

# MONEYLETTER.com<sup>®</sup>

*"Serving Investors Since 1980"*

## Dissing The Recovery

by Walter S. Frank, Chief Investment Officer

When Wall Street gets into a crabby mood, and that's the mood right now, nothing seems to satisfy it. Come in with good numbers, and the response will be: "They should have been better." Or when everything finally points to a pickup in activity, Wall Street starts fretting about inflation and higher interest rates.

We have had a reflection of this mood in the behavior of the stock market in recent weeks. While the economic news tells us that we have a more vigorous recovery underway than anyone expected, the markets have marked time. Selling has persistently come in whenever the market threatens to break out. Volume remains low indicating the bulls lack conviction and the bears appear to sense that they are moving against the tide. The result is a stalemated market, always an unsatisfactory outcome for all sides.

### *The old profits rag*

There are a number of things Wall Street is crabby about, but right at the center is valuation, or its equivalent, the profits outlook. The topic has been beaten to death, but it just will not go away. Nobody denies that we are starting this recovery with stocks fully (should I even say richly?) valued. Using First Call's tabulation of earnings estimates the S&P 500 is selling at 20.8 times the profit estimates for the year 2002. On a historical basis this is a high valuation. For many this ends the discussion. Stocks are not fundamentally attractive.

But we believe it would be short-sighted to leave it at that. We are at the beginning of a strong recovery, one that we think will continue vigorous through next year. We should see a strong profits recovery occur paralleling the recovery. We doubt that Wall Street's analysts, battered as they have been, have fully reflected the profits recovery in their current numbers.

Moreover, if stocks simply do nothing over the next six months, the forward looking price-earnings ratio at that time, just considering analysts' current profit estimates, will be materially less than today's ratio. We see no reason, given our overall outlook, why the price-earnings ratio later this year should be much less than the one that now exists. In other words we don't see why the market would not increase in tandem with the profits recovery during the rapid phase of the profit climb.

### *Beyond inventories*

The picture we are drawing assumes that the recovery has legs and will not falter later this year. This is not a certainty, but we believe it has a very high probability of being the case. Even so, many on Wall Street remain to be convinced that the recovery underway is not just a temporary inventory phenomenon which is giving the economy a powerful one-time push without any follow through.

We think this ignores the dynamics of the business cycle. As the economists at JP Morgan Chase Bank put it recently, "The catalyst for economic growth during the second half of '02 will be the turnaround in the U.S. profit cycle... Despite low operating rates, investment has always recovered as the economy and profitability rebound from recession... The rise in equipment spending early this year is a sign that the beginnings of an upturn in business spending are already here."

As we said, Wall Street is crabby and it needs to be shown that there is something after the inventory thrust. What it will take before the Street is convinced is consistently good capital goods new orders, and business indicating that the investment purse strings are loosening up. We are convinced this will happen, but we are early in the process.

### *Portfolio comments*

As promised in an earlier issue, we have added CGM Focus to our fund list. As you can see it is the top fund in the list. We must warn you that the fund is not for everyone. The fund has been and, we believe, will be highly volatile. This reflects the style of Ken Heebner who manages the fund, and who does not shy from big sector bets. A ride with Heebner can have its jarring as well as exhilarating moments. CGM Focus is available directly by calling 800-345-4048.

The Hotline of Tuesday, April 2 recommended the sale of T. Rowe Price Capital Appreciation. The fund is in the Moneyletter Venturesome and Moderate Portfolios. In both portfolios we are switching the fund into Royce Low Priced stock.

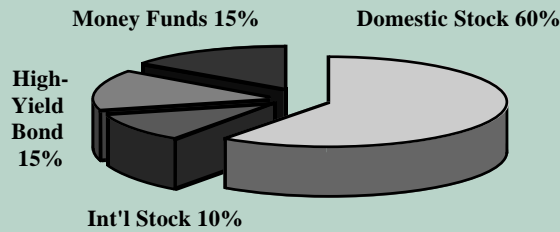
The same Hotline recommended the sale of Fidelity Diversified International. The fund is in the Fidelity Conservative Portfolio. We will switch the fund into Fidelity Europe, a new buy. \$

### Market Trends

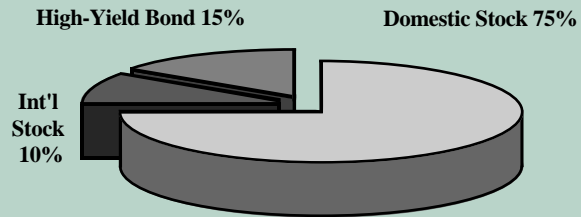
	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Flat	Higher
Interest Rates	Lower	Higher
Dollar	Higher	Flat/Lower
Inflation	Lower	Flat
Dow	Higher	Higher
NASDAQ	Flat	Higher
Europe	Lower	Higher
Japan (Nikkei)	Lower	Higher
Hong Kong (Hang Seng)	Lower	Higher

**CONSERVATIVE**

Seeks steady long-term growth of capital with limited short-term volatility

**MODERATE**

Seeks greater long-term growth than the Conservative Portfolio by taking prudent risks

**MONEYLETTER Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.2%	12,632	\$1.00	\$12,632
Columbia High Yield	01/17/01	4.9	1,453	8.77	12,744
Wasatch Core Growth	02/07/01	33.8	419	38.11	15,961
Wasatch Small Cap Value	05/09/01	27.1	3,547	4.69	16,636
Yacktman	11/15/00	28.1	1,809	11.75	21,254
TCW Galileo Value Opp.	04/25/01	23.9	1,090	19.46	21,216
Tweedy Browne Gbl Val	08/23/00	1.4	484	19.79	9,579
<b>TOTAL VALUE</b>					<b>\$110,022</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
6.0%	21.9%	20.3%	41.5%	5.6%

**MONEYLETTER Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Buffalo High Yield	06/20/01	1.9%	1,326	\$9.87	\$13,087
Matthews Pacific Tiger	02/06/02	9.7	971	9.70	9,421
TCW Galileo Value Opp.	05/09/01	17.6	816	19.46	15,877
T. Rowe Cap Appr.	03/21/01	16.4	779	15.77	12,279
Yacktman	11/15/00	28.1	1,795	11.75	21,093
Wasatch Core Growth	02/07/01	33.8	501	38.11	19,078
<b>TOTAL VALUE</b>					<b>\$90,835</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
5.9%	22.0%	17.0%	27.9%	5.9%

**Fidelity Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.3%	15,616	\$1.00	\$15,616
Fidelity High Income	01/17/01	-10.3	1,699	8.01	13,609
Fid. Low Priced Stk (3%)	02/20/02	7.0	600	29.33	17,608
Fidelity Small Cap Indep.	10/30/01	15.8	1,183	17.17	20,310
Fidelity Value	02/07/01	17.8	347	56.02	19,420
Fidelity Diversified Int'l	07/11/01	1.5	427	19.55	8,345
<b>TOTAL VALUE</b>					<b>\$94,908</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
4.5%	13.1%	6.0%	14.6%	3.7%

**Fidelity Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity High Income	01/17/01	-10.3%	1,827	\$8.01	\$14,636
Fidelity Fifty	02/20/02	10.3	820	17.96	14,722
Fid. Low Priced Stk (3%)	01/10/01	35.4	759	29.33	22,260
Fidelity Value	02/07/01	17.8	294	56.02	16,489
Fidelity Small Cap Indep.	10/30/01	15.8	1,195	17.17	20,521
Fidelity SE Asia (3%)	02/06/02	10.9	659	12.59	8,303
<b>TOTAL VALUE</b>					<b>\$96,931</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
5.9%	20.7%	16.6%	27.2%	6.3%

**Vanguard Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.3%	14,944	\$1.00	\$14,944
Vanguard Int'l Equity Eu.	12/30/94	103.2	429	20.26	8,683
Vanguard Cap Opportunity	07/12/99	53.5	688	23.25	15,991
Vanguard Explorer	12/12/01	4.6	188	61.13	11,475
Vanguard Windsor	02/07/01	1.9	1,074	15.79	16,952
Vanguard Small Cap Value	05/09/01	18.0	1,260	11.08	13,961
Vanguard FI Hi-Yld Corp	01/17/01	0.9	2,313	6.24	14,434
<b>TOTAL VALUE</b>					<b>\$96,440</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
4.2%	12.7%	3.7%	14.3%	1.8%

**Vanguard Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard FI Hi-Yld Corp	01/17/01	0.9%	2,233	\$6.24	\$13,934
Vanguard Emerg. Mkts Stock	02/06/02	7.6	905	9.24	8,365
Vanguard Cap Opportunity	07/12/99	53.5	817	23.25	18,992
Vanguard Small Cap Value	03/12/01	23.1	1,874	11.08	20,767
Vanguard Explorer	12/12/01	4.6	271	61.13	16,552
Vanguard Windsor	02/07/01	1.9	1,084	15.79	17,111
<b>TOTAL VALUE</b>					<b>\$95,721</b>

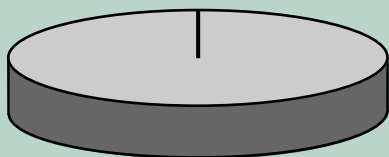
**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
5.3%	16.5%	5.2%	17.8%	2.4%

Note: Model Portfolio's were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 3/31/02.

**VENTURESOME**

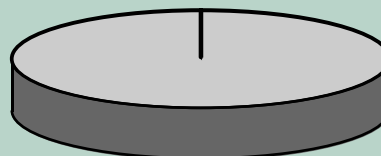
Seeks maximum long-term growth by accepting greater short-term volatility



Domestic Stock 100%

**SIGNAL**

Seeks long-term growth by being "all-in" or "all-out" of domestic stock funds based on interest rate trends



Domestic Stock 100%

**MONEYLETTER Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
T. Rowe Cap Appr.	03/21/01	16.4%	685	\$15.77	\$10,797
Wasatch Core Growth	02/07/01	33.8	474	38.11	18,066
Yacktman	11/15/00	28.1	860	11.75	10,110
Neuberger Berm. Genesis	02/14/01	15.2	610	21.91	13,368
TCW Galileo Value Opp.	05/09/01	17.6	857	19.46	16,668
Wasatch Small Cap Value	05/09/01	27.1	4,011	4.69	18,812
<b>TOTAL VALUE</b>					<b>\$87,821</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
8.1%	28.4%	26.7%	21.7%	8.3%

**MONEYLETTER Signal**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Royce Penn Mutual	06/20/01	14.5%	2,961	\$8.04	\$23,810
Fidelity Fifty	02/27/02	6.5	982	17.96	17,640
Wasatch Sml Cap Growth	06/20/01	11.3	652	32.62	21,281
Potomac Small Cap Plus	01/17/01	-1.5	2,053	11.44	23,489
<b>TOTAL VALUE</b>					<b>\$86,220</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
7.5%	26.1%	15.1%	-8.6%	0.5%

**Fidelity Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fid. Low Priced Stk (3%)	11/29/00	43.1%	878	\$29.33	\$25,740
Fidelity Small Cap Ind.	10/30/01	15.8	1,435	17.17	24,634
Fidelity Equity Income	07/09/01	1.1	295	50.27	14,813
Fidelity Value	02/07/01	17.8	342	56.02	19,145
Fidelity Fifty	02/20/02	10.3	1,041	17.96	18,701
<b>TOTAL VALUE</b>					<b>\$97,169</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
6.1%	20.4%	16.9%	40.6%	5.5%

**Vanguard Venturesome**

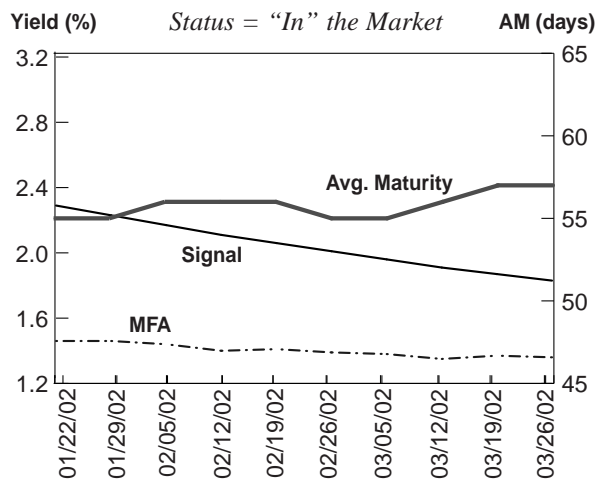
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Small Cap Value	03/12/01	23.1%	2,054	\$11.08	\$22,760
Vanguard Explorer	12/12/01	4.6	290	61.13	17,731
Vanguard Cap. Opportunity	07/12/99	53.5	848	23.25	19,713
Vanguard Windsor	02/07/01	1.9	1,035	15.79	16,341
Vanguard Mid Cap Index	10/30/01	21.2	1,534	12.52	19,212
<b>TOTAL VALUE</b>					<b>\$95,757</b>

**TOTAL RETURNS (as of 3/31/02)**

1-mo	6-mo	1-yr	3-yr	YTD
6.3%	20.0%	8.1%	21.6%	3.8%

Date	Signal	MFA	Avg. Maturity
03/19/02	1.87%	1.37%	57 Days
03/26/02	1.83	1.36	57 Days

**IBC's Money Fund Report Averages (MFA) 7-day yield vs The Signal**



**Hotline: (410) 528-1804**

Tuesday and Friday at 7:00pm (ET)

**Next Issue: Volume 23, No. 8**

Mails: April 19, 2002

Internet: April 17, 2002, 12:00pm (ET)

## Domestic Stock Funds

RANK	3/28 2002	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/ wtf
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	-	-	-	CGMFX	CGM Focus	SCVal	*	(B)	(B)	-2.0%	57.7%	66.4%	\$24.09	55.1	0.02	
2	1	-	-	BUFSX	Buffalo Small Cap (closed)	SCGro	B	B	B	5.7	42.0	44.7	21.08	-	0.69	FSW
3	18	18	-	RYLPX	Royce Low Priced Stock	SCVal	B	B	B	9.3	43.0	36.6	12.64	24.8	0.69	FSW
4	3	3	-	BERWX	Berwyn Fund	SCVal	B	B	B	10.4	37.1	39.5	22.60	18.7	0.41	fsw
5	10	7	-	WMCVX	Wasatch Small Cap Value (closed)	SCVal	B	B	B	11.9	32.0	46.8	4.69	27.5	0.71	FSW
6	17	1	-	BPSCX	Boston Ptnrs Smlcap Val (closed,1%<1yr)	SCVal	B	B	B	10.6	34.5	41.7	18.94	-	0.52	FSW
7	9	11	-	WGROX	Wasatch Core Growth+ (closed)	SCGro	B	B	B	11.7	32.8	44.4	38.11	29.2	0.95	FSW
8	8	6	-	TGVOX	TCW Galileo Value Opportunity	MCVal	B	B	B	7.8	38.6	35.1	19.46	31.3	0.97	fsw
9	52	64	-	RYPNX	Royce Opportunity+	SCVal	H	H	H	10.8	39.0	27.1	9.92	27.3	0.77	fsw
10	28	40	-	VISVX	Vanguard Small-Cap Value Index	SCVal	(B)	(B)	(B)	8.6	39.0	28.9	11.08	-	0.70	fsw
11	11	-	-	OAKSX	Oakmark Small Cap	SCVal	B	B	B	8.6	36.8	33.6	19.41	18.1	0.54	FSW
12	85	148	-	LMASX	Legg Mason Special Investment Trust	MC	(B)	(B)	(B)	10.9	39.9	20.3	35.72	30.6	1.18	w
13	111	133	-	IZZYX	ICM/Isabelle Small Cap Value	SCVal	H	H	H	13.9	38.9	17.8	13.38	26.5	0.67	FSW
14	40	41	-	MUHLX	Muhlenkamp Fund	MCVal	(B)	(B)	(B)	7.4	37.6	26.1	56.86	26.4	0.91	FSW
15	33	-	-	BSCFX	Baron Small Cap	SCGro	(B)	(B)	(B)	7.9	33.7	32.4	16.58	28.0	1.07	FSW
16	6	-	-	TRMCX	T.Rowe Price Mid Cap Value	MCVal	B	B	B	6.7	34.3	32.1	18.06	15.9	0.60	fsw
17	-	-	-	CRIMX	CRM Mid Cap Value Ins	MCVal	(B)	(B)	(B)	6.0	35.1	30.3	19.54	-	-	-
18	4	10	-	PRSVX	T. Rowe Price Small-Cap Value	SCVal	B	B	B	6.1	31.8	36.6	25.09	16.4	0.44	fsw
19	-	-	-	CRMSX	CRM Small Cap Value Inv	SCVal	H	H	H	5.7	32.5	32.5	22.33	-	-	FSW
20	24	16	-	PENNX	Pennsylvania Mutual+ (1%)	SCVal	B	B	B	7.1	32.1	31.2	8.04	16.7	0.51	fsw
21	-	-	-	BPMCX	Boston Partners Mid Cap Value	MCVal	(H)	(H)	(H)	6.8	33.6	27.8	11.97	18.3	0.76	FSW
22	32	4	-	WAAEX	Wasatch Small Cap Growth+ (closed)	SCGro	B	B	B	6.1	30.0	37.6	32.62	37.8	1.15	FSW
23	26	23	-	HRTVX	Heartland Value	SCVal	B	B	B	5.9	31.0	32.3	39.04	22.5	0.63	FsW
24	21	-	-	BEMVX	Berger Mid Cap Value	MCVal	B	B	B	5.2	33.0	27.0	17.90	23.3	0.80	FSW
25	164	127	-	NBSSX	Neuberger Berman Focus+	LCVal	H	H	H	11.6	35.6	10.5	35.75	38.5	1.52	FSW
26	227	214	-	NBFSX	Neuberger Berman Fasciano Inv	SCGro	(H)	(H)	(H)	6.7	31.5	27.8	36.81	15.7	0.67	FSW
27	60	135	-	BARAX	Baron Asset	MCGro	H	H	H	7.6	35.1	16.8	47.14	28.1	1.22	FSW
28	37	-	-	BGRFX	Baron Growth	SCGro	H	H	H	6.1	29.2	33.1	32.06	25.4	1.06	FSW
29	136	28	-	SAFGX	Safeco Growth Opportunities+	SC	H	H	H	10.3	29.0	25.4	25.78	26.0	1.12	fsw
30	16	17	-	LSSCX	Loomis Sayles Small Cap Value	SC	B	B	B	5.6	29.6	30.3	22.23	19.4	0.69	sW
31	2	-	-	CAAPX	Ariel Appreciation	MCVal	B	B	B	3.6	30.6	30.3	40.19	18.0	0.50	FSW
32	7	5	-	FLPSX	Fidelity Low Priced Stock (3%)	SCVal	B	B	B	5.8	28.2	32.2	29.33	16.6	0.57	fsw
33	36	47	-	EEQFX	Eclipse Small Cap Value	SCVal	H	H	H	6.5	30.0	25.9	13.13	18.6	0.75	sW
34	44	61	-	VIMSX	Vanguard Mid-Cap Index+	MC	H	H	H	6.5	31.3	22.5	12.52	26.2	1.02	fsw
35	172	179	-	LMOPX	Legg Mason Opportunity Trust	MC	H	H	H	14.0	32.6	7.0	10.49	-	-	-
36	47	66	-	PESPX	Dreyfus Mid Cap Index	MCGro	H	H	H	6.6	31.0	21.9	22.44	25.8	1.02	FSW
37	39	22	-	RYPRX	Royce Premier	SC	H	H	H	7.8	29.0	24.9	11.18	18.7	0.62	fs
38	20	26	-	RYTRX	Royce Total Return	SCVal	(H)	(H)	(H)	6.3	29.4	25.8	9.36	13.6	0.41	FSW
39	76	82	-	VEXPX	Vanguard Explorer+	SCGro	H	H	H	7.1	32.0	18.0	61.13	34.0	1.03	fsw
40	35	31	-	OTCFX	T. Rowe Price Small Cap Stock Fund+	SC	H	H	H	5.5	29.3	26.1	26.40	22.0	0.73	fsw
41	62	80	-	NAESX	Vanguard SmallCap Index+	SC	H	H	H	7.3	30.6	19.4	20.61	26.7	0.87	fsw
42	13	21	-	NBGNX	Neuberger Berman Genesis (closed)	SC	(H)	(H)	(H)	5.4	29.2	25.5	21.91	19.6	0.62	FSW
43	72	131	-	FMILX	Fidelity New Millennium (3%) (closed)	MCGro	H	H	H	5.6	35.7	8.9	27.66	59.0	1.67	fsw
44	49	-	-	BOGLX	Bogle Small Cap Growth (closed)	SCGro	H	H	H	7.0	27.2	27.4	21.45	-	-	-
45	64	35	-	RSFPX	RS Partners	SC	*	H	H	10.6	26.2	23.0	19.16	-	0.59	FSW
46	105	77	-	PBSVX	PBHG Small Cap Value	SC	H	H	H	7.7	30.6	16.1	20.66	28.5	0.87	FSW
47	27	-	-	ARGFX	Ariel Fund	SCVal	H	H	H	6.1	29.0	22.4	40.60	18.9	0.40	FSW
48	134	87	-	PRNHX	T. Rowe Price New Horizons (closed)	SCGro	*	H	H	7.2	29.6	18.0	22.29	37.8	1.24	fsw
49	12	20	-	FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SC	*	(H)	(H)	6.3	24.8	30.8	17.17	22.8	0.83	fsw
50	31	27	-	FVDLX	Fidelity Value	MCVal	H	H	H	6.2	28.3	20.3	56.02	22.8	0.64	Fsw
51	22	-	-	THPGX	Thompson Plumb Growth	LC	(H)	(H)	(H)	5.7	24.6	27.8	45.33	19.6	0.69	fsw
52	5	19	-	YACKX	Yacktman Fund	MC	(H)	(H)	(H)	2.7	25.4	29.5	11.75	18.2	0.55	FSW
53	158	155	-	JAVTX	Janus Venture (closed)	SCGro	H	H	H	7.3	27.1	17.8	43.35	58.6	1.63	FSW
54	30	42	-	LLPFX	Longleaf Partners	MCVal	H	H	H	6.0	27.9	16.9	26.25	20.1	0.58	fsw
55	67	98	-	STCSX	Strong Advisor Common Stock (closed)	MC	H	H	H	7.4	30.0	9.3	20.31	23.2	0.95	FSW
56	43	25	-	MERDX	Meridian Fund	SCGro	H	H	H	5.0	24.5	26.5	29.25	21.4	0.77	fsw
57	190	-	-	RSDGX	RS Diversified Growth	SCGro	*	H	H	6.7	29.2	12.3	21.33	56.1	1.55	FSW
58	78	45	-	RPMGX	T.Rowe Price Mid Cap Growth	MCGro	H	H	H	6.1	27.4	17.5	39.61	24.5	1.12	fsw
59	55	-	-	WPSRX	Westport Small Cap R	SCVal	H	H	H	6.5	26.3	19.2	20.04	-	-	FSW
60	41	85	-	PRNEX	T. Rowe Price New Era	LC	H	H	H	6.7	29.0	9.8	24.42	26.7	0.72	fsw
61	83	104	-	SCHVX	Strong Multicap Value	MCVal	H	H	H	7.9	27.0	13.0	55.33	19.9	0.83	Fs
62	53	44	-	HAVLX	Harbor Value	LCVal	H	H	H	5.3	25.2	18.4	15.01	20.0	0.76	sw
63	193	198	-	TGMGX	TCW Galileo Aggressive Growth+	MCGro	*	H	H	6.3	34.4	-6.3	11.61	72.0	2.06	6831
64	166	167	-	FOCPX	Fidelity OTC Portfolio+	LCGro	*	H	H	6.9	31.0	1.2	30.87	29.1	1.57	fsw
65	107	126	-	VEXMX	Vanguard Extended Market Index	MC	H	H	H	6.4	26.5	12.6	23.52	31.4	1.17	fsw
66	162	175	-	JASSX	Janus Special Situation	MCGro	*	H	H	9.7	30.2	-2.4	15.59	29.6	1.18	FSW
67	113	99	-	ARTMX	Artisan Midcap+(closed)	MCGro	S	S	S	6.3	27.5	9.6	25.26	35.5	1.11	FSW
68	135	103	-	MPMVX	MSI Mid Cap Value	MCVal	H	H	H	6.6	26.3	11.3	20.55	24.2	0.92	fsw

**Bold funds** are currently held in *MONEYLETTER* model portfolios.

**Advice:** B=Buy, H=Hold, S=Sell, (B), (H), (S)= advice new this issue, \*=-not for this portfolio. +=Appropriate for Signal Investors.

**Std. Dev.:** monthly standard deviation based on two-year returns.

**Beta:** fund's correlation to the market (S&P 500 = 1.0). A fund with a beta greater than 1.0 is more volatile than the S&P 500.

**NTF/wtf:** NO TRANSACTION FEE/with transaction fee (F/f) for Fidelity, (S/s) for Schwab and (W/w) for TD Waterhouse.

# FUND SCORECARD & RECOMMENDATIONS

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## Domestic Stock Funds (cont.)

RANK	3/28 2002	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative			Moderate			Venturesome			TOTAL RETURN			PRICE	RISK		NTF/wtf
							1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta										
69	58	54	STDIX	Strong Discovery+	MCGro	H	H	H	6.5	25.1	13.7	17.10	25.1	0.83	FSW							
70	143	195	SRFCX	Liberty-SteinRoe Capital Opport	MCGro	S	S	S	5.8	28.6	2.7	22.15	35.2	1.26	FSW							
71	112	120	MPSCX	MSI Small Cap Value (closed)	SCVal	S	S	S	5.5	24.6	12.7	18.33	25.5	0.77	fsw							
72	63	72	NPRTX	Neuberger Berman Partners	LCVal	S	S	S	5.2	24.3	12.5	21.35	18.2	0.84	FSW							
73	14	-	AVALX	Aegis Value Fund	SCVal	Ⓢ	Ⓢ	Ⓢ	3.0	18.8	29.4	13.51	18.2	0.31	fw							
74	25	14	TWVLX	American Century Value	MCVal	*	Ⓢ	Ⓢ	2.6	21.4	23.4	7.20	20.4	0.59	FSW							
75	38	24	DODGX	Dodge & Cox Stock	LCVal	Ⓢ	Ⓢ	Ⓢ	4.3	22.0	18.7	105.00	19.8	0.64	sw							
76	54	55	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	S	S	S	6.9	20.7	18.0	24.10	17.0	0.45	fsw							
77	138	65	GALEX	Galaxy Equity Value (3.75%)	LCVal	S	S	S	6.6	23.7	10.4	13.83	23.7	1.05								
78	106	118	DNLDX	Dreyfus New Leaders	MCGro	S	S	S	5.6	23.1	10.1	41.21	25.2	0.92	FSW							
79	93	33	NEEGX	Needham Growth Fund	MCGro	S	S	S	5.2	22.3	11.5	28.12	50.6	1.11	FSW							
80	57	43	MPVLX	MSI Value Portfolio	MCVal	S	S	S	5.1	20.9	14.7	15.90	22.5	0.70	fsw							
81	187	143	FDISX	Dreyfus-Founders Discovery	SCGro	*	S	S	7.2	24.1	2.9	27.63	48.7	1.45	FSW							
82	97	36	KAUFX	Federated Kaufmann Fund+ (0.2%)	MCGro	S	S	S	5.9	18.7	18.4	4.34	33.5	0.86	FSW							
83	84	121	WBG SX	William Blair Growth	LCGro	S	S	S	6.1	23.7	5.3	11.02	24.1	1.09	sW							
84	200	201	FIDYX	INVESCO Dynamics+	MCGro	S	S	S	6.8	29.0	-9.2	15.30	44.2	1.43	FSW							
85	181	122	GASEX	Galaxy Small Co. Equity (3.75%)	SCGro	*	S	S	6.3	22.4	7.8	16.56	28.1	1.13								
86	46	9	OAKMX	Oakmark Fund	MCVal	S	S	S	4.4	19.0	18.7	36.74	20.6	0.59	FSW							
87	182	184	DRLEX	Dreyfus Premier Aggressive Growth (C1%)	MCGro	S	S	S	6.5	23.4	3.7	7.22	33.8	1.32	FSW							
88	224	189	POGSX	Pin Oak Aggressive Stock+	MCGro	*	S	S	15.7	30.1	-27.2	23.04	74.0	2.00	FSW							
89	42	30	HOVLX	Homestead Value	MCVal	Ⓢ	Ⓢ	Ⓢ	3.6	20.8	14.1	26.63	18.1	0.59								
90	56	69	BVALX	Babson Value	LCVal	Ⓢ	Ⓢ	Ⓢ	5.8	19.8	13.0	45.38	20.6	0.70	FSW							
91	109	115	SOPFX	Strong Opportunity+	MCVal	S	S	S	4.5	24.8	2.3	39.66	21.8	0.91	FSW							
95	19	8	VUSVX	Vontobel U.S. Value	LCVal	Ⓢ	Ⓢ	Ⓢ	1.7	18.5	19.6	21.05	22.0	0.44	FsW							
96	15	13	CFIMX	Clipper Fund	LCVal	Ⓢ	Ⓢ	Ⓢ	3.7	17.7	18.6	88.30	15.7	0.30	sw							
101	29	12	TWEIX	American Century Equity Income	MCVal	S	S	S	2.7	16.7	20.8	7.36	15.1	0.44	FSW							
103	50	52	VWNDX	Vanguard Windsor	LCVal	H	H	H	3.7	20.2	8.4	15.79	23.3	0.86	fsw							
106	23	15	PRWCX	T. Rowe Price Cap Appreciation	LCVal	Ⓢ	Ⓢ	Ⓢ	4.0	16.1	17.8	15.77	10.7	0.24	fsw							
110	48	75	FFTYX	Fidelity Fity+	LC	H	H	H	6.5	18.6	6.4	17.96	28.2	0.87	Fsw							
113	156	158	VHCOX	Vanguard Capital Opport (\$25,000)	MCGro	H	H	H	3.3	23.5	-3.4	23.25	38.1	1.06	fsw							
116	34	2	OAKLX	Oakmark Select (closed)	MCVal	Ⓢ	Ⓢ	Ⓢ	2.7	14.3	19.6	27.93	26.2	0.83	FSW							
122	61	76	FEQIX	Fidelity Equity-Income	LCVal	H	H	H	4.4	17.7	5.8	50.27	18.4	0.74	Fsw							

Dow Jones  
NASDAQ  
S&P 500

2.7% 21.4% 9.5%  
5.3 26.1 -4.3  
3.4 13.9 0.7

indexes do not  
include dividends

## International Stock Funds

1	4	43	FSEAX	Fidelity SE Asia (3%&1.5%r<90d)	Pacific	B	B	B	8.4%	54.0%	18.1%	\$12.59	38.5	-	FSW
2	1	-	OAKGX	Oakmark Global (2%r)	Global	B	B	B	9.4	41.6	34.5	14.70	-	-	Fsw
3	10	17	MAPTX	Matthews Pacific Tiger	Pacific	B	B	B	6.6	46.5	18.2	9.70	47.1	-	FSW
4	2	40	FEMKX	Fidelity Emerging Mkts (3%&1.5%r<90d)	Int'l	B	B	B	5.6	44.1	16.5	8.74	32.9	-	fsw
5	5	53	PRASX	T. Rowe Price New Asia	Pacific	B	B	B	4.6	48.5	4.9	6.80	33.6	-	fsw
6	12	47	SCOPIX	Scudder Pacific Opportunity	Pacific	B	B	B	5.6	45.7	10.2	9.76	33.5	-	FSW
7	8	46	MNEMX	Montgomery Emerging Mkts	Int'l	B	B	B	5.2	42.7	10.3	9.52	31.6	-	FSW
8	6	36	PRLAX	T. Rowe Price Latin America	LatinA	*	H	H	5.3	39.6	17.3	10.17	43.5	-	fsw
9	3	27	VEIEX	Vanguard Emerging Mkts Stock Index	Int'l	B	B	B	4.2	40.2	17.2	9.24	32.3	-	fsw
10	11	2	OAKEX	Oakmark Intl Small Cap	Int'l	B	B	B	9.1	33.3	23.8	12.76	25.6	-	FSW
11	7	29	SLAFX	Scudder Latin America	LatinA	*	H	H	5.2	34.7	15.9	21.68	37.7	-	FSW
12	13	8	OAKIX	Oakmark International	Int'l	B	B	B	10.1	30.4	17.8	16.15	24.3	-	FSW
13	9	49	FLATX	Fidelity Latin Amer. (3%&1.5%r<90d)	LatinA	*	H	H	3.5	36.0	13.4	13.10	40.4	-	fs
14	18	19	FIEUX	Fidelity Europe (3%&1%r<90d)	Europe	Ⓢ	Ⓢ	Ⓢ	6.1	27.1	6.2	25.52	20.6	-	fsw
15	16	7	HAINX	Harbor International	Int'l	H	H	H	6.3	21.5	9.4	31.62	17.8	-	sw
16	38	58	WPJGX	CS Warburg Pincus Japan Growth	Japan	H	H	H	10.5	28.6	-18.3	5.49	52.7	-	FSW
17	15	3	FWWF	Fidelity Worldwide	Global	H	H	H	5.3	20.1	9.2	15.00	18.5	-	Fsw
18	30	18	PFIFX	Preferred International	Int'l	H	H	H	7.4	19.6	7.1	12.20	17.4	-	w
19	47	-	ICHKX	Investec China & Hong Kong	Pacific	H	H	H	6.5	25.6	-8.1	11.88	39.2	-	FSW
20	22	16	FIGRX	Fidelity International G & I	Int'l	H	H	H	7.2	19.0	3.3	19.65	22.0	-	Fsw
21	14	4	TBGVX	Tweedy, Browne Global Value	Global	H	H	H	5.6	16.8	8.6	19.79	14.6	-	fsw
22	23	39	FPBFX	Fidelity Pacific Basin (3%&1.5%r<90d)	Pacific	H	H	H	7.4	19.2	-3.5	14.88	30.0	-	Fsw
23	21	10	USIFX	USAA International	Int'l	H	H	H	5.6	16.7	1.5	17.40	18.1	-	fw
24	42	38	SGSCX	Scudder Global Discovery (closed)	Int'l	H	H	H	5.7	17.7	-3.9	23.47	34.4	-	FSW
25	24	9	USAWX	USAA World Growth	Int'l	S	S	S	5.1	16.3	-0.6	14.77	20.0	-	f
26	27	48	JAOSX	Janus Overseas (closed)	Int'l	H	H	H	4.9	18.0	-4.8	20.22	34.8	-	FSW
27	19	11	BJBIX	Julius Baer Intl. Equity A	Int'l	H	H	H	5.6	14.7	1.8	21.71	28.8	-	FS
28	33	28	CUIEX	CS Warburg, Pincus Intl Equity	Int'l	S	S	S	5.5	16.6	-3.7	12.30	22.1	-	FSW
29	29	14	PRESX	T. Rowe Price European	Europe	H	H	H	4.7	14.4	1.9	16.03	17.7	-	fsw
30	28	25	VWIGX	Vanguard International Growth	Int'l	S	S	S	5.3	15.6	-2.5	15.08	17.6	-	fsw
31	31	12	ARTIX	Artisan International	Int'l	S	S	S	4.7	13.8	2.1	18.52	32.6	-	FSW
32	20	6	FDIVX	Fidelity Diversified International	Int'l	Ⓢ	Ⓢ	Ⓢ	4.7	14.3	0.3	19.55	20.4	-	Fsw
33	57	57	PEAGX	Payden European Aggressive Growth	Europe	*	H	H	2.9	21.1	-15.4	8.04	-	-	fsw
35	17	1	LLINX	Longleaf Partners International	Int'l	Ⓢ	Ⓢ	Ⓢ	4.2	11.1	6.7	12.78	-	-	fsw
38	37	15	VEURX	Vanguard European Stock Index	Europe	H	H	H	5.3	13.3	-5.3	20.26	17.3	-	fsw

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## FUND SCORECARD &amp; RECOMMENDATIONS

## Specialty Funds

RANK	3/28 2002	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/ wtf
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	1	-		USERX	United Services Gold Shares	Gold	*	*	*	14.5%	61.3%	79.7%	\$4.42	36.4	0.69	sw
2	2	-		USAGX	USAA Precious Metals & Minerals	Gold	*	*	*	9.9	47.1	86.7	9.14	46.8	0.87	w
3	3	-		BGEIX	American Century Global Gold	Gold	*	*	*	10.6	43.2	88.0	7.43	45.3	0.69	FSW
4	4	-		FSAGX	Fidelity Sel Gold (3%)	Gold	*	*	*	9.7	44.9	75.2	20.10	49.2	0.89	fsw
5	22	-		UMPIX	ProFunds Ultra Mid-Cap	Levrgrd	*	*	*	12.7	58.6	14.6	30.39	-	-	FSW
6	5	-		FGLDX	INVESCO Gold (3%)	Gold	*	*	*	9.6	35.5	56.9	2.29	39.2	0.72	FSW
7	6	-		VGPMX	Vanguard Sp Gold/Pr Metals (1%r)	Gold	*	*	*	7.0	35.5	56.9	10.69	43.1	0.87	fsw
8	7	-		SCGDG	Scudder Gold	Gold	*	*	*	9.5	31.2	47.6	8.97	36.7	0.74	FSW
9	15	-		POSCX	Potomac Small Cap Plus	Levrgrd	*	*	*	8.3	34.6	17.8	11.44	-	-	FSW
10	8	-		CGMRX	CGM Realty	RealEs	*	*	*	4.8	29.6	31.2	15.64	15.8	0.26	fsw
11	10	-		VGENX	Vanguard Sp Energy (1%r)	Energy	*	*	*	8.4	34.5	12.8	27.98	32.0	0.70	fsw
12	9	-		STMDX	Stratton Monthly Dividend REIT	RealEs	*	*	*	6.7	24.0	33.4	29.01	14.5	0.21	fsw
13	23	-		FSTEX	INVESCO Energy	Energy	*	*	*	13.0	30.2	-4.1	19.26	46.2	0.90	FSW
14	11	-		VGSIX	Vanguard Special REIT Index	RealEs	*	*	*	6.0	16.0	24.5	13.00	14.4	0.17	fsw
15	17	-		FSENX	Fidelity Sel Energy (3%)	Energy	*	*	*	7.3	24.2	1.9	25.12	33.4	0.78	fsw
16	24	-		RYEIX	Rydex Energy	Energy	*	*	*	9.0	22.1	2.1	11.26	27.5	0.64	fsw
17	32	-		FSPTX	Fidelity Sel Technology (3%)	Tech	*	*	*	6.1	28.7	-12.1	56.13	72.3	2.02	fsw
18	20	-		RYFIX	Rydex Financial Services	FinServ	*	*	*	6.8	17.6	12.9	10.23	28.8	1.05	fsw
19	13	-		CSRSX	Cohen & Steers Realty Shares	RealEs	*	*	*	6.0	14.8	21.1	47.51	16.2	0.25	FSW
20	18	-		FIDSX	Fidelity Sel Financial Serv (3%)	FinServ	*	*	*	5.9	17.2	13.3	105.50	27.4	0.94	fsw
21	12	-		FRESX	Fidelity Real Est Investment	RealEs	*	*	*	5.4	13.6	22.9	19.48	15.1	0.21	fsw
22	21	-		FSFSX	INVESCO Financial Serv	FinServ	*	*	*	6.2	18.8	8.4	28.22	26.9	0.93	FSW
23	33	-		ULPIX	ProFunds UltraBull	Levrgrd	*	*	*	6.4	30.9	-25.5	56.35	39.3	1.97	fsw
24	31	-		RYNVX	Rydex Nova	Levrgrd	*	*	*	5.4	19.6	0.3	25.56	29.6	1.49	fsw
25	29	-		PSPLX	Potomac U.S. Plus	Levrgrd	*	*	*	4.5	18.7	1.5	10.40	29.0	1.46	FSW
26	36	-		FTCHX	INVESCO Technology	Tech	*	*	*	7.9	22.8	-18.8	30.41	69.3	1.83	FSW
27	14	-		VGHCX	Vanguard Sp Health Care (1%r)	Health	*	*	*	3.7	9.3	17.6	120.00	19.1	0.47	fsw
28	34	-		RYTIX	Rydex Technology	Tech	*	*	*	4.7	22.6	-21.1	11.00	52.8	1.85	fsw
29	30	-		RSCOX	RS Contrarian	Altern	*	*	*	5.8	12.3	-0.7	10.35	23.5	0.72	FSW
30	16	-		GATEX	Gateway Fund	Altern	*	*	*	1.8	8.4	4.2	22.28	7.0	0.32	FSW
31	26	-		FHLSX	INVESCO Strategic Health Science	Health	*	*	*	0.7	6.9	7.2	47.56	36.5	0.43	FSW
32	28	-		VGSUX	Vanguard Utilities Income	Utility	*	*	*	6.5	6.8	-4.6	12.15	14.3	0.26	fsw

## Bond Funds

RANK	3/28 2002	Ticker Symbol	FUND NAME (Max. Load)	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	Standard Deviation	Sec 30-Day Yield	Average Maturity	Modified Duration <sup>1</sup>	NTF/ wtf
							1 mo.	6 mo.	12 mo.	PER SHARE					
<b>Short Term</b>															
1		SCSTX	Scudder Short Term Bond	*	*	*	-0.4%	0.2%	3.3%	\$10.51	0.76	4.13%	2.6	2.0	FSW
2		FSHBX	Fidelity Short Term Bond	*	*	*	-0.4	-0.6	3.2	8.73	0.83	4.40	2.3	1.8	Fsw
3		VFSTX	Vanguard Short Term Corporate	*	*	*	-0.8	-0.5	3.4	10.70	0.73	5.23	2.8	2.3	fsw
<b>Intermediate Term</b>															
1		VBMFX	Vanguard Total Bond Market Index	*	*	*	-1.6	-0.8	3.3	10.00	1.24	5.81	8.3	4.5	fsw
2		FBNDX	Fidelity Investment Grade	*	*	*	-1.8	-0.9	2.8	7.24	1.40	4.85	6.2	4.4	Fsw
3		VFITX	Vanguard Fix-Inc Intm. Treas.	*	*	*	-2.5	-2.1	1.5	10.82	1.40	5.08	7.8	5.3	fsw
<b>High Yield ("Junk")</b>															
1		NTHSX	Northeast Investors Trust	*	B	*	4.9	8.9	1.3	7.67	7.34	10.57	6.6	-	fsw
2		BUFHX	Buffalo High-Yield	B	B	*	1.4	4.3	4.9	9.87	6.95	7.85	7.8	4.7	fsw
3		CMHYX	Columbia High Yield	B	B	*	0.9	5.1	3.5	8.77	-	6.95	5.9	3.9	FSW
4		VWEHX	Vanguard High Yield Corporate	B	B	*	1.5	5.7	0.6	6.24	1.52	8.54	6.7	4.5	fsw
5		SPHIX	Fidelity High Income	B	B	*	3.0	6.4	-6.7	8.01	1.28	9.41	5.3	-	Fsw
6		PRHYX	T. Rowe Price High Yield	B	B	*	1.5	4.7	-2.3	6.67	1.72	9.25	7.5	4.3	fsw
7		STHYX	Strong High Yield Bond(1%r)	*	B	*	1.1	2.4	-13.0	7.76	8.06	11.12	5.2	3.8	FSW
8		FHYPX	INVESCO High Yield	*	*	*	5.1	-3.6	-26.5	3.39	1.49	12.92	6.4	4.1	FSW
		BTTRX	Benham 2025	*	*	*	-8.0	-5.9	-8.7	30.59	-	-	-	-	FSW
<b>Tax-Free Alternative</b>															
1		VWITX	Vanguard Muni Bond-Intermed	*	*	*	-1.6	-0.7	1.5	13.24	1.37	3.93	5.8	4.7	fsw
2		FLTMX	Fidelity Spartan Intermed Muni	*	*	*	-2.0	-1.4	1.5	9.80	1.50	3.73	7.8	5.2	Fsw
3		SRIMX	Liberty-SteinRoe Inter. Muni	*	*	*	-2.5	-2.0	-1.5	11.11	1.32	3.51	8.5	6.4	FSW
<b>International</b>															
1		PYGFX	Payden Global Fixed Income	*	*	*	-1.3	-0.2	1.6	9.75	3.34	3.83	8.0	5.8	fsw
2		BEGBX	American Century Intl Bond	*	*	*	-0.2	-5.3	-0.6	9.82	2.57	3.71	-	-	FSW
3		RPIBX	T. Rowe Price Intl Bond	*	*	*	0.0	-7.5	-4.2	7.65	2.29	3.38	8.2	5.7	fsw
<b>Strategic Income</b>															
1		FNMIX	Fidelity New Markets Income	*	*	*	0.0	8.8	5.9	11.51	7.15	7.76	-	-	Fsw
2		RPSIX	T. Rowe Price Spectrum Income	*	*	*	-0.3	1.3	0.8	10.57	1.16	5.39	-	-	fsw
3		JAFIX	Janus Flexible Income	*	*	*	-2.1	-1.9	-1.4	9.07	1.42	5.39	7.7	5.3	FSW

<sup>1</sup>Modified Duration—Average time individual bonds within a fund are actually held.

## You're Invited to the Las Vegas Money Show

Join *MONEYLETTER*'s Chief Economist and Chief Investment Officer, Walter Frank, at the largest online investor gathering in the nation.

Mr. Frank will be a guest speaker at Intershow's 14th Annual Las Vegas Money Show, which will be held May 5-8, 2002 at the Paris Resort. The Money Show offers 200 free workshops, five Special Panels, 200+ exhibitors, and more than 50 of Wall Street's most respected newsletter editors, mutual fund managers and money managers. Join some of the nation's best technology sector experts and strategists as they examine many of the issues facing technology investors in 2002.

We encourage all *MONEYLETTER* subscribers who attend the show to visit Walter Frank at one of his three workshops. The workshops are entitled "Funds for the Profit Recovery" and are scheduled for Monday, May 6th (7:45 A.M.); Tuesday, May 7th (11:45 A.M.); and Wednesday, May 8th (7:45 A.M.). Please check your Money Show program when you get to Las Vegas to confirm these times.

As a subscriber to *MONEYLETTER*, you are entitled to two free passes to the Las Vegas Money Show\*\* (a \$790 value). All you have to do is call the Money Show Headquarters toll-free at (800) 970-4355 and identify yourself as a subscriber to *MONEYLETTER*. The Money Show staff will tell you everything you need to know, including information on discounted room rates at the conference headquarters, the Bally's and Paris Resorts.

\*\* *Tickets for the Louis Rukeyser Superstar Event at the Las Vegas Money Show may be purchased separately for \$59. Price includes a light lunch. The panelists include: Joseph Battipaglia (Chairman of Investment Policy, Gruntal & Co., LLC); Frank Cappiello (President, McCullough, Andrews & Cappiello, Inc.); Michael Holland (Chairman, Holland & Co., LLC); Ned Riley (Chief Investment Strategist, State Street Global Advisors); and Kenneth Shea (Chief Investment Officer, Standard & Poor's). Call Intershow (800) 970-4355 for details.*

\* \* \*

**CORRECTION:** In the March 22, 2002 issue of *MONEYLETTER* we noted the CGM Focus Fund (CGMFX) as being closed to new investors. Although the fund is not available at the Schwab or Fidelity marketplaces, it is open to investors who contact the fund directly. Contact CGM Focus at P.O. Box 449, Boston, MA 02117, (800) 345-4048. We apologize for any inconvenience.

\* \* \*

For information on the "*MONEYLETTER* Managed Account" Program<sup>1</sup>, call Principal Resource Inc. toll-free at (800) 707-2060. Ask about PRI's free, no-obligation portfolio review. Minimum investment is \$100,000. \$

<sup>1</sup>As an independent Registered Investment Advisor, Principal Resource Inc. will exercise discretion with regard to asset allocation and fund selection and may make investment decisions for client accounts that differ from recommendations found in *MONEYLETTER*.

**100% U.S. TREASURY FUNDS**

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	1.54%	1.56%	3.34%
Fidelity Spartan US Treas MMF	1.52	1.53	3.22
Gabelli US Treasury MMF	1.52	1.51	3.15
Amer Century Capital Presv Fund/Inv	1.49	1.48	3.11
T Rowe Price US Treasury MF	1.43	1.44	3.14
CMA Treasury Fund	1.37	1.37	2.81
Prudential Govt Sec Tr/US Treas/CI A	1.29	1.30	2.88
Dreyfus 100% US Treas MMF	1.24	1.28	3.08
DBAB Cash Reserve Treasury	1.21	1.19	2.83
Schwab US Treasury Money Fund	1.17	1.20	2.97

**GENERAL PURPOSE TAXABLE FUNDS**

	7-Day	30-Day	1-Year
Touchstone Money Market Fund	1.93%	1.95%	3.37%
PayPal Money Market Fund	1.89	1.88	-
RBB MMP/Sansom Street Class	1.88	1.73	3.28
Fremont Money Market Fund	1.85	1.85	3.33
HSBC Investor MMF/CI Y	1.84	1.83	3.45
Bunker Hill MMF	1.81	1.85	3.39
Dreyfus BASIC MMF	1.81	1.81	3.55
Vanguard Prime MMF/Retail	1.81	1.80	3.48
Northern Money Market Fund	1.73	1.80	3.36
SSgA Money Market Fund/CI A	1.73	1.71	3.32
T Rowe Price Summit Cash Reserves	1.73	1.72	3.45
TIAA-CREF Money Market Fund	1.73	1.73	3.39

**TAX-FREE GENERAL PURPOSE FUNDS**

	7-Day	30-Day	1-Year
Vanguard Tax-Exempt MMF	1.50%	1.38%	2.39%
Strong Municipal MMF	1.40	1.29	2.55
Amer Century T-F MMF/Inv Class	1.37	1.13	2.15
Fidelity Municipal MMF	1.28	1.15	2.20
T Rowe Price Summit Muni MMF	1.28	1.21	2.28
USAA Tax Exempt MMF	1.26	1.15	2.24
Dreyfus BASIC Muni MM Portfolio	1.25	1.15	2.16
Northern Municipal MMF	1.23	1.12	2.11
Wachovia T-F MMF/Invmt Shrs	1.22	0.94	1.87
MSD&T Tax-Exempt MMF	1.19	1.09	2.10

**TAX-FREE STATE-SPECIFIC FUNDS**

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	1.47%	1.38%	2.45%
Vanguard CA Tax-Exempt MMF	1.44	1.31	2.15
Vanguard NY Tax-Exempt MMF	1.40	1.28	2.25
Vanguard PA Tax-Exempt MMF	1.40	1.28	2.35
Vanguard NJ Tax-Exempt MMF	1.35	1.26	2.27
Amer Century CA T-F MMF/Inv Class	1.30	1.15	1.96
Fidelity FL Municipal MMF	1.22	1.08	2.14
Fidelity PA Municipal MMF	1.21	1.07	2.16
Fidelity OH Municipal MMF	1.20	1.11	2.19
USAA Tax Exempt CA MMF	1.20	1.12	2.15

**Taxable equivalent yield = yield / (1—total effective tax bracket).**

Funds are ranked by 7-day yields; 7-day and 30-day yields are compound yields as of 3/26/02. Third column refers to 1-year total return. Criteria for inclusion include: top-yielding unrestricted retail funds only, with minimum initial investment <\$25,000 and assets >\$100 million.

Source: Money Fund Report (800) 343-5413

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## Boston Partners Mid Cap Value: A Three Circle Approach

The investment philosophy and process that drives Boston Partners Mid Cap Value reaches across every product at Boston Partners Asset Management (including Small Cap Value II, profiled in the September 14, 2001 *MONEYLETTER*). As Steven Pollack, lead manager of Mid Cap Value, recently told *MONEYLETTER*, "The criteria we use are captured in what we call the three circle approach. The first circle is valuation. We look at a company's valuation in relation to its own history, as well as relative to the market, and relative to its peers.

"The second circle is business fundamentals. What are we buying? What are the dynamics of the company in terms of profitability and growth? We read the annual report, do our own proprietary research, and visit the company." Added Hank Lawlor, director of mutual fund marketing, "We do a lot of balance sheet work, because we believe that balance sheets predict income statements. By dissecting balance sheets, you can find triggers that are going to impact the income statement, either positively or negatively, in future quarters. We believe that by spending a tremendous amount of time on the balance sheet, we can get ahead of other investors—that gives us an edge."

"The third circle," continued Pollack, "is a catalyst for change. Is the business improving, staying the same, or deteriorating? Quantitatively, we try to capture that with earnings estimate revisions or earnings momentum. We look at other things as well: balance sheet analysis, improvement or deterioration in working capital accounts. Other catalysts could be changes in management, restructurings, new products, etc." Lawlor pointed out Boston Partners' strength in executing this overall investment process. "This stock selection criteria has been used here for over 20 years. Many people talk about value and catalysts, but we believe we were pioneers in doing this many years ago. That's one of our edges."

### Opportunities

With its bottom-up stock selection process, industry weightings are "really a residual of stock selection," explained Pollack. "Having said that," he continued, "within many sectors, stocks all get cheap together or all get expensive together. A good example of that is energy, where we've been overweight for a while. Now, those investments are starting to work out, and I've started to trim the positions." Meanwhile, Pollack has found new opportunities in an industry

that is not traditionally known for value prices: health care. Examples are Health Net, an HMO with new management that is gaining market share, and Shire Pharmaceuticals, which is suffering from generic competition for its largest drug, but also has promising new drug potential.

### Top Five Holdings and Industry Sectors (% of Assets)

Mercury General	3.1%	Finance	21.0%
Radian Group	2.9	Consumer Services	14.9
Payless Shoesource	2.7	Health Care	11.1
Pinnacle West Capital	2.2	Technology	10.7
Apria Healthcare Group	1.9	Basics	8.4

As of February 28, 2002.

### Disciplined selling

The manager's selling criteria is disciplined, as well. "Valuation is probably the most important. When we buy a stock, we set a price target, which is reviewed continually over time. The company's prospects can change, or interest rates or market valuations may change, so the target is somewhat of a fluid number. When a stock gets to that target, we review it to make sure it still makes sense, and if so, we sell the stock. If not, we adjust the price target," stated Pollack.

Meanwhile, the fund's literature touts its risk averse nature. Pollack said that is accomplished in a number of ways. "First is diversification," he said. "The fund has representation in virtually every sector. We have risk controls in place in terms of sector exposure and individual security exposure. But I think the biggest risk control is our value orientation. We're opportunistic in our entry points, which limits our downside risk."

### Outlook

Pollack is not overly optimistic on the outlook for the stock market in general, given that interest rates are likely to move up from here. He added, "Earnings growth beyond this recovery period is likely to be somewhat tempered." That said, however, he believes the mid- and small-cap markets are more attractive than the large-cap area, based on their lower relative valuations. He concluded, "I think it's a stock picker's market. Every day there are new opportunities that we're constantly monitoring and trying to take advantage of. I think the coming year will be a great one for value and a great one for mid cap." §

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Wilmington, DE 19809  
(888) 261-4073; Minimum investment: \$2,500

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