

MONEYLETTER.com[®]

"Serving Investors Since 1980"

Still Foggy

by Walter S. Frank, Chief Investment Officer

We are in one of those odd periods in the market when no one is certain how to interpret the data. By data we mean not only the regular monthly economic numbers but also the profit numbers and the weekly economic statistics. There is no doubt we have begun a recovery. But that is where the certainty ends.

Chief among those expressing uncertainty is none other than Alan Greenspan himself. As he told Congress in mid-April, "The degree of strengthening in final demand over coming quarters. . . is still uncertain." He added later on, "We have seen encouraging signs in recent months that underlying trends in final demand are strengthening, but the dimensions of the pickup are still not clear." That, in a nutshell, is what is bothering Wall Street.

We wish we could definitively show that Wall Street's worries are totally unfounded, but we can't. We, like everyone else, are still waiting for the final tumbler to fall into place. What that is, of course, is business investment spending.

What we can do is point out the odds of business investment reviving. There are no guarantees. We believe that the strong growth that we saw last quarter is not the end of the story. One of the less commented upon aspects of last quarter is that we saw growth of 2.6% even without any contribution from inventories. And consumer spending itself grew by 3.5%. Spending grew even after the huge surge in spending during last year's final quarter ignited by the zero-financing deals for autos. Because of the surge, the consensus view at the beginning of this year was that the consumer would be exhausted after the auto burst. The big, unheralded positive surprise this year is that spending has held up so well.

We believe the consumer will continue to increase spending at recent rates. The numbers will vary from month-to-month as weather makes a difference. The cold and rainy April probably held down spending last month. But that is a temporary factor.

If we are right about the consumer, we should then see the economy continue to grow at about 3-4% over the near-term.

With that we should also see continued improvements in the profit results. Last quarter's improvement left the market unimpressed. Why not? While the profit reports were better than expected, in general, the accompanying commentary from many major firms was not. The commentary won the day.

We think that this quarter's profit season, mid-July, will be different. It is very early, we know, but the pre-announcement warnings season this quarter has gotten off to a much better start than did last year's. As profits improve, and they will, we should see a meaningful upturn in business investment. We put the odds at 85% that this how 2002 will play out.

Handling closed funds

Our portfolios are concentrated in small- and mid-cap funds. On the plus side this accounts for our portfolios' performance so far this year. On the minus side it is presenting us with a problem because many small-cap funds have closed to new investors. A few small-cap funds have gone even further and closed their doors to any and all investors, including current holders of their shares.

This latter type of closure is called a "hard close," in the jargon, while one where current shareholders can still increase their investment is called a "soft close." Two of the hard closed funds are in our *MONEYLETTER* portfolios, Wasatch Core Growth and Wasatch Small Cap Value. Both are outstanding performers.

Obviously, any closing of a fund in our portfolios presents a problem for new subscribers to *MONEYLETTER*. New subscribers cannot duplicate our models as many want to do. Hard closed funds present a problem for *all* subscribers. No one can buy any more shares until the closure is relaxed. Our "buy" advice for these funds cannot be acted upon by anybody.

Faced with the problem of closed funds, we've developed a new policy. We are going to remove all *hard closed* funds from our model portfolios and replace them in the portfolios with open funds. Please realize that we are not advising those who own the funds to sell them. Quite the contrary, were they not hard closed we would not be replacing them.

As for *soft closed funds*, we will continue to hold them in the portfolios. We will provide a list of alternative funds for each closed fund in our portfolios. The alternatives will be contained in *MONEYLETTER* once each month.

Wasatch Core Growth is in all three *MONEYLETTER* asset allocation portfolios. We will replace it with Baron Small Cap in all three portfolios. As the fund performance tables show, Baron Small Cap's performance over the past 6-months is exactly the same as Core Growth's.

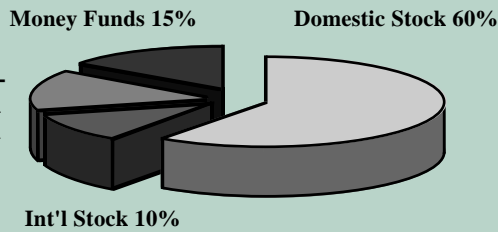
Wasatch Small Cap Value is in the *MONEYLETTER* Venturesome and Conservative portfolios. We will replace it with Royce Opportunity in both portfolios. The new policy was presented in the Hotline of Tuesday, April 30 and the transactions were made as of Wednesday, May 1. \$

Market Trends

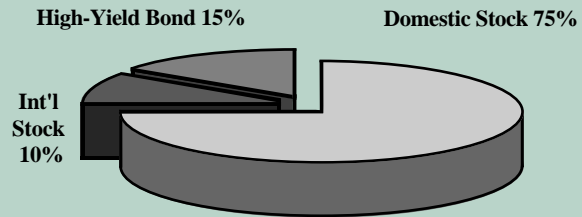
	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Lower	Higher
Dollar	Flat/Higher	Flat/Lower
Inflation	Lower	Flat
Dow	Lower	Higher
NASDAQ	Lower	Higher
Europe	Lower	Higher
Japan (Nikkei)	Lower	Flat/Higher
Hong Kong (Hang Seng)	Lower	Higher

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	0.3%	12,647	\$1.00	\$12,647
Columbia High Yield	01/17/01	5.0	1,453	8.77	12,743
Wasatch Core Growth	02/07/01	35.3	419	38.54	16,141
Wasatch Small Cap Value	05/09/01	27.9	3,547	4.72	16,743
Yacktman	11/15/00	29.6	1,809	11.89	21,507
TCW Galileo Value Opp.	04/25/01	18.9	1,090	18.68	20,366
Tweedy Browne Gbl Val	08/23/00	2.1	484	19.92	9,642
TOTAL VALUE					\$109,789

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
-0.4%	16.6%	16.7%	35.2%	5.4%

MONEYLETTER Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Buffalo High Yield	06/20/01	2.6%	1,326	\$9.94	\$13,180
Matthews Pacific Tiger	02/06/02	11.1	971	9.82	9,537
TCW Galileo Value Opp.	05/09/01	12.9	816	18.68	15,240
Royce Low Priced Stock	04/03/02	0.3	986	12.40	12,225
Yacktman	11/15/00	29.6	1,795	11.89	21,344
Wasatch Core Growth	02/07/01	35.3	501	38.54	19,293
TOTAL VALUE					\$90,819

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
0.6%	16.9%	12.8%	22.1%	5.9%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.5%	15,640	\$1.00	\$15,640
Fidelity High Income	01/17/01	-9.4	1,699	8.09	13,745
Fid. Low Priced Stk (3%)	02/20/02	9.3	600	29.98	17,999
Fidelity Small Cap Indep.	10/30/01	17.9	1,183	17.49	20,689
Fidelity Value	02/07/01	17.1	347	55.71	19,313
Fidelity Europe	04/03/02	-5.2	330	24.64	8,125
TOTAL VALUE					\$95,511

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
1.5%	9.6%	3.0%	11.6%	4.4%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity High Income	01/17/01	-9.4%	1,827	\$8.09	\$14,782
Fidelity Fifty	02/20/02	12.9	820	18.39	15,075
Fid. Low Priced Stk (3%)	01/10/01	38.4	759	29.98	22,754
Fidelity Value	02/07/01	17.1	294	55.71	16,398
Fidelity Small Cap Indep.	10/30/01	17.9	1,195	17.49	20,904
Fidelity SE Asia (3%)	02/06/02	13.8	659	12.92	8,520
TOTAL VALUE					\$98,433

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
2.8%	16.3%	13.5%	24.9%	7.9%

Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.5%	14,967	\$1.00	\$14,967
Vanguard Int'l Equity Eu.	12/30/94	100.8	429	20.02	8,580
Vanguard Cap Opportunity	07/12/99	41.8	688	21.48	14,773
Vanguard Explorer	12/12/01	1.4	188	59.25	11,122
Vanguard Windsor	02/07/01	-3.4	1,074	14.96	16,061
Vanguard Small Cap Value	05/09/01	20.3	1,260	11.30	14,239
Vanguard FI Hi-Yld Corp	01/17/01	1.7	2,313	6.29	14,550
TOTAL VALUE					\$94,292

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
-1.5%	5.4%	-2.2%	8.6%	-0.4%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard FI Hi-Yld Corp	01/17/01	1.7%	2,233	\$6.29	\$14,046
Vanguard Emerg. Mkts Stock	02/06/02	9.6	905	9.41	8,519
Vanguard Cap Opportunity	07/12/99	41.8	817	21.48	17,546
Vanguard Small Cap Value	03/12/01	25.6	1,874	11.30	21,180
Vanguard Explorer	12/12/01	1.4	271	59.25	16,043
Vanguard Windsor	02/07/01	-3.4	1,084	14.96	16,212
TOTAL VALUE					\$93,546

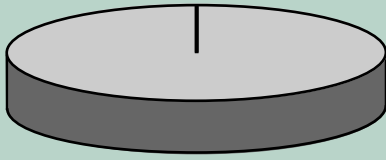
TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
-1.4%	7.8%	-1.6%	12.4%	0.1%

Note: Model Portfolio's were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 4/26/02.

VENTURESOME

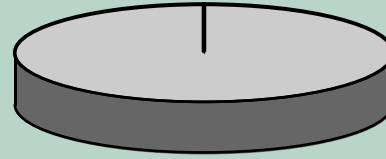
Seeks maximum long-term growth by accepting greater short-term volatility



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
Royce Low Priced Stock	04/03/03	0.3%	867	\$12.40	\$10,750
Wasatch Core Growth	02/07/01	35.3	474	38.54	18,270
Yacktman	11/15/00	29.6	860	11.89	10,231
Neuberger Berm. Genesis	02/14/01	17.0	610	22.25	13,575
TCW Galileo Value Opp.	05/09/01	12.9	857	18.68	16,000
Wasatch Small Cap Value	05/09/01	27.9	4,011	4.72	18,932
TOTAL VALUE					\$87,758

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
0.7%	22.1%	19.1%	16.2%	8.2%

MONEYLETTER Signal

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Royce Penn Mutual	06/20/01	14.9%	2,961	\$8.07	\$23,899
Fidelity Fifty	02/27/02	9.0	982	18.39	18,063
Wasatch Sml Cap Growth	06/20/01	7.6	652	31.55	20,583
Potomac Small Cap Plus	01/17/01	-2.2	2,053	11.36	23,325
TOTAL VALUE					\$85,870

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
1.1%	13.9%	2.6%	-14.6%	0.1%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fid. Low Priced Stk (3%)	11/29/00	46.3%	878	\$29.98	\$26,311
Fidelity Small Cap Ind.	10/30/01	17.9	1,435	17.49	25,093
Fidelity Equity Income	07/09/01	-3.3	295	48.10	14,174
Fidelity Value	02/07/01	17.1	342	55.71	19,039
Fidelity Fifty	02/20/02	12.9	1,041	18.39	19,149
TOTAL VALUE					\$103,766

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	14.4%	11.7%	36.3%	6.3%

Vanguard Venturesome

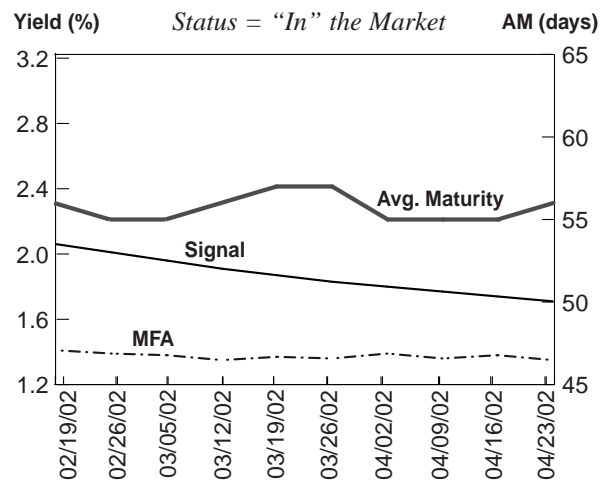
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Small Cap Value	03/12/01	25.6%	2,054	\$11.30	\$23,212
Vanguard Explorer	12/12/01	1.4	290	59.25	17,186
Vanguard Cap. Opportunity	07/12/99	41.8	848	21.48	18,212
Vanguard Windsor	02/07/01	-3.4	1,035	14.96	15,482
Vanguard Mid Cap Index	10/30/01	19.3	1,534	12.32	18,905
TOTAL VALUE					\$92,997

TOTAL RETURNS (as of 4/26/02)

1-mo	6-mo	1-yr	3-yr	YTD
-1.8%	10.0%	0.0%	14.8%	0.8%

Date	Signal	MFA	Avg. Maturity
04/16/02	1.74%	1.38%	55 Days
04/23/02	1.71	1.35	56 Days

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



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Domestic Stock Funds

RANK	4/26 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	-		CGMFX	CGM Focus	SCVal	*	B	B	9.5%	50.2%	55.5%	\$26.42	55.1	0.02	
2	5	13		WMCVX	Wasatch Small Cap Value (closed)	SCVal	B	B	B	1.1	31.9	32.4	4.72	27.5	0.71	FSW
3	7	27		WGROX	Wasatch Core Growth+ (closed)	SCGro	B	B	B	1.3	33.2	26.3	38.54	29.2	0.95	FSW
4	15	-		BSCFX	Baron Small Cap	SCGro	B	B	B	5.4	33.2	20.0	17.09	28.0	1.07	FSW
5	4	5		BERWX	Berwyn Fund	SCVal	B	B	B	4.5	25.4	29.6	23.25	18.7	0.41	fsw
6	10	33		VISVX	Vanguard Small-Cap Value Index	SCVal	B	B	B	2.7	27.6	23.0	11.30	-	0.70	fsw
7	6	1		BPSCX	Boston Ptrns Smlcap Val (closed,1%<1yr)	SCVal	B	B	B	3.1	22.7	32.9	19.26	-	0.52	FSW
8	11	-		OAKSX	Oakmark Small Cap	SCVal	B	B	B	0.3	26.1	27.0	19.30	18.1	0.54	FSW
9	9	39		RYPNX	Royce Opportunity+	SCVal	B	B	B	2.4	27.0	19.8	10.02	27.3	0.77	fsw
10	19	-		CRMSX	CRM Small Cap Value Inv	SCVal	B	B	B	3.4	23.9	24.8	22.86	-	-	FSW
11	13	121		IZZYX	ICM/Isabelle Small Cap Value	SCVal	B	B	B	1.4	29.1	14.2	13.41	26.5	0.67	FSW
12	33	41		EEQFX	Eclipse Small Cap Value	SCVal	(B)	(B)	(B)	5.1	24.3	20.2	13.67	18.6	0.75	sW
13	18	11		PRSVX	T. Rowe Price Small-Cap Value	SCVal	B	B	B	3.5	22.6	24.7	25.69	16.4	0.44	fsw
14	45	23		RSPFX	RS Partners	SC	*	(B)	(B)	5.4	23.3	15.7	20.04	-	0.59	FSW
15	32	4		FLPSX	Fidelity Low Priced Stock (3%)	SCVal	B	B	B	3.1	19.8	26.9	29.98	16.6	0.57	fsw
16	2	-		BUFSX	Buffalo Small Cap (closed)	SCGro	B	B	B	0.4	20.9	27.6	20.89	-	0.69	FSW
17	3	20		RYPX	Royce Low Priced Stock	SCVal	B	B	B	-0.8	22.4	24.4	12.40	24.8	0.69	FSW
18	26	215		NBFSX	Neuberger Berman Fasciano Inv	SCGro	B	B	B	2.0	22.9	18.4	37.38	15.7	0.67	FSW
19	52	9		YACKX	Yacktman Fund	MC	(B)	(B)	(B)	1.6	20.2	25.2	11.89	18.2	0.55	FSW
20	23	14		HRTVX	Heartland Value	SCVal	B	B	B	1.8	20.6	22.8	39.46	22.5	0.63	Fsw
21	17	-		CRIMX	CRM Mid Cap Value Ins	MCVal	B	B	B	2.2	21.9	18.4	19.77	-	-	
22	76	40		LLSCX	Longleaf Partners Smallcap (closed)	SCVal	H	H	H	3.3	21.9	15.8	24.73	17.0	0.45	fsw
23	38	26		RYTRX	Royce Total Return	SCVal	(B)	(B)	(B)	2.1	20.9	19.7	9.44	13.6	0.41	FSW
24	20	21		PENNX	Pennsylvania Mutual+ (1%)	SCVal	B	B	B	1.3	19.8	22.6	8.07	16.7	0.51	fsw
25	47	-		ARGFX	Ariel Fund	SCVal	H	H	H	3.1	18.3	23.1	41.14	18.9	0.40	FSW
26	16	-		TRMCX	T. Rowe Price Mid Cap Value	MCVal	B	B	B	0.6	20.0	21.1	17.88	15.9	0.60	fsw
27	28	-		BGRFX	Baron Growth	SCGro	H	H	H	1.5	18.8	19.7	32.02	25.4	1.06	FSW
28	31	-		CAAPX	Ariel Appreciation	MCVal	B	B	B	-0.4	19.4	19.8	39.54	18.0	0.50	FSW
29	42	22		NBGNX	Neuberger Berman Genesis (closed)	SC	H	H	H	2.9	18.3	16.6	22.25	19.6	0.62	FSW
30	49	12		FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SC	*	H	H	3.5	14.0	24.3	17.49	22.8	0.83	fsw
31	14	57		MUHLX	Muhlenkamp Fund	MCVal	B	B	B	2.1	21.2	8.1	57.47	26.4	0.91	FSW
32	-	-		SMCDX	Strong Mid Cap Disciplined	MCVal	(H)	(H)	(H)	-3.6	19.5	20.2	17.93	-	-	FSW
33	30	19		LSSCX	Loomis Sayles Small Cap Value	SC	B	B	B	0.3	17.3	19.3	22.03	19.4	0.69	sW
34	73	-		AVALX	Aegis Value Fund	SCVal	H	H	H	1.0	14.2	25.4	13.63	18.2	0.31	fw
35	12	144		LMASX	Legg Mason Special Investment Trust	MC	B	B	B	0.5	23.1	3.7	35.29	30.6	1.18	w
36	21	-		BPMCX	Boston Partners Mid Cap Value	MCVal	H	H	H	1.1	17.6	15.8	11.85	18.3	0.76	FSW
37	54	30		LLPFX	Longleaf Partners	MCVal	H	H	H	1.2	18.0	13.7	26.32	20.1	0.58	fsw
38	56	28		MERDX	Meridian Fund	SCGro	H	H	H	1.2	15.8	16.2	29.35	21.4	0.77	fsw
39	50	24		FDVLX	Fidelity Value	MCVal	H	H	H	0.8	16.9	12.7	55.71	22.8	0.64	Fsw
40	44	-		BOGLX	Bogle Small Cap Growth (closed)	SCGro	H	H	H	2.2	15.0	14.1	21.53	-	-	
41	37	25		RYPRX	Royce Premier	SC	H	H	H	0.1	15.2	16.0	11.07	18.7	0.62	fs
42	40	35		OTCFX	T. Rowe Price Small Cap Stock Fund+	SC	H	H	H	0.5	15.2	14.7	26.30	22.0	0.73	fsw
43	35	156		LMOPX	Legg Mason Opportunity Trust	MC	H	H	H	0.0	21.7	-4.1	10.38	-	-	
44	24	18		BEMVX	Berger Mid Cap Value	MCVal	H	H	H	-0.4	14.8	13.2	17.62	23.3	0.80	FSW
45	8	2		TGVOX	TCW Galileo Value Opportunity	MCVal	H	H	H	-2.6	14.2	17.6	18.68	31.3	0.97	
46	59	-		WPSRX	Westport Small Cap R	SCVal	H	H	H	0.8	14.3	10.8	19.94	-	-	FSW
47	41	82		NAESX	Vanguard SmallCap Index+	SC	H	H	H	0.1	15.0	7.2	20.43	26.7	0.87	fsw
48	34	68		VIMSX	Vanguard Mid-Cap Index+	MC	H	H	H	-0.2	14.5	7.8	12.32	26.2	1.02	fsw
49	95	17		VUSVX	Vontobel U.S. Value	LCVal	H	H	H	2.8	9.7	14.7	21.34	22.0	0.44	FsW
50	96	6		CFIMX	Clipper Fund	LCVal	H	H	H	-0.2	11.9	13.2	87.80	15.7	0.30	sw
51	36	72		PESPX	Dreyfus Mid Cap Index	MCGro	H	H	H	-0.2	14.3	7.2	22.07	25.8	1.02	FSW
52	78	115		DNLDX	Dreyfus New Leaders	MCGro	H	H	H	2.3	14.2	2.0	41.26	25.2	0.92	FSW
53	61	81		SMTVX	Strong Multicap Value	MCVal	H	H	H	2.7	13.9	2.4	55.22	19.9	0.83	Fs
54	27	136		BARAX	Baron Asset	MCGro	H	H	H	-1.6	16.2	2.8	45.75	28.1	1.22	FSW
55	110	53		FFTYX	Fidelity Fifty+	LC	H	H	H	4.6	13.3	-1.3	18.39	28.2	0.87	Fsw
56	29	47		SAFGX	Safeco Growth Opportunities+	SC	H	H	H	0.2	10.2	11.7	25.30	26.0	1.12	fsw
57	53	173		JAVTX	Janus Venture (closed)	SCGro	H	H	H	1.8	13.8	-0.1	43.38	58.6	1.63	FSW
58	106	10		PRWCX	T. Rowe Price Cap Appreciation	LCVal	H	H	H	0.3	9.9	9.8	15.68	10.7	0.24	fsw
59	116	3		OAKLX	Oakmark Select (closed)	MCVal	H	H	H	0.0	8.8	12.8	27.67	26.2	0.83	FSW
60	22	15		WAAEX	Wasatch Small Cap Growth+ (closed)	SCGro	H	H	H	-1.5	8.1	15.8	31.55	37.8	1.15	FSW
61	89	31		HOVLX	Homestead Value	MCVal	H	H	H	0.8	10.0	6.3	26.61	18.1	0.59	
62	189	162		ACBGX	Bonnel Growth Fund	MCGro	H	H	H	3.6	10.6	-0.5	14.66	43.9	1.10	fsw
63	90	61		BVALX	Babson Value	LCVal	S	S	S	0.2	11.6	2.1	44.81	20.6	0.70	FSW
64	86	16		OAKMX	Oakmark Fund	MCVal	S	S	S	-1.0	9.5	8.6	35.99	20.6	0.59	FSW
65	82	49		KAUFX	Federated Kaufmann Fund+ (0.2%)	MCGro	S	S	S	1.4	8.8	6.1	4.33	33.5	0.86	FSW
66	146	36		MQIFX	Mutual Qualified (1%) CIZ	MCVal	S	S	S	0.9	9.3	5.1	17.11	16.9	0.61	sw
67	71	109		MPSCX	MSI Small Cap Value(closed)	SCVal	H	H	H	-0.4	11.4	1.4	18.01	25.5	0.77	fsw
68	46	62		PBSVX	PBHG Small Cap Value	SC	H	H	H	-1.6	11.4	3.1	20.10	28.5	0.87	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	4/26 2002	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative			TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wtf
							Moderate	Venturesome		1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	39	91	VEXPX	Vanguard Explorer+	SCGro	H	H	H	-1.6	11.6	2.3	59.25	34.0	1.03	fsw	
70	101	7	TWEIX	American Century Equity Income	MCVal	S	S	S	-1.8	8.1	10.2	7.18	15.1	0.44	FSW	
71	75	29	DODGX	Dodge & Cox Stock	LCVal	*	S	S	-1.8	9.8	5.1	101.90	19.8	0.64	sw	
72	62	32	HAVLX	Harbor Value	LCVal	S	S	S	-1.4	9.5	4.1	14.68	20.0	0.76	sw	
73	185	38	BEGRX	Mutual Beacon (1%) CIZ	MCVal	S	S	S	1.1	8.0	3.5	13.52	15.9	0.58	sw	
74	108	80	GABAX	Gabelli Asset	MC	S	S	S	-0.5	10.1	-0.1	33.60	17.2	0.76	FSW	
75	74	8	TWVLX	American Century Value	MCVal	S	S	S	-2.9	7.6	9.2	6.93	20.4	0.59	FSW	
76	60	51	PRNEX	T. Rowe Price New Era	LC	S	S	S	0.5	9.9	-1.7	24.11	26.7	0.72	fsw	
77	144	37	TWEBX	Tweedy, Browne American Value	MCVal	S	S	S	0.1	7.8	3.8	23.95	15.2	0.51	fsw	
78	184	43	MUTHX	Mutual Shares (1%) CIZ	MCVal	S	S	S	0.8	7.8	2.4	19.97	16.6	0.62	sw	
79	65	140	VEXMX	Vanguard Extended Market Index	MC	S	S	S	-1.2	10.0	-0.4	22.99	31.4	1.17	fsw	
80	109	130	MFOCX	Marsico Focus	LCGro	S	S	S	1.6	9.3	-3.1	14.32	31.5	1.12	FSW	
81	70	181	SRFCX	Liberty-SteinRoe Capital Opport	MCGro	S	S	S	-0.5	12.5	-8.1	21.65	35.2	1.26	FSW	
82	147	50	SSHFX	Sound Shore	MCVal	S	S	S	-0.2	7.2	2.2	30.99	18.4	0.60	sW	
83	80	46	MPVLX	MSI Value Portfolio	MCVal	S	S	S	-1.5	8.7	0.2	15.39	22.5	0.70	fsw	
84	48	122	PRNHX	T. Rowe Price New Horizons (closed)	SCGro	*	H	H	-2.5	9.1	-0.2	21.44	37.8	1.24	fsw	
85	127	139	MGRHX	Marsico Growth & Income	G&I	S	S	S	0.7	8.8	-6.0	14.64	29.7	1.08	FSW	
86	107	83	FCV SX	Fidelity Convertible Securities	Convrt	S	S	S	-0.4	7.3	-1.2	19.28	27.4	0.89	Fsw	
87	58	78	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	S	S	S	-1.8	6.9	1.4	38.37	24.5	1.12	fsw	
88	156	89	FCNTX	Fidelity Contrafund (3%)	LCGro	S	S	S	0.7	5.9	-0.3	43.97	20.1	0.84	fsw	
89	112	34	PRFDX	T. Rowe Price Equity-Income	LCVal	S	S	S	-1.8	6.1	2.7	23.90	16.7	0.53	fsw	
90	94	177	FDFFX	Fidelity Independence (ret.only)	LCGro	S	S	S	0.6	8.6	-8.8	16.56	42.4	1.24	Fsw	
91	51	-	THPGX	Thompson Plumb Growth	LC	(S)	(S)	(S)	-6.3	5.8	8.6	42.06	19.6	0.69	fsw	
92	92	149	SLSSX	Selected Special Shares	MCGro	S	S	S	-1.3	9.3	-8.1	10.70	23.9	1.04	sW	
93	55	86	STCSX	Strong Advisor Common Stock (closed)	MC	S	S	S	-3.0	8.3	-3.2	19.43	23.2	0.95	FSW	
94	69	56	STDIX	Strong Discovery+	MCGro	S	S	S	-1.6	6.2	-1.1	16.60	25.1	0.83	FSW	
95	162	172	TWHIX	American Century Heritage	MCGro	S	S	S	0.9	7.3	-7.8	11.18	32.1	0.98	FSW	
96	130	92	SAOPX	Salomon Brothers Opportunity	LCVal	S	S	S	-1.3	5.4	-0.2	46.46	16.5	0.58	sw	
97	43	135	FMILX	Fidelity New Millennium (3%) (closed)	MCGro	S	S	S	-1.2	6.9	-4.5	26.79	59.0	1.67	fsw	
108	103	44	VWNDX	Vanguard Windsor	LCVal	H	H	H	-4.5	4.3	-3.7	14.96	23.3	0.86	fsw	
109	122	69	FEQIX	Fidelity Equity-Income	LCVal	H	H	H	-3.6	4.0	-4.8	48.10	18.4	0.74	Fsw	
168	113	131	VHCOX	Vanguard Capital Opport (\$25,000)	MCGro	H	H	H	-6.4	0.0	-15.2	21.48	38.1	1.06	fsw	

Dow Jones
NASDAQ
S&P 500

-4.3% 3.8% -7.3%
-8.8 -5.9 -18.2
-5.5 -2.6 -12.8

indexes do not
include dividends

International Stock Funds

1	1	20	FSEAX	Fidelity SE Asia (3%&1.5%r<90d)	Pacific	*	B	B	3.9%	39.9%	16.1%	\$12.92	38.5	-	fsw
2	4	19	FEMKX	Fidelity Emerg Mkts (3%&1.5%r<90d)	Int'l	*	B	B	3.5	35.1	15.5	8.96	32.9	-	fsw
3	10	2	OAKEX	Oakmark Intl Small Cap	Int'l	B	B	B	4.9	30.8	21.5	13.30	25.6	-	FSW
4	2	-	OAKGX	Oakmark Global (2%r)	Global	B	B	B	2.8	29.3	26.6	14.85	-	-	FSW
5	3	24	MAPTX	Matthews Pacific Tiger	Pacific	*	B	B	2.2	34.9	13.2	9.82	47.1	-	FSW
6	5	32	PRASX	T. Rowe Price New Asia	Pacific	*	B	B	3.9	34.6	8.4	7.00	33.6	-	fsw
7	7	22	MNEMX	Montgomery Emerg Mkts (closed)	Int'l	*	B	B	3.3	32.7	11.3	9.73	31.6	-	FSW
8	6	25	SCOPX	Scudder Pacific Opportunity	Pacific	*	B	B	3.6	32.9	10.0	9.98	33.5	-	FSW
9	9	14	VEIEX	Vanguard Emerg Mkts Stock Index	Int'l	*	B	B	2.4	30.3	12.0	9.41	32.3	-	fsw
10	12	7	OAKIX	Oakmark International	Int'l	B	B	B	2.8	25.5	10.5	16.41	24.3	-	FSW
11	8	8	PRLAX	T. Rowe Price Latin America	LatinA	*	H	H	-0.1	25.4	7.5	10.09	43.5	-	fsw
12	-	-	FIVFX	Fidelity Aggressive Intl.	intl	(B)	(B)	(B)	3.1	21.8	7.0	13.45	25.6	-	Fsw
13	13	10	FLATX	Fidelity Latin Amer. (3%&1.5%r<90d)	LatinA	*	H	H	-1.1	23.6	6.0	12.88	40.4	-	fs
14	11	3	SLAFX	Scudder Latin America	LatinA	*	H	H	-1.3	22.2	7.5	21.31	37.7	-	FSW
15	19	-	ICHKX	Investec China & Hong Kong	Pacific	*	H	H	7.3	20.2	-10.8	12.44	39.2	-	FSW
16	18	15	PFIFX	Preferred International	Int'l	B	B	B	2.1	14.7	-0.6	12.35	17.4	-	w
17	22	41	FPBFX	Fidelity Pacific Basin (3%&1.5%r<90d)	Pacific	*	H	H	5.5	13.9	-5.6	15.41	30.0	-	Fsw
18	21	6	TBGVX	Tweedy, Browne Global Value	Global	H	H	H	1.2	11.9	2.9	19.92	14.6	-	fsw
19	15	9	HAINX	Harbor International	Int'l	H	H	H	0.3	12.0	-0.5	31.45	17.8	-	sw
20	20	26	FIGRX	Fidelity International G & I	Int'l	H	H	H	3.1	11.2	-4.6	20.03	22.0	-	Fsw
21	32	5	FDIVX	Fidelity Diversified International	Int'l	H	H	H	3.3	8.9	-1.6	20.00	20.4	-	Fsw
22	27	12	BJBIX	Julius Baer Intl. Equity A	Int'l	H	H	H	2.8	9.3	-3.2	22.25	28.8	-	FS
23	23	17	USIFX	USAA International	Int'l	H	H	H	1.0	8.2	-5.0	17.43	18.1	-	fw
24	31	13	ARTIX	Artisan International	Int'l	H	H	H	1.9	7.6	-5.2	18.80	32.6	-	FSW
25	28	29	CUIEX	CS Warburg, Pincus Intl Equity	Int'l	H	H	H	0.6	7.9	-7.3	12.25	22.1	-	FSW
26	30	31	VWIGX	Vanguard International Growth	Int'l	S	S	S	1.8	7.7	-10.2	15.22	17.6	-	fsw
27	14	16	FIEUX	Fidelity Europe (3%&1%r<90d)	Europe	H	H	H	-2.5	7.4	-8.2	24.64	20.6	-	fsw
28	17	4	FWWFX	Fidelity Worldwide	Global	H	H	H	-1.6	4.7	-2.9	14.60	18.5	-	Fsw
29	39	27	CMISX	Columbia International Stock	Int'l	S	S	S	2.2	4.7	-10.5	12.21	22.2	-	fsw
30	-	-	GIGRX	Gabelli Intl. Growth	intl	S	S	S	2.6	4.3	-10.8	14.23	21.0	-	FSW
31	35	1	LLINX	Longleaf Partners International	Int'l	S	S	S	-1.0	1.6	1.3	12.70	-	-	fsw
32	41	40	TWGGX	American Century Global Growth	Global	S	S	S	1.8	5.1	-12.7	6.40	-	-	FSW
33	16	58	WPJGX	CS Warburg Pincus Japan Growth	Japan	S	S	S	3.5	8.4	-26.6	5.58	52.7	-	FSW
34	37	33	PRITX	T. Rowe Price Intl Stock	Int'l	S	S	S	0.5	4.3	-13.3	11.07	19.7	-	fsw
41	38	11	VEURX	Vanguard European Stock Index	Europe	(S)	(S)	(S)	-0.4	2.8	-12.0	20.02	17.3	-	fsw

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FUND SCORECARD & RECOMMENDATIONS

Specialty Funds

RANK	4/26 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	*	*	*	22.7%	88.9%	89.6%	\$5.08	36.40	0.69	sw
2	2	-		USAGX	USAA Precious Metals & Minerals	Gold	*	*	*	12.0	64.2	84.7	9.96	46.80	0.87	w
3	3	-		BGEIX	American Century Global Gold	Gold	*	*	*	13.4	60.8	87.6	8.12	45.30	0.69	FSW
4	4	-		FSAGX	Fidelity Sel Gold (3%)	Gold	*	*	*	10.1	60.2	70.9	21.39	49.20	0.89	fsw
5	6	-		FGLDX	INVESCO Gold (3%)	Gold	*	*	*	15.4	55.5	60.4	2.55	39.20	0.72	fsw
6	8	-		SCGD	Scudder Gold	Gold	*	*	*	15.6	51.2	56.1	10.03	36.70	0.74	FSW
7	7	-		VGPMX	Vanguard Sp Gold/Pr Metals (1%)	Gold	*	*	*	8.5	45.4	53.4	11.25	43.10	0.87	fsw
8	10	-		CGMRX	CGM Realty	RealEs	*	*	*	4.1	36.2	34.0	16.29	15.80	0.26	fsw
9	12	-		STMDX	Stratton Monthly Dividend REIT	RealEs	*	*	*	0.4	23.6	27.7	28.71	14.50	0.21	fsw
10	14	-		VGSIX	Vanguard Special REIT Index	RealEs	*	*	*	-0.5	17.6	19.8	12.91	14.40	0.17	fsw
11	5	-		UMPIX	ProFunds Ultra Mid-Cap	Levrqd	*	*	*	-1.0	24.3	1.8	29.22	-	-	FSW
12	21	-		FRESX	Fidelity Real Est Investment	RealEs	*	*	*	-0.3	16.4	17.8	19.39	15.10	0.21	Fsw
13	19	-		CSRSX	Cohen & Steers Realty Shares	RealEs	*	*	*	-0.6	16.3	16.4	47.16	16.20	0.25	FSW
14	29	-		RSCOX	RS Contrarian	Altern	*	*	*	7.3	17.8	-1.0	11.00	23.50	0.72	FSW
15	9	-		POSCX	Potomac Small Cap Plus	Levrqd	*	*	*	0.5	17.1	4.4	11.36	-	-	FSW
16	13	-		FSTEX	INVESCO Energy	Energy	*	*	*	6.6	17.3	-10.0	19.85	46.20	0.90	FSW
17	11	-		VGENX	Vanguard Sp Energy (1%)	Energy	*	*	*	1.7	12.2	0.1	27.89	32.00	0.70	fsw
18	18	-		RYFIX	Rydex Financial Services	FinServ	*	*	*	-0.6	10.5	0.0	10.10	28.80	1.05	fsw
19	20	-		FIDSX	Fidelity Sel Financial Serv (3%)	FinServ	*	*	*	-2.1	6.8	-0.3	102.30	27.40	0.94	fsw
20	27	-		VGHXC	Vanguard Sp Health Care (1%r \$25k)	Health	*	*	*	-0.5	2.4	6.9	118.70	19.10	0.47	fsw
21	22	-		FSFSX	INVESCO Financial Serv	FinServ	*	*	*	-2.7	5.4	-1.5	27.23	26.90	0.93	FSW
22	15	-		FSENX	Fidelity Sel Energy (3%)	Energy	*	*	*	0.9	6.0	-9.8	24.76	33.40	0.78	fsw
23	30	-		GATEX	Gateway Fund	Altern	*	*	*	-1.9	1.6	-2.4	21.75	7.00	0.32	FSW
24	35	-		MERFX	Merger Fund	Altern	*	*	*	-1.2	-2.9	-1.6	14.48	5.42	0.13	FSW
25	16	-		RYEIX	Rydex Energy	Energy	*	*	*	-1.4	1.0	-12.9	10.88	27.50	0.64	fsw
26	32	-		VGSUX	Vanguard Utilities Income	Utility	*	*	*	-2.2	2.0	-17.8	11.77	14.30	0.26	fsw
27	34	-		FSPHX	Fidelity Sel Health Care (3%)	Health	*	*	*	-2.4	-7.5	-3.5	116.10	20.00	0.40	fsw
28	33	-		RYHIX	Rydex Health Care	Health	*	*	*	-4.3	-6.8	-4.8	10.82	19.60	0.41	fsw
29	31	-		FHLSX	INVESCO Strategic Health Science	Health	*	*	*	-3.2	-10.1	-3.0	46.03	36.50	0.43	FSW
30	24	-		RYNVX	Rydex Nova	Levrqd	*	*	*	-8.3	-4.5	-20.8	23.16	29.60	1.49	fsw
31	25	-		PSPLX	Potomac U.S. Plus	Levrqd	*	*	*	-8.7	-5.0	-21.4	9.40	29.00	1.46	FSW
32	37	-		FSTUX	INVESCO Utilities	Utility	*	*	*	-2.4	-9.3	-38.5	10.33	17.60	0.57	FSW

Bond Funds

RANK	4/26 2002	Ticker Symbol	FUND NAME (Max. Load)	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	Standard Deviation	Sec 30-Day Yield	Average Maturity	Modified Duration ¹	NTF/ wtf
							1 mo.	6 mo.	12 mo.	PER SHARE					
Short Term															
1		VFSTX	Vanguard Short Term Corporate	*	*	*	0.9%	0.2%	5.0%	\$10.75	0.73	5.28%	2.7	2.3	fsw
2		SCSTX	Scudder Short Term Bond	*	*	*	0.8	0.2	4.3	10.55	0.76	4.00	2.6	2.0	FSW
3		FSHBX	Fidelity Short Term Bond	*	*	*	0.7	-0.5	3.8	8.79	0.83	4.53	2.4	1.8	Fsw
Intermediate Term															
1		VBMFX	Vanguard Total Bond Market Index	*	*	*	1.7	0.3	6.1	10.14	1.24	5.79	8.8	4.6	fsw
2		VFITX	Vanguard Fix-Inc Intm. Treas.	*	*	*	2.4	-0.6	6.0	11.06	1.40	5.29	7.9	5.4	fsw
3		FBNDX	Fidelity Investment Grade	*	*	*	1.1	-0.8	5.1	7.34	1.40	4.95	6.5	4.8	Fsw
High Yield ("Junk")															
1		NTHSX	Northeast Investors Trust	*	B	*	2.2	12.4	4.2	7.82	7.34	8.49	5.9	-	fsw
2		VWEHX	Vanguard High Yield Corporate	B	B	*	1.2	5.9	2.8	6.29	1.52	8.46	6.7	4.5	fsw
3		SPHIX	Fidelity High Income	B	B	*	1.3	7.3	-2.2	8.09	1.28	9.24	5.4	-	Fsw
4		BUFHX	Buffalo High-Yield	B	B	*	0.7	4.2	5.5	9.94	6.95	8.08	7.8	4.7	fsw
5		CMHYX	Columbia High Yield	B	B	*	0.3	2.7	4.3	8.77	-	7.14	5.8	3.8	FSW
6		PRHYX	T. Rowe Price High Yield	B	B	*	-0.2	3.3	-0.8	6.68	1.72	9.24	7.5	4.3	fsw
7		STHYX	Strong High Yield Bond (1%)	*	B	*	-1.0	1.8	-10.6	7.71	8.06	11.17	5.7	3.9	FSW
8		FHYPX	INVESCO High Yield	*	*	*	0.7	0.7	-22.9	3.41	1.49	12.68	6.5	4.2	FSW
		BTTRX	Benham 2025	*	*	*	4.2	-5.7	6.8	32.36	-	-	-	-	FSW
Tax-Free Alternative															
1		VWITX	Vanguard Muni Bond-Intermed	*	*	*	2.1	0.5	5.2	13.44	1.37	3.97	6.1	4.7	fsw
2		FLTMX	Fidelity Spartan Intermed Muni	*	*	*	1.6	-0.7	4.1	9.96	1.50	3.86	7.9	5.3	Fsw
3		SRIMX	Liberty-SteinRoe Inter. Muni	*	*	*	1.6	-1.0	2.2	11.29	1.32	3.65	8.3	6.1	FSW
International															
1		BEGBX	American Century Intl Bond	*	*	*	3.7	-0.2	3.4	10.23	2.57	3.62	-	-	FSW
2		PYGFY	Payden Global Fixed Income	*	*	*	1.3	-0.6	4.3	9.88	3.34	3.83	8.0	5.7	fsw
3		RPIBX	T. Rowe Price Intl Bond	*	*	*	3.4	-2.0	0.0	7.94	2.29	3.33	9.0	6.3	fsw
Strategic Income															
1		FNMIX	Fidelity New Markets Income	*	*	*	1.1	7.8	7.0	11.63	7.15	7.43	-	-	Fsw
2		RPSIX	T. Rowe Price Spectrum Income	*	*	*	1.0	0.8	2.0	10.68	1.16	5.44	-	-	fsw
3		JAFIX	Janus Flexible Income	*	*	*	1.2	-1.7	1.5	9.20	1.42	5.49	8.2	5.4	FSW

¹Modified Duration—Average time individual bonds within a fund are actually held.

**Coming Soon:
San Francisco Money Show**

Although *MONEYLETTER*'s Chief Economist Walter Frank is preparing for the Las Vegas show this week, it's not too early to starting thinking about the 24th Annual San Francisco Money Show. Mr. Frank will be a guest speaker at this highly attended event as well, which will be held August 23-26, 2002 at the San Francisco Marriott. As a subscriber to *MONEYLETTER*, you are entitled to two free passes (a \$790 value). All you have to do is call the Money Show headquarters 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.

Walter Frank and Principal Resource, Inc. (PRI) President and Chief Investment Officer Bruce W. Hardy will be hosting a Money Show Preview Event during the show (date and time to be announced). To reserve your seat, or to set up a convenient meeting time during the Show to discuss the details of the "*MONEYLETTER* Managed Account Program," contact Bruce Hardy toll-free at (800) 707-2060. *MONEYLETTER* will provide more information on the San Francisco Money Show in upcoming issues. \$

FUND PROFILE (cont.)

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selection. But it makes sense. The consumer has been very confident, but CEOs have not. We are contrarians, and want to invest where stocks are artificially depressed, but consumer discretionary is not artificially depressed. We also moved from energy to materials, especially specialty chemicals. Energy has been one of the strongest sectors of the year. We were early investing in energy, and it appears we are early on the way out. And in the current quarter, we moved from financials to technology. In the tech sector, we especially like the cable equipment companies.

Top Five Companies and Industry Sectors (% of Assets)

Navistar International	3.2%	Financial	20.7%
Aspen Technology	2.9	Capital Equipment	17.8
Harmonic, Inc.	2.9	Technology	11.6
ARAMARK Corp.	2.6	Utility	8.7
Republic Services	2.5	Basic Material	8.1

as of March 31, 2002

The majority of our companies fall into two categories. One would be considered contrarian value: companies that have low current earnings. The second would be relative value: companies that are cheap relative to a peer group. We feel the flexibility of our style allows us to perform well in different environments. \$

Strong Mid Cap Disciplined Fund (SMCDX)

P.O. Box 2936, Milwaukee, WI 53201-2936

(800) 368-1030; Min. investment: \$2,500/\$250 IRA

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	1.59%	1.58%	3.04%
Gabelli US Treasury MMF	1.53	1.52	2.86
Fidelity Spartan US Treas MMF	1.50	1.50	2.92
Amer Century Capital Presv Fund/Inv	1.46	1.47	2.82
T Rowe Price US Treasury MF	1.45	1.44	2.84
CMA Treasury Fund	1.40	1.39	2.53
Prudential Govt Sec Tr/US Treas/CI A	1.33	1.33	2.61
Dreyfus 100% US Treas MMF	1.25	1.25	2.78
DBAB Cash Reserve Treasury	1.23	1.24	2.53
US Treasury MF of America	1.18	1.18	2.38

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.92%	1.92%	-
Touchstone Money Market Fund	1.91	1.90	3.10%
Bunker Hill MMF	1.88	2.04	3.08
HSBC Investor MMF/CI Y	1.82	1.86	3.15
Fremont Money Market Fund	1.81	1.83	3.03
Dreyfus BASIC MMF	1.80	1.80	3.26
Vanguard Prime MMF/Retail	1.80	1.81	3.17
Transamerica Premier Cash Res/Inv	1.74	1.73	3.12
SSgA Money Market Fund/CI A	1.72	1.77	3.02
Nations Prime Fund/Investor B	1.67	1.67	2.96
Pacific Cap Cash Assets Tr/Orig	1.67	1.44	2.52
T Rowe Price Summit Cash Reserves	1.67	1.72	3.15

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Vanguard Tax-Exempt MMF	1.58%	1.51%	2.23%
Strong Municipal MMF	1.45	1.39	2.36
Amer Century T-F MMF/Inv Class	1.35	1.27	1.98
USAA Tax Exempt MMF	1.34	1.27	2.08
T Rowe Price Summit Muni MMF	1.33	1.26	2.11
Dreyfus BASIC Muni MM Portfolio	1.32	1.26	2.01
Fidelity Municipal MMF	1.32	1.27	2.05
Scudder YieldWise Muni MF	1.29	1.22	2.32
Wachovia T-F MMF/Invmt Shrs	1.28	1.22	1.73
MSD&T Tax-Exempt MMF	1.24	1.18	1.95

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	1.53%	1.47%	2.28%
Vanguard CA Tax-Exempt MMF	1.51	1.43	2.04
Vanguard PA Tax-Exempt MMF	1.46	1.39	2.19
Vanguard NY Tax-Exempt MMF	1.44	1.39	2.10
Vanguard NJ Tax-Exempt MMF	1.41	1.35	2.12
Amer Century CA T-F MMF/Inv Class	1.37	1.31	1.84
USAA Tax Exempt CA MMF	1.31	1.23	2.03
Fidelity FL Municipal MMF	1.30	1.24	1.97
Fidelity OH Municipal MMF	1.28	1.21	2.02
Fidelity PA Municipal MMF	1.26	1.20	2.00

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 4/23/02. 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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Strong Mid Cap Disciplined Fund

Since Robert Costomiris took over the Strong Mid Cap Disciplined Fund in (SMCDX) April 2001, the fund has advanced a strong 20.2% (for the trailing one-year period through April 26). That's better than 85% of the fund's Lipper mid-cap value peers. How has he achieved this performance? What are his investment strategies? To find out, we recently spoke to Mr. Costomiris. Selected portions of the interview follow below.

MONEYLETTER: *Of what significance is the "Disciplined" in the fund's name?*

Costomiris: That really refers to the price discipline we have managing the fund. We are very conscious of valuation, especially the price we pay for securities. First and foremost, that is what the "disciplined" stands for. In addition, we do have a disciplined investment philosophy.

MONEYLETTER: *Could you explain that investment philosophy?*

Costomiris: We have a fairly simple and well-defined philosophy. If we buy solid assets in good industries with manageable debt levels, over the long term, we should deliver above-average returns. All three of these components—solid assets, good industries, and manageable debt—are extremely important as we analyze investments.

Looking for solid assets is most important, but also differentiates us from the crowd. By looking at assets, we can deemphasize current earnings. By doing so, we basically act as contrarians. For example, we buy companies that are under-earning. These firms have very solid assets, but for some reason that we view as temporary (not long term), the earnings or profitability is not there. We also require that assets be clean and well maintained. We look for firms that have spent a sufficient amount on both R&D and capital expenditures in the past. If the firm is in a short-term declining market, but it has spent sufficiently, it will be well situated to benefit when that market revives. We also look to make sure that the industry a company exists in is going to grow at least as fast as the economy.

The third factor, a manageable debt level, is extremely important. The most important part of being a good value investor is avoiding mistakes, and one of the biggest mistakes you can make is getting involved with a company whose debt level is unmanageable. Many of the companies we're buying have fundamentals that are in or have been in decline, but through our research, we are making the determination that

fundamentals should improve. If we are wrong in the short term, we may lose money; but if the company has an unmanageable debt level, we could have more serious problems. So our process is focusing on assets and debt, and therefore spending more time analyzing balance sheets rather than income statements.

MONEYLETTER: *What other factors do you look at?*

Costomiris: The philosophy I just outlined is really the art of what we do, and the science is more the process. And in the process, what we're looking for is a series of flags. If there are too many red flags, we don't invest or will wait to invest. If the majority of flags are green, we'll go ahead. These flags are valuation, sentiment, financial statement analysis, and management contact. A company's valuation needs to be in the bottom half of a comparable peer group; we are very sector specific in valuation. We also look for very low sentiment—for example, a stock selling closer to a low than a high. We assess institutional ownership, insider trading, and street sponsorship (in other words, how analysts feel about the stock.) As another example of our contrarian nature, if the analysts that follow a company are all positive, that's a red flag for us.

MONEYLETTER: *You are clearly bottom-up investors. How do you determine your industry sector weightings?*

Costomiris: Even though we are 100% bottom-up in our idea generation, we are very cognizant of our sector weightings, and we do attempt to manage them. If, from our idea generation, we see the fund is becoming too overweight in a particular area, we'll stop adding to that area. On the flip side, if we're significantly underweight in an area, we'll apply more research effort there. We compare the portfolio to the S&P global industry classification.

MONEYLETTER: *Since you took the helm, the fund has performed well. What has worked?*

Costomiris: When we took over the fund, we overhauled the portfolio, though the objective did not change. Over the past year, good performance has been across the board. Our stock selection in technology, industrial, consumer staples, materials, health care, and financials has been very strong for us. In fact, if you look at our value added over the past 12 months, more than 80% has been stock selection and less than 20% was sector allocation. We've been fortunate because you usually don't get that many stocks within so many sectors that add a fair amount of value.

Recently, we changed our sector weights. In 2002, we removed from a consumer discretionary overweight (of say 3%-4%) to an industrial overweight because of our stock

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