

# MONEYLETTER<sup>®</sup>.com

“Serving Investors Since 1980”

## Back Into The Water

by Walter S. Frank, Chief Investment Officer

As long ago as last June we cut back our allocation to domestic stock funds. We expected the withdrawal from the market to be rather brief, labeling it “short-term.” As we wrote at the time (*MONEYLETTER*, June 21, 2002, Vol.23, No.12) “We aren’t sure how long the ‘short-term’ will turn out to be. But we do feel that we will return to the current allocations (or some variation) before much time has passed. It could be month or three months, perhaps less.”

Well, the “short-term” has turned out to be six months, and we have lived through a very nasty leg of the bear market in the meanwhile. But now we believe that we have put the bear market behind us. We are hesitant to say that a new bull market has begun, but the seeds of a new bull market are now being sown. We may still have a period of a push-pull market ahead of us as the economic engine slowly warms up. But make no mistake about it, despite all the expected nay-saying, the engine is warming up, making this the time to act.

### The new allocations

We are recommending an increase in the domestic equity allocation for all investors. The increase is straightforward for Venturesome and Moderate investors. It is somewhat different for Conservative investors.

For Venturesome investors, we are raising the domestic stock allocation to 85% from 70%, while simultaneously lowering the money fund allocation from 30% to 15%. For Moderate investors, we are raising the domestic stock allocation to 65% from 55%, and lowering the money fund allocation to 10% from 20%. For Conservative investors, we are establishing a new Specialty Fund allocation of 10%, while lowering the money fund allocation to 15% from 25%.

### The model portfolios

Here are the changes we have made to the model portfolios. (The new allocations were recommended in the Hotline of Tuesday, November 26th.) *MONEYLETTER Venturesome*: Sold one-half of money fund allocation. Purchased Royce Premier Fund with the proceeds. *MONEYLETTER Moderate*: Sold one-half of money fund allocation. Purchased Royce Premier with the pro-

ceeds. *MONEYLETTER Conservative*: Sold 40% of money fund allocation and purchased Gateway Fund with the proceeds.

*Fidelity Venturesome*: Sold one-half of money fund allocation, purchased Fidelity OTC Portfolio with the proceeds.

*Fidelity Moderate*: Sold one-half of money fund allocation, and purchased Fidelity OTC Portfolio with the proceeds.

*Fidelity Conservative*: Sold 40% of money fund allocation, and purchased Fidelity Balanced Fund with the proceeds.

*Vanguard Venturesome*: Sell one-half of money-fund allocation, and purchase Vanguard Extended Market Index with the proceeds.

*Vanguard Moderate*: Sell one-half of money fund allocation, and purchase Vanguard Extended Market Index with the proceeds.

*Vanguard Conservative*: Sell 40% of money fund allocation, and purchase Vanguard Balanced Index with the proceeds.

### The markers

At the time we cut our domestic stock allocation last June, we laid down three developments we needed to see in order for us to reverse course. The first, and most important, was that the usual connection between the market and the economy had to be re-established. What bothered us so much last June was that the market continually dismissed any good economic news. When the market should have risen, it fell.

Well, we are now seeing the market/economy connection re-established. The rally we are experiencing has something to do with the improving outlook for the economy. Wall Street is still much more interested in profit reports than it is in economic reports. After the profit disasters of the past two years, Wall Street is still leery. Even so, good economic news is not being dismissed as it was only 4-6 months ago. We’re at least halfway back to re-establishing the connection.

Our second marker involved Wall Street’s deep skepticism about the profit outlook. At the time we cited Chuck Hill of Thompson First Call, the guardian of profit estimates, and his many grains-of-salt approach to the very estimates he was presenting. That too is changing. Many of the Wall Street pros have not changed their “watch out sucker” approach. That is to be expected as the outlook changes. It will take them time to realize that their world has changed. But Hill, for one, has certainly tempered his vinegary approach to the latest forecasts from analysts.

Finally, there was our last marker, concerning business investment. We called it “not necessary for reentry.” Even so, we wanted to see some signs of revival in business investment. So far we would say there have been some positive signs, in the GDP numbers, for example, but they are still very tentative. Business investment is still the missing element in the recovery picture.

### Only half restored

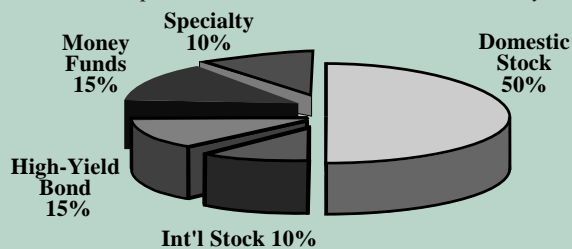
As you can see we are only recommending a half reentry back into the market, even though our strongest conditions are being met. We are being, by our standards, more than usually cautious. After the once-every-thirty-years bear market of the last two years, caution is now part of the air we all breathe. Moreover, we would like to see the economic engine heat up a bit more before we decide to commit more reserves. \$

### Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Lower	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

**MONEYLETTER Conservative**

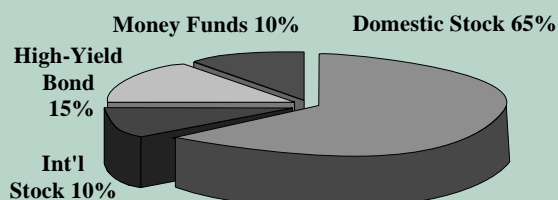
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market		1.2%	19,000	\$1.00	\$19,000
Gateway Fund	11/27/02	-0.1	593	21.32	12,635
Columbia High Yield	01/17/01	4.3	1,521	8.36	12,713
Baron Small Cap	05/01/02	-17.6	972	13.90	13,515
Ariel Fund	08/14/02	1.3	346	36.76	12,729
Yacktman	11/15/00	37.5	1,809	12.61	22,810
Oakmark Global	08/28/02	5.0	652	13.35	8,702
<b>TOTAL VALUE</b>					<b>\$102,104</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
4.0%	-7.0%	4.7%	12.5%	-1.4%

**MODERATE**

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

**MONEYLETTER Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market		0.6%	8,586	\$1.00	\$ 8,586
Buffalo High Yield	06/20/01	4.4	1,370	9.80	13,426
Royce Premier	11/27/02	-0.9	840	10.11	8,495
Matthews Pacific Tiger	02/06/02	-2.7	971	8.60	8,352
Ariel Fund	08/14/02	1.3	191	36.76	7,008
Yacktman	11/15/00	37.5	1,795	12.61	22,637
Baron Small Ca	05/01/02	-17.6	1,162	13.90	16,154
<b>TOTAL VALUE</b>					<b>\$84,658</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
4.3%	-6.9%	2.9%	-3.6%	-0.6%

**Fidelity Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves		1.6%	15,539	\$1.00	\$15,539
Fidelity Balanced	11/27/02	-0.1	751	13.76	10,330
Fidelity High Income	01/17/01	-10.4	1,766	7.62	13,460
Fid. Low Priced Stk (3%)	02/20/02	-2.4	614	26.19	16,070
Fidelity Equity-Income II	10/30/02	6.8	686	18.72	12,835
Fidelity Contrafund	10/02/02	1.4	283	38.89	11,007
Fidelity Int'l Growth & Inc	06/05/02	-13.7	379	17.39	6,586
<b>TOTAL VALUE</b>					<b>\$85,827</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
3.3%	-8.9%	-3.2%	-3.6%	-5.8%

**Fidelity Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves		0.8%	12,100	\$1.00	\$12,100
Fidelity OTC Portfolio	11/27/02	-0.5	462	26.00	12,013
Fidelity High Income	01/17/01	-10.4	1,897	7.62	14,456
Fidelity Fifty	02/20/02	6.4	949	17.28	16,401
Fid. Low Priced Stk (3%)	01/10/01	23.6	569	26.19	14,891
Fidelity Contrafund	10/02/02	1.4	311	38.89	12,087
Fidelity SE Asia (3%)	02/06/02	-6.3	659	10.64	7,017
<b>TOTAL VALUE</b>					<b>\$88,965</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
4.1%	-9.1%	1.6%	2.5%	-2.5%

**Vanguard Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM		1.6%	13,319	\$1.00	\$13,319
Vanguard Balanced Index	11/27/02	-0.1	546	16.21	8,855
Vanguard Int'l Growth	05/01/02	-14.7	568	12.98	7,372
Vanguard Cap Opportunity	07/12/99	19.9	330	18.48	6,100
Vanguard Strategic Equity	10/09/02	18.0	950	13.69	13,000
Vanguard Growth Index	10/30/02	4.5	421	21.41	9,017
Vanguard Convertible	09/04/02	5.6	1,118	10.57	11,815
Vanguard FI Hi-Yld Corp	01/17/01	0.3	2,448	5.86	14,346
<b>TOTAL VALUE</b>					<b>\$83,824</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
3.9%	-9.3%	-9.3%	-9.2%	-10.4%

**Vanguard Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM		0.8%	8,059	\$1.00	\$ 8,059
Vanguard Extended Mkt	11/27/02	-0.4	405	19.80	8,011
Vanguard FI Hi-Yld Corp	01/17/01	0.3	2,363	5.86	13,846
Vanguard Emerg. Mkts Stock	02/06/02	-6.8	905	8.01	7,251
Vanguard Convertible	09/04/02	5.6	1,663	10.57	17,574
Vanguard Growth Index	10/30/02	4.5	607	21.41	13,006
Vanguard Strategic Equity	10/09/02	18.0	959	13.69	13,122
<b>TOTAL VALUE</b>					<b>\$80,869</b>

**TOTAL RETURNS (as of 11/30/02)**

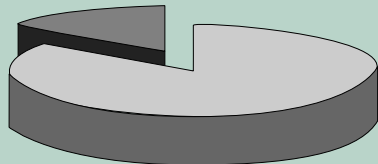
1-mo	6-mo	1-yr	3-yr	YTD
3.8%	-11.8%	-10.4%	-11.4%	-13.5%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 11/30/02.

**VENTURESOME**

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

Money Funds 15%



Domestic Stock 85%

**MONEYLETTER Venturesome**

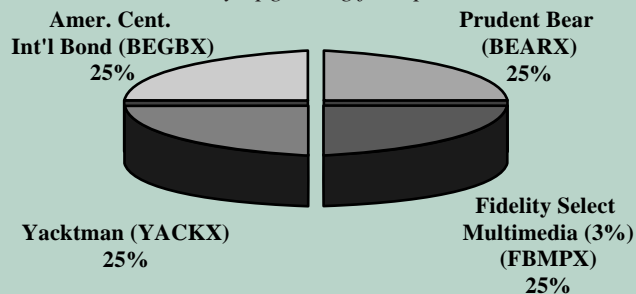
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market		0.6%	12,468	\$1.00	\$12,468
Royce Premier	11/27/02	-0.9	1,220	10.11	12,334
Baron Small Cap	05/01/02	-17.6	1,101	13.90	15,298
Yacktman	11/15/00	37.5	860	12.61	10,850
Neuberger Berm. Genesis	02/14/01	6.0	610	20.15	12,294
Ariel Fund	08/14/02	1.3	392	36.76	14,394
<b>TOTAL VALUE</b>					<b>\$77,638</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
3.2%	-11.4%	1.8%	-10.5%	-4.3%

**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	-13.4%	3,008	\$8.31	\$21,661
Fidelity Multimedia (3%)	11/27/02	-0.3	557	37.38	20,839
Yacktman	10/30/02	6.3	1,915	11.86	24,144
Amer. Cent Int'l Bond	09/30/02	0.3	2,150	11.63	25,064
<b>TOTAL VALUE</b>					<b>\$91,708</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
-2.7%	n/a	n/a	n/a	-8.3%

**Fidelity Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves		0.8%	15,300	\$1.00	\$15,300
Fidelity OTC Portfolio	11/27/02	-0.5	584	26.00	15,190
Fid. Low Priced Stk (3%)	11/29/00	30.6	724	26.19	18,971
Fidelity Equity-Income II	10/30/02	6.8	788	18.72	14,744
Fidelity Contrafund	10/02/02	1.4	288	38.89	11,191
Fidelity Fifty	02/20/02	6.4	1,045	17.28	18,053
<b>TOTAL VALUE</b>					<b>\$93,449</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
4.3%	-10.1%	0.7%	9.6%	-4.3%

**Commentary**

The continued strength of the market has resulted in a further rotation away from “bearishly” oriented funds. Consistent with their public policy, the Fed reduced interest rates by 50 basis points in an effort to stabilize the economy in the pursuit of a sustainable growth target. The Hotline of Tuesday, November 26 recommended the sale of AXARosenberg Value L/S (BRMIX) to be upgraded to the Fidelity Select Multimedia Fund (FBMPX).

Details: Sold 2,228 shares of AXARosenberg @ \$9.67 per share. Purchased 557 shares of Fidelity Select Multimedia @ \$37.49 per share.

This represents the second fund “upgrade.” 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. Keep in mind these funds did well on a back-tested basis earlier this year. \$

**Vanguard Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM		0.8%	12,903	\$1.00	\$12,903
Vanguard Extended Mkt	11/27/02	-0.4	648	19.80	12,825
Vanguard Convertible	09/04/02	5.6	1,822	10.57	19,261
Vanguard Strategic Equity	10/09/02	18.0	942	13.69	12,898
Vanguard Equity-Income	08/28/02	-0.6	259	19.44	5,036
Vanguard Growth Index	10/30/02	4.5	741	21.41	15,857
<b>TOTAL VALUE</b>					<b>\$78,780</b>

**TOTAL RETURNS (as of 11/30/02)**

1-mo	6-mo	1-yr	3-yr	YTD
3.0%	-13.6%	-11.0%	-13.0%	-14.6%

**Total Return %—November 30, 2002**

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	5.7	-12.3	-17.8	-32.6	-18.5
Asset Allocation Funds (Avg) 45 Funds	4.2	-7.7	-8.7	-11.5	-9.5

## Domestic Stock Funds

RANK	11/29 2002	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative Moderate Venturesome			TOTAL RETURN			PRICE	RISK		NTF/ wtf
							B	B	B	1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	2	1		YACKX	Yacktman Fund	MC	B	B	B	7.6%	4.0%	17.5%	\$12.61	18.2	0.55	FSW
2	-	-		RYSEX	Royce Special Equity (1%r<180d)	SCVal	H	H	H	2.8	-4.2	22.0	14.22	15.9	0.36	Sw
3	8	11		FFTYX	Fidelity Fifty (.75%r<30d)	LC	B	B	B	11.8	-7.4	12.3	17.28	28.2	0.87	Fsw
4	5	88		LMASX	Legg Mason Special Investment Trust	MC	B	B	B	11.8	-3.9	3.4	31.85	30.6	1.18	w
5	4	8		AVALX	Aegis Value Fund	SCVal	B	B	B	6.1	-3.1	7.6	13.31	18.2	0.31	fw
6	3	-		HSGFX	Hussman Strategic Growth (1.5%r<180d)	MCGro	B	B	B	-1.7	-2.2	12.5	12.29	-	-	fsw
7	49	36		LLPFX	Longleaf Partners	MCVal	H	H	H	8.7	-7.5	3.8	23.57	20.1	0.58	fsw
8	9	27		PRWCX	T. Rowe Price Cap Appreciation	LCVal	B	B	B	5.2	-5.6	3.5	14.88	10.7	0.24	fsw
9	90	163		OBEGX	Oberweis Emerging Growth	SCGro	*	(B)	(B)	16.7	-6.7	-11.0	17.48	48.7	1.49	FSW
10	7	41		TWEIX	American Century Equity Income	MCVal	B	B	B	5.6	-5.1	-0.1	6.81	15.1	0.44	FSW
11	14	53		RYPRX	Royce Premier (1%r<180d)	SC	B	B	B	8.5	-7.8	1.0	10.11	18.7	0.62	FSW
12	12	16		RYTRX	Royce Total Return (1%r<180d)	SCVal	B	B	B	6.0	-8.3	6.0	8.54	13.6	0.41	FSW
13	11	24		RSPFX	RS Partners	SC	*	B	B	6.4	-9.4	6.3	17.86	-	0.59	FSW
14	101	164		LMO PX	Legg Mason Opportunity Trust	MC	(H)	(H)	(H)	16.4	-10.9	-7.3	8.89	-	-	-
15	84	37		TASCX	Third Avenue Small-Cap Value	SCVal	H	H	H	12.9	-11.2	-1.8	14.31	17.5	0.58	FSW
16	16	28		CFIMX	Clipper Fund	LCVal	B	B	B	7.1	-8.4	-0.6	81.34	15.7	0.30	Fsw
17	64	129		STCSX	Strong Advisor Common Stock (closed)	MC	H	H	H	14.1	-9.7	-9.2	17.19	23.2	0.95	FSW
18	10	17		NBGXV	Neuberger Berman Genesis (closed)	SC	B	B	B	3.9	-9.2	4.2	20.15	19.6	0.62	fsw
19	35	7		PRSVX	T. Rowe Price S-C Value (closed, 1%r<1yr)	SCVal	(B)	(B)	(B)	7.7	-11.8	4.9	22.51	16.4	0.44	fsw
20	17	6		FLPSX	Fidelity L P Stock (3%&1.5%r<90d)	SCVal	B	B	B	7.4	-10.9	3.0	26.19	16.6	0.57	fsw
21	19	95		FEQTX	Fidelity Equity-Income II	G&I	B	B	B	8.4	-7.6	-7.1	18.72	17.2	0.74	Fsw
22	39	15		LLSXC	Longleaf Partners Smallcap (closed)	SCVal	H	H	H	8.2	-10.9	1.1	21.75	17.0	0.45	fsw
23	37	47		DODGX	Dodge & Cox Stock	LCVal	(B)	(B)	(B)	9.3	-9.8	-4.2	92.12	19.8	0.64	sw
24	13	91		VCV SX	Vanguard Convertible Securities	Convrt	B	B	B	3.8	-4.7	-9.0	10.57	20.4	0.69	fsw
25	15	72		STDIX	Strong Discovery	MCGro	B	B	B	5.8	-8.1	-4.7	15.20	25.1	0.83	FSW
26	74	45		BEMVX	Berger Mid Cap Value	MCVal	H	H	H	10.4	-11.4	-3.4	15.46	23.3	0.80	FSW
27	69	86		MPSCX	MSI Small Cap Value (closed)	MC	H	H	H	9.3	-9.9	-6.0	15.82	25.5	0.77	fsw
28	28	166		LMVTX	Legg Mason Value	LCVal	H	H	H	9.5	-7.7	-12.1	43.66	28.1	1.16	w
29	31	34		SMCDX	Strong Mid Cap Disciplined	MCVal	H	H	H	8.5	-11.3	-1.9	15.77	23.4	0.92	FSW
30	61	9		ARGFX	Ariel Fund	SCVal	H	H	H	6.4	-11.8	2.3	36.76	18.9	0.40	FSW
31	67	93		THPGX	Thompson Plumb Growth	LC	H	H	H	14.3	-11.7	-10.5	37.85	19.6	0.69	fsw
32	24	108		WAAEX	Wasatch Small Cap Grth (closed, 2%r<60d)	SCGro	B	B	B	10.5	-10.0	-10.0	28.25	37.8	1.15	FSW
33	187	195		TUDRX	WPG Tudor	SC	H	H	H	14.4	-10.1	-16.8	12.03	38.9	1.20	FsW
34	40	182		FOCPX	Fidelity OTC Portfolio	LCGro	*	H	H	8.7	-7.4	-15.1	26.00	29.1	1.57	fsw
35	32	57		TWVLX	American Century Value	MCVal	H	H	H	7.7	-10.4	-6.3	6.28	20.4	0.59	FSW
36	76	84		GABAX	Gabelli Asset	MC	H	H	H	9.1	-11.1	-6.6	29.67	17.2	0.76	FSW
37	29	122		FMLX	Fidelity New Millennium (3%) (closed)	MCGro	H	H	H	8.8	-9.6	-10.1	23.97	59.0	1.67	fsw
38	21	14		TRMCX	T.Rowe Price Mid Cap Value	MCVal	H	H	H	7.6	-13.5	1.0	15.68	15.9	0.60	fsw
39	56	29		FDVLX	Fidelity Value	MCVal	H	H	H	9.5	-13.5	-2.1	48.43	22.8	0.64	Fsw
40	23	26		CAAPX	Ariel Appreciation	MCVal	H	H	H	6.6	-12.1	-1.4	35.03	18.0	0.50	FSW
41	44	99		FCV SX	Fidelity Convertible Securities	Convrt	H	H	H	6.4	-9.1	-8.8	16.86	27.4	0.89	Fsw
42	119	30		HRTVX	Heartland Value (1%r<90d)	SCVal	H	H	H	9.8	-13.9	-1.9	33.80	22.5	0.63	FsW
43	103	63		OTCFX	T. Rowe Price Small Cap Stock Fund	SC	H	H	H	9.0	-12.3	-4.8	22.60	22.0	0.73	fsw
44	38	50		HOVLX	Homestead Value	MCVal	H	H	H	6.7	-11.0	-4.7	23.42	18.1	0.59	fsw
45	58	25		PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	7.8	-13.5	-0.5	6.88	16.7	0.51	Fsw
46	20	59		OAKLX	Oakmark Select (closed) (2%r<90d)	MCVal	H	H	H	6.6	-10.6	-6.0	24.92	26.2	0.83	FSW
47	25	64		DNLDX	Dreyfus New Leaders	MCGro	(H)	(H)	(H)	5.9	-11.1	-4.0	36.47	25.2	0.92	FSW
48	47	49		ACBGX	Bonnel Growth Fund (.25%r<30d)	MCGro	H	H	H	11.9	-13.9	-5.9	12.45	43.9	1.10	fsw
49	161	224		TGMCX	TCW Galileo Aggressive Growth	MCGro	*	H	H	16.2	-9.5	-24.1	8.92	72.0	2.06	6831
50	72	44		MERDX	Meridian Fund	SCGro	H	H	H	8.7	-12.9	-4.9	24.93	21.4	0.77	fsw
51	65	66		PRFDX	T. Rowe Price Equity-Income	LCVal	H	H	H	8.2	-11.6	-7.7	21.11	16.7	0.53	fsw
52	124	96		SLSSX	Selected Special Shares	MCGro	H	H	H	10.7	-12.5	-9.5	9.22	23.9	1.04	sW
53	60	-		WBSNX	WmBlair S-C Growth N (1%r<60d)	SCGro	H	H	H	9.1	-13.5	-4.7	14.12	-	0.95	FSW
54	55	132		FDCAX	Fidelity Capital Appreciation	MC	H	H	H	9.5	-11.4	-11.1	17.68	31.5	1.26	fsw
55	134	133		SAIFX	Salomon Brothers Investors	LCVal	H	H	H	12.7	-12.7	-13.3	15.97	19.7	0.83	fsw
56	41	142		FTRNX	Fidelity Trend	LC	H	H	H	6.9	-9.0	-14.2	41.33	27.3	1.16	Fsw
57	143	199		VHCOX	Vanguard Cap Opp (\$25,000&1%r<5yr)	MCGro	H	H	H	12.9	-10.9	-18.8	18.48	38.1	1.06	fsw
58	26	137		FDGFX	Fidelity Dividend Growth	LC	H	H	H	6.4	-9.3	-13.5	23.98	19.2	0.84	Fsw
59	63	23		BGRFX	Baron Growth	SCGro	H	H	H	4.3	-13.0	-1.7	27.77	25.4	1.06	FSW
60	100	19		OAKSX	Oakmark Small Cap (2%r<90d)	SCVal	H	H	H	9.4	-16.6	-0.3	15.88	18.1	0.54	FSW
61	46	-		VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	6.3	-12.3	-6.5	13.69	17.2	0.82	fsw
62	36	149		FDS SX	Fidelity Stock Selector	LC	H	H	H	5.9	-9.0	-14.7	17.75	20.9	0.97	Fsw
63	240	-		CBMDX	C&B Mid Cap Value	MCVal	S	S	S	6.9	-15.0	-1.5	14.12	18.4	0.53	-
64	125	117		WVALX	Waltz Value Fund	MCVal	H	H	H	9.3	-12.6	-11.2	28.64	16.6	0.52	SW
65	167	10		BERWX	Berwyn Fund (1%r<180d)	SCVal	S	S	S	9.2	-16.2	-2.1	19.11	18.7	0.41	fsw
66	-	-		RSMOX	RS MidCap Opportunities	MCGro	S	S	S	11.0	-11.0	-18.0	7.90	27.0	1.06	FSW
67	212	39		RYPNX	Royce Opportunity (1%r<180d)	SCVal	S	S	S	15.9	-19.2	-5.3	7.94	27.3	0.77	fsw
68	117	97		VEXMX	Vanguard Extended Market Index	MC	S	S	S	8.6	-13.0	-9.9	19.80	31.4	1.17	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	11/29 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	216	174	NEEGX	Needham Growth Fund (.75%r<30d)	MCGro	S	S	S	19.6	-15.5	-20.2	21.64	50.6	1.11	FSW	
70	205	131	SACPX	Salomon Brothers Capital (closed)	MCVal	S	S	S	16.8	-15.9	-15.5	20.60	22.0	0.85	sw	
71	78	21	PRNEX	T. Rowe Price New Era	LC	S	S	S	6.2	-15.4	-1.2	20.73	26.7	0.72	fsw	
72	52	156	NTHFX	Northeast Investors Growth	LCGro	*	H	H	5.7	-9.4	-15.7	12.85	25.7	1.20	fsw	
73	30	105	PFVLX	Preferred Value	LCVal	H	H	H	5.4	-10.7	-12.3	16.23	19.5	0.79	w	
74	80	124	BEQGX	American Century Equity Growth	LCVal	S	S	S	7.0	-10.7	-14.9	16.12	20.8	1.03	FSW	
75	22	187	JAVLX	Janus Twenty (closed)	LCGro	Ⓢ	Ⓢ	Ⓢ	2.5	-6.1	-19.5	31.09	38.1	1.43	FSW	
76	62	107	SLASX	Selected American Shares	LCVal	S	S	S	5.8	-11.1	-12.2	26.68	20.5	0.92	sW	
77	33	4	EEQFX	Eclipse Small Cap Value	SCVal	Ⓢ	Ⓢ	Ⓢ	1.7	-14.6	2.7	11.73	18.6	0.75	FSW	
78	68	56	WPSRX	Westport Small Cap R	SCVal	H	H	H	5.6	-13.0	-7.2	17.08	-	-	FSW	
79	86	116	BIGRX	American Century Income & Growth	G&I	S	S	S	7.2	-11.5	-13.5	23.04	20.0	0.99	FSW	
80	110	139	USGRX	USAA Growth & Income	G&I	S	S	S	7.6	-11.1	-15.1	15.12	18.0	0.82	w	
81	135	160	VPMCX	Vanguard PRIMECAP (\$25,000&1%r<5yr)	LC	S	S	S	10.4	-12.3	-16.6	42.02	26.7	1.00	fsw	
82	27	85	SRFBX	Stein Roe Balanced	G&I	(H)	(H)	(H)	2.9	-9.7	-11.9	21.19	12.3	0.61	F	
83	95	87	FEQIX	Fidelity Equity-Income	LCVal	S	S	S	7.9	-13.1	-11.2	41.81	18.4	0.74	Fsw	
84	59	61	OAKMX	Oakmark Fund	MCVal	S	S	S	6.9	-13.8	-8.5	31.19	20.6	0.59	FSW	
85	42	141	DSEFX	Domini Social Equity Fund	LC	S	S	S	6.3	-10.8	-15.1	23.16	21.4	1.05	w	
86	149	222	SCDVX	Scudder Development	MCGro	*	S	S	14.4	-12.0	-24.2	15.44	41.9	1.47	FSW	
87	54	134	ARTMX	Artisan Midcap (closed)	MCGro	S	S	S	9.2	-12.6	-15.2	20.97	35.5	1.11	FSW	
88	87	65	VIMSX	Vanguard Mid-Cap Index	MC	S	S	S	7.1	-14.6	-7.2	10.45	26.2	1.02	fsw	
89	83	171	SGROX	Strong Growth	LCGro	S	S	S	6.4	-10.0	-17.7	14.37	43.9	1.16	FSW	
90	217	101	BUFSX	Buffalo Small Cap	SCGro	S	S	S	15.2	-17.9	-11.6	16.43	-	0.69	FSW	
91	169	219	FDGRX	Fidelity Growth Company	LCGro	S	S	S	12.8	-10.8	-25.7	39.35	42.1	1.12	Fsw	
92	6	18	VUVSX	Vontobel U.S. Value (2%r<90d)	LCVal	(H)	(H)	(H)	-3.7	-10.7	-1.4	19.04	22.0	0.44	FSW	
93	92	115	NCTWX	Nicholas II	MCVal	S	S	S	6.3	-12.4	-12.5	16.80	21.3	1.00	w	
94	99	68	PESPX	Dreyfus Mid Cap Index	MCGro	S	S	S	7.1	-14.8	-7.6	18.67	25.8	1.02	FSW	
95	73	3	BSCFX	Baron Small Cap	MCGro	Ⓢ	Ⓢ	Ⓢ	2.9	-16.2	2.3	13.90	28.0	1.07	FSW	
96	176	81	NAESX	Vanguard SmallCap Index	SC	S	S	S	10.4	-15.6	-10.6	16.79	26.7	0.87	fsw	
97	57	161	VIGRX	Vanguard Growth Index	LCGro	H	H	H	5.1	-9.4	-18.2	21.41	24.2	1.14	fsw	
104	109	79	VEIPX	Vanguard Equity-Income	LCVal	H	H	H	6.2	-13.3	-11.4	19.44	16.0	0.55	fsw	
119	18	46	FCNTX	Fidelity Contrafund (3%)	LCGro	Ⓢ	Ⓢ	Ⓢ	-0.7	-11.8	-6.8	38.89	20.1	0.84	fsw	
175	50	51	MFOCX	Marsico Focus	LCGro	Ⓢ	Ⓢ	Ⓢ	0.0	-14.6	-9.8	12.09	31.5	1.12	FSW	

**Dow Jones**  
**NASDAQ**  
**S&P 500**

**5.9%** **-10.4%** **-9.7%**  
**11.2** **-8.5** **-23.4**  
**5.7** **-12.3** **-17.8**

*indexes do not include dividends*

## International Stock Funds

1	2	1	MACSX	Matthews Asia Growth&Income (2%r<90d)	Pacific	B	B	B	2.5%	-3.3%	16.5%	\$10.76	14.4	-	FSW
2	2	9	OAKGX	Oakmark Global (2%r<90d)	Global	B	B	B	13.9	-11.5	6.5	13.35	-	-	FSW
3	8	-	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	B	B	8.8	-13.7	5.7	11.39	21.8	-	FSW
4	3	14	BJBIX	Julius Baer Intl. Equity A	Int'l	B	B	B	5.8	-10.7	0.3	20.29	28.8	-	FS
5	9	10	VEIEX	Vanguard Emerging Mkts Stk Index (0.5%r)	Int'l	*	B	B	8.2	-14.5	3.5	8.01	32.3	-	fsw
6	13	6	SCOPX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	*	B	B	5.3	-13.0	3.7	8.53	33.5	-	FSW
7	7	5	PRASX	T. Rowe Price New Asia	Pacific	*	B	B	4.5	-13.3	5.4	6.02	33.6	-	fsw
8	12	3	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	B	B	B	8.6	-15.7	5.0	8.60	47.1	-	FSW
9	17	16	HAINX	Harbor International	Int'l	B	B	B	9.6	-13.9	-1.1	28.21	17.8	-	sw
10	10	7	FEMKX	Fidelity Emerging Mkts (3%&1.5%r<90d)	Int'l	B	B	B	7.4	-15.0	4.6	7.51	32.9	-	fsw
11	14	11	MNEMX	Montgomery Emerging Mkts (closed)	Int'l	*	B	B	8.7	-15.6	1.6	8.15	31.6	-	FSW
12	46	15	LLINX	Longleaf Partners International	Int'l	H	H	H	11.9	-14.5	-6.7	10.88	-	-	fsw
13	26	8	OAKIX	Oakmark International (2%r<90d)	Int'l	H	H	H	11.8	-17.1	0.0	13.65	24.3	-	FSW
14	20	4	FSEAX	Fidelity SE Asia (3%&1.5%r<90d)	Pacific	*	(B)	(B)	5.1	-15.5	5.5	10.64	38.5	-	fsw
15	15	13	PFIFX	Preferred International	Int'l	B	B	B	7.5	-14.3	-1.6	10.90	17.4	-	w
16	5	26	VNEPX	Vontobel International Equity (2%r<90d)	Int'l	B	B	B	4.6	-11.1	-5.7	11.96	21.1	-	Fsw
17	4	24	USIFX	USAA International	Int'l	B	B	B	4.9	-12.8	-5.3	15.41	18.1	-	w
18	35	34	VWIGX	Vanguard International Growth	Int'l	H	H	H	9.0	-14.3	-9.7	12.98	17.6	-	fsw
19	18	23	FIGRX	Fidelity International G & I	Int'l	H	H	H	6.7	-15.0	-5.7	17.39	22.0	-	FSW
20	34	53	PRESX	T. Rowe Price European	Europe	H	H	H	10.2	-14.5	-12.4	13.51	17.7	-	fsw
21	22	35	FVWFXX	Fidelity Worldwide (1%r<30d)	Global	H	H	H	7.7	-13.3	-11.6	12.68	18.5	-	Fsw
22	11	12	FIVFX	Fidelity Aggressive Intl. (1%r<30d)	Int'l	H	H	H	6.9	-16.0	-3.6	11.21	25.6	-	Fsw
23	16	22	FDIVX	Fidelity Diversified Inter'l (1%r<30d)	Int'l	(H)	(H)	(H)	5.7	-14.3	-6.3	17.49	20.4	-	Fsw
24	32	49	VEURX	Vanguard European Stock Index	Europe	H	H	H	9.6	-14.5	-11.8	17.25	17.3	-	fsw
25	23	27	ICHKX	Investec China & Hong Kong	Pacific	H	H	H	3.8	-14.5	-4.6	10.64	39.2	-	FSW
26	21	17	FPBFX	Fidelity Pacific Basin (3%&1.5%r<90d)	Pacific	*	H	H	3.8	-15.6	-4.1	13.19	30.0	-	Fsw
27	19	45	USAWX	USAA World Growth	Int'l	H	H	H	5.4	-13.4	-12.4	12.51	20.0	-	w
28	27	-	VTRIX	Vanguard Intl. Value	Int'l	S	S	S	7.8	-17.2	-6.6	19.88	15.9	-	fsw
29	36	48	PRITX	T. Rowe Price Intl Stock	Int'l	S	S	S	8.6	-15.7	-12.3	9.36	19.7	-	fsw
30	24	37	SWINX	Schwab International Index (1.5%r<180d)	Int'l	H	H	H	7.4	-15.4	-11.7	10.91	18.0	-	S
31	49	56	FIEXX	Fidelity Europe (3%&1%r<90d)	Europe	S	S	S	13.2	-16.8	-17.2	19.75	20.6	-	fsw
32	41	46	LSIEX	Loomis Sayles International Equity	Int'l	S	S	S	8.3	-15.6	-13.6	8.47	32.2	-	fsw
33	55	18	SJPNX	Japan Fund (Scudder) (2%r<180d)	Japan	*	S	S	7.2	-16.4	-10.0	6.37	31.4	-	FSW
34	52	40	SGSCX	Scudder Global Discovery (closed)	Int'l	S	S	S	9.8	-17.3	-13.4	19.45	34.4	-	FSW
35	6	2	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	(H)	(H)	(H)	5.3	-20.4	1.2	10.55	25.6	-	FSW

## Specialty Funds

RANK	11/29 2002	1Mo Ago	6Mo 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	
1	1	-		BEARX	Prudent Bear	Altern	* * *	-6.1%	9.6%	49.0%	\$7.20	44.1	-1.57	FSW
2	9	-		FBMPX	Fidelity Multimedia (3%&.75%r<30d)	Consmr	* * *	12.6	7.8	-0.5	37.38	21.8	1.08	fsw
3	17	-		FSTCX	Fidelity Telecomm (3%&.75%r<30d)	Utility	* * *	21.9	7.8	-22.5	28.10	25.0	1.38	fsw
4	2	-		RYURX	Rydex Ursa	Altern	* * *	-6.0	8.7	14.7	12.15	21.5	-1.01	fsw
5	3	-		BRPIX	ProFunds Bear Inv	Altern	* * *	-6.3	7.9	13.1	42.73	21.6	-1.02	Sw
6	45	-		RYIIX	Rydex Internet	Tech	* * *	33.9	1.9	-32.9	24.85	-	-	fsw
7	14	-		FSCSX	Fidelity Software (3%&.75%r<30d)	Tech	* * *	16.7	1.6	-16.2	38.69	52.0	2.14	fsw
8	15	9		STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	* * *	4.0	-3.9	10.8	26.50	13.2	0.17	fsw
9	1	-		BRMIX	AXARosenberg Value L/S (2%r<30d)	Value	* * *	-9.6	0.4	17.2	9.63	18.9	-0.58	fSW
10	16	13		RSCOX	RS Contrarian	Altern	* * *	6.0	-6.0	8.8	10.49	17.6	0.57	FSW
11	13	-		IVSRX	INVESCO Real Estate Inv	RealEs	* * *	3.8	-5.1	9.5	7.59	13.9	0.34	FS
12	12	20		GATEX	Gateway Fund	Altern	ⓑ * * *	3.9	-1.8	-1.6	21.32	7.8	0.40	FSW
13	21	11		FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	* * *	5.3	-6.4	6.2	18.60	13.9	0.20	Fsw
14	28	-		CSEIX	Cohen & Steers Equity Income	RealEs	* * *	5.0	-6.4	6.1	11.58	13.1	0.13	FSW
15	30	-		FSLBX	Fidelity Brokerage (3%&.75%r<30d)	FinServ	* * *	11.7	-6.3	-5.1	40.13	30.8	1.47	fsw
16	47	-		RYMIX	Rydex Telecommunications	Utility	* * *	24.6	-1.7	-36.0	4.10	21.6	1.52	fsw
17	26	12		VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	* * *	5.0	-7.0	5.3	12.02	13.7	0.14	fsw
18	31	10		CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	* * *	5.1	-7.4	5.6	43.63	14.6	0.23	FSW
19	22	-		FSMEX	Fidelity Medical Equip (3%&.75%r<30d)	Health	* * *	4.1	-4.7	-3.2	15.35	15.5	0.29	fsw
20	35	-		FSPCX	Fidelity Insurance (3%&.75%r<30d)	FinServ	* * *	4.9	-6.7	0.4	47.57	27.7	0.56	fsw
21	4	4		SCGDX	Scudder Gold	NatRes	* * *	-0.2	-21.1	44.1	9.37	31.9	0.28	FSW
22	27	-		FSCHX	Fidelity Chemicals (3%&.75%r<30d)	Cycls	* * *	8.4	-8.8	-0.5	41.38	21.6	0.82	fsw
23	-	-		FBALX	Fidelity Balanced	Hybrid	ⓑ * * *	6.8	-6.4	-4.5	13.76	10.5	0.54	Fsw
24	65	35		FSPTX	Fidelity Technology (3%&.75%r<30d)	Tech	* * *	22.0	-7.0	-27.2	44.11	46.6	2.14	fsw
25	24	19		MERFX	Merger Fund	Altern	* * *	2.8	-4.3	-5.9	13.91	6.8	0.14	FSW
26	61	36		RYTIX	Rydex Technology	Tech	* * *	25.2	-8.3	-29.7	8.60	34.1	2.04	fsw
27	57	-		FSAVX	Fidelity Automotive (3%&.75%r<30d)	Cycls	* * *	12.9	-14.9	5.2	24.38	25.1	0.93	fsw
28	34	-		FSLEX	Fidelity Environmental Ser (3%&.75%r<30d)	Cycls	* * *	8.3	-7.2	-7.6	10.87	19.7	0.59	fsw
29	41	-		FSPFX	Fidelity Paper & Forest (3%&.75%r<30d)	Cycls	* * *	9.8	-12.1	2.4	26.64	24.7	0.80	fsw
30	-	-		VBINX	Vanguard Balanced Index	Hybrid	ⓑ * * *	4.1	-5.2	-6.4	16.21	10.7	0.57	fsw
31	42	14		VGENX	Vanguard Energy (1%r<1yr)	Energy	* * *	6.8	-13.1	3.9	24.14	24.5	0.64	fsw
32	5	5		FSAGX	Fidelity Gold (3%&.75%r<30d)	NatRes	* * *	-2.7	-23.0	40.9	19.16	34.1	0.36	fsw
33	32	-		FSESX	Fidelity Energy Services (3%&.75%r<30d)	NatRes	* * *	9.1	-18.5	11.7	29.26	46.4	1.18	fsw
34	7	6		FGLDX	INVESCO Gold Inv	NatRes	* * *	-0.9	-23.7	38.7	2.26	30.3	0.22	FS
35	50	-		FSHOX	Fidelity Const & Housing (3%&.75%r<30d)	Cycls	* * *	7.5	-15.6	5.3	24.95	24.4	0.80	fsw
36	20	-		FSRBX	Fidelity Banking (3%&.75%r<30d)	FinServ	* * *	3.0	-10.7	-0.9	31.99	24.5	0.70	fsw
37	29	18		FIDSX	Fidelity Fin'l Serv (3%&.75%r<30d)	FinServ	* * *	3.8	-9.6	-5.9	93.31	21.8	0.79	fsw
38	6	2		BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	* * *	-1.6	-27.3	46.5	7.25	36.9	0.15	fSW
39	51	-		FLISX	INVESCO Leisure Inv	Consmr	* * *	7.9	-12.1	-6.0	33.48	22.6	1.04	FS
40	19	-		RYKIX	Rydex Banking	FinServ	* * *	3.1	-12.8	1.6	7.71	27.5	0.70	fsw
41	25	-		RYCIX	Rydex Consumer Products	Consmr	* * *	-0.3	-10.1	-0.9	7.53	15.9	0.52	fsw
42	23	-		FSVLX	Fidelity Home Finance (3%&.75%r<30d)	FinServ	* * *	2.8	-13.6	2.1	50.08	25.8	0.37	fsw
43	18	8		CGMRX	CGM Realty	RealEs	* * *	-2.3	-13.9	10.2	13.62	17.5	0.21	fsw
44	8	7		VGPMX	Vanguard Precious Metals(closed,1%r<1yr)	NatRes	* * *	1.0	-22.0	25.3	10.10	32.7	0.56	fsw
45	38	-		FSDPX	Fidelity Indust Matrls (3%&.75%r<30d)	Cycls	* * *	8.0	-16.8	1.2	23.82	23.0	0.87	fsw
46	33	-		RYPIX	Rydex Transportation	Cycls	* * *	4.2	-11.4	-7.2	5.69	20.8	0.76	fsw
47	40	21		VGHGX	Vanguard Health Care (\$25k&1%r<5yr)	Health	* * *	3.0	-9.8	-9.8	105.30	15.0	0.37	fsw
48	54	15		FSTEX	INVESCO Energy Inv	NatRes	* * *	6.7	-16.6	0.9	16.21	33.9	0.84	FS
49	10	-		RYPMX	Rydex Precious Metals	NatRes	* * *	-0.6	-24.4	29.0	25.83	31.7	0.24	fsw
50	58	-		RYVIX	Rydex Energy Services	NatRes	* * *	10.7	-18.3	-3.2	6.10	37.9	1.15	fsw
51	49	29		FSPHX	Fidelity Health Care (3%&.75%r<30d)	Health	* * *	2.4	-8.0	-17.2	105.00	15.3	0.28	fsw
52	52	-		FDLSX	Fidelity Leisure (3%&.75%r<30d)	Consmr	* * *	5.2	-12.1	-12.6	53.07	21.2	1.10	fsw
53	36	22		FSFSX	INVESCO Financial Serv Inv	FinServ	* * *	3.0	-11.9	-10.3	24.14	22.8	0.86	FS
54	66	-		RYBIX	Rydex Basic Materials	Cycls	* * *	10.3	-16.6	-10.1	6.67	23.4	0.90	fsw
55	62	23		RYEIX	Rydex Energy	NatRes	* * *	7.4	-15.3	-9.8	8.93	21.3	0.66	fsw
56	39	-		FSRPX	Fidelity Retailing (3%&.75%r<30d)	Consmr	* * *	2.9	-14.0	-7.6	37.21	19.8	0.89	fsw
57	59	16		FSENX	Fidelity Energy (3%&.75%r<30d)	NatRes	* * *	6.0	-16.8	-6.6	20.39	22.1	0.70	fsw
58	83	-		FNINX	Fidelity Networking	Tech	* * *	32.1	-18.8	-41.6	1.73	-	-	fsw
59	46	-		FSPCX	Fidelity Consumer Ind (3%&.75%r<30d)	Consmr	* * *	2.3	-14.1	-8.6	20.53	14.0	0.66	fsw
60	67	-		FSNGX	Fidelity Natural Gas (3%&.75%r<30d)	Utility	* * *	4.8	-16.3	-7.1	16.37	27.7	0.61	fsw
61	70	-		FCYIX	Fidelity Cyclical Ind (3%&.75%r<30d)	Cycls	* * *	8.0	-15.8	-13.4	12.24	22.0	0.98	fsw
62	74	-		FSDAX	Fidelity Defense & Aero (3%&.75%r<30d)	Cycls	* * *	4.9	-18.6	-1.9	39.98	19.5	0.76	fsw
63	73	-		FSCGX	Fidelity Industrial Equip (3%&.75%r<30d)	Cycls	* * *	9.9	-16.9	-15.5	18.24	22.9	1.11	fsw
64	60	-		FNARX	Fidelity Natrl Resources (3%&.75%r<30d)	NatRes	* * *	6.1	-17.5	-8.6	10.91	21.9	0.78	fsw
65	43	-		RYRIX	Rydex Retailing	Consmr	* * *	2.1	-14.2	-11.5	9.16	20.5	0.95	fsw
66	64	-		RYLIX	Rydex Leisure	Consmr	* * *	4.1	-17.9	-5.5	6.68	22.0	1.10	fsw
67	48	-		FSRFX	Fidelity Transportation (3%&.75%r<30d)	Cycls	* * *	4.5	-16.0	-11.1	24.79	23.0	0.88	fsw
68	11	1		USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	* * *	-1.2	-37.9	51.3	4.04	42.4	0.41	sw
69	53	28		RYHIX	Rydex Health Care	Health	* * *	1.3	-11.2	-20.0	9.40	15.5	0.31	fsw
70	37	-		FDFAV	Fidelity Food & Agr (3%&.75%r<30d)	Consmr	* * *	-2.0	-15.1	-5.7	39.06	15.5	0.21	fsw

## 2002 Estimated Capital Gains Payouts<sup>1</sup>

Fund	Rec. Date	PPS%	NAV <sup>2</sup>
American Century Int'l Bond	6-Dec	0.00	0.0%
Ariel Fund	27-Dec	0.53	1.4%
AXA Rosenberg Value L/S	8-Dec	0.00	0.0%
Baron Small Cap	20-Nov	0.38	2.7%
Columbia High-Yield	-	0.00	0.0%
<b>Fidelity:</b>			
Balanced	-	0.00	0.0%
Contrafund	27-Dec	0.06	0.2%
Equity-Income II	-	0.00	0.0%
Fifty	20-Dec	0.05	0.3%
High Income	-	0.00	0.0%
International G&I	6-Dec	0.10	0.6%
Low-Priced Stock	-	0.00	0.0%
OTC Portfolio	-	0.00	0.0%
Southeast Asia	6-Dec	0.05	0.5%
<b>Matthews Pacific Tiger</b>			
Neuberger Berman Genesis	6-Dec	0.00	0.0%
Oakmark Global	18-Dec	0.07	0.3%
	21-Nov	0.00	0.0%
<b>Vanguard:</b>			
Balanced Index	n/a	-0.25	-1.5%
Capital Opportunity		-0.57	-3.1%
Convertible Securities		-2.92	-27.6%
Emerging Markets Stock Index		-1.35	-16.9%
Extended Market Index		-1.19	-6.0%
Fixed Income High Yield		-1.41	-24.1%
Growth Index		-7.72	-36.1%
International Growth		-2.02	-11.5%
Strategic Equity		-1.39	-10.2%
Yacktman Fund	27-Dec	n/a	n/a

### Notes:

- The above list is not meant to be all inclusive. Rather, it is provided only as a guide as to the magnitude of capital gains among some of the funds that MONEYLETTER recommends or purchases in its portfolios. In all cases, you should contact your funds to confirm as this information is subject to change. PPS (payout per share) figures include long-term and short-term capital gains where applicable.
- NAVs used for calculations as of 11/29/02.

## MANAGED ACCOUNTS

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	1.29%	1.33%	1.70%
Gabelli US Treasury MMF	1.27	1.34	1.66
Fidelity Spartan US Treas MMF	1.19	1.27	1.61
Amer Century Capital Presv Fund/Inv	1.09	1.16	1.54
Dreyfus 100% US Treas MMF	1.06	1.08	1.43
T Rowe Price US Treasury MF	1.06	1.12	1.52
CMA Treasury Fund	0.99	1.07	1.41
Prudential Govt Sec Tr/US Treas/CI A	0.99	1.09	1.36
Schwab US Treasury Money Fund	0.94	0.99	1.32
RMK Select Treas MMF/CI A	0.89	0.95	1.21
US Treasury MF of America/CI A	0.89	0.99	1.19

## GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.61%	1.70%	-
Bunker Hill MMF	1.53	1.63	1.80%
McMorgan Principal Preservation Fund	1.46	1.49	1.72
Scudder YieldWise Money Fund	1.41	1.48	1.69
Touchstone Money Market Fund	1.39	1.57	1.96
TIAA-CREF Money Market Fund	1.37	1.47	1.77
Vanguard Prime MMF/Retail	1.37	1.43	1.82
Pacific Cap Cash Assets Tr/Orig	1.31	1.37	1.47
Centennial Money Market Trust	1.30	1.35	1.48
Marshall MMF/Investor Class	1.30	1.38	1.72

## TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Strong Tax-Free Money Fund	1.23%	1.54%	1.43%
Vanguard Tax-Exempt MMF	1.23	1.46	1.46
Evergreen Municipal MMF/CI I	1.21	1.49	1.31
Strong Municipal MMF	1.16	1.43	1.42
Scudder YieldWise Muni MF	1.12	1.33	1.33
USAA Tax Exempt MMF	1.11	1.33	1.28
Amer Century T-F MMF/Inv Class	1.07	1.34	1.24
Scudder Tax-Exempt Money Fund	1.07	1.25	1.20
Dreyfus BASIC Muni MM Portfolio	1.05	1.25	1.24
T Rowe Price Summit Muni MMF	1.05	1.24	1.28

## TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	1.19%	1.42%	1.45%
Vanguard NY Tax-Exempt MMF	1.16	1.36	1.35
Vanguard PA Tax-Exempt MMF	1.15	1.39	1.36
USAA Tax Exempt CA MMF	1.14	1.36	1.26
Vanguard CA Tax-Exempt MMF	1.13	1.39	1.35
Vanguard NJ Tax-Exempt MMF	1.06	1.27	1.33
Fidelity FL Municipal MMF	1.02	1.24	1.19
Fidelity PA Municipal MMF	1.00	1.23	1.17
Fidelity CA Municipal MMF	0.98	1.15	1.07
Fidelity NY Municipal MMF	0.95	1.15	1.10

**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 11/26/02. 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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## Up and Coming Growth Funds

The domestic equities list is currently churning, with some funds making dramatic jumps in rank over the past month or two. In fact, as this is written, the three growth funds profiled below have jumped more than 100 spots — these funds may become the buys of tomorrow.

### *Oberweis Emerging Growth (OBEGX)*

Oberweis Emerging Growth advanced more than 12% during the month of November. The fund's stake in hardware stocks has been one aid to recent strength, though it held the fund back earlier in the year. Also, the top four individual holdings (as of September 30) have posted significant gains for the year-to-date (through the November 29). Retailer Chico's (nearly 8% of assets) is up almost 70%. Restaurateur Panera Bread (5.6% of assets) is ahead by more than 40%, while eResearch Technology and ScanSource (each about 5% of assets) are up 79% and 53%, respectively. As you can see, the Oberweis team does not hesitate to take sizable positions in favorite holdings. And their method of investing has led not only to large commitments in individual stocks, but hefty sector concentrations as well. The fund has 31% of the portfolio in health care, 23% in consumer services, and 20% in business services.

The management team of Jim Oberweis Sr. and Jim Oberweis Jr. look for rapidly growing small companies. They use an approach dubbed the "Oberweis Octagon" to find suitable candidates. Revenue growth must be at least 30%, accompanied by similar growth in pre-tax income and earnings per share. The companies in this portfolio currently sport an average growth rate of more than 40%. They should have products or services capable of rapid future growth that is internally generated; not from acquisitions. The Oberweis team wants firms to be selling at a low price/sales ratio and a P/E ratio that is half the firm's projected 12-month growth rate. The firm must be in the early stages of an earnings acceleration, so that a stock price rise might develop from both rapidly growing earnings as well as P/E expansion. Finally, they don't believe in fighting the tape, buying a stock when it has outperformed at least 75% of other stocks in the market over the previous 12 months.

*Oberweis Funds, 951 Ice Cream Drive, Ste. 200  
North Aurora, IL 6054; (800) 323-6166.*

### *TCW Galileo Aggressive Growth Equities (TGANX)*

Mid-cap stocks are the hunting ground for Christopher Ainley and Douglas Foreman, managers of the TCW Galileo Aggressive Growth Equities Fund. And like its name suggests, the managers do take an aggressive approach with the fund, pouring substantial portions of assets into the top holdings, and loading up on specific sectors. For example, back in 1999, the fund's technology stake exceeded 90% of total assets. Today, the "infor-

mation" sectors — software, hardware, media, and telecommunications — constitute nearly half of the portfolio. Media, in particular, is a current favorite with 28% of assets there. The remaining portion is concentrated in the service sector — health care, and consumer, business, and financial services. The whole portfolio consists of about 45 holdings — and ten of those account for more than half of assets. Among the managers' favorites: eBay (8% of assets), Bed Bath & Beyond (7%), Westwood One and Maxim Integrated Products (6%) and Xilinx(5%).

The managers follow a strict bottom-up approach, first screening firms with a variety of quantitative and qualitative criteria to locate firms that are fundamentally strong. Companies that attract the pair must have demonstrated consistent earnings growth or the potential for growth, ability to earn an attractive return on equity, and a P/E ratio that is less than their estimated three-year growth rate. In addition, they're looking for strong management, large and growing market share, and high inside ownership. Positive earnings surprises are desirable as well. The fund tends to be quite volatile, but is capable of putting up impressive gains.

*TCW Galileo Funds, 865 S. Figueroa, 18th Floor  
Los Angeles, CA 90017; (800) 386-3829.*

### *Thompson Plumb Growth (THPGX)*

Contrarian is an appropriate way to term the investing strategy behind this large-cap growth fund. Co-manager of the fund, John C. Thompson, says it's human nature to buy when things are going well and sell when the news is bad. But Thompson and co-manager Clint Opperman do just the opposite — buy on bad news and sell on good news. And they have a particular penchant for beaten-down growth stocks. One of the fund's top holdings, AOL Time Warner, was bought when investors were worried about its accounting issues. Though it has fallen further since he bought it seven months ago, he is sticking with it, asserting that it has good recovery potential in an economic recovery. He's also bought a number of beaten down pharmaceutical stocks — Pfizer, Bristol-Myers Squibb, and Merck are all among the top five fund holdings.

As with the two funds above, Thompson makes a major commitment to its top holdings — the top ten account for nearly 50% of total assets. Hefty sector weightings can result as well. Nearly a quarter of assets are currently devoted to the health care sector, and the fund is also overweighted in the media and telecommunications sectors. In general, the managers look for companies that are selling at reasonable prices relative to historical earnings growth. And although the fund is currently firmly situated in the large-cap category, it does hold about 20% of assets in the mid-cap area, and is free to invest throughout all capitalization ranges. \$

*Thompson Plumb Funds, 1200 John Q. Hammons Drive, 5th fl  
Madison, WI 53717; (800) 999-0887.*

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