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“Serving Investors Since 1980”

The Stealth Rally

by Walter S. Frank, Chief Investment Officer

The stock market rally which began about one month ago (October 10th to be exact) has proven to be more powerful than anyone expected. Is it the opening phase of a new trend for the market or is it just another rally in a bear market, the kind we have seen too often over the past two years? As the King of Siam said in *The King and I*, “it’s a puzzlement.”

We don’t have the answer—yet. But we believe we are coming close. What we do feel confident in saying is that the rally is certainly part of the bottoming process we believed was occurring over the past month or so. But the foundations for the continuation of this rally have us scratching our heads. So, for the moment, we are hanging on to our reserves. Given our fairly sizeable equity exposure as it is, we’re inclined to wait a mite longer before becoming even more aggressive again.

Just short covering?

It is not hard to figure out why this rally started. The persistent September selling savaged an already weak market and drove it to new lows for the year. The technicians kept telling us that the market was deeply oversold. And indeed it was. It was also cheap.

Once the bargain hunting began, the shorts piled in frantically covering and we had, in the early stages, the classic rally in a bear market. But this rally simply refuses to roll over. It is hard to attribute its longevity to prolonged short-covering, as some do. If short-covering were all, the rally would have been over by now. But it has gone far enough and lasted long enough to raise the question of whether this is the opening rally of a recovering market.

We are reluctant to say yes. In the short-run the market is facing some strong headwinds. The economy is sputtering right now. The economy’s misfires come as no surprise. Virtually everyone expected that the burst in consumer spending over the summer would not be repeated. No one saw the auto industry pulling a second rabbit out of the hat, and auto sales were bound to tail off. That alone would hold the consumer down.

Aside from the expected, one unexpected headwind blew in over the summer, namely, the market’s broad-based decline, and that intensified the economy’s immediate troubles. Most important, the market’s woes affected business confidence. We have seen the results in recent days in the steep decline in new investment orders. Another result is the upsurge in layoff announcements. These are not the best conditions to support a market rally. Obviously, the outlook for business and profits over the intermediate-term, given the new headwind, is hazier now than it was a few months ago.

On the positive side, we can chalk up the expectation of an interest rate cut, although the market has paid no attention to the previous few cuts. Further, the effect of a cut now will be marginal as far as the economy is concerned. More important, in our eyes, is the ongoing rally which may undo some of the damage of the September slide. But first the rally will have to show that it can hold, when the shorts return to their selling ways. That will not happen overnight.

What we need right now is some sign that the headwinds are abating, that the economy has stabilized after a short period of sputtering. We’re not asking that all the signs of a recovery be in place. By that time the juiciest market gains will be behind us. We just want a little patch of blue. When we catch a glimpse of it, we’ll act.

Portfolio changes

The Hotline of Tuesday, October 29 recommended the sale of Fidelity Small Cap Independence which is in all three Fidelity family portfolios. For the Venturesome and Conservative portfolios the fund was to be switched into Fidelity Equity-Income II. All switches were effected Wednesday, October 30. For the Fidelity Moderate Portfolio, the fund was to be switched into \$5,000 of Contrafund with the remainder of the proceeds to be switched into Fidelity Fifty. Here are the details. **Fidelity Venturesome:** Sold 1,012 shares of Small Cap Independence @ \$13.64 per share. Purchased 788 shares of Equity-Income II @ \$17.53 per share. **Fidelity Conservative:** Sold 881 shares of Small Cap Independence, purchased 686 shares of Equity-Income II. **Fidelity Moderate:** Sold 773 shares of Small Cap Independence. Purchased 127 shares of Contrafund @ \$39.48 per share, and also purchased 352 shares of Fidelity Fifty @ \$15.72 per share.

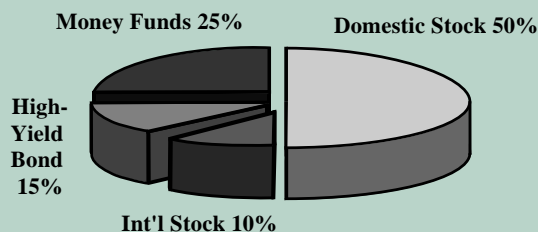
The same Hotline recommended the sale of Vanguard Mid-Cap Index Fund in all three Vanguard portfolios. The fund was to be switched into Vanguard Growth Index in all three portfolios. Here are the details. **Vanguard Venturesome:** Sold 1,534 shares of Mid-Cap Index @ \$9.89 per share. Purchased 607 shares of Growth Index @ \$20.49 per share. **Vanguard Moderate:** Sold 1,259 shares of Mid-Cap Index, purchased 607 shares of Growth Index. **Vanguard Conservative:** Sold 873 shares of Mid-Cap Index, purchased 421 shares of Growth Index. \$

Market Trends

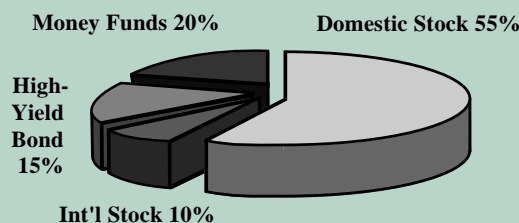
	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Lower	Flat/Higher
Dollar	Lower	Flat/Lower
Inflation	Flat	Flat
Dow	Lower	Higher
NASDAQ	Lower	Higher
Europe	Lower	Higher
Japan (Nikkei)	Lower	Higher
Hong Kong (Hang Seng)	Lower	Higher

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		1.0%	31,616	\$1.00	\$31,616
Columbia High Yield	01/17/01	1.3	1,513	8.17	12,360
Baron Small Cap	05/01/02	-21.3	946	13.64	12,904
Ariel Fund	08/14/02	-4.7	346	34.56	11,967
Yacktman	11/15/00	30.0	1,809	11.93	21,580
Oakmark Global	08/28/02	-6.0	652	11.96	7,796
TOTAL VALUE					\$98,223

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
2.0%	-10.8%	8.6%	19.1%	-5.1%

MONEYLETTER Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market		0.5%	17,140	\$1.00	\$17,140
Buffalo High Yield	06/20/01	0.9	1,370	9.45	12,946
Matthews Pacific Tiger	02/06/02	-10.8	971	7.89	7,663
Ariel Fund	08/14/02	-4.7	191	34.56	6,588
Yacktman	11/15/00	30.0	1,795	11.93	21,416
Baron Small Cap	05/01/02	-21.3	1,131	13.64	15,424
TOTAL VALUE					\$81,177

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
2.3%	-10.7%	6.6%	4.4%	-4.7%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves		1.4%	25,844	\$1.00	\$25,844
Fidelity High Income	01/17/01	-14.5	1,756	7.31	12,838
Fid. Low Priced Stk (3%)	02/20/02	-8.1	614	24.66	15,131
Fidelity Equity-Income II	10/30/02	-0.9	686	17.37	11,909
Fidelity Contrafund	10/02/02	2.0	283	39.10	11,067
Fidelity Int'l Growth & Inc	06/05/02	-17.3	379	16.66	6,309
TOTAL VALUE					\$83,098

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
1.0%	-12.6%	-2.7%	-2.8%	-8.8%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves		0.6%	24,138	\$1.00	\$24,138
Fidelity High Income	01/17/01	-14.5	1,886	7.31	13,788
Fidelity Fifty	02/20/02	-4.0	949	15.59	14,797
Fid. Low Priced Stk (3%)	01/10/01	16.4	569	24.66	14,022
Fidelity Contrafund	10/02/02	2.0	311	39.10	12,152
Fidelity SE Asia (3%)	02/06/02	-12.3	659	9.96	6,568
TOTAL VALUE					\$85,465

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
1.8%	-13.4%	2.5%	3.7%	-6.3%

Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM		1.4%	22,152	\$1.00	\$22,152
Vanguard Int'l Growth	05/01/02	-19.7	568	12.22	6,940
Vanguard Cap Opportunity	07/12/99	9.2	330	16.54	5,460
Vanguard Strategic Equity	10/09/02	12.2	950	13.01	12,354
Vanguard Growth Index	10/30/02	-0.3	421	20.42	8,600
Vanguard Convertible	09/04/02	1.9	1,118	10.20	11,401
Vanguard FI Hi-Yld Corp	01/17/01	-3.9	2,432	5.65	13,740
TOTAL VALUE					\$80,647

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
2.5%	-14.1%	-8.0%	-9.2%	-13.8%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM		0.6%	16,079	\$1.00	\$16,079
Vanguard FI Hi-Yld Corp	01/17/01	-3.9	2,347	5.65	13,261
Vanguard Emerg. Mkts Stock	02/06/02	-12.9	905	7.48	6,772
Vanguard Convertible	09/04/02	1.9	1,663	10.20	16,959
Vanguard Growth Index	10/30/02	-0.3	607	20.42	12,404
Vanguard Strategic Equity	10/09/02	12.2	959	13.01	12,470
TOTAL VALUE					\$77,945

TOTAL RETURNS (as of 10/31/02)

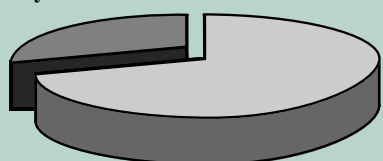
1-mo	6-mo	1-yr	3-yr	YTD
2.2%	-16.9%	-7.9%	-10.3%	-16.6%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 10/31/02.

VENTURESOME

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

Money Funds 30%



Domestic Stock 70%

MONEYLETTER Venturesome

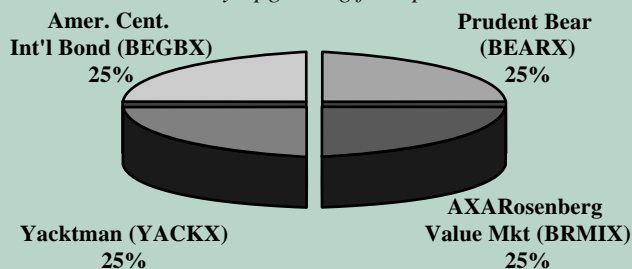
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market		0.5%	24,888	\$1.00	\$24,888
Baron Small Cap	05/01/02	-21.3	1,071	13.64	14,607
Yacktman	11/15/00	30.0	860	11.93	10,265
Neuberger Berm. Genesis	02/14/01	3.1	610	19.61	11,965
Ariel Fund	08/14/02	-4.7	392	34.56	13,533
TOTAL VALUE					\$75,258

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
1.2%	-15.1%	7.2%	-1.7%	-7.2%

SELECT

Seeks maximum long-term growth by assertively upgrading fund positions



MONEYLETTER Select

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Prudent Bear	09/30/02	-8.5	3,008	\$8.31	\$22,864
AXARosenberg Value L/S	09/30/02	-5.6	2,228	11.22	23,596
Yacktman	10/30/02	0.6	1,915	11.86	22,842
Amer. Cent Int'l Bond	09/30/02	-0.3	2,150	11.63	24,936
TOTAL VALUE					\$94,238

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
-5.8%	n/a	n/a	n/a	n/a

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves		0.6%	30,521	\$1.00	\$30,521
Fid. Low Priced Stk (3%)	11/29/00	23.0	724	24.66	17,863
Fidelity Equity-Income II	10/30/02	-0.9	788	17.37	13,681
Fidelity Contrafund	10/02/02	2.0	288	39.10	11,252
Fidelity Fifty	02/20/02	-4.0	1,045	15.59	16,288
TOTAL VALUE					\$89,605

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	-14.0%	1.9%	12.5%	-8.2%

Vanguard Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM		0.6%	25,741	\$1.00	\$25,741
Vanguard Convertible	09/04/02	1.9	1,822	10.20	18,587
Vanguard Strategic Equity	10/09/02	12.2	942	13.01	12,258
Vanguard Equity-Income	08/28/02	-5.9	259	18.41	4,770
Vanguard Growth Index	10/30/02	-0.3	741	20.42	15,124
TOTAL VALUE					\$76,480

TOTAL RETURNS (as of 10/31/02)

1-mo	6-mo	1-yr	3-yr	YTD
2.2%	-18.4%	-6.6%	-10.5%	-17.1%

Commentary

It comes as no surprise, based on the recent and welcome strength of the market, that there have been some significant changes in the relative rankings of the funds included in our database. The Hotline of Tuesday, October 29 recommended the sale of American Century Global Gold (BGEIX) to be upgraded to the Yacktman Fund (YACKX). Details: Sold 3,056 shares of Global Gold @ \$7.43 per share. Purchased 1,915 shares of Yacktman @ \$11.86 per share. While a loss was realized for this exchange (since the formal introduction of the model was on September 30, 2002), a return of 43.8% would have been generated for the entire holding period dating back to September 17, 2001.

This illustrates clearly that subscribers interested in this portfolio should gradually scale in their investments as new funds are identified for purchase. If markets continue on their favorable track, further exchanges could be anticipated as fixed income and "bearishly" oriented funds give way to growth opportunities. With the economy continuing to sputter and the Fed poised to act, only time will tell whether a new trend will be established. \$

Total Return %—October 31, 2002

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	8.7	-17.8	-16.4	-35.0	-22.9
Asset Allocation Funds (Avg) 45 Funds	4.9	-11.8	-8.5	-13.4	-13.1

Domestic Stock Funds

RANK	11/01 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	-	-		BRMIX	AXARosenberg Value L/S (2%r<30d)	Value	(B)	(B)	(B)	-6.6%	10.1%	20.5%	\$10.48	-	18.85	fsw
2	3	14		YACKX	Yacktman Fund	MC	B	B	B	6.1	-0.8	21.3	11.93	18.2	0.55	FSW
3	1	-		HSGFX	Hussman Strategic Growth (1.5%r<180d)	MCGro	B	B	B	-1.1	0.4	14.8	13.26	-	-	fsw
4	2	39		AVALX	Aegis Value Fund	SCVal	B	B	B	2.3	-6.2	7.3	12.84	18.2	0.31	fw
5	38	62		LMASX	Legg Mason Special Investment Trust	MC	(B)	(B)	(B)	9.6	-12.6	10.4	29.56	30.6	1.18	w
6	14	33		VUSVX	Vontobel U.S. Value (2%r<90d)	LCVal	B	B	B	4.4	-8.6	3.5	19.92	22.0	0.44	FsW
7	12	65		TWEIX	American Century Equity Income	MCVal	B	B	B	3.8	-7.8	1.1	6.60	15.1	0.44	FSW
8	62	36		FFTYX	Fidelity Fifty (.75%r<30d)	LC	(B)	(B)	(B)	9.7	-12.1	0.5	16.12	28.2	0.87	Fsw
9	8	55		PRWCX	T. Rowe Price Cap Appreciation	LCVal	B	B	B	2.6	-8.4	1.1	14.42	10.7	0.24	fsw
10	7	23		NBGNX	Neuberger Berman Genesis (closed)	SC	B	B	B	2.9	-12.0	7.3	19.94	19.6	0.62	fsw
11	4	29		RSPFX	RS Partners	SC	*	B	B	1.7	-12.6	6.1	17.50	-	0.59	FSW
12	11	18		RYTRX	Royce Total Return (1%r<180d)	SCVal	B	B	B	1.9	-13.6	7.3	8.24	13.6	0.41	FSW
13	5	150		VCSVX	Vanguard Convertible Securities	Convrt	B	B	B	2.4	-8.1	-7.9	10.30	20.4	0.69	fsw
14	30	42		RYPRX	Royce Premier (1%r<180d)	SC	H	H	H	4.6	-14.0	2.3	9.69	18.7	0.62	fs
15	33	88		STDIX	Strong Discovery	MCGro	(B)	(B)	(B)	4.6	-11.9	-4.2	14.71	25.1	0.83	FSW
16	68	51		CFIMX	Clipper Fund	LCVal	H	H	H	3.1	-12.4	-1.2	77.25	15.7	0.30	sw
17	29	10		FLPSX	Fidelity L P Stock (closed,3%&1.5%r<90)	SCVal	B	B	B	4.7	-15.5	3.7	25.12	16.6	0.57	fsw
18	9	75		FCNTX	Fidelity Contrafund (3%)	LCGro	B	B	B	1.7	-11.2	-3.5	39.43	20.1	0.84	fsw
19	92	103		FEQTX	Fidelity Equity-Income II	G&I	H	H	H	8.1	-13.5	-8.1	17.73	17.2	0.74	Fsw
20	132	58		OAKLX	Oakmark Select (closed) (2%r<90d)	MCVal	H	H	H	7.2	-14.6	-4.7	23.81	26.2	0.83	FSW
21	45	15		TRMCX	T.Rowe Price Mid Cap Value	MCVal	H	H	H	4.9	-16.5	2.9	15.08	15.9	0.60	fsw
22	51	220		JAVLX	Janus Twenty (closed)	LCGro	(B)	(B)	(B)	5.8	-9.1	-16.8	30.72	38.1	1.43	FSW
23	49	31		CAAPX	Ariel Appreciation	MCVal	H	H	H	3.7	-15.7	1.5	33.50	18.0	0.50	FSW
24	130	59		WAAEX	Wasatch Small Cap Grth (closed,2%r<60d)	SCGro	H	H	H	10.6	-16.7	-7.2	26.61	37.8	1.15	FSW
25	32	66		DNLDX	Dreyfus New Leaders	MCGro	(B)	(B)	(B)	3.3	-15.2	-0.1	35.41	25.2	0.92	FSW
26	148	147		FDGFX	Fidelity Dividend Growth	LC	H	H	H	9.0	-13.9	-12.3	22.97	19.2	0.84	Fsw
27	31	125		SRFBX	Liberty-SteinRoe Balanced	G&I	H	H	H	3.7	-11.4	-10.9	21.11	12.3	0.61	FSW
28	156	178		LMVTX	Legg Mason Value	LCVal	H	H	H	9.6	-14.7	-11.7	40.72	28.1	1.16	w
29	60	94		FMILX	Fidelity New Millennium (3%) (closed)	MCGro	H	H	H	8.2	-16.1	-6.5	22.76	59.0	1.67	fsw
30	93	123		PFVLX	Preferred Value	LCVal	H	H	H	6.8	-13.6	-10.9	15.73	19.5	0.79	w
31	59	35		SMCDX	Strong Mid Cap Disciplined	MCVal	H	H	H	4.1	-16.7	1.0	15.02	23.4	0.92	FSW
32	44	64		TWVLX	American Century Value	MCVal	H	H	H	3.3	-13.9	-5.3	6.00	20.4	0.59	FSW
33	6	9		EEQFX	Eclipse Small Cap Value	SCVal	B	B	B	-1.4	-16.0	6.3	11.73	18.6	0.75	FSW
34	73	126		DGAGX	Dreyfus Appreciation	LC	H	H	H	5.8	-12.9	-12.4	32.57	17.6	0.80	FSW
35	20	5		PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	H	H	H	2.4	-17.6	4.1	21.57	16.4	0.44	fsw
36	105	163		FDSSX	Fidelity Stock Selector	LC	H	H	H	7.3	-13.5	-13.7	17.10	20.9	0.97	Fsw
37	55	67		DODGX	Dodge & Cox Stock	LCVal	H	H	H	2.6	-14.5	-4.3	86.80	19.8	0.64	sw
38	53	63		HOVLX	Homestead Value	MCVal	H	H	H	3.7	-15.4	-4.7	22.49	18.1	0.59	fsw
39	35	25		LLSCX	Longleaf Partners Smallcap (closed)	SCVal	H	H	H	3.7	-17.9	0.7	20.49	17.0	0.45	fsw
40	91	172		FOCPX	Fidelity OTC Portfolio	LCGro	*	H	H	9.0	-15.7	-13.2	24.57	29.1	1.57	fsw
41	113	157		FTRNX	Fidelity Trend	LC	H	H	H	7.5	-14.7	-13.6	39.56	27.3	1.16	Fsw
42	121	140		DSEFX	Domini Social Equity Fund	LC	H	H	H	7.9	-15.1	-13.3	22.29	21.4	1.05	w
43	66	137		FGRIX	Fidelity Growth & Income (3%)	G&I	H	H	H	4.2	-13.2	-12.7	31.15	16.7	0.80	fsw
44	23	111		FCV SX	Fidelity Convertible Securities	Convrt	H	H	H	2.7	-15.0	-6.6	16.14	27.4	0.89	Fsw
45	16	81		MUTHX	Mutual Shares (1%) CIZ	MCVal	(H)	(H)	(H)	1.2	-14.4	-5.7	16.95	16.6	0.62	sw
46	47	-		VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	3.0	-16.3	-3.9	13.24	17.2	0.82	fsw
47	26	47		ACBGX	Bonnel Growth Fund (.25%r<30d)	MCGro	H	H	H	8.0	-18.2	-7.0	12.18	43.9	1.10	fsw
48	18	91		MGRIX	Marsico Growth & Income	G&I	(H)	(H)	(H)	2.1	-15.4	-5.3	12.44	29.7	1.08	FSW
49	17	43		LLPFX	Longleaf Partners	MCVal	H	H	H	-0.7	-16.7	1.3	21.90	20.1	0.58	fsw
50	13	78		MFOCX	Marsico Focus	LCGro	(H)	(H)	(H)	1.3	-15.5	-4.8	12.16	31.5	1.12	FSW
51	71	112		FDEQX	Fidelity Disciplined Equity	LC	H	H	H	4.0	-14.7	-10.9	18.63	19.7	0.94	Fsw
52	144	167		NTHFX	Northeast Investors Growth	LCGro	*	H	H	6.4	-15.2	-13.4	12.45	25.7	1.20	fsw
53	46	90		SRFCX	Liberty-SteinRoe Capital Opportunities	MCGro	H	H	H	4.2	-17.8	-3.8	18.03	35.2	1.26	FSW
54	122	120		ARTMX	Artisan Midcap (closed)	MCGro	H	H	H	8.2	-17.1	-12.0	19.98	35.5	1.11	FSW
55	147	105		FDCAX	Fidelity Capital Appreciation	MC	H	H	H	9.7	-18.0	-12.6	16.58	31.5	1.26	fsw
56	80	34		FDVLX	Fidelity Value	MCVal	H	H	H	4.5	-18.8	-2.6	45.63	22.8	0.64	Fsw
57	106	176		VIGRX	Vanguard Growth Index	LCGro	H	H	H	6.5	-14.7	-16.0	20.72	24.2	1.14	fsw
58	37	20		PENN X	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	3.8	-19.2	-0.7	6.61	16.7	0.51	fsw
59	111	60		OAKMX	Oakmark Fund	MCVal	H	H	H	4.6	-17.2	-6.9	30.04	20.6	0.59	FSW
60	61	-		WBSNX	WmBlair S-C Growth N (1%r<60d)	SCGro	S	S	S	5.7	-19.4	-3.2	13.33	-	0.95	FSW
61	10	13		ARGFX	Ariel Fund	SCVal	(H)	(H)	(H)	-2.0	-16.5	1.1	35.00	18.9	0.40	FSW
62	85	129		SLASX	Selected American Shares	LCVal	S	S	S	3.7	-15.3	-10.4	25.59	20.5	0.92	sW
63	25	27		BGRFX	Baron Growth	SCGro	(H)	(H)	(H)	-1.3	-17.0	1.1	26.87	25.4	1.06	FSW
64	158	101		STCSX	Strong Advisor Common Stock (closed)	MC	S	S	S	9.6	-19.3	-9.5	15.83	23.2	0.95	FSW
65	81	79		PRFDX	T. Rowe Price Equity-Income	LCVal	S	S	S	4.3	-16.3	-9.1	20.02	16.7	0.53	fsw
66	120	169		VMRGX	Vanguard/Morgan Growth	LC	S	S	S	6.9	-15.9	-14.1	11.51	26.7	1.22	fsw
67	207	73		THPGX	Thompson Plumb Growth	LC	S	S	S	10.0	-19.0	-10.9	34.41	19.6	0.69	fsw
68	41	57		WPSRX	Westport Small Cap R	SCVal	S	S	S	3.9	-18.1	-4.2	16.49	-	-	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.

Std. Dev.: Standard Deviation based on trailing 3-yr. 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

5

Domestic Stock Funds

RANK	11/01 2002	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wtf
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	78	83	MPSCX	MSI Small Cap Value (closed)	SCVal	S	S	S	5.1	-18.0	-6.3	14.94	25.5	0.77	fsw	
70	19	72	BEGRX	Mutual Beacon (1%) CIZ	MCVal	H	H	H	1.1	-15.4	-6.9	11.40	15.9	0.58	sw	
71	141	164	PRGFX	T. Rowe Price Growth Stock	LC	H	H	H	7.0	-15.8	-14.9	19.08	22.9	1.06	fsw	
72	43	32	MERDX	Meridian Fund	SCGro	H	H	H	4.3	-18.8	-3.4	23.57	21.4	0.77	fsw	
73	24	2	BSCFX	Baron Small Cap	SCGro	(H)	(H)	(H)	-0.7	-20.3	7.6	13.82	28.0	1.07	FSW	
74	65	44	BEMVX	Berger Mid Cap Value	MCVal	S	S	S	4.3	-18.7	-3.9	14.52	23.3	0.80	FSW	
75	136	171	FMAGX	Fidelity Magellan (3%)	LC	S	S	S	6.9	-15.4	-16.3	82.08	22.3	1.06	fsw	
76	76	82	GABAX	Gabelli Asset	MC	S	S	S	4.7	-17.7	-7.3	27.95	17.2	0.76	FSW	
77	110	141	VQNPX	Vanguard Growth & Income	G&I	S	S	S	5.4	-15.4	-14.4	22.64	20.9	1.02	fsw	
78	21	41	PRNEX	T. Rowe Price New Era	LC	(S)	(S)	(S)	1.0	-16.5	-5.1	20.31	26.7	0.72	fsw	
79	101	165	FFIDX	Fidelity Fund	LC	S	S	S	6.3	-15.6	-15.5	22.83	23.2	1.05	Fsw	
80	118	148	BEQGX	American Century Equity Growth	LCVal	S	S	S	5.5	-15.6	-14.4	15.44	20.8	1.03	FSW	
81	123	110	SCDUX	Scudder Large Co Value	LCVal	*	S	S	5.2	-16.8	-11.7	18.69	18.2	0.70	FSW	
82	172	114	FDFFX	Fidelity Independence (ret.only)	LCGro	S	S	S	8.3	-19.6	-9.2	13.39	42.4	1.24	Fsw	
83	77	185	SGROX	Strong Growth	LCGro	S	S	S	5.9	-15.6	-15.9	13.89	43.9	1.16	FSW	
84	83	45	TASCX	Third Avenue Small-Cap Value	SCVal	S	S	S	4.6	-18.8	-6.1	13.32	17.5	0.58	FSW	
85	127	149	SNXFX	Schwab 1000 Fund (.75%r<180d)	LC	S	S	S	6.1	-16.4	-14.3	25.68	20.6	1.01	S	
86	128	133	BIGRX	American Century Income & Growth	G&I	S	S	S	5.3	-16.4	-13.5	22.01	20.0	0.99	FSW	
87	82	46	VIMSX	Vanguard Mid-Cap Index	MC	(S)	(S)	(S)	4.1	-19.4	-4.6	10.08	26.2	1.02	fsw	
88	142	161	VFINX	Vanguard 500 Index	LC	S	S	S	6.4	-16.3	-15.6	83.27	20.2	1.00	fsw	
89	145	162	FSMKX	Fidelity Spartan 500 Index	LC	S	S	S	6.4	-16.4	-15.7	62.43	20.2	1.00	f	
90	168	130	OBEGX	Oberweis Emerging Growth	SCGro	*	S	S	11.3	-19.0	-16.4	15.57	48.7	1.49	FSW	
91	99	108	PRDGX	T. Rowe Price Dividend Growth	LCVal	S	S	S	4.7	-16.6	-12.7	17.00	14.0	0.57	fsw	
92	67	104	NCTWX	Nicholas II	MCVal	H	H	H	2.8	-16.7	-9.7	16.12	21.3	1.00	w	
93	114	92	LSGIX	Loomis Sayles Value	LCVal	S	S	S	5.3	-17.5	-11.9	12.15	17.5	0.72	fsW	
94	116	146	DREQX	Dreyfus Growth Opportunity (2%r<60d)	LC	S	S	S	5.7	-16.6	-14.9	6.45	21.1	1.06	FSW	
95	135	95	FEQIX	Fidelity Equity-Income	LCVal	S	S	S	5.1	-17.4	-11.7	39.75	18.4	0.74	Fsw	
100	107	4	OAKSX	Oakmark Small Cap (2%r<90d)	SCVal	S	S	S	5.7	-22.7	-0.4	15.12	18.1	0.54	FSW	
109	95	97	VEIPX	Vanguard Equity-Income	LCVal	S	S	S	3.5	-17.2	-12.1	18.7	16.0	0.55	fsw	
131	15	26	NBFSX	Neuberger Berman Fasciano Inv	SCGro	(H)	(H)	(H)	-2.1	-20.2	0.4	30.21	15.7	0.67	FSW	
143	208	196	VHCOX	Vanguard Cap Opp (\$25,000&1%r<5yr)	SCGro	(S)	(S)	(S)	9.9	-20.8	-19.6	16.94	38.1	1.06	fsw	
193	27	21	FDESCX	Fidelity Small Cap Ind.(1.5%r<90d)	SC	(S)	(S)	(S)	-1.4	-22.2	-9.3	13.78	22.8	0.83	fsw	

Dow Jones
NASDAQ
S&P 500

7.6% **-15.3%** **-8.1%**
12.1 **-18.9** **-22.1**
6.3 **-17.1** **-16.9**

indexes do not include dividends

International Stock Funds

1	1	-	MACSX	Mathews Asia Growth&Income (2%r<90d)	Pacific	B	B	B	-0.3%	-4.5%	20.0%	\$10.42	14.4	-	FSW
2	27	4	OAKGX	Oakmark Global (2%r<90d)	Global	(B)	(B)	(B)	6.2	-17.5	7.1	12.23	-	-	FSW
3	5	19	BJBIX	Julius Baer Intl. Equity A	Int'l	B	B	B	3.3	-12.5	-2.6	19.62	28.8	-	FS
4	12	23	USIFX	USAA International	Int'l	B	B	B	5.4	-13.6	-4.9	15.16	18.1	-	w
5	4	33	VNEPX	Vontobel International Equity (2%r<90d)	Int'l	B	B	B	3.4	-12.0	-7.3	11.70	21.1	-	Fsw
6	24	1	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	H	H	H	5.5	-19.4	6.3	10.69	25.6	-	FSW
7	11	7	PRASX	T. Rowe Price New Asia	Pacific	*	B	B	2.2	-18.4	8.9	5.62	33.6	-	fsw
8	9	-	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	B	B	2.0	-19.2	7.8	10.64	21.8	-	FSW
9	20	9	VEIEX	Vanguard Emerging Mkts Stk Index (0.5%r)	Int'l	*	H	H	5.1	-19.8	4.7	7.48	32.3	-	fsw
10	13	5	FEMKX	Fidelity Emerging Mkts (3%&1.5%r<90d)	Int'l	H	H	H	3.7	-20.4	7.6	7.04	32.9	-	fsw
11	25	11	FIVFX	Fidelity Aggressive Intl. (1%r<30d)	Int'l	H	H	H	6.0	-19.1	0.4	10.88	25.6	-	Fsw
12	6	2	MAPTX	Mathews Pacific Tiger (2%r<90d)	Pacific	(B)	(B)	(B)	1.2	-19.5	8.5	7.82	47.1	-	FSW
13	15	10	SCOPX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	*	(B)	(B)	1.9	-19.3	6.7	7.93	33.5	-	FSW
14	17	8	MNEMX	Montgomery Emerging Mkts (closed)	Int'l	*	H	H	5.0	-20.5	4.7	7.62	31.6	-	FSW
15	19	13	PFIFX	Preferred International	Int'l	(B)	(B)	(B)	3.4	-17.0	-2.7	10.33	17.4	-	w
16	16	21	FDIVX	Fidelity Diversified Inter'l (1%r<30d)	Int'l	B	B	B	3.6	-15.6	-6.7	16.98	20.4	-	Fsw
17	26	12	HAINX	Harbor International	Int'l	(B)	(B)	(B)	5.3	-17.1	-5.6	26.28	17.8	-	sw
18	21	20	FIGRX	Fidelity International G & I	Int'l	H	H	H	3.4	-16.9	-6.0	16.73	22.0	-	Fsw
19	31	41	USAWX	USAA World Growth	Int'l	H	H	H	4.6	-15.8	-11.4	12.19	20.0	-	w
20	22	3	FSEAX	Fidelity SE Asia (3%&1.5%r<90d)	Pacific	*	H	H	2.1	-22.6	7.6	9.82	38.5	-	fsw
21	7	16	FPBFX	Fidelity Pacific Basin (3%&1.5%r<90d)	Pacific	*	H	H	-1.2	-16.5	-3.2	12.78	30.0	-	Fsw
22	45	28	FWWFX	Fidelity Worldwide (1%r<30d)	Global	H	H	H	5.0	-17.9	-11.9	12.07	18.5	-	Fsw
23	8	15	ICHKX	Investec China & Hong Kong	Pacific	(H)	(H)	(H)	1.0	-19.9	-1.0	10.06	39.2	-	FSW
24	35	38	SWINX	Schwab International Index (1.5%r<180d)	Int'l	H	H	H	5.1	-18.0	-14.6	10.45	18.0	-	S
25	28	26	CMISX	Columbia International Stock	Int'l	H	H	H	3.4	-18.1	-13.3	9.99	22.2	-	fsw
26	30	6	OAKIX	Oakmark International (2%r<90d)	Int'l	S	S	S	3.5	-23.0	-1.5	12.69	24.3	-	FSW
27	36	-	VTRIX	Vanguard Intl. Value	Int'l	H	H	H	2.6	-20.2	-7.8	18.83	15.9	-	fsw
28	33	31	TWGGX	American Century Global Growth	Global	H	H	H	2.3	-18.1	-12.5	5.24	-	-	FSW
29	23	30	GIGRX	Gabelli Intl. Growth	Int'l	S	S	S	2.7	-17.9	-13.9	11.68	21.0	-	FSW
30	37	44	TWIEX	American Century Intl Growth	Int'l	S	S	S	4.0	-18.1	-15.9	6.49	27.7	-	FSW
31	32	43	SCINX	Scudder International (2%r<180d)	Int'l	H	H	H	2.7	-17.8	-15.2	30.60	21.4	-	FSW
32	49	40	VEURX	Vanguard European Stock Index	Europe	H	H	H	4.5	-19.0	-15.4	16.34	17.3	-	fsw
33	29	18	TBGVX	Tweedy, Browne Global Value	Global	S	S	S	2.1	-20.0	-9.7	15.92	14.6	-	fsw
35	48	29	VWIGX	Vanguard International Growth	Int'l	H	H	H	3.9	-20.3	-13.0	12.13	17.6	-	fsw
38	14	27	VPACX	Vanguard Pacific Stock Index	Pacific	*	(S)	(S)	-3.1	-15.9	-14.1	5.92	24.7	-	fsw

Specialty Funds

RANK	11/01 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	-	-	-	BEARX	Prudent Bear	Altern	*	*	*	-6.0%	26.2%	36.3%	\$7.51	44.10	-1.57	FSW
2	-	-	-	RYURX	Rydex Ursa	Altern	*	*	*	-6.8	14.6	13.3	12.63	21.50	-1.01	fsw
3	-	-	-	BRPIX	ProFunds Bear Inv	Altern	*	*	*	-7.0	14.1	12.2	44.63	21.60	-1.02	Sw
4	-	-	-	SCGD	Scudder Gold	NatRes	*	*	*	-4.0	-3.2	40.7	9.55	31.90	0.28	FSW
5	-	-	-	FSAGX	Fidelity Gold (3%&.75%r<30d)	NatRes	*	*	*	-5.9	-5.3	46.2	19.91	34.10	0.36	fsw
6	-	-	-	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	-5.6	-5.7	45.6	7.54	36.90	0.15	FSW
7	-	-	-	FGLDX	INVESCO Gold Inv	NatRes	*	*	*	-4.9	-7.2	38.1	2.32	30.30	0.22	FS
8	-	-	-	VGPMX	Vanguard Precious Metals (closed,1%r<1yr)	NatRes	*	*	*	0.4	-9.5	26.4	10.13	32.70	0.56	fsw
9	-	-	-	FBMPX	Fidelity Multimedia (3%&.75%r<30d)	Consmr	*	*	*	14.5	-6.8	-2.4	33.25	21.80	1.08	fsw
10	-	-	-	RYPMX	Rydex Precious Metals	NatRes	*	*	*	-2.1	-10.0	28.4	26.62	31.70	0.24	fsw
11	-	-	-	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	-6.7	-16.3	50.7	4.16	42.40	0.41	sw
12	-	-	-	GATEX	Gateway Fund	Altern	*	*	*	5.9	-4.8	-2.6	20.78	7.84	0.40	FSW
13	-	-	-	IVSRX	INVESCO Real Estate Inv	RealEs	*	*	*	-1.5	-6.5	11.2	7.41	13.90	0.34	FS
14	-	-	-	FSCSX	Fidelity Software (3%&.75%r<30d)	Tech	*	*	*	21.5	-11.0	-14.2	34.67	52.00	2.14	fsw
15	-	-	-	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	-3.3	-7.5	13.8	25.85	13.20	0.17	fsw
16	-	-	-	RSCOX	RS Contrarian	Altern	*	*	*	0.6	-7.6	8.0	10.08	17.60	0.57	FSW
17	-	-	-	FSTCX	Fidelity Telecomm (3%&.75%r<30d)	Utility	*	*	*	24.3	-8.4	-28.0	24.67	25.00	1.38	fsw
18	-	-	-	CGMRX	CGM Realty	RealEs	*	*	*	1.9	-13.9	18.8	14.19	17.50	0.21	fsw
19	-	-	-	RYKIX	Rydex Banking	FinServ	*	*	*	1.8	-11.2	8.9	7.94	27.50	0.70	fsw
20	-	-	-	FSRBX	Fidelity Banking (3%&.75%r<30d)	FinServ	*	*	*	2.5	-11.0	5.8	31.99	24.50	0.70	fsw
21	-	-	-	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	-3.5	-8.0	6.6	17.90	13.90	0.20	Fsw
22	-	-	-	FSMEX	Fidelity Medical Equip (3%&.75%r<30d)	Health	*	*	*	1.4	-8.0	-2.7	15.07	15.50	0.29	fsw
23	-	-	-	FSVLX	Fidelity Home Finance (3%&.75%r<30d)	FinServ	*	*	*	3.1	-12.8	6.4	50.04	25.80	0.37	fsw
24	-	-	-	MERFX	Merger Fund	Altern	*	*	*	0.8	-5.9	-8.8	13.62	6.84	0.14	FSW
25	-	-	-	RYCIX	Rydex Consumer Products	Consmr	*	*	*	3.7	-11.5	0.8	7.61	15.90	0.52	fsw
26	-	-	-	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	-3.9	-9.4	6.0	11.61	13.70	0.14	fsw
27	-	-	-	FSCHX	Fidelity Chemicals (3%&.75%r<30d)	Cycls	*	*	*	-0.3	-11.3	4.3	39.44	21.60	0.82	fsw
28	-	-	-	CSEIX	Cohen & Steers Equity Income	RealEs	*	*	*	-4.9	-9.0	5.4	11.17	13.10	0.13	FSW
29	-	-	-	FIDSX	Fidelity Fin'l Serv (3%&.75%r<30d)	FinServ	*	*	*	5.2	-12.0	-2.9	91.15	21.80	0.79	fsw
30	-	-	-	FSLBX	Fidelity Brokerage (3%&.75%r<30d)	FinServ	*	*	*	8.8	-13.3	-5.3	36.91	30.80	1.47	fsw
31	-	-	-	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	-4.7	-9.3	4.7	42.03	14.60	0.23	FSW
32	-	-	-	FSSESX	Fidelity Energy Services (3%&.75%r<30d)	NatRes	*	*	*	9.6	-20.3	10.3	29.33	46.40	1.18	fsw
33	-	-	-	RYPIX	Rydex Transportation	Cycls	*	*	*	4.1	-13.7	0.7	5.60	20.80	0.76	fsw
34	-	-	-	FSLEX	Fidelity Environmental Ser (3%&.75%r<30)	Cycls	*	*	*	4.8	-11.5	-6.1	10.35	19.70	0.59	fsw
35	-	-	-	FSPCX	Fidelity Insurance (3%&.75%r<30d)	FinServ	*	*	*	2.0	-12.6	0.0	45.23	27.70	0.56	fsw
36	-	-	-	FSFSX	INVESCO Financial Serv Inv	FinServ	*	*	*	4.3	-13.2	-5.2	23.84	22.80	0.86	FS
37	-	-	-	FDFA	Fidelity Food & Agr (3%&.75%r<30d)	Consmr	*	*	*	2.9	-13.6	-2.3	40.19	15.50	0.21	fsw
38	-	-	-	FSDPX	Fidelity Indust Matrils (3%&.75%r<30d)	Cycls	*	*	*	2.4	-16.5	3.6	22.50	23.00	0.87	fsw
39	-	-	-	FSRPX	Fidelity Retailing (3%&.75%r<30d)	Consmr	*	*	*	7.2	-17.2	-2.6	36.13	19.80	0.89	fsw
40	-	-	-	VGHGX	Vanguard Health Care (\$25k&1%r<5yr)	Health	*	*	*	4.2	-12.8	-9.2	104.00	15.00	0.37	fsw
41	-	-	-	FSPFX	Fidelity Paper & Forest (3%&.75%r<30d)	Cycls	*	*	*	2.5	-16.3	1.2	24.56	24.70	0.80	fsw
42	-	-	-	VGEXX	Vanguard Energy (1%r<1yr)	Energy	*	*	*	0.9	-15.0	-1.7	23.82	24.50	0.64	fsw
43	-	-	-	RYRIX	Rydex Retailing	Consmr	*	*	*	6.5	-18.4	-4.8	8.98	20.50	0.95	fsw
44	-	-	-	FSHCX	Fidelity Med Del (3%&.75%r<30d)	Health	*	*	*	-7.5	-15.5	8.6	27.51	23.10	0.07	fsw
45	-	-	-	RYIIX	Rydex Internet	Tech	*	*	*	24.6	-17.4	-35.0	20.25	-	-	fsw
46	-	-	-	FSPCX	Fidelity Consumer Ind (3%&.75%r<30d)	Consmr	*	*	*	4.8	-17.2	-6.4	20.18	14.00	0.66	fsw
47	-	-	-	RYMIX	Rydex Telecommunications	Utility	*	*	*	28.0	-17.4	-41.5	3.57	21.60	1.52	fsw
48	-	-	-	FSRFX	Fidelity Transportation (3%&.75%r<30d)	Cycls	*	*	*	4.3	-19.2	-2.8	24.36	23.00	0.88	fsw
49	-	-	-	FSPHX	Fidelity Health Care (3%&.75%r<30d)	Health	*	*	*	2.3	-12.7	-16.5	102.50	15.30	0.28	fsw
50	-	-	-	FSHOX	Fidelity Const & Housing (3%&.75%r<30d)	Cycls	*	*	*	2.4	-22.1	6.2	23.69	24.40	0.80	fsw
51	-	-	-	FLISX	INVESCO Leisure Inv	Consmr	*	*	*	2.3	-18.6	-3.5	31.56	22.60	1.04	FS
52	-	-	-	FDSLX	Fidelity Leisure (3%&.75%r<30d)	Consmr	*	*	*	4.0	-18.2	-7.9	50.58	21.20	1.10	fsw
53	-	-	-	RYHIX	Rydex Health Care	Health	*	*	*	2.9	-13.7	-18.2	9.38	15.50	0.31	fsw
54	-	-	-	FSTEX	INVESCO Energy Inv	NatRes	*	*	*	1.9	-19.5	-3.6	16.14	33.90	0.84	FS
55	-	-	-	RYFIX	Rydex Financial Services	FinServ	*	*	*	2.7	-18.8	-7.0	8.29	24.10	0.93	fsw
56	-	-	-	FHLSX	INVESCO Health Sciences Inv	Health	*	*	*	0.0	-12.4	-19.3	40.59	31.50	0.29	FS
57	-	-	-	FSAVX	Fidelity Automotive (3%&.75%r<30d)	Cycls	*	*	*	-0.3	-22.8	6.8	22.51	25.10	0.93	fsw
58	-	-	-	RYVIX	Rydex Energy Services	NatRes	*	*	*	9.2	-22.5	-8.4	6.03	37.90	1.15	fsw
59	-	-	-	FSENX	Fidelity Energy (3%&.75%r<30d)	NatRes	*	*	*	2.4	-18.4	-10.3	20.40	22.10	0.70	fsw
60	-	-	-	FNARX	Fidelity Natrl Resources (3%&.75%r<30d)	NatRes	*	*	*	2.3	-18.8	-10.5	10.83	21.90	0.78	fsw
61	-	-	-	RYTIX	Rydex Technology	Tech	*	*	*	22.6	-22.6	-31.9	7.48	34.10	2.04	fsw
62	-	-	-	RYEIX	Rydex Energy	NatRes	*	*	*	4.2	-19.1	-14.9	8.92	21.30	0.66	fsw
63	-	-	-	FBIOX	Fidelity Biotechnology (3%&.75%r<30d)	Health	*	*	*	9.5	-13.9	-36.5	39.89	53.10	0.88	fsw
64	-	-	-	RYLIX	Rydex Leisure	Consmr	*	*	*	-1.1	-21.7	-3.0	6.47	22.00	1.10	fsw
65	-	-	-	FSPTX	Fidelity Technology (3%&.75&r<30d)	Tech	*	*	*	18.2	-22.1	-30.9	38.35	46.60	2.14	fsw
66	-	-	-	RYBIX	Rydex Basic Materials	Cycls	*	*	*	-0.5	-19.4	-10.3	6.21	23.40	0.90	fsw
67	-	-	-	FSNGX	Fidelity Natural Gas (3%&.75%r<30d)	Utility	*	*	*	-0.1	-19.2	-11.6	16.32	27.70	0.61	fsw
68	-	-	-	FPHAX	Fidelity Pharmaceuticals (3%&.75%r<30d)	Health	*	*	*	6.3	-17.6	-25.9	7.24	-	-	fsw
69	-	-	-	FSTUX	INVESCO Utilities Inv	Utility	*	*	*	3.4	-17.4	-24.0	8.45	16.10	0.66	FS
70	-	-	-	FCYIX	Fidelity Cyclical Ind (3%&.75%r<30d)	Cycls	*	*	*	0.1	-21.6	-11.9	11.58	22.00	0.98	fsw

Money Funds Lose Assets During Third Quarter

Low yields continue to drive investors away from the money market, as more than \$100 billion left in August and September alone. That brings the year-to-date decline in money fund assets to \$158 billion according to data from the Investment Company Institute. With the continuation of the stock market roller coaster ride during the Third Quarter bond funds were the primary recipients, adding \$33 billion during the last two months of the quarter, while stock funds had nearly \$20 billion in net outflows over the same period.

Taxable money fund yields, which dipped by three basis points (0.03 percent) during the Second Quarter, dropped another eight basis points in the Third Quarter. Federal Reserve has not acted since last December and as we go to press the federal funds rate is holding at 1.75%. Fed observers are expecting a 25 basis point cut by the policy makers later this week. iMoneyNet's Money Fund Report Averages/All Taxable 7-day yield (MFA) stood at 1.25% as of the end of the quarter. On the tax-free side, the All Tax-Free 7-day yield increased by 17 basis points to 1.08% during the quarter.

For investors in all but the 10% tax bracket it may make sense to consider a tax-free fund. For example, looking at the highest tax bracket (38.6% for 2002), the taxable equivalent yield for the average tax-free fund is 1.76% (versus the 1.25% Taxable MFA). Two things to remember: 1) if you shop, you can find above average funds—see the accompanying table of top-yielding funds; 2) double and triple tax-free funds (i.e. exempt from state and/or local taxes) can also provide an edge for investors in certain states or municipalities.

To calculate whether taxable or tax-free funds make sense for you, use this formula:

$$\text{Taxable Equivalent Yield} = \frac{\text{Tax-Free Yield}}{1 - \text{your tax bracket}}$$

MONEY FUND YIELDS

	1/1/02	3/26/02	7/2/02	10/1/02
7-Day All Taxable MFA	1.59%	1.36%	1.33%	1.25%
7-Day All Tax-Free MFA	1.23%	1.01%	0.91%	1.08%

Source: iMoneyNet's Money Fund Report, (800) 343-5413.

MANAGED ACCOUNTS

For information on the "MONEYLETTER Managed Account" Program¹, call Principal Resource Inc. toll-free at (800) 707-2060. Ask about PRI's free, no-obligation portfolio review.

Minimum investment is \$100,000.

¹As 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
Gabelli US Treasury MMF	1.41%	1.42%	1.76%
Fidelity Spartan US Treas MMF	1.36	1.37	1.74
Vanguard Treasury MMF	1.35	1.36	1.83
Amer Century Capital Presv Fund/Inv	1.25	1.26	1.66
T Rowe Price US Treasury MF	1.19	1.21	1.65
CMA Treasury Fund	1.16	1.20	1.50
Prudential Govt Sec Tr/US Treas/CI A	1.14	1.14	1.44
Dreyfus 100% US Treas MMF	1.13	1.13	1.56
US Treasury MF of America/CI A	1.09	1.11	1.29
Schwab US Treasury Money Fund	1.05	1.06	1.44

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.80%	1.81%	-
Touchstone Money Market Fund	1.78	1.77	2.05%
Scudder YieldWise Money Fund	1.56	1.58	1.80
Aon Funds/Money Market Fund	1.54	1.55	1.72
TIAA-CREF Money Market Fund	1.54	1.55	1.89
McMorgan Principal Preservation Fund	1.53	1.53	1.84
Transamerica Premier Cash Res/Inv	1.53	1.54	1.89
Flex-fund Money Market Fund	1.52	1.52	1.87
Scudder Premium Money Mkt Shrs/CI S	1.52	1.52	1.76
Scudder Premium Money Mkt Shrs/AARP	1.52	1.52	1.76
Strong Heritage MF/Inv Class	1.52	1.53	1.80
USAA Money Market Fund	1.52	1.51	1.74

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Strong Tax-Free Money Fund	1.83%	1.63%	1.47%
Evergreen Municipal MMF/CI I	1.68	1.55	1.34
Vanguard Tax-Exempt MMF	1.65	1.54	1.51
Strong Municipal MMF	1.64	1.50	1.47
Amer Century T-F MMF/Inv Class	1.57	1.40	1.28
Scudder YieldWise Muni MF	1.47	1.37	1.41
USAA Tax Exempt MMF	1.47	1.36	1.34
Fidelity Municipal MMF	1.44	1.33	1.31
Dreyfus BASIC Muni MM Portfolio	1.40	1.29	1.29
SSgA Tax-Free MMF/CI A	1.40	1.28	1.13

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard PA Tax-Exempt MMF	1.59%	1.44%	1.42%
Vanguard CA Tax-Exempt MMF	1.58	1.42	1.40
Vanguard OH Tax-Exempt MMF	1.58	1.49	1.50
USAA Tax Exempt CA MMF	1.53	1.39	1.31
Vanguard NY Tax-Exempt MMF	1.53	1.41	1.40
Vanguard NJ Tax-Exempt MMF	1.46	1.34	1.39
Fidelity OH Municipal MMF	1.41	1.28	1.26
Fidelity FL Municipal MMF	1.40	1.29	1.24
Fidelity PA Municipal MMF	1.39	1.28	1.23
Amer Century CA T-F MMF/Inv Class	1.35	1.14	1.17

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 10/29/02. 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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Two RS Funds For The Recovery Ahead

RS Investments, formerly Robertson Stephens Investment Management, is known for its investment prowess in small- to medium-sized public companies. The firm has built a reputation for identifying emerging business trends and selecting investments in “new economy” stocks. Although its growth funds proved very strong in growth-oriented markets, several have sustained heavy losses in recent years as growth investing, and investing in “new economy” stocks in particular, fell out of favor. Yet, once the economy seems to truly be on solid footing once again, the performance of growth stocks will improve. When it does, the RS group of funds should be ready to shine again.

RS MidCap Opportunities Fund (RSMOX)

Fund manager John Wallace looks within the mid-cap universe for firms that are likely to double in price within 18 months. He begins with rigorous fundamental analysis, assessing product demand, business plan, and management quality, and follows that up with analysis of technical points such as cash flow and P/E ratio relative to a firm’s growth rate. The kicker is a catalyst to drive earnings growth. Once stocks are bought, Wallace sets upside price targets, and begins to sell when the stocks get within 10% of those targets. He will also sell if negative fundamental changes occur regarding management, product demand, the products themselves, or if better opportunities are available.

In 2001, the fund lost 14%—but that was better than its typical mid-cap growth peer. Its best year so far was 1999 when it gained more than 56%. This year has been a tough one, with the fund down 25% year-to-date (through November 1). Early on in 2002, the portfolio took a significant hit from its biotechnology picks such as Celera Genomic and Abgenix (both of which have been sold). Yet the fund has also had substantial winners this year. Willis Group Holdings, the third largest insurance broker in the world, has advanced 30% year-to-date. The firm is benefiting from rising insurance premiums, and does not have the underwriting risk associated with the typical property and casualty insurer.

Top Five Sector and Holdings (% of Assets)

Healthcare	24.6%	SPX Corp.	2.6%
Consumer Discretionary	20.2	Willis Group Holdings	2.5
Financial Services	12.4	Weight Watchers Int'l.	2.2
Technology	8.5	Manor Care	2.0
Energy (non-oil)	7.1	Teva Pharmaceutical	1.9

as of September 30, 2002

Wallace expects to keep the portfolio concentrated in three main sectors of the market: health care, technology, and consumer. In health

care, the concentration is on service companies, including HMOs and hospital-related firms. The consumer weighting tends to focus on retail stocks, as the consumer has remained fairly strong through the economic downturn. Technology is currently underweighted, and will remain so until signs of increased IT spending appear.

RS Smaller Company Growth (RSSGX)

Like its brethren above, this fund goes for growth. But its focus is a bit different. Manager Bill Wolfenden looks for firms with revenues growing at least 15% per year internally (i.e., without acquisitions), but preferably 20%. It looks in what RS terms “the least efficient market sector, where many stocks are underfollowed, underowned, and undervalued.” Microcap stocks and the IPO market (in more normal times) provide a fertile hunting ground. This is effectively a microcap fund.

Sell criteria are pretty straightforward. If business fundamentals turn negative, operating objectives are not met, or the stock becomes overvalued, the sell process is started. However, Wolfenden does find that the volatile stock market has offered opportunities to add to returns via trading. He’ll keep a core of fundamental positions, but will raise and lower his commitment (buy and sell) as their share prices rise and fall.

While the portfolio is constructed from a bottom-up, stock-picking approach, Wolfenden does use themes to aid his investment choices. The fund has been focused on three primary groups: technology, health care, and consumer. These will likely continue to be the areas of focus. Wolfenden and his analysts believe health care will continue to grow no matter what—hence that focus. And they are buying in biotechnology, where many new drugs are in the late-stage approval process at the FDA. As for the consumer, a theme approach based on teens—a rapidly growing segment that seems to be fairly resilient to economic gyrations—has led to some of the consumer-type holdings.

The fund is down 38% year-to-date. However, the fund gained 11% for the four weeks ended November 1. \$

Top Five Sector and Holdings (% of Assets)

Consumer Discretionary	23.4%	Scottish Annuity & Life	2.0%
Healthcare	23.4	School Specialty	1.8
Technology	21.5	VitalWorks, Inc.	1.8
Producer Durables	6.4	Coinstar	1.8
Financial Services	6.1	Artisan Components	1.7

as of September 30, 2002

RS Funds

388 Market Street, Ste. 1700

San Francisco, CA 94111, (800) 766-3863

Minimum investment: \$5,000; \$1,000 IRA

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