

# MONEYLETTER.com<sup>®</sup>

“Serving Investors Since 1980”

## The Swirl of War

by Walter S. Frank, Chief Investment Officer

Don't let anyone fool you into thinking that they have a handle on the market right now. They don't. This current market is operating on emotion, an intangible if there ever was one. The same thing goes for the economy. Uncertainty has been ruling the market and the economy since the beginning of the Iraq War. That uncertainty is still with us, though the reasons for its persistence have changed.

The uncertainty before the war began was of a generalized variety. Throw in Orange Alerts and spiking oil prices, and you have a recipe for pessimism and an economy that lost all momentum after a fast January start. The stock market acted just about the same way. Who knew what lay ahead?

Now we are at war. The market responded with a rally. The economy continued on its dismal way. For all intents and purposes, the economy has been in a near-recession condition for the past two months. Is this a permanent turn for the economy, or a passing phase induced by the earlier uncertainty and the early (dicey) two weeks of the war?

As for the market, the questions refer to an opposite condition. How long will the market continue to ignore the dreary economic facts? Or is the market not ignoring the facts, but operating as the forward looking mechanism it is and saying, with positive war developments and oil prices moving down, the outlook has actually improved.

Uncertainty is still present, but it is now focused on which is the best guide looking ahead, the economy or the market.

### Probabilities

Right now we can only give a qualified answer. We think the odds are something like 60/40 that the stock market will turn out to be correct. By that we mean that the economic weakness we're experiencing will not build on itself, and that we will see some evidence over the next month or so that activity is moving up again.

The basic reason why we lean toward the “temporary phase” view is that we do not see any reason, other than war uncertainty, oil and foul weather, why the economy suddenly hit the wall in

February and March. This is a point we have made before, and we have seen nothing to counter it. In December and January the economy was doing fine. The Supply Managers were telling us that both new orders and production had picked up sharply. Suddenly it all turned sour.

Of course, weakness in the economy begets weakness, and that is the danger that the economy now faces. But how weak is the underlying economy? We can't be sure, but the discouraging employment report for March appears to have been heavily influenced by the war and poor February activity. As Greg Ip of the Wall Street Journal wrote, “The nature of the job losses also underscored the impact of war and terrorism.” As he pointed out major losses came in tourism and travel employment.

But the world turns. The war, while still ongoing, is apparently entering its final stage. Crude prices have come down meaningfully, and there has even been some decline in prices at the pump. The oil squeeze is easing.

Is any of this making a difference? It is too early to tell. There are some faint signs that the consumers may be feeling better. Ip notes that “consumer sentiment jumped sharply after the war began.” And Investor's Business Daily reports that their April survey of consumer confidence also surged to a 10-month high. But none of this has as yet made its way into the hard numbers of spending and orders.

Until there is more evidence though, the tension between the market and the economy will be unresolved and uncertainty will continue.

### New market leadership?

The broad averages are not too far from where they were three months ago. In their advance from the early March lows the leadership of the market appears to be changing. Certainly that is what our fund selection system is telling us. If you take a look at the current leaders in the domestic fund list, you will see that the leadership is populated by mid-cap or large-cap funds many of which have been among the poor performers for a long time. Some of the funds were the darlings of the bubble only to be turned into disasters as the bubble burst.

Much as with the overall market, the question is whether this is just a temporary blip? We don't know the answer. Like everyone else we are still wary of the Fidelity Aggressive Growths and Pin Oak Aggressive Stocks of this world. But if the economy begins to revive, the new leadership may prove durable.

### Portfolio changes

The Hotline of Tuesday, April 1 recommended the sale of Third Avenue Small Cap Value in all three MONEYLETTER portfolios. For the MONEYLETTER Venturesome and Moderate model portfolios the fund was switched into Legg Mason Special Investment Trust. For the Conservative model portfolio the switch was into RS Partners.

The Hotline of Tuesday, April 8 recommended the sale of Neuberger Berman Genesis in the MONEYLETTER Venturesome model portfolio. The fund was switched into Fidelity Export & Multinational Fund.

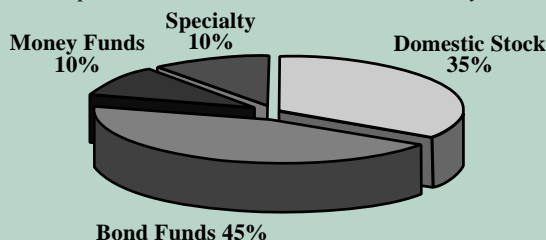
Details of these transactions will appear in the next issue. \$

### Market Trends

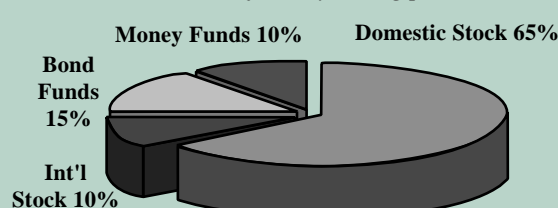
	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Lower	Flat/Higher
Dollar	Lower	Lower
Inflation	Flat	Flat/Higher
Dow	Lower	Higher
NASDAQ	Lower	Higher
Europe	Lower	Higher
Japan (Nikkei)	Lower	Higher
Hong Kong (Hang Seng)	Lower	Higher

**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	Yield YTD	0.2%	10,038	\$1.00	\$10,038
Gateway Fund	11/27/02	-2.8	597	20.59	12,292
Columbia High Yield	01/17/01	9.3	1,555	8.52	13,252
Third Avenue SC Value	12/04/02	-6.9	967	12.85	12,430
AmerCent Inflation Adj.	02/12/03	0.4	1,504	10.86	16,329
Yacktman	11/15/00	27.5	1,824	11.60	21,159
Dodge & Cox Income	02/19/03	0.9	937	12.79	11,990
<b>TOTAL VALUE</b>					<b>\$97,490</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.1%	1.2%	-11.4%	-12.4%	-3.1%

**MONEYLETTER Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.2%	8,608	\$1.00	\$8,608
Buffalo High Yield	06/20/01	9.4	1,408	9.86	13,886
Royce Premier	11/27/02	-8.5	870	9.01	7,839
Matthews Pacific Tiger	02/06/02	-13.9	971	7.61	7,391
RS Partners	02/12/03	4.4	355	18.28	6,487
Yacktman	11/15/00	27.5	1,810	11.60	20,998
Third Avenue SC Value	12/04/02	-6.9	1,156	12.85	14,857
<b>TOTAL VALUE</b>					<b>\$80,066</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.3%	0.9%	-11.5%	-29.5%	-3.6%

**Fidelity Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.3%	8,584	\$1.00	\$8,584
Fidelity Balanced	11/27/02	-4.7	759	12.98	9,849
Fidelity High Income	01/17/01	-3.9	1,824	7.96	14,520
Fid. Growth & Income II	03/12/03	5.7	1,955	7.48	14,625
Fidelity Contrafund II	02/12/03	1.2	1,327	8.36	11,098
Fidelity Intermediate Gov	02/19/03	0.7	1,111	10.40	11,551
Fidelity Investment Grade	02/19/03	1.1	1,606	7.64	12,267
<b>TOTAL VALUE</b>					<b>\$82,494</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
0.4%	0.3%	-12.1%	-23.9%	-1.3%

**Fidelity Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.3%	12,143	\$1.00	\$12,143
Fidelity Convertible Sec.	01/29/03	1.3	661	16.62	10,985
Fidelity High Income	01/17/01	-3.9	1,959	7.76	15,595
Fidelity Fifty	02/20/02	-5.9	954	15.20	14,497
Fid. Capital Appreciation	03/12/03	6.7	830	16.48	13,683
Fidelity Contrafund II	02/12/03	1.2	1,282	8.36	10,721
Fidelity SE Asia	02/06/02	-21.3	665	8.87	5,894
<b>TOTAL VALUE</b>					<b>\$83,518</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.1%	-0.6%	-13.8%	-22.7%	-2.2%

**Vanguard Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.3%	8,361	\$1.00	\$8,361
Vanguard Balanced Index	11/27/02	-3.9	555	15.34	8,515
Vanguard Bond Market	02/19/03	0.9	680	10.38	7,060
Vanguard Inflation Protect	02/19/03	0.2	1,009	12.08	12,188
Vanguard Strategic Equity	10/09/02	13.0	801	12.98	10,393
Vanguard Capital Value	01/29/03	0.4	1,153	7.00	8,068
Vanguard Convertible	09/04/02	8.0	1,141	10.59	12,086
Vanguard FI Hi-Yld Corp	01/17/01	5.7	2,515	6.01	15,115
<b>TOTAL VALUE</b>					<b>\$81,786</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
0.6%	4.0%	-14.4%	-24.6%	-0.1%

**Vanguard Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.3%	8,090	\$1.00	\$8,090
Vanguard Extended Mkt	11/27/02	-7.9	408	18.12	7,402
Vanguard FI Hi-Yld Corp	01/17/01	5.7	2,427	6.01	14,589
Vanguard Emerg. Mkts Stock	02/06/02	-14.9	919	7.20	6,619
Vanguard Convertible	09/04/02	8.0	1,698	10.59	17,977
Vanguard Capital Value	01/29/03	0.4	1,663	7.00	11,638
Vanguard Strategic Equity	10/09/02	13.0	968	12.98	12,564
<b>TOTAL VALUE</b>					<b>\$78,879</b>

**TOTAL RETURNS (as of 3/31/03)**

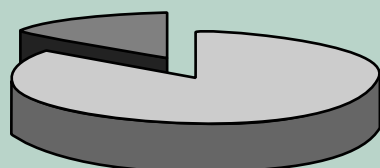
1-mo	6-mo	1-yr	3-yr	YTD
0.9%	3.4%	-17.5%	-28.2%	-0.3%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 3/31/03.

**VENTURESOME**

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

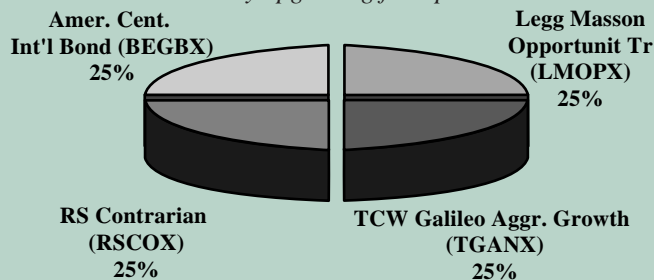
Money Funds 15%



Domestic Stock 85%

**SELECT**

Seeks maximum long-term growth by assertively upgrading fund positions



**MONEYLETTER Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.2%	12,499	\$1.00	\$12,499
Royce Premier	11/27/02	-8.5	1,263	9.01	11,382
Third Avenue SC Value	12/04/02	-6.9	1,095	12.85	14,070
Yacktman	11/15/00	27.5	868	11.60	10,065
Neuberger Berm. Genesis	02/14/01	0.6	612	19.00	11,633
RS Partners	02/12/03	4.4	729	18.28	13,326
<b>TOTAL VALUE</b>					<b>\$72,975</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
0.1%	-1.9%	-16.9%	-33.7%	-3.9%

**MONEYLETTER Select**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Prudent Bear	09/30/02	-7.7%	3,195	\$7.22	\$23,071
TCW Galileo Aggr. Grwth	03/26/03	-4.1	2,293	8.41	19,282
BBH Inflation Indexed Sec	02/27/03	-1.1	1,999	11.15	22,293
Amer. Cent Int'l Bond	09/30/02	11.4	1,794	12.66	22,709
<b>TOTAL VALUE</b>					<b>\$87,355</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
-5.1%	-12.6%	n/a	-12.6%	-5.9%

**Fidelity Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.3%	15,354	\$1.00	\$15,354
Fidelity Convertible Sec.	01/29/03	1.3	836	16.62	13,890
Fid. Growth & Income II	03/12/03	5.7	2,308	7.48	17,265
Fidelity Contrafund II	02/12/03	1.2	1,525	8.36	12,749
Fidelity Capital Apprec.	12/04/02	-2.5	661	16.48	10,891
Fidelity Fifty	02/20/02	-5.9	1,050	15.20	15,957
<b>TOTAL VALUE</b>					<b>\$86,106</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.2%	-1.9%	-16.4%	-20.3%	-3.1%

**Select Commentary**

The Hotline of Tuesday, March 25 recommended the sale of Fidelity Select Gold (FSAGX) to be upgraded to the TCW Galileo Aggressive Growth Fund (TGANX) and the sale of \$5,000 of American Century International Bond Fund (BEGBX) also to be invested in TCW Galileo Aggressive Growth Fund. These recommended trades were executed at the market close on March 26. Details: Sold 777 shares of Fidelity Select Gold @ \$19.44 per share. Purchased 1,723 shares of TCW Galileo Aggressive Growth Fund @ \$8.77 per share. Sold \$5,000 (406) shares of American Century International Bond Fund @ \$12.33 per share. Purchased 570 shares of TCW Galileo Aggressive Growth Fund @ \$8.77 per share.

The Hotline of Tuesday, April 8 recommended the sale of Prudent Bear (BEARX) to be upgraded to Legg Mason Opportunity Trust (LMOPX) and the sale of BBH Inflation Indexed Securities (BBHIX) to be upgraded to RS Contrarian (RSCOX). These recommended trades will be executed at the market close April 9, which is after the press date for this issue. Details will be provided in the next issue. Note that the model fund details reflect positions as of month-end on March 31, 2003, while the Pie Chart presents positions reflecting the changes indicated in the Hotline of April 8. \$

**Vanguard Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.3%	12,952	\$1.00	\$12,952
Vanguard Extended Mkt	11/27/02	-7.9	654	18.12	11,850
Vanguard Convertible	09/04/02	8.0	1,860	10.59	19,703
Vanguard Strategic Equity	10/09/02	13.0	951	12.98	12,349
Vanguard Equity-Income	08/28/02	-9.2	263	17.52	4,601
Vanguard Small Cap Growth	01/29/03	-1.0	1,634	8.84	14,448
<b>TOTAL VALUE</b>					<b>\$75,903</b>

**TOTAL RETURNS (as of 3/31/03)**

1-mo	6-mo	1-yr	3-yr	YTD
1.3%	1.5%	-20.7%	-31.4%	-0.9%

**Total Return %—March 31, 2003**

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	1.0	5.0	-24.7	-41.0	-3.1
Asset Allocation Funds (Avg) 42 Funds	0.3	3.5	-14.7	-21.8	-1.9

## Domestic Stock Funds

RANK 4/04 2003	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	3	-	TCW Galileo Aggressive Growth CIN	MCGro	*	B	B	B	9.7%	36.1%	-26.8%	\$8.63	33.9	1.93	SW
2	8	206	Legg Mason Opportunity Trust	MC	B	B	B	B	10.4	29.5	-8.7	8.84	-	-	-
3	-	-	FBRVX FBR Small Cap Value A	SCGro	(H)	(H)	(H)	(H)	7.1	18.3	2.9	23.50	20.2	0.73	FSW
4	31	232	FDEXG Fidelity Aggressive Growth (0.75%r<90d)	LCGro	(B)	(B)	(B)	(B)	5.8	27.8	-33.4	11.35	53.5	1.75	fsw
5	237	236	NBSX Neuberger Berman Focus	LCVal	H	H	H	H	11.2	26.3	-36.4	22.23	38.5	1.52	FSW
6	23	202	SCDVX Scudder Development (closed)	MCGro	*	B	B	B	7.5	22.8	-24.7	14.65	41.9	1.47	FSW
7	13	221	SACPX Salomon Brothers Capital (closed)	MCVal	B	B	B	B	4.4	22.9	-21.2	19.47	22.0	0.85	sw
8	171	160	OBEGX Oberweis Emerging Growth	SCGro	H	H	H	H	9.8	17.6	-17.3	15.64	48.7	1.49	FSW
9	209	238	POGSX Pin Oak Aggressive Stock	MCGro	*	H	H	H	4.1	31.2	-44.7	12.32	74.0	2.00	FSW
10	17	-	FEXPX Fidelity Export & Multinat'l (.75%r<30d)	LC	(B)	(B)	(B)	(B)	7.5	17.1	-17.8	13.87	18.5	0.91	fsw
11	45	169	PRWAX T. Rowe Price New America	LC	(B)	(B)	(B)	(B)	7.9	19.0	-23.8	22.51	27.0	1.27	fsw
12	15	99	FDCAX Fidelity Capital Appreciation	MC	B	B	B	B	6.7	17.7	-19.0	16.86	31.5	1.26	fsw
13	20	13	LMASX Legg Mason Special Investment Trust	MC	B	B	B	B	5.7	16.1	-8.9	29.56	30.6	1.18	w
14	36	102	LMVTX Legg Mason Value	LCVal	(B)	(B)	(B)	(B)	6.0	16.6	-14.1	40.58	28.1	1.16	w
15	10	3	YACKX Yacktman Fund	LCVal	B	B	B	B	2.2	12.4	3.2	11.84	18.2	0.55	FW
16	35	200	FDGRX Fidelity Growth Company	LCGro	(B)	(B)	(B)	(B)	8.5	18.5	-27.2	36.59	42.1	1.12	Fsw
17	40	204	VHCOX Vanguard Cap Opp (\$25,000&1%r<5yr)	MCGro	H	H	H	H	6.5	18.3	-27.3	17.22	38.1	1.06	fsw
18	58	181	WWALX Weitz Value Fund	MCVal	(B)	(B)	(B)	(B)	6.7	15.2	-17.4	27.83	16.6	0.52	SW
19	74	52	OAKLX Oakmark Select (closed) (2%r<90d)	MCVal	H	H	H	H	4.2	15.4	-14.5	23.88	26.2	0.83	FSW
20	16	156	STCSX Strong Advisor Common Stock(closed)	MC	B	B	B	B	4.6	17.3	-19.2	16.05	23.2	0.95	FSW
21	144	196	THPGX Thompson Plumb Growth	LC	H	H	H	H	6.9	17.0	-23.8	33.81	19.6	0.69	fsw
22	1	31	RSPFX RS Partners	SC	*	B	B	B	2.8	11.6	4.8	18.56	-	0.59	FSW
23	2	12	VCVSX Vanguard Convertible Securities	Convrt	B	B	B	B	3.3	10.3	-1.6	10.73	20.4	0.69	fsw
24	4	54	FCVXS Fidelity Convertible Securities	Convrt	B	B	B	B	2.8	13.2	-8.0	16.84	27.4	0.89	Fsw
25	67	133	RPMGX T.Rowe Price Mid Cap Growth	MCGro	H	H	H	H	6.5	15.0	-19.5	31.22	24.5	1.12	fsw
26	24	-	FGRTX Fidelity Growth & Income II	LC	(B)	(B)	(B)	(B)	8.2	11.4	-15.0	7.78	13.7	0.76	Fw
27	71	174	VPMCX Vanguard PRIMECAP (\$25,000&1%r<5yr)	LC	H	H	H	H	7.6	14.2	-25.1	39.64	26.7	1.00	fsw
28	50	69	FTRNX Fidelity Trend	LC	H	H	H	H	7.6	12.6	-19.9	39.14	27.3	1.16	Fsw
29	131	155	VWNDX Vanguard Windsor	LCVal	H	H	H	H	6.7	14.8	-23.8	11.95	23.3	0.86	fsw
30	72	190	PRNHX T. Rowe Price New Horizons	SCGro	*	H	H	H	6.5	15.3	-23.2	16.62	37.8	1.24	fsw
31	-	-	TGVNX TCW Galileo Value Opportunities	MC	H	H	H	H	5.0	18.2	-28.4	13.47	-	-	SW
32	77	17	LLPFX Longleaf Partners	MCVal	H	H	H	H	7.8	9.6	-11.4	22.80	20.1	0.58	fsw
33	22	21	FFTYX Fidelity Fifty (.75%r<30d)	LC	B	B	B	B	2.5	12.9	-8.9	15.58	28.2	0.87	Fsw
34	39	37	FEQTX Fidelity Equity-Income II	G&I	H	H	H	H	6.3	12.3	-18.8	17.20	17.2	0.74	Fsw
35	32	-	RSMOX RS MidCap Opportunities	MCGro	H	H	H	H	6.8	12.9	-20.8	7.52	27.0	1.06	FSW
36	96	187	TMGFX Turner Midcap Growth	MCGro	*	H	H	H	8.2	14.5	-27.3	15.28	58.5	1.57	FSW
37	158	188	SAIFX Salomon Brothers Investors	LCVal	H	H	H	H	5.4	14.8	-22.4	14.41	19.7	0.83	fsw
38	70	79	WBSNX WmBlair S-C Growth N (1%r<60d)	SCGro	H	H	H	H	6.5	12.0	-15.4	13.52	-	0.95	FSW
39	69	77	BEQGX American Century Equity Growth	LCVal	H	H	H	H	6.9	12.0	-19.4	15.32	20.8	1.03	FSW
40	49	185	CUEGX CS Warburg Pincus Emerging Growth	MCGro	H	H	H	H	6.1	14.1	-24.5	19.35	35.5	1.26	FSW
41	52	68	PRGFX T. Rowe Price Growth Stock	LC	H	H	H	H	7.1	12.3	-20.5	18.83	22.9	1.06	fsw
42	155	121	WAAEX Wasatch Small Cap Grth (closed,2%r<60d)	SCGro	H	H	H	H	8.2	12.1	-19.8	25.24	37.8	1.15	FSW
43	44	48	FDSSX Fidelity Stock Selector	LC	H	H	H	H	7.3	11.3	-20.6	16.72	20.9	0.97	Fsw
44	56	59	FFIDX Fidelity Fund	LC	H	H	H	H	8.2	10.8	-21.1	22.56	23.2	1.05	Fsw
45	57	198	FIDYX INVESCO Dynamics	MCGro	H	H	H	H	5.6	15.6	-30.2	10.77	44.2	1.43	FSW
46	175	241	CBMDX C&B Mid Cap Value	MCVal	H	H	H	H	6.4	11.0	-15.5	13.35	18.4	0.53	-
47	14	6	TWEIX American Century Equity Income	MCVal	(H)	(H)	(H)	(H)	4.6	8.3	-9.2	6.40	15.1	0.44	FSW
48	51	49	VSEQX Vanguard Strategic Equity	MCGro	H	H	H	H	5.9	10.2	-14.4	13.20	17.2	0.82	fsw
49	65	84	VMRGX Vanguard/Morgan Growth	LC	H	H	H	H	7.1	11.3	-21.6	11.27	26.7	1.22	fsw
50	82	53	VIGRX Vanguard Growth Index	LCGro	H	H	H	H	8.0	10.6	-22.4	20.37	24.2	1.14	fsw
51	94	159	SLSSX Selected Special Shares	MCGro	H	H	H	H	6.4	12.5	-20.9	8.46	23.9	1.04	sW
52	229	189	MUHLX Muhlenkamp Fund	MCVal	H	H	H	H	8.4	12.1	-22.9	42.63	26.4	0.91	FSW
53	61	100	FDVLX Fidelity Value	MCVal	(H)	(H)	(H)	(H)	4.7	11.3	-15.9	45.42	22.8	0.64	Fsw
54	83	82	FDGFX Fidelity Dividend Growth	LC	H	H	H	H	6.3	11.5	-22.0	22.11	19.2	0.84	Fsw
55	9	-	RYSEX Royce Special Equity (1%r<180d)	SCVal	(H)	(H)	(H)	(H)	4.4	5.4	4.5	13.89	15.9	0.36	Sw
56	97	76	DSEFX Domini Social Equity Fund	LC	H	H	H	H	6.9	10.5	-21.3	21.56	21.4	1.05	w
57	19	15	STDIX Strong Discovery	MCGro	H	H	H	H	5.8	8.9	-13.4	14.50	25.1	0.83	FSW
58	110	109	FSMKX Fidelity Spartan 500 Index	LC	S	S	S	S	7.1	10.8	-22.5	60.69	20.2	1.00	f
59	157	73	TWCUX American Century Ultra	LCGro	S	S	S	S	9.2	8.8	-21.3	21.71	28.7	1.28	FSW
60	107	107	VFINX Vanguard 500 Index	LC	S	S	S	S	7.1	10.8	-22.4	81.14	20.2	1.00	fsw
61	112	108	BIGRX American Century Income & Growth	G&I	S	S	S	S	6.4	10.6	-20.7	21.55	20.0	0.99	FSW
62	190	191	NPRTX Neuberger Berman Partners	LCVal	S	S	S	S	6.3	12.5	-26.2	15.78	18.2	0.84	FSW
63	104	101	SNXFX Schwab 1000 Fund (.75%r<180d)	LC	S	S	S	S	7.0	10.5	-21.8	24.94	20.6	1.01	S
64	101	81	FMAGX Fidelity Magellan (3%)	LC	S	S	S	S	7.5	10.2	-22.3	79.64	22.3	1.06	fsw
65	28	136	JAENX Janus Enterprise	MCGro	S	S	S	S	6.1	9.9	-19.1	23.45	54.1	1.59	FSW
66	116	58	SCDGX Scudder Growth & Income	G&I	S	S	S	S	8.1	9.8	-22.6	16.27	15.8	0.75	FSW
67	7	-	OAKBX Oakmark Equity&Income	Bal	(H)	(H)	(H)	(H)	2.7	7.3	-5.1	17.82	10.6	0.37	FSW
68	103	-	VTSMX Vanguard Total Stk Mkt	LC	S	S	S	S	6.7	10.4	-21.5	20.02	17.8	0.99	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	4/04	1 Mo	6 Mo	Ticker	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	195	240	VCVLX	Vanguard Capital Value	LCVal	H	H	H	6.3	12.8	-28.3	7.23	-	-	fsw	
70	75	161	WPGFX	WPG Large Cap Growth	LCGro	S	S	S	7.5	11.6	-25.4	19.85	21.7	1.04	Fsw	
71	90	220	SMDCX	Strong Advisor Midcap Growth	MCGro	S	S	S	6.2	14.5	-30.7	9.15	50.6	1.52	FSW	
72	68	120	ARTMX	Artisan Midcap (closed)	MCGro	S	S	S	5.6	11.3	-22.8	19.34	35.5	1.11	FSW	
73	122	72	DREQX	Dreyfus Growth Opportunity (2%r<60d)	LC	S	S	S	7.8	9.6	-21.9	6.30	21.1	1.06	FSW	
74	123	180	MPEGX	MSI Midcap Growth	MCGro	S	S	S	7.1	11.4	-25.6	12.42	44.0	1.50	w	
75	135	127	CMSTX	Columbia Common Stock	LC	S	S	S	7.1	10.6	-24.6	14.93	22.4	1.04	FSW	
76	29	42	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	H	H	H	4.3	8.5	-9.4	21.42	16.4	0.44	fsw	
77	81	130	SCQGX	Scudder Large Company Growth	LCGro	S	S	S	7.6	11.0	-26.4	18.54	27.2	1.22	FSW	
78	169	55	NTHFX	Northeast Investors Growth	LCGro	*	S	S	7.6	9.9	-23.6	11.93	25.7	1.20	fsw	
79	193	175	VVUSX	Vanguard U.S. Growth	LCGro	S	S	S	9.9	10.5	-28.5	12.46	29.5	1.39	fsw	
80	200	145	OAKMX	Oakmark Fund	MCVal	S	S	S	5.2	10.0	-18.4	29.50	20.6	0.59	FSW	
81	129	119	MNGFX	Montgomery Growth	LC	S	S	S	7.9	9.8	-23.8	8.93	20.9	1.02	FSW	
82	141	139	SNIGX	SIT Large Cap Growth	LCGro	S	S	S	7.6	10.6	-25.5	24.31	26.2	1.21	FSW	
83	146	157	VIVAX	Vanguard Value Index	LCVal	S	S	S	6.1	11.0	-22.9	14.31	19.6	0.85	fsw	
84	150	144	SSMGX	SIT Small Cap Growth	MCGro	S	S	S	7.1	9.7	-22.8	18.51	54.5	1.32	FSW	
85	85	105	FBGRX	Fidelity Blue Chip Growth	LCGro	S	S	S	7.3	10.0	-24.0	32.41	23.4	1.09	fsw	
86	41	19	BSCFX	Baron Small Cap	SCGro	S	S	S	6.9	7.4	-10.5	13.65	28.0	1.07	FSW	
87	80	118	BABSX	Babson Growth	LCGro	S	S	S	6.0	11.8	-26.5	8.14	26.1	1.16	FSW	
96	11	11	PRWCX	T. Rowe Price Cap Appreciation	LCVal	(H)	(H)	(H)	2.3	6.3	-6.4	14	10.7	0.24	fsw	
98	54	71	RYPRX	Royce Premier (1%r<180d)	SC	H	H	H	4.3	7.8	-11.8	9.13	18.7	0.62	FSW	
103	91	134	VEXMX	Vanguard Extended Market Index	MC	H	H	H	5.2	9.0	-18.4	18.53	31.4	1.17	fsw	
105	18	-	FCONX	Fidelity Contrafund II (3%)	LC	H	H	H	2.3	9.4	-18.5	8.48	18.5	0.98	fsw	
115	27	16	RYTRX	Royce Total Return (1%r<180d)	SCVal	S	S	S	3.6	6.6	-8.6	8.15	13.6	0.41	FSW	
128	59	172	TASCX	Third Avenue Small-Cap Value	SCVal	(S)	(S)	(S)	3.0	9.4	-15.9	13.10	17.5	0.58	FSW	
137	119	-	VISGX	Vanguard Small Cap Growth Index	SCGro	(H)	(H)	(H)	5.4	7.7	-18.0	8.97	28.2	0.85	w	
145	130	91	VEIPX	Vanguard Equity-Income	LCVal	(H)	(H)	(H)	5.0	7.9	-20.5	18.11	16.0	0.55	fsw	
188	25	9	NBGNX	Neuberger Berman Genesis (closed)	SC	S	S	S	2.6	3.5	-10.6	19.12	19.6	0.62	fSW	
189	26	34	MUTHX	Mutual Shares (1%) CIZ	MCVal	(S)	(S)	(S)	2.8	3.8	-12.3	16.8	16.6	0.62	sw	
191	30	5	AVALX	Aegis Value Fund	SCVal	(S)	(S)	(S)	2.7	1.5	-5.5	11.98	18.2	0.31	fw	
196	6	201	GINLX	Gintel Fund (2%r<45d)	MC	(S)	(S)	(S)	1.4	7.8	-21.4	8.81	49.8	1.20	fSW	
251	38	125	ACBGX	Bonnel Growth Fund (.25%r<30d)	MCGro	(S)	(S)	(S)	-1	-4.3	-22.7	10.8	43.9	1.1	fsw	

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

**7.4%** **10.0%** **-19.1%**  
**5.8** **21.4** **-22.7**  
**6.9** **9.8** **-22.0**

*indexes do not include dividends*

## International Stock Funds

1	6	61	FLATX	Fidelity Latin Amer.(1.5%r<90d)	LatinA	*	H	H	12.8%	18.2%	-23.4%	\$9.77	40.4	-	fs
2	3	60	SLAFX	Scudder Latin America	LatinA	*	H	H	12.5	16.7	-20.4	16.78	37.7	-	FSW
3	20	59	PRLAX	T.Rowe Price Latin America (2%r<1yr)	LatinA	*	H	H	13.9	13.6	-21.9	7.79	43.5	-	fsw
4	22	13	OAKGX	Oakmark Global (2%r<90d)	Global	(B)	(B)	(B)	6.0	10.9	-13.3	12.22	-	-	FSw
5	11	54	SGSCX	Scudder Global Discovery (closed)	Int'l	B	B	B	2.1	10.5	-19.7	18.34	34.4	-	FSW
6	59	55	FIEUX	Fidelity Europe (1%r<90d)	Europe	S	S	S	5.2	11.0	-31.2	17.09	20.6	-	fsw
7	4	28	VEIEX	Vanguard Emerging Mkts Stk Index (0.5%r)	Int'l	*	B	B	1.6	7.6	-17.3	7.47	32.3	-	fsw
8	9	51	PRIDX	T.Rowe Price Intl Disc. (closed,2%r<1yr)	Int'l	B	B	B	1.4	6.5	-15.2	15.78	37.1	-	fsw
9	21	62	PEAGX	Payden European Aggr Grth (1%r<60d)	Europe	*	H	H	0.0	14.8	-36.5	5.12	-	-	fsw
10	7	14	DRFMX	Dreyfus Emerging Market (1%)	Int'l	*	B	B	1.5	5.9	-12.4	10.81	21.8	-	FSW
11	26	15	USAWX	USAA World Growth	Int'l	(B)	(B)	(B)	5.6	4.2	-19.3	11.80	20.0	-	w
12	42	34	PRESX	T. Rowe Price European	Europe	H	H	H	4.3	5.8	-21.7	12.27	17.7	-	fsw
13	45	22	VEURX	Vanguard European Stk Index	Europe	H	H	H	4.2	5.3	-20.4	15.44	17.3	-	fsw
14	5	36	MNEMX	Montgomery Emerging Mkts (closed)	Int'l	*	B	B	1.6	6.2	-17.2	7.71	31.6	-	FSW
15	1	1	MACSX	Matthews Asia Growth&Income (2%r<90d)	Pacific	B	B	B	-1.7	0.9	1.3	10.25	14.4	-	FSW
16	17	5	USIFX	USAA International	Int'l	B	B	B	3.9	2.6	-14.4	14.56	18.1	-	w
17	16	8	HAINX	Harbor International	Int'l	B	B	B	1.1	5.0	-15.5	25.16	17.8	-	sw
18	8	2	BJBIX	Julius Baer International Equity A	Int'l	B	B	B	1.5	2.2	-9.8	18.87	28.8	-	FS
19	57	44	SCGEX	Scudder Greater Europe (2%r<180d)	Europe	H	H	H	5.7	4.5	-23.8	17.20	22.5	-	FSW
20	27	35	FWWFX	Fidelity Worldwide (1%r<30d)	Global	H	H	H	4.0	4.6	-22.6	11.52	18.5	-	fsw
21	10	11	FDIVX	Fidelity Diversified Intl (1%r<30d)	Int'l	(H)	(H)	(H)	1.1	3.4	-14.0	16.52	20.4	-	Fsw
22	24	4	VNEPX	Vontobel International Equity (2%r<360d)	Int'l	H	H	H	3.3	-0.2	-8.5	11.35	21.1	-	Fsw
23	36	31	WWIGX	Vanguard International Growth	Int'l	H	H	H	2.2	4.7	-21.5	11.59	17.6	-	fsw
24	2	3	ICHKX	Investec China & Hong Kong	Pacific	(H)	(H)	(H)	-2.8	3.6	-9.5	10.21	39.2	-	FSW
25	37	16	FIVFX	Fidelity Aggressive Intl. (1%r<30d)	Int'l	H	H	H	3.6	3.0	-20.1	10.33	25.6	-	Fsw
26	23	46	LSIEX	Loomis Sayles International Equity	Int'l	H	H	H	1.8	3.1	-21.0	7.87	32.2	-	fSW
27	52	57	FEURX	INVESCO European (2%r<90d)	Europe	H	H	H	3.1	5.8	-31.2	7.34	30.1	-	FSW
28	31	20	SWINX	Schwab International Index (1.5%r<180d)	Int'l	H	H	H	1.8	2.3	-19.5	9.86	18.0	-	S
29	28	12	FIGRX	Fidelity International G & I	Int'l	H	H	H	1.5	1.6	-16.8	15.97	22.0	-	Fsw
30	19	45	SCOBX	Scudder Global	Global	H	H	H	0.7	2.7	-21.0	17.07	16.7	-	FSW
31	25	25	CMISX	Columbia International Stock	Int'l	H	H	H	2.1	1.1	-18.3	9.66	22.2	-	fsw
35	15	21	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	(H)	(H)	(H)	-0.4	2.2	-19.0	6.87	32.9	-	fsw
40	13	9	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	H	H	H	-2.9	1.3	-17.1	7.84	47.1	-	FSW
55	14	30	VPACX	Vanguard Pacific Stock Index	Pacific	*	(S)	(S)	-4.2	-4.0	-18.0	5.55	24.7	-	fsw
58	58	17	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	-2.8	-3.8	-24.1	9.09	38.5	-	fsw

## Specialty Funds (next issue on page 6: Bond Funds)

RANK	4/04 2003	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	13	-	FSCSX	Fidelity Software (3%&.75%r<30d)	Tech	*	*	*	4.8%	35.5%	-20.1%	\$36.29	52.00	2.14	fsw	
2	26	-	RYIIX	Rydex Internet	Tech	*	*	*	4.4	37.1	-34.8	20.81	-	-	fsw	
3	33	-	FSTCX	Fidelity Telecomm (3%&.75%r<30d)	Utility	*	*	*	7.8	29.4	-22.4	24.71	25.00	1.38	fsw	
4	59	-	FNINX	Fidelity Networking	Tech	*	*	*	3.4	38.7	-43.4	1.54	-	-	fsw	
5	39	31	FSPTX	Fidelity Technology (3%&.75%r<30d)	Tech	*	*	*	6.0	31.2	-31.7	39.55	46.60	2.14	fsw	
<b>6</b>	<b>8</b>	<b>6</b>	<b>RSCOX</b>	<b>RS Contrarian</b>	<b>Altern</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>5.2</b>	<b>14.7</b>	<b>12.5</b>	<b>11.14</b>	<b>17.60</b>	<b>0.57</b>	<b>FSW</b>	
7	53	34	RYTIX	Rydex Technology	Tech	*	*	*	5.2	30.2	-35.8	7.33	34.10	2.04	fsw	
8	29	-	FBIOX	Fidelity Biotechnology (3%&.75%r<30d)	Health	*	*	*	10.2	21.6	-24.0	41.98	53.10	0.88	fsw	
9	21	-	FBMPX	Fidelity Multimedia (3%&.75%r<30d)	Consmr	*	*	*	5.8	19.8	-15.8	33.03	21.80	1.08	fsw	
10	47	11	CGMRX	CGM Realty	RealEs	*	*	*	10.9	12.9	-1.8	14.50	17.50	0.21	fsw	
11	45	-	FSDCX	Fidelity Developing Comm (3%&.75%r<30d)	Tech	*	*	*	7.4	24.9	-33.2	10.59	37.00	1.72	fsw	
12	74	-	FSLBX	Fidelity Brokerage (3%&.75%r<30d)	FinServ	*	*	*	10.3	18.6	-20.7	35.52	30.80	1.47	fsw	
13	51	-	FDCPX	Fidelity Computers (3%&.75%r<30d)	Tech	*	*	*	6.0	24.9	-37.4	22.97	41.20	2.09	fsw	
<b>14</b>	<b>24</b>	<b>9</b>	<b>GATEX</b>	<b>Gateway Fund</b>	<b>Altern</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>6.2</b>	<b>12.6</b>	<b>-4.3</b>	<b>21.07</b>	<b>7.84</b>	<b>0.40</b>	<b>FSW</b>	
15	40	-	RYMIX	Rydex Telecommunications	Utility	*	*	*	3.3	24.5	-35.8	3.46	21.60	1.52	fsw	
16	43	-	FPHAX	Fidelity Pharmaceuticals (3%&.75%r<30d)	Health	*	*	*	8.4	14.4	-19.9	7.47	-	-	fsw	
17	82	-	RYSIX	Rydex Electronics	Tech	*	*	*	6.2	28.8	-50.6	8.46	50.30	2.33	fsw	
18	50	-	FSVLX	Fidelity Home Finance (3%&.75%r<30d)	FinServ	*	*	*	4.9	13.4	-7.8	49.21	25.80	0.37	fsw	
19	73	-	FSELX	Fidelity Electronics (3%&.75%r<30d)	Tech	*	*	*	6.9	27.1	-49.8	25.61	51.20	2.32	fsw	
20	6	-	FSMEX	Fidelity Medical Equip (3%&.75%r<30d)	Health	*	*	*	3.9	9.4	0.1	16.05	15.50	0.29	fsw	
21	22	12	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	4.6	8.2	4.7	18.81	13.90	0.20	Fsw	
22	71	-	FSCHX	Fidelity Chemicals (3%&.75%r<30d)	Cycls	*	*	*	10.2	8.9	-11.2	39.31	21.60	0.82	fsw	
23	56	18	FIDSX	Fidelity Finl Serv (3%&.75%r<30d)	FinServ	*	*	*	6.9	12.9	-14.3	88.24	21.80	0.79	fsw	
24	27	-	IVSRX	INVESCO Real Estate Inv	RealEs	*	*	*	5.1	7.0	4.0	7.67	13.90	0.34	FS	
25	48	-	RYKIX	Rydex Banking	FinServ	*	*	*	1.6	12.4	-8.1	7.51	27.50	0.70	fsw	
26	70	37	FTCHX	INVESCO Technology Inv	Tech	*	*	*	4.1	22.5	-43.6	17.45	48.00	2.26	FS	
27	62	22	FSFSX	INVESCO Financial Serv Inv	FinServ	*	*	*	6.7	11.8	-17.3	22.79	22.80	0.86	FS	
28	57	-	FSPCX	Fidelity Insurance (3%&.75%r<30d)	FinServ	*	*	*	9.2	7.8	-11.5	44.12	27.70	0.56	fsw	
29	32	17	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	5.2	6.2	2.5	43.84	14.60	0.23	FSW	
<b>30</b>	<b>34</b>	-	<b>FBALX</b>	<b>Fidelity Balanced</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>3.5</b>	<b>10.2</b>	<b>-10.4</b>	<b>13.24</b>	<b>10.50</b>	<b>0.54</b>	<b>Fsw</b>	
31	30	15	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	4.5	6.3	2.6	12.05	13.70	0.14	fsw	
32	60	-	RYOIX	Rydex Biotechnology	Health	*	*	*	10.6	13.0	-32.0	14.15	59.70	0.96	fsw	
33	58	-	FSUTX	Fidelity Utilities Growth (3%&.75%r<30d)	Utility	*	*	*	7.8	12.0	-25.0	26.10	17.50	0.95	fsw	
34	49	-	FDSLX	Fidelity Leisure (3%&.75%r<30d)	Consmr	*	*	*	8.4	9.8	-20.7	51.01	21.20	1.10	fsw	
35	28	-	CSEIX	Cohen & Steers Equity Income	RealEs	*	*	*	4.1	5.3	2.9	11.49	13.10	0.13	FSW	
36	44	-	FSLEX	Fidelity Environmental Ser (3%&.75%r<30)	Cycls	*	*	*	6.8	8.3	-14.3	10.18	19.70	0.59	fsw	
37	11	14	VGEXX	Vanguard Energy (1%r<1yr)	Energy	*	*	*	0.6	9.6	-5.3	23.57	24.50	0.64	fsw	
38	63	-	FSRFX	Fidelity Transportation (3%&.75%r<30d)	Cycls	*	*	*	8.3	9.9	-25.7	24.41	23.00	0.88	fsw	
39	37	19	FSPHX	Fidelity Health Care (3%&.75%r<30d)	Health	*	*	*	6.5	6.6	-13.4	104.00	15.30	0.28	fsw	
40	42	20	VGHCX	Vanguard Health Care (\$25k&1%r<5yr)	Health	*	*	*	6.1	7.4	-12.1	95.95	15.00	0.37	fsw	
<b>41</b>	<b>35</b>	-	<b>VBINX</b>	<b>Vanguard Balanced Index</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>3.6</b>	<b>7.3</b>	<b>-9.9</b>	<b>15.63</b>	<b>10.70</b>	<b>0.57</b>	<b>fsw</b>	
42	31	8	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	3.6	3.5	2.7	26.15	13.20	0.17	fsw	
43	77	-	FSHOX	Fidelity Const & Housing (3%&.75%r<30d)	Cycls	*	*	*	7.1	7.5	-20.7	23.23	24.40	0.80	fsw	
44	55	-	FSRBX	Fidelity Banking (3%&.75%r<30d)	FinServ	*	*	*	1.2	9.8	-13.0	29.74	24.50	0.70	fsw	
45	69	26	RYFIX	Rydex Financial Services	FinServ	*	*	*	5.0	10.3	-20.4	7.99	24.10	0.93	fsw	
46	10	21	FSTEX	INVESCO Energy Inv	NatRes	*	*	*	-0.2	8.6	-4.6	16.84	33.90	0.84	FS	
47	41	23	RYHIX	Rydex Health Care	Health	*	*	*	6.2	6.4	-18.3	9.37	15.50	0.31	fsw	
48	61	-	FLISX	INVESCO Leisure Inv	Consmr	*	*	*	7.4	6.2	-19.1	31.58	22.60	1.04	FS	
49	68	-	RYUIX	Rydex Utilities	Utility	*	*	*	8.1	11.4	-27.2	5.59	-	-	fsw	
50	36	-	FSDPX	Fidelity Indust MatrIs (3%&.75%r<30d)	Cycls	*	*	*	-3.1	11.0	-14.7	22.53	23.00	0.87	fsw	
51	19	16	MERFX	Merger Fund	Altern	*	*	*	0.5	4.4	-3.7	13.82	6.84	0.14	FSW	
52	84	-	FBSOX	Fidelity Bus Services (3%&.75%r<30d)	Tech	*	*	*	4.5	13.6	-35.2	10.43	22.60	1.03	fsw	
53	4	4	SCGDV	Scudder Gold (closed)	NatRes	*	*	*	-8.1	2.5	23.0	9.98	31.90	0.28	FSW	
54	46	27	FSTUX	INVESCO Utilities Inv	Utility	*	*	*	4.1	6.9	-17.0	8.35	16.10	0.66	FS	
55	87	-	RYRIX	Rydex Retailing	Consmr	*	*	*	12.2	3.1	-25.1	8.37	20.50	0.95	fsw	
56	15	-	FSNGX	Fidelity Natural Gas (3%&.75%r<30d)	Utility	*	*	*	-2.3	7.4	-8.0	16.91	27.70	0.61	fsw	
57	78	-	FCYIX	Fidelity Cyclical Ind (3%&.75%r<30d)	Cycls	*	*	*	6.2	5.6	-25.8	11.44	22.00	0.98	fsw	
58	7	-	FSSEX	Fidelity Energy Services (3%&.75%r<30d)	NatRes	*	*	*	-3.4	7.7	-12.4	28.26	46.40	1.18	fsw	
59	66	-	FSPCX	Fidelity Consumer Ind (3%&.75%r<30d)	Consmr	*	*	*	7.0	3.0	-20.2	19.15	14.00	0.66	fsw	
60	23	25	RYEIX	Rydex Energy	NatRes	*	*	*	-0.5	6.8	-16.7	8.87	21.30	0.66	fsw	
61	54	13	FHLSX	INVESCO Health Sciences Inv	Health	*	*	*	9.2	-1.0	-16.9	39.57	31.50	0.29	FS	
62	5	10	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	-9.0	1.8	18.3	4.53	42.40	0.41	fsw	
63	20	24	FSENX	Fidelity Energy (3%&.75%r<30d)	NatRes	*	*	*	-1.1	5.7	-14.7	20.39	22.10	0.70	fsw	
64	25	-	FNARX	Fidelity Natrl Resources (3%&.75%r<30d)	NatRes	*	*	*	-1.1	6.0	-17.2	10.90	21.90	0.78	fsw	
65	65	-	FSPFX	Fidelity Paper & Forest (3%&.75%r<30d)	Cycls	*	*	*	1.2	4.6	-20.4	23.83	24.70	0.80	fsw	
66	86	-	FSRPX	Fidelity Retailing (3%&.75%r<30d)	Consmr	*	*	*	10.7	0.6	-22.3	32.93	19.80	0.89	fsw	
67	67	-	ISWCX	INVESCO Telecommunications Inv	Utility	*	*	*	4.2	7.9	-36.6	8.11	35.80	1.97	FS	
68	16	-	RYVIX	Rydex Energy Services	NatRes	*	*	*	-4.0	7.3	-19.1	5.75	37.90	1.15	fsw	
72	1	-	BEARX	Prudent Bear	Altern	*	*	*	-9.6	-13.5	42.2	6.87	44.10	-1.57	FSW	
86	14	2	FSAGX	Fidelity Gold (3%&.75%r<30d)	NatRes	*	*	*	-12.8	-5.5	7.9	19.03	34.10	0.36	fsw	

## Yacktman Leaves Schwab

**Q** I learned today (April 3, 2003) from Schwab that Yacktman Fund closed to new investors on March 31, 2003. Isn't this something that the newsletter should alert me to in advance?

-- B.L., Overland Park, KS

**A** Unfortunately, it appears the initial explanation you received from Charles Schwab & Co. was incomplete. When *MONEYLETTER* contacted Schwab, a representative told us that, indeed, Yacktman Fund (YACKX) is still open to new investors directly and on a No-Transaction-Fee basis through Fidelity and TD Waterhouse.

What your representative evidently referred to was the expiration of a contract between the fund and Schwab. Thus, as of April 1st, Yacktman Fund is no longer available on the Schwab platform. Interestingly, Schwab recently raised their fees to participating funds. *MONEYLETTER* will keep an eye on this development.

The expiration of this agreement, to our knowledge, was not pre-announced.

If you have a general interest investing question you'd like answered in this space, please send it to the *MONEYLETTER*, P.O. Box 6020, Holliston, MA 01746; fax to (508) 429-0940; or email to [service@moneyletter.com](mailto:service@moneyletter.com). (Sorry, the we cannot give individual investment advice in *MONEYLETTER*). \$

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<sup>1</sup>As an independent Registered Investment Advisor, PRI Financial Advisors 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*.

Minimum investment for all managed accounts is \$100,000.

#### 100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	0.92%	0.94%	1.39%
Fidelity Spartan US Treas MMF	0.89	0.90	1.33
Gabelli US Treasury MMF	0.89	0.91	1.41
Amer Century Capital Presv Fund/Inv	0.79	0.80	1.25
T Rowe Price US Treasury MF	0.72	0.73	1.21
DBAB Cash Reserve Treasury	0.66	0.65	1.03
Dreyfus 100% US Treas MMF	0.61	0.61	1.09
CMA Treasury Fund	0.59	0.59	1.18
Prudential Govt Sec Tr/US Treas/CI A	0.59	0.65	1.15
Schwab US Treasury Money Fund	0.59	0.60	1.04

#### GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.29%	1.30%	1.75%
RBB MMP/Sansom Street Class	1.15	1.15	1.62
Bunker Hill MMF	1.11	1.11	1.54
Phoenix-Goodwin Money Market Series/A	1.10	1.13	1.22
McMorgan Principal Preservation Fund	1.07	1.08	1.49
Scudder YieldWise Money Fund	1.07	1.08	1.49
TIAA-CREF Money Market Fund	1.04	1.06	1.52
Flex-fund Money Market Fund	1.03	1.00	1.47
Scudder Premium Money Mkt Shrs/CI S	1.03	1.04	1.44
Scudder Premium Money Mkt Shrs/AARP	1.03	1.04	1.44

#### TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Strong Tax-Free Money Fund	1.09%	1.06%	1.31%
Vanguard Tax-Exempt MMF	1.06	1.05	1.34
Strong Municipal MMF	1.02	0.99	1.27
USAA Tax Exempt MMF	0.96	0.92	1.15
Evergreen Municipal MMF/CI I	0.95	0.91	1.24
Scudder YieldWise Muni MF	0.94	0.93	1.17
Amer Century T-F MMF/Inv Class	0.86	0.83	1.15
T Rowe Price Summit Muni MMF	0.85	0.83	1.13
Fidelity Municipal MMF	0.83	0.80	1.11
Scudder Tax-Exempt Money Fund	0.82	0.82	1.07

#### TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	1.07%	1.05%	1.32%
Vanguard CA Tax-Exempt MMF	1.06	1.02	1.24
Vanguard NY Tax-Exempt MMF	1.00	0.95	1.23
Vanguard PA Tax-Exempt MMF	1.00	0.97	1.24
Vanguard NJ Tax-Exempt MMF	0.98	0.95	1.19
USAA Tax Exempt CA MMF	0.97	0.93	1.14
Fidelity NY Municipal MMF	0.81	0.76	1.00
Fidelity OH Municipal MMF	0.79	0.73	1.05
Fidelity PA Municipal MMF	0.77	0.74	1.03
Fidelity FL Municipal MMF	0.76	0.73	1.05

**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 4/1/03. 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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## FBR Small Cap Value Fund

While this fund's stated investing strategy puts it squarely in the value camp, its holdings paint it with a growth brush. Manager Charles T. Akre Jr. invests in securities that are undervalued, but unlike many value managers, he'll hold his winners long after they can be considered value stocks. Thus, this value fund is often categorized as a "blend" or "growth" fund by the various mutual fund tracking firms. Indeed, that tilt toward growth is why we are adding this fund to our list — we believe that growth-oriented funds are poised to outperform strict value funds as the economy recovers. Of course, our fund selection system will ultimately tell us whether this view turned out to be correct.

Akre's investing strategy has been unwavering since the fund's year-end 1996 inception. His new purchases are drawn from the small-cap arena — defined as issues with market capitalizations of less than \$3 billion. But Akre has a number of hurdles that a company must pass first. Chief among them: a return on equity of about 20% for the preceding five years, plus the capability of at least sustaining that rate for five years into the future; and a buying point that reflects undervaluation by the market or that does not yet reflect accelerating earnings and cash flow growth. Akre also puts emphasis on corporate management. He expects management to have the best interests of the shareholders always at the forefront, and favors firms with a high level of management ownership. In addition, Akre eschews those firms that issue dilutive options packages, instead concentrating on reinvesting capital profitably in the business.

Akre feels no pressure to sell a stock once it has appreciated—either beyond the \$3 billion capitalization level or beyond any stated valuation level. Indeed, he is known for letting his winners run. Looking at the list of top holdings, it's interesting to note that numbers one and two, Markel Corp. and Penn National Gaming, have been in the portfolio since its inception. Akre likes insurance firm Markel because it is more profitable than the average property casualty insurer. Plus, its top management are also major shareowners. Penn National Gaming entered the portfolio as a small off-track betting firm. Today, Penn National is the fourth-largest slot machine casino operator in the nation, and is benefiting from the recession-proof nature of its business, plus geographic expansion. A big plus as far as Markel is concerned: the firm is family-run, and the CEO is the firm's largest shareholder. Both holdings have been winners for the fund over the long haul — and thus far this year as well. Through April 4, Markel has advanced by 9.2% while Penn National Gaming is up 22.2%.

Perhaps the fund's biggest winner thus far in 2003 is American Tower, up 69.7%. Akre says this firm builds towers

and then rents them out, and anticipates rents will increase over time while costs remain flat. The firm has successfully (and profitably) weathered an industry downsizing, while management is very responsible to shareholders.

### Top Five Sector and Holdings (% of Assets)

Gaming – Casinos	18.0%	Markel Corp.	10.3%
Gaming – Manufacturing	10.1	Penn National Gaming	9.5
Insurance – Property/Casualty	9.4	American Tower	8.1
Communications	7.4	Multimedia Gaming	5.2
Oil & Gas Operations	2.7	CarMax Inc.	3.4

*sectors as of December 31, 2002; holdings as of March 31, 2003*

As you can see from the chart above, one side effect of Akre's strategy is a highly concentrated portfolio. Nearly 50% of the fund's assets are concentrated in its top ten holdings. And 28% is invested in the gaming industry. What the chart does not show is the fund's cash position. When money is flowing heavily into the fund (as it has been, given its success—see below), Akre does not hesitate to let the cash position build. It was nearly 39% of total assets at 2002 year-end. In recent bear market conditions, that stake has worked to the fund's advantage.

### Total Return % as of 3/31/03

	First Quarter	1 Year	3 Years*	5 Years*
FBR Small Cap Value	2.56%	-1.34%	5.12%	5.73%
Russell 2000	4.49	-26.97	-11.00	-4.12
Lipper Small Cap Growth	3.73	-26.04	-22.15	-4.05

\*Annualized

Akre emphasizes that he does not want to pay a lot for the companies in the fund's portfolio. His job, he says, is to determine when attractive companies are selling below their real values. And it may take time for specific picks to pay off. The fund returned 2.63% in 2002, a year when only 3.5% of all U.S. equity funds finished in the black, according to Lipper (and many of those were precious metals or real estate funds). But Akre is quick to point out that the seeds of that 2002 gain were planted years ago in the portfolio. \$

*FBR Small Cap Value (FBRVX), FBR Family of Funds*

*4922 Fairmont Avenue*

*Bethesda, MD 20814*

*(888) 888-0025*

*Minimum investment: \$2,000/\$1,000 IRA*

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