,124	33%
3-Jun	buy	VGSIX	28.06	1,069.1376	30,000							
TO DO ON												
no changes												
						Cash	Money Market		1.00	5,066.0000	5,066	5%
										Total Valuation=	100,544	100%

	2015	ytd 2016	12 m	9 m	6 m	3 m	1 m
Vanguard Portfolio	-1.11	1.68	0.54	0.54	1.68	3.95	3.36
World Growth Index	-3.01	1.44	-1.62	7.56	1.44	1.60	-0.32
World Income Index	0.19	8.17	8.39	7.07	8.17	3.75	3.06
World Hybrid (60/40) Index	-1.97	3.68	1.64	7.39	3.68	2.33	0.83

We track and rank 48 Vanguard funds monthly by C, the risk-adjusted relative strength metric. We buy and hold the three top funds.

After at least a three-month hold, we either stay with the buys or sell the laggards and buy the new leaders. This is a proactive rotational allocation strategy. The funds and ranks are shown on page 2.

The right side of the top table above shows the Vanguard Portfolio at month end. The left side

shows new trades upcoming for the month and past trades from previous months.

The lower table above shows the Vanguard Portfolio compared with the World Indexes.

If you have any questions, please email us. Thank you.

Info@SelectionsAndTiming.com

Vanguard Fund Family by C

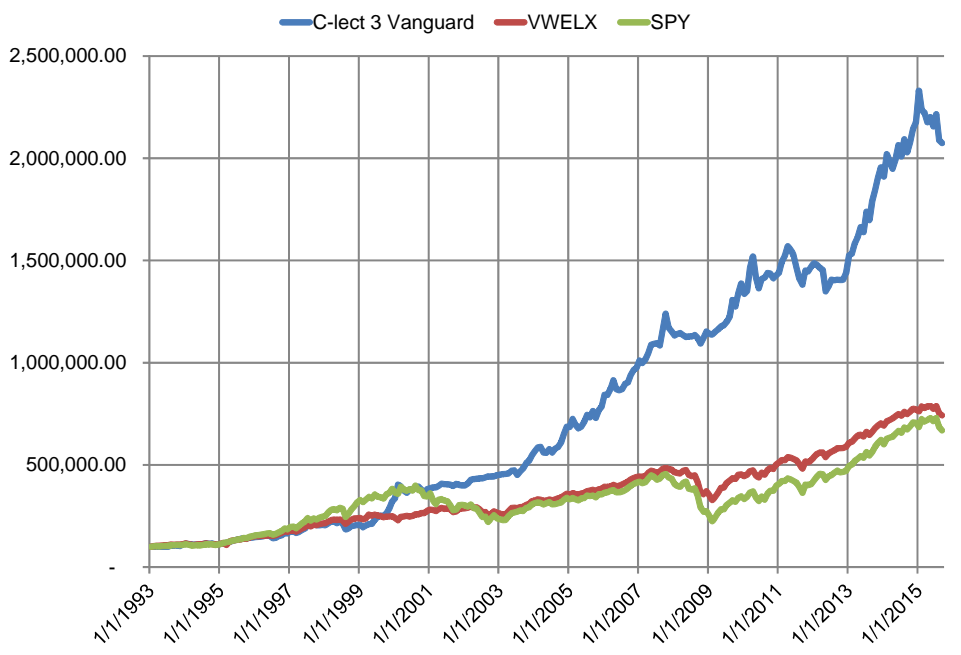
VANGUARD FUND FAMILY by C

ETF Altrntv	Sell Eligible	Legend	Fund Name	Symbol	S	A	12m	9m	6m	3m	1m	NAV	V	CS	C	Fmly Rank
NotAvl		F S T	Vanguard Prc Mtls	VGPMX	EG	E	30.7	67.4	77.4	34.8	17.0	11.07	9.9	211.5	21.3	*****
VGLT		F S T	Vanguard LT Trsry	VUSTX	BL	B	19.6	13.4	15.3	6.4	6.3	13.89	2.2	45.0	20.3	*****
BLV	9/2/2016	F S T	Vanguard LT InvstGrd	VWESX	BI	B	15.9	13.0	12.9	5.7	3.7	10.95	1.8	35.3	19.5	*****
NotAvl	7/4/2016	F S T	Vanguard Wellesley Incm	VWINX	H	H	9.5	10.4	7.6	3.0	2.2	26.03	1.2	17.5	14.4	****
VNQ	9/2/2016	F S T	Vanguard REIT	VGSIX	ERE	E	23.8	21.3	13.4	6.8	6.9	29.46	4.0	56.3	14.2	****
VYM		F S T	Vanguard High Yld Dividend	VHDYX	EV	E	9.6	16.8	8.6	4.3	2.1	28.30	2.5	25.6	10.4	****
BIV		F S T	Vanguard IT InvstGrd	VFICX	BI	B	6.8	5.6	5.8	2.2	1.6	10.08	0.7	6.1	8.7	****
VYM		F S T	Vanguard Equity Income	VEIPX	EGI	E	9.0	15.3	7.7	4.0	1.6	31.39	2.5	21.7	8.6	****
VIG		F S T	Vanguard Div Grth	VDIGX	ELC	E	9.1	12.8	5.6	2.7	1.6	23.41	2.3	15.9	7.0	****
BND		F S T	Vanguard TTL Bond Index	VBMFX	BI	B	5.8	4.6	5.3	2.1	1.7	11.09	0.6	3.7	5.9	****
VTIP		F S T	Vanguard FI TIP	VIPSX	BS	B	4.5	5.5	6.4	1.7	2.3	13.66	0.9	4.5	5.1	****
MGV		F S T	Vanguard Value Index	VIVAX	EV	E	4.5	12.7	5.4	3.8	1.1	33.16	2.5	11.6	4.6	****
NotAvl		F S T C	Vanguard Wellington	VWELX	H	H	4.8	9.3	5.0	3.0	0.8	38.14	1.9	7.0	3.6	****
VGIT		F S T	Vanguard IT Trsry	VFITX	BI	B	5.8	3.7	5.0	1.6	1.9	11.74	0.7	2.2	3.4	****
NotAvl		F S T	Vanguard Balanced	VBINX	H	H	3.9	8.0	4.5	2.5	0.9	30.26	1.7	4.0	2.4	***
VYM		F S T	Vanguard Grwth & Incm	VQNPX	EGI	E	4.2	10.6	3.8	2.4	0.5	40.64	2.6	5.8	2.2	***
VOO		F S T	Vanguard 500 Index	VFINX	ELC	E	3.8	11.0	3.8	2.4	0.3	193.67	2.6	5.4	2.1	***
NotAvl		F S T	Vanguard High Yld Corp	VWEHX	BH	B	1.9	4.8	5.3	2.9	0.4	5.70	1.3	-0.6	-0.1	***
VMBS		F S T	Vanguard GNMA	VFIX	BU	B	4.0	2.8	2.9	1.0	0.6	10.85	0.4	-4.7	-0.2	***
BSV		F S T	Vanguard ST InvstGrd	VFSTX	BS	B	3.0	2.6	2.9	1.1	0.7	10.77	0.3	-5.7	-0.2	***
VGSH		F S T	Vanguard ST Federal	VSGBX	BS	B	2.0	1.3	1.8	0.5	0.6	10.86	0.2	-9.5	-0.2	***
VGSH		F S T	Vanguard ST Trsry	VFISX	BS	B	1.6	1.2	1.8	0.5	0.7	10.80	0.2	-10.1	-0.2	***
VB		F S T	Vanguard SmlCap Index	NAESX	ESC	E	-3.0	8.2	5.0	3.9	0.3	55.39	3.2	-1.5	-0.5	***
VTV		F S T	Vanguard US Value	VUVLX	EV	E	-0.1	7.4	2.3	2.5	0.1	16.67	2.5	-3.8	-0.9	***
NotAvl		F S T	Vanguard Star	VGSTX	H	H	0.2	6.0	2.4	1.8	-0.1	23.68	1.9	-5.5	-1.0	***
VO		F S T	Vanguard MidCap Index	VMSX	EMC	E	-1.0	7.0	3.4	2.3	-0.1	33.73	2.8	-4.2	-1.2	***
MGV		F S T	Vanguard Windsor II	VWNFX	ELC	E	-1.1	7.7	3.1	2.9	-0.9	34.15	2.9	-4.2	-1.2	***
MGK		F S T	Vanguard Index Grth	VIGRX	ELC	E	1.3	7.8	1.3	1.0	-0.7	55.19	3.0	-5.1	-1.5	***
VWO		F S T	Vanguard Emrg Mrkt	VEIEX	EW	E	-12.3	7.3	7.7	2.3	5.0	22.25	4.9	-5.9	-2.9	***
VBK		F S T	Vanguard SmlCap Grwth	VISGX	ESC	E	-6.5	5.9	2.3	4.3	0.5	34.84	3.3	-9.4	-3.1	***
VXF		F S T	Vanguard Extended Mrkt Index	VEXMX	EMC	E	-5.5	5.7	2.4	3.4	-0.1	64.80	3.2	-10.1	-3.2	***
MGK		F S T	Vanguard PRIMECAP	VPMCX	ELC	E	0.1	6.9	-1.7	0.3	-2.4	98.00	2.9	-12.6	-3.6	***
VT		F S T	Vanguard Global Eqty	VHGX	EW	E	-3.5	5.5	0.3	0.5	-1.0	23.70	2.7	-14.0	-3.8	***
NotAvl		F S T C	Vanguard Convertible Securities	VCVSX	EGI	E	-6.7	0.1	-0.1	1.9	-1.2	12.05	1.8	-21.8	-3.9	***
VUG		F S T	Vanguard Morgan Grow th	VMRGX	ELC	E	-1.0	5.2	-1.7	0.2	-1.0	24.50	3.0	-14.2	-4.2	**
VO		F S T	Vanguard Strtg Eqty	VSEQX	EMC	E	-4.3	3.9	0.9	0.5	-0.7	28.55	2.9	-15.7	-4.6	**
NotAvl		F S T	Vanguard Pacific Index	VPACX	EW	E	-6.8	6.3	-0.5	1.4	0.1	10.64	3.1	-15.4	-4.8	**
MGK		F S T	Vanguard US Grow th	VWUSX	ELC	E	-1.0	4.8	-3.3	0.2	-2.0	28.82	2.9	-17.1	-5.0	**
VBK		F S T	Vanguard Explorer	VEXPX	ESC	E	-8.8	4.7	1.4	2.6	-0.2	81.57	3.3	-16.2	-5.3	**
VXUS		F S T	Vanguard Intl Equity	VFSVX	EW	E	-6.2	4.6	0.9	0.0	-2.1	35.43	3.0	-18.6	-5.6	**
VOE		F S T	Vanguard Slctd Value	VASVX	EV	E	-5.0	4.6	1.2	0.0	-2.6	26.16	3.3	-17.7	-5.9	**
MGV		F S T	Vanguard Windsor	VWNDX	ELC	E	-6.4	3.9	-0.6	1.4	-2.3	18.88	3.4	-19.8	-6.6	**
NotAvl		F S T	Vanguard Intl Grow th	VWIGX	EW	E	-8.3	5.4	-1.6	0.5	-1.4	20.77	3.6	-21.3	-7.6	**
MGK		F S T	Vanguard Cap Opprtn	VHCOX	ELC	E	-5.3	2.8	-4.6	-1.4	-4.1	49.06	3.2	-28.4	-9.0	**
NotAvl		F S T	Vanguard Intl Value	VTRIX	EW	E	-11.6	2.1	-0.4	0.1	-0.6	30.97	3.6	-26.3	-9.5	**
VWO		F S T	Vanguard Intl Explorer	VINEX	EW	E	-7.3	-0.4	-5.5	-3.6	-5.5	16.02	3.0	-38.1	-11.3	*
VOE		F S T	Vanguard Cap Value	VCVLX	EV	E	-14.8	4.6	-1.1	3.3	-2.2	10.80	4.6	-26.0	-11.9	*
VGK		F S T	Vanguard European Index	VEURX	EW	E	-10.9	-2.6	-4.6	-2.3	-4.4	24.99	3.6	-40.6	-14.7	*

This table shows the Vanguard funds we track and their ETF counterparts (column 1). The green highlight in column 2 (Sell Eligible) means these 35 funds were part of the back test. For the most part, those will also be the funds in the portfolio, even if there are higher ranked funds. The reason for this is to provide continuity. The results of the back test are shown on page 3. The Sell Eligible column 2 also shows the three funds in the portfolio and their eligible sell date. For Vanguard, we assume at least a three-month holding period to avoid redemption charges. Please see page 4 for more legend details.

Back Test Results

How C-lect May Work For You



TRAILING RETURNS	to year end 2014
1 year	11.2
3 years	14.0
5 years	9.4
10 years	12.2
15 years	13.6
20 years	16.0
Inception	14.7

PAST PERFORMANCE	
2014	11.2
2013	36.0
2012	(2.2)
2011	3.1
2010	2.8
2009	20.4
2008	(0.1)
2007	18.3
2006	24.2
2005	14.2
2004	25.7
2003	21.5
2002	12.6
2001	4.9
2000	18.8
1999	55.1
1998	(0.2)
1997	25.8
1996	14.5
1995	28.2
1994	2.5
1993	10.9
1992	(1.0)
1991	22.4

The chart and tables show the back tested results of buying the top three Vanguard Family funds as measured by C, holding for at least 90 days, and rotating out of the laggards into the leaders on an ongoing continuous basis. On the chart, C-lect 3 Vanguard is the blue line following a rotation strategy, VWELX (Vanguard Wellington), a balanced fund, is the red line following a buy and hold approach, and SPY (S&P 500), a domestic large cap ETF, is the green line following a buy and hold approach. The period is from 1/1/1993 through 9/30/2015. Account start values were \$100,000. No additions or subtractions were made thereafter.

While buying and selling based on C, the risk-adjusted relative performance metric, over the years and decades in the back test produced superior results, in any one year the C ranking may or may not outperform the markets. This may be due to increased market volatility in that year.

For the test, one fund's sell and buy rebalanced all funds held, though in real time, one sell buys one fund for the same dollar amount would be practiced.

The same funds were used for the whole back test.

Dividends are reinvested.
Taxes are not considered.

Information does not take into account your personal situation.

Past performance does not guarantee future performance. There is no assurance that future periods will be equivalent or similar to past periods. In a back test, there is no guarantee that actual trades could actually be made at the actual prices. All investments have risk; you may lose principle when investing. There are no guarantees. Read the fund's prospectus.

Legend

ETF Altrntv	Sell Eligible	Legend	Fund Name	Symbol	S	A	12m	9m	6m	3m	1m	NAV	V	CS	C	Fmly Rank
----------------	------------------	--------	-----------	--------	---	---	-----	----	----	----	----	-----	---	----	---	--------------

This information below identifies the column headings shown above, which are also on page 2.

ETF Altrntv is the Vanguard ETF alternative to its mutual fund.

Sell Eligible is the earliest date from purchase that the fund may be sold. For Vanguard, it is three months. If there is a green highlight, it means the fund was part of the back test. If there is a date, it means the portfolio owns the fund and it is the earliest date the fund may be sold, assuming a minimum of a three-month hold.

Legend shows fund specific information. It is a short list of where the fund is available for purchase (F is Fidelity, S is Schwab, T is TD Ameritrade). C means the fund is closed. R means there is a short-term redemption fee.

Fund Name is the fund name.

Symbol is the fund ticker symbol. This is the official identification.

S is Style. The first letter is for the A, the next letter or two is the style. BS is bond short-term. BI is bond intermediate. BL is bond long. BH is bond high-yield. BW is bond world. BU is bond government. EG is equity gold. EGI is equity growth/income. ELC is large cap. EMC is mid cap. ESC is small cap. EV is value. EW is world. H is hybrid. A is Asset. B is bond. H is hybrid. E is equity.

12m, 9m, 6m, 3m, 1m is a fund's returns over those periods. Dividends are reinvested.

NAV is net asset value.

V is volatility, a measure of risk.

CS is comet strength, a measure of relative performance to an index. The index is 60% of the World Growth Index and 40% of the World Income Index.

C is comet, the risk-adjusted relative performance metric. The higher the C is the better.

Fmly Rank is family rank. This shows where the fund ranks by C within the fund family. This is either 5, 4, 3, 2, or 1 comets. 5 is the highest ranked by C.

World Growth Index (WGI) is made up of 20% EEM, EFA, IWM, QQQ, SPY.

World Income Index (WII) is made up of 20% PCY, BSV, TLH, LQD, JNK.

World Hybrid Index is made up of 60% WGI and 40% WII.

Watercourse Way Holdings, LLC publishes and owns *Selections & Timing Vanguard Fund Family*. It is normally posted to SelectionsAndTiming.com by the fifth business day of the month. Price data is through the previous month's end. Email notifications go to subscribers that the new issue is posted. Hotlines may be sent between issues. There is no mailed issue. Currently this newsletter is included with subscriptions to *No-Load Mutual Fund Selections & Timing Newsletter*.

Email SMcKee@SelectionsAndTiming.com or call **1-800-800-6563** with any questions or comments.

To subscribe, please call 1-800-800-6563 or visit our web site SelectionsAndTiming.com or write to PO Box 3367 Bella Vista AR 72715. Subscriptions are \$180.00 per 12 issues (12 months) or \$18/month. Subscriptions also include emailed hotline updates and special reports. Subscriptions may be tax deductible.

Disclaimer, Nothing in this Newsletter should be construed as an offer to buy or sell any securities. Information herein does not consider your personal situation. Information is assembled from sources who are believed reliable, but the accuracy of data or advice cannot be guaranteed. Past performance does not guarantee future performance. No chart, strategy, back test, or tactic guarantees gains or losses. No assurances can be given that objectives will be met. The company, its officers, staff, and clients may or may not invest in the funds and/or in the proportions shown herein. All disclaim any and all liability for any losses that may result from use of any information presented herein. All investments involve risk of loss. Read a fund's prospectus carefully before investing.

To reprint limited material, provide full credit, including name, address, phone number, and web site SelectionsAndTiming.com.

Copyright, ©, 2015-6, Watercourse Way Holdings, LLC. All rights reserved.