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Pledging More to Growth

by Walter S. Frank, Chief Investment Officer

The time has come to commit the cash reserves we have been holding in our Venturesome and Moderate portfolios. As *MONEYLETTER* readers well know we have been very positive on the market rally and have recommended a switch from defense to offense in our investment thinking. All the while though we have held on to the last portion of our reserves in the allocation for our two growth-oriented portfolios. A contradiction? Not really.

As we have said all along, our growth portfolios were already in a fairly aggressive posture before the rally began in March. What we were looking for before we committed the last of our reserves was some confirmation from the economy that it was beginning to stir. We did not ask for some definitive confirmation of that fact. By that time it is too late to act. No, we were simply looking for an inkling, a hint that a recovery was on the way. We got that hint as June opened from the Supply Managers, in the form of the ISM Report on manufacturing activity. After two months of war-induced weakness we were told that both production and, even more important, new orders had turned positive. Also, the backlog of orders, which had been declining for months turned up. Something is finally stirring in the weakest sector of our economy.

The new allocations

For the Venturesome portfolios, we are raising the recommended allocation to domestic equities to 100% from 85%, thereby lowering the money fund allocation from 15% to zero. For the Moderate portfolios we are lowering the money fund allocation from 10% to zero. We are raising the domestic equity allocation from 65% to 70%. We are also raising the high-yield bond fund allocation from 15% to 20%. The new allocation for this portfolio is now domestic stock-70%, international stock-10%, high-yield bonds-20%.

Notice we are refraining for the moment from changing the Conservative portfolio's allocation. Given the nature of that portfolio (as we now define it), a low risk portfolio with a high sensitivity to capital preservation, we see less urgency for an immediate allocation change there. Certainty is more of an issue for this portfolio.

The model portfolios

The new allocations and the corresponding model portfolio changes were first given in the Hotline of Tuesday, June 3rd. All the fund transactions are as of Wednesday, June 4th.

Here are the portfolio changes. **MONEYLETTER Venturesome:** Sell 12,511 shares of Schwab Money Market Fund @\$1.00 per share. Purchase FBR Small Cap Value A with the proceeds. **Fidelity Venturesome:** Sell 15,379 shares of Fidelity Cash Reserves @ \$1.00 per share. Purchase Fidelity Growth Company with the proceeds. **Vanguard Venturesome:** Sell 12,972 shares of Vanguard Prime Portfolio/Retail @ \$1.00 per share. Purchase Vanguard Capital Value with the proceeds.

MONEYLETTER Moderate: Sell 8,616 shares of Schwab Money Market Fund. Purchase \$4,000 of Buffalo High Yield. Purchase \$4,616 of RS Partners. **Fidelity Moderate:** Sell 12,162 shares of Fidelity Cash Reserves. Purchase \$6,000 of Fidelity High Income. Purchase \$6,162 of Fidelity Convertible Securities. **Vanguard Moderate:** Sell 8,103 shares of Vanguard Prime Portfolio/Retail. Purchase \$4,000 of Vanguard High Yield Corporate Bond Fund. Purchase \$4,103 of Vanguard Extended Market Index Fund.

We are well aware that this further commitment to domestic stocks comes after stocks have had a breath-taking run. The charts of the one or two technicians we look at tell us that the market is well overbought. We all know that even without a chart. It may well be that the market will be in a correction at the time this advice arrives. So much the better.

Remember we look out 6-9 months ahead in making our recommendations. And as we see it, this market still has the potential for good gains ahead over the intermediate term. We believe that any correction will be short and will set up a buying opportunity.

Too far, too fast?

After the long bear market, which included rallies that ultimately failed (and hurt), it is difficult to accept this rally as the real thing. There is always the suspicion that this is only a more powerful cousin of the failed rallies that dashed our hopes again and again. There is no guarantee that such is not the case now, but there is a great deal that argues against it. We see the chances of a failed rally, let alone a return to the bear market, as a low probability event.

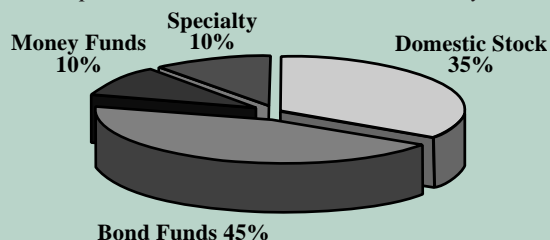
There are a variety of reasons for this rally, a confluence of factors, if you will, but three stand out for us. First, there were the first quarter earnings reports. Not only did they surprise, but they showed the potential earnings power if the economy ever kicked in. Second, there is the just signed tax cut. Whatever its long term merits or demerits, the short-term effect is to provide a strong stimulus to the economy over the year ahead. Third, the Fed, with its deflation talk, has sent long-term rates diving. Finally, the war uncertainty has evaporated. Don't underestimate its importance. Any one of these factors is important. Together they produce a powerful therapeutic cocktail for an ailing stock market. \$

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	Flat	Higher
Europe	Lower	Higher
Japan (Nikkei)	Lower	Higher
Hong Kong (Hang Seng)	Lower	Flat/Higher

CONSERVATIVE

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

**MONEYLETTER Conservative**

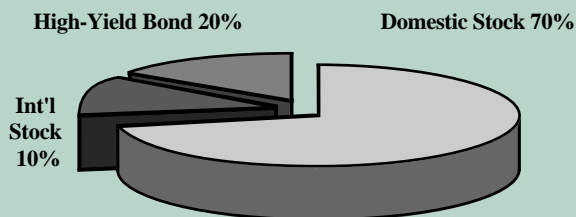
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.3%	10,047	\$1.00	\$10,047
Gateway Fund	11/27/02	3.8	597	21.98	13,122
PIMCO High Yield	05/14/03	-0.1	1,458	9.32	13,591
RS Partners	04/02/03	17.2	689	21.67	14,941
AmerCent Inflation Adj.	02/12/03	4.8	1,526	11.17	17,048
Yacktman	11/15/00	51.9	1,824	13.82	25,208
Dodge & Cox Income	02/19/03	3.8	937	13.16	12,337
TOTAL VALUE					\$106,294

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
4.2%	4.1%	-3.4%	16.6%	5.6%

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	Yield YTD	0.3%	8,616	\$1.00	\$8,616
Buffalo High Yield	06/20/01	16.0	1,408	10.60	14,928
Royce Premier	11/27/02	6.2	870	10.46	9,100
Matthews Pacific Tiger	02/06/02	2.0	971	9.02	8,760
RS Partners	02/12/03	23.8	355	21.67	7,690
Yacktman	11/15/00	51.9	1,810	13.82	25,017
Legg Mason Special	04/02/03	22.7	511	36.61	18,702
TOTAL VALUE					\$92,813

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
7.7%	9.6%	2.1%	-0.5%	11.8%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.4%	8,597	\$1.00	\$8,597
Fidelity Balanced	11/27/02	8.7	759	14.81	11,238
Fidelity High Income	01/17/01	2.7	1,844	8.41	15,510
Fid. Growth & Income II	03/12/03	18.4	1,955	8.38	16,384
Fid. Export & Multinational	04/16/03	11.7	808	15.48	12,513
Fidelity Intermediate Gov	02/19/03	2.6	1,116	10.55	11,772
Fidelity Investment Grade	02/19/03	3.6	1,614	7.81	12,602
TOTAL VALUE					\$88,616

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.1%	3.3%	-5.9%	-8.1%	6.1%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.4%	12,162	\$1.00	\$12,162
Fidelity Convertible Sec.	01/29/03	12.2	661	18.40	12,162
Fidelity High Income	01/17/01	2.7	1,981	8.41	16,658
Fidelity Fifty	02/20/02	10.6	954	17.87	17,044
Fid. Capital Appreciation	03/12/03	25.9	830	19.45	16,149
Fid. Export & Multinational	04/16/03	11.7	781	15.48	12,089
Fidelity Aggr. Int'l	05/14/03	3.4	556	11.94	6,643
TOTAL VALUE					\$92,907

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
5.0%	4.4%	-5.1%	1.9%	8.8%

Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.4%	8,374	\$1.00	\$8,374
Vanguard Balanced Index	11/27/02	5.5	555	16.84	9,348
Vanguard Bond Market	02/19/03	3.6	685	10.58	7,251
Vanguard Inflation Protect	02/19/03	4.6	1,009	12.61	12,723
Vanguard Strategic Equity	10/09/02	31.7	801	15.13	12,115
Vanguard Capital Value	01/29/03	16.9	1,153	8.42	9,705
Vanguard Convertible	09/04/02	18.4	1,141	11.61	13,250
Vanguard FI Hi-Yld Corp	01/17/01	9.9	2,547	6.17	15,717
TOTAL VALUE					\$88,483

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
4.0%	5.6%	-4.2%	-13.7%	8.1%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.4%	8,103	\$1.00	\$8,103
Vanguard Extended Mkt	11/27/02	9.3	408	21.50	8,783
Vanguard FI Hi-Yld Corp	01/17/01	9.9	2,459	6.17	15,169
Vanguard Emerg. Mkts Stock	02/06/02	-1.5	919	8.33	7,658
Vanguard Convertible	09/04/02	18.4	1,698	11.61	19,709
Vanguard Capital Value	01/29/03	16.9	1,663	8.42	13,999
Vanguard Strategic Equity	10/09/02	31.7	968	15.13	14,645
TOTAL VALUE					\$88,066

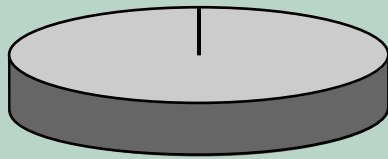
TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
5.2%	8.9%	-3.9%	-14.7%	11.3%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 5/31/03.

VENTURESOME

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



Domestic Stock 100%

MONEYLETTER Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.3%	12,511	\$1.00	\$12,511
Royce Premier	11/27/02	6.2	1,263	10.46	13,214
Legg Mason Special	04/02/03	22.7	484	36.61	17,711
Yacktman	11/15/00	51.9	868	13.82	11,991
Fid. Export & Multinational	04/09/03	12.8	848	15.48	13,123
RS Partners	02/12/03	23.8	729	21.67	15,797
TOTAL VALUE					\$84,347

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
7.7%	9.7%	-2.8%	-5.8%	11.1%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.4%	15,379	\$1.00	\$15,379
Fidelity Convertible Sec.	01/29/03	12.2	836	18.40	15,378
Fid. Growth & Income II	03/12/03	18.4	2,308	8.38	19,342
Fidelity Aggressive Grwth	04/16/03	12.3	1,144	12.63	14,449
Fidelity Capital Apprec.	12/04/02	15.1	661	19.45	12,853
Fidelity Fifty	02/20/02	10.6	1,050	17.87	18,760
TOTAL VALUE					\$96,161

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
5.1%	2.9%	-7.5%	5.8%	8.3%

Vanguard Venturesome

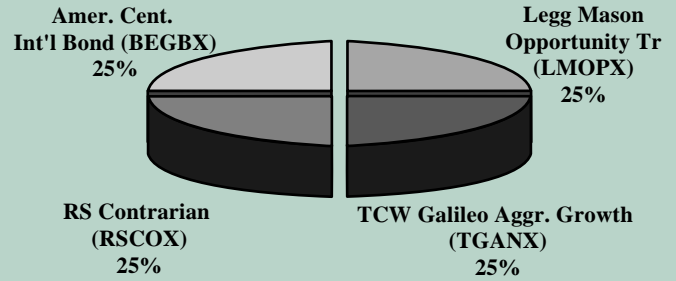
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.4%	12,972	\$1.00	\$12,972
Vanguard Extended Mkt	11/27/02	9.3	654	21.50	14,061
Vanguard Convertible	09/04/02	18.4	1,860	11.61	21,600
Vanguard Strategic Equity	10/09/02	31.7	951	15.13	14,395
Vanguard Equity-Income	08/28/02	3.7	263	20.02	5,257
Vanguard Small Cap Growth	01/29/03	15.1	1,634	10.28	16,802
TOTAL VALUE					\$85,087

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
6.3%	8.0%	-6.6%	-17.4%	11.1%

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
Legg Mason Opportunity	04/09/03	30.1%	2,510	\$11.40	\$28,610
TCW Galileo Aggr. Grwth	03/26/03	15.6	2,293	10.14	23,248
RS Contrarian	04/09/03	10.2	1,994	12.24	24,406
Amer. Cent Int'l Bond	09/30/02	20.3	1,794	13.67	24,520
TOTAL VALUE					\$100,784

TOTAL RETURNS (as of 5/31/03)

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
9.6%	9.9%	n/a	0.8%	8.6%

MONEYLETTER Select Commentary

The market rally, which has developed during the past couple of months, prompting the model to rotate in favor of growth oriented equity funds, has shown promising early results. The economic and market transition that led to erratic and non-sustained spurts in the past has given way and continues to offer evidence of an improving trend. For the Select Model this translates into double-digit returns for each of the four fund positions since their inclusion.

With the continued and aggressive pursuit of stimulative policies on the part of the Fed and the Government, accentuated by the boost to the consumer in the coming months from the signing of the Tax Bill, the outlook for sustained economic growth is clearly improving.

Total Returns—May 31, 2003

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	5.3%	3.9%	-8.0%	-29.2%	10.4%
Asset Allocation Funds (Avg) 24 Funds	4.8	4.9	-4.6	-14.7	8.9

4 FUND SCORECARD & RECOMMENDATIONS

Domestic Stock Funds

RANK	5/30 2003	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative			TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wtf
							Moderate	Venturesome	1 mo.	6 mo.	12 mo.	Std. Dev.		Beta		
1	1	16	LMOPX	Legg Mason Opportunity Trust (1%r<1yr)	MC	B	B	B	16.8%	29.0%	14.2%	\$11.40	29.5	1.45	-	
2	2	-	FBRVX	FBR Small Cap Value A (1%r<90d)	SCGro	B	B	B	6.4	19.1	23.8	27.11	20.2	0.73	FSW	
3	5	15	RSPFX	RS Partners	SC	*	B	B	9.2	21.8	10.1	21.67	21.9	0.64	FSW	
4	7	11	LMASX	Legg Mason Special Investment Trust	MC	B	B	B	13.8	15.0	9.7	36.61	25.5	1.34	-	
5	14	62	HRTVX	Heartland Value (1%r<90d)	SCVal	B	B	B	16.0	16.4	-0.1	37.72	22.5	0.63	fSw	
6	-	-	UBRRX	Undiscovered Behavioral Growth (\$10,000)	MCGro	*	(H)	(H)	12.0	16.7	5.0	15.45	24.6	1.32	fW	
7	3	-	TGANX	TCW Galileo Aggressive Growth CIN	MCGro	*	B	B	8.9	15.2	5.0	10.14	33.9	1.93	SW	
8	-	-	USRLX	Undiscovered Small Cap Growth (\$10,000)	SCGro	*	(H)	(H)	18.0	9.4	4.6	8.05	-	-	fw	
9	8	21	LMVTX	Legg Mason Value	LCVal	B	B	B	11.3	12.6	3.7	49.18	28.1	1.16	-	
10	6	1	YACKX	Yackman Fund	LCVal	B	B	B	7.6	10.5	14.3	13.82	18.2	0.55	FW	
11	10	69	WBSNX	WmBlair S-C Growth N (1%r<60d)	SCGro	B	B	B	10.5	13.8	-2.7	16.07	-	0.95	FSW	
12	36	3	HSGFX	Hussman Strategic Growth (1.5%r<180d)	MCGro	H	H	H	7.6	10.6	7.5	13.59	-	-	fsw	
13	11	13	VCV SX	Vanguard Convertible Securities	Convt	B	B	B	4.7	12.2	7.0	11.61	20.4	0.69	fsw	
14	40	105	BPSCX	Boston Ptnrs Smicap Val (closed,1%r<1yr)	SCVal	H	H	H	11.1	13.7	-8.4	17.31	24.9	0.72	FSW	
15	19	4	AVALX	Aegis Value Fund	SCVal	B	B	B	8.8	9.1	5.5	13.95	18.2	0.31	fw	
16	-	-	MXXIX	Marsico 21st Century	LC	H	H	H	8.5	10.8	1.6	7.78	20.5	1.01	fSW	
17	24	99	MUHLX	Muhlenkamp Fund	MCVal	B	B	B	10.6	13.2	-7.6	51.46	26.4	0.91	FSW	
18	13	137	RYPNX	Royce Opportunity (1%r<180d)	SCVal	H	H	H	14.3	11.7	-9.8	8.74	27.3	0.77	fsw	
19	47	48	VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	9.2	11.6	-2.1	15.13	17.2	0.82	fsw	
20	9	22	FCV SX	Fidelity Convertible Securities	Convt	B	B	B	5.2	12.3	2.0	18.40	27.4	0.89	Fsw	
21	135	142	KAUFX	Federated Kaufmann Fund (0.2%)	MCGro	H	H	H	10.7	11.6	-6.1	4.03	33.5	0.86	FSW	
22	4	56	OBEGX	Oberweis Emerging Growth	SCGro	B	B	B	9.0	9.0	2.4	19.05	48.7	1.49	FSW	
23	46	31	SMCDX	Strong Mid Cap Disciplined	MCVal	H	H	H	10.6	10.0	-2.5	16.76	23.4	0.92	FSW	
24	41	-	JSVAX	Janus Special Equity	MC	*	H	H	11.7	11.9	-9.2	8.40	-	-	SW	
25	85	159	BOGLX	Bogle Small Cap Growth (closed)	SCGro	H	H	H	10.3	12.0	-8.0	19.32	-	-	-	
26	30	130	FDCAX	Fidelity Capital Appreciation	MC	H	H	H	9.2	10.0	-2.7	19.45	31.5	1.26	fsw	
27	34	141	PRNHX	T. Rowe Price New Horizons	SCGro	*	H	H	9.9	10.7	-5.8	19.60	37.8	1.24	fsw	
28	15	25	LLPFX	Longleaf Partners	MCVal	B	B	B	7.6	9.3	1.1	25.66	20.1	0.58	fw	
29	18	83	VHCOX	Vanguard Cap Opp (\$25,000&1%r<5yr)	MCGro	B	B	B	10.6	8.9	-2.7	20.11	38.1	1.06	fsw	
30	48	27	EEQFX	Eclipse Small Cap Value	SCVal	H	H	H	6.2	12.0	-4.4	12.99	18.6	0.75	FSW	
31	20	67	SACPX	Salomon Brothers Capital (closed)	MCVal	B	B	B	11.8	9.9	-7.7	22.55	22.0	0.85	sw	
32	104	218	CUEGX	CS Warburg Pincus Emerging Growth	MCGro	H	H	H	10.1	10.8	-7.7	22.34	35.5	1.26	FSW	
33	42	150	RSMOX	RS MidCap Opportunities	MCGro	H	H	H	9.0	9.4	-3.0	8.64	27.0	1.06	FSW	
34	56	68	VEXMX	Vanguard Extended Market Index	MC	H	H	H	9.5	9.6	-4.6	21.50	31.4	1.17	fsw	
35	241	192	CGMFX	CGM Focus	SCVal	*	H	H	15.4	10.0	-14.9	21.59	55.1	0.02	fsw	
36	70	146	NEEGX	Needham Growth Fund (.75%r<30d)	MCGro	H	H	H	13.1	8.4	-7.9	23.46	50.6	1.11	FSW	
37	26	18	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	(H)	(H)	(H)	8.2	9.2	-2.7	23.16	17.0	0.45	fw	
38	63	165	MNSCX	Montgomery Small Cap	SCGro	H	H	H	9.1	9.7	-5.6	8.60	38.5	1.31	s	
39	39	-	OAKBX	Oakmark Equity&Income	Bal	H	H	H	6.8	8.0	2.1	19.62	10.6	0.37	FSW	
40	62	211	JAVTX	Janus Venture (closed)	SCGro	*	H	H	11.1	10.5	-11.8	37.19	58.6	1.63	FSW	
41	17	54	WVALX	Weitz Value Fund	MCVal	(H)	(H)	(H)	6.8	9.7	-3.6	31.23	16.6	0.52	SW	
42	59	70	RYLPX	Royce Low Priced Stock (1%r<180d)	SCVal	H	H	H	11.5	9.4	-10.4	10.95	24.8	0.69	FSW	
43	227	163	SMTVX	Strong Multi-Cap Value	MCVal	H	H	H	13.5	10.5	-16.2	44.89	-	-	FS	
44	16	39	BERWX	Berwyn Fund (1%r<180d)	SCVal	(H)	(H)	(H)	7.5	10.6	-7.5	19.48	18.7	0.41	fsw	
45	106	36	MPSCX	MSI Small Cap Value (closed)	SCVal	H	H	H	10.2	7.1	-3.4	16.88	25.5	0.77	fsw	
46	68	170	JAENX	Janus Enterprise	MCGro	*	H	H	7.5	9.4	-5.1	26.23	54.1	1.59	FSW	
47	66	82	BPMCX	Boston Partners Mid Cap Value	MCVal	H	H	H	9.2	9.7	-8.3	10.67	18.3	0.76	FSW	
48	65	153	MERDX	Meridian Fund	SCGro	H	H	H	9.4	8.4	-5.4	27.03	21.4	0.77	fw	
49	57	215	NGUAX	Neuberger Berman Guardian	LCVal	H	H	H	7.7	11.2	-10.5	12.40	24.3	1.13	FSW	
50	23	14	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	H	H	H	6.4	9.3	-3.7	24.24	16.4	0.44	fsw	
51	54	120	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	H	H	H	8.4	9.4	-7.2	35.70	24.5	1.12	fsw	
52	142	222	NBNGX	SIT Mid Cap Growth	MCGro	*	H	H	8.5	10.3	-9.7	8.03	43.2	1.35	FSW	
53	35	-	TGVNX	TCW Galileo Value Opportunities	MC	H	H	H	11.5	9.7	-12.7	16.17	-	-	SW	
54	22	246	VCVLX	Vanguard Capital Value	LCVal	(H)	(H)	(H)	7.3	9.4	-5.8	8.42	-	-	fsw	
55	12	237	NBS SX	Neuberger Berman Focus	LCVal	*	H	H	12.2	10.3	-15.6	27.62	38.5	1.52	FSW	
56	37	19	OAKLX	Oakmark Select (closed) (2%r<90d)	MCVal	H	H	H	7.2	8.3	-3.1	26.99	26.2	0.83	FSW	
57	172	28	TRMCX	T. Rowe Price Mid Cap Value	MCVal	H	H	H	10.2	7.8	-6.8	16.69	15.9	0.60	fsw	
58	53	7	RYPRX	Royce Premier (1%r<180d)	SC	H	H	H	7.4	7.1	-0.9	10.46	18.7	0.62	FSW	
59	27	81	CBMDX	C&B Mid Cap Value	MCVal	H	H	H	7.8	9.3	-7.2	15.42	18.4	0.53	FSW	
60	25	143	BSCFX	Baron Small Cap	SCGro	H	H	H	6.1	10.7	-8.0	15.38	28.0	1.07	FSW	
61	129	73	SSHFX	Sound Shore	MCVal	H	H	H	10.6	8.2	-8.6	28.49	18.4	0.60	sW	
62	84	227	SMDCX	Strong Advisor Midcap Growth	MCGro	S	S	S	9.1	10.3	-11.8	10.42	50.6	1.52	FSW	
63	113	127	VEXPX	Vanguard Explorer	SCGro	S	S	S	10.7	7.8	-8.2	52.39	34.0	1.03	fsw	
64	32	41	STCSX	Strong Advisor Common Stock (closed)	MC	H	H	H	8.8	7.0	-3.3	18.40	23.2	0.95	FSW	
65	74	24	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	S	S	S	8.5	8.2	-5.9	7.31	16.7	0.51	Fsw	
66	58	10	TWEIX	American Century Equity Income	MCVal	H	H	H	6.2	6.6	1.0	7.07	15.1	0.44	FSW	
67	51	187	NPRTX	Neuberger Berman Partners	LCVal	H	H	H	9.0	9.1	-9.6	18.38	18.2	0.84	FSW	
68	152	44	VISGX	Vanguard Small Cap Growth Index	SCGro	S	S	S	8.7	7.6	-5.4	10.28	28.2	0.85	w	

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.

Domestic Stock Funds

RANK	5/30	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	52	8	RYTRX	Royce Total Return (1%r<180d)	SCVal	H	H	H	6.1	7.3	-1.5	9.11	13.6	0.41	FSW	
70	210	17	PRNEX	T. Rowe Price New Era	LC	H	H	H	8.9	8.2	-8.2	22.21	26.7	0.72	fsw	
71	55	176	FDGRX	Fidelity Growth Company	LCGro	Ⓢ	Ⓢ	Ⓢ	9.7	6.4	-5.1	41.87	42.1	1.12	Fsw	
72	119	202	TMGFX	Turner Midcap Growth	MCGro	*	Ⓢ	Ⓢ	9.8	7.6	-8.4	17.53	58.5	1.57	FSW	
73	80	111	NAESX	Vanguard SmallCap Index	SC	S	S	S	9.5	8.0	-8.9	17.91	26.7	0.87	fsw	
74	108	131	CRIMX	CRM Mid Cap Value Ins	MCVal	H	H	H	7.2	10.1	-10.8	17.23	-	-	-	
75	29	191	WMCVX	Wasatch Small Cap Value (2%r<60d)	SCVal	Ⓢ	Ⓢ	Ⓢ	9.8	10.8	-16.6	3.91	27.5	0.71	FSW	
76	69	37	FDVLX	Fidelity Value	MCVal	H	H	H	8.5	7.7	-7.0	51.75	22.8	0.64	Fsw	
77	21	162	PRWAX	T. Rowe Price New America	LC	Ⓢ	Ⓢ	Ⓢ	6.2	8.4	-5.5	25.33	27.0	1.27	fsw	
78	161	183	RSVPX	RS Value+Growth	LC	Ⓢ	Ⓢ	Ⓢ	9.0	7.3	-7.0	14.42	28.9	1.20	FSW	
79	89	185	MPMVX	MSI Mid Cap Value	MCVal	*Ⓢ	Ⓢ	Ⓢ	10.2	8.1	-10.8	16.69	24.2	0.92	fsw	
80	178	217	MPEGX	MSI Midcap Growth	MCGro	*Ⓢ	Ⓢ	Ⓢ	8.8	8.4	-9.6	14.13	44.0	1.50	w	
81	50	6	PRWCX	T. Rowe Price Cap Appreciation	LCVal	H	H	H	5.2	6.5	0.5	15.30	10.7	0.24	fsw	
82	123	94	VWNFX	Vanguard Windsor II	LCVal	S	S	S	7.9	8.4	-8.2	23.32	18.5	0.65	fsw	
83	111	136	CRMMX	CRM Mid Cap Value Inv	MCVal	S	S	S	7.1	10.0	-11.0	17.10	-	-	FSW	
84	72	29	STDIX	Strong Discovery	MCGro	S	S	S	7.0	6.5	-2.1	16.18	25.1	0.83	FSW	
85	170	9	NBGNX	Neuberger Berman Genesis (closed)	SC	S	S	S	7.4	6.6	-3.7	21.41	19.6	0.62	fSW	
86	31	-	FEXPX	Fidelity Export & Multinat'l (.75%r<30d)	LC	H	H	H	6.5	6.7	-2.6	15.48	18.5	0.91	fsw	
87	233	238	RSSGX	RS Smaller Company Growth	SCGro	S	S	S	13.6	8.4	-17.7	14.83	41.2	1.27	FSW	
88	78	38	FLPSX	Fidelity LP Stock (3%&1.5%r<90d)	SCVal	S	S	S	8.1	6.6	-5.2	27.91	16.6	0.57	fsw	
89	134	46	TUDRX	WPG Tudor	SC	S	S	S	11.6	4.3	-5.1	12.55	38.9	1.20	fSW	
90	212	57	DNLDX	Dreyfus New Leaders	MCGro	S	S	S	9.7	5.9	-6.1	38.60	25.2	0.92	FSW	
91	95	140	SSMGX	SIT Small Cap Growth	MCGro	S	S	S	8.2	7.1	-7.2	21.24	54.5	1.32	FSW	
92	226	179	TWCVX	American Century Vista	MCGro	*	S	S	8.8	6.9	-8.2	10.10	52.3	1.17	FSW	
93	92	49	MUTHX	Mutual Shares (1% CIZ)	MCVal	H	H	H	5.1	8.0	-6.0	18.33	16.6	0.62	sw	
94	109	108	FMILX	Fidelity New Millennium (3%) (closed)	MCGro	S	S	S	9.2	5.3	-5.4	25.24	59.0	1.67	fsw	
95	98	71	BEGRX	Mutual Beacon (1%) CIZ	MCVal	H	H	H	5.4	8.2	-7.2	12.31	15.9	0.58	sw	
96	116	172	SOPFX	Strong Opportunity	MCVal	S	S	S	10.3	6.9	-11.4	33.02	21.8	0.91	FSW	
109	38	-	FGRTX	Fidelity Growth & Income II	LC	H	H	H	3.6	6.1	-1.2	8.38	13.7	0.76	Fw	
123	33	5	FFTYX	Fidelity Fifty (.75%r<30d)	LC	H	H	H	6.8	3.9	-2.8	17.87	28.2	0.87	Fsw	
169	122	65	VEIPX	Vanguard Equity-Income	LCVal	H	H	H	5.7	4.4	-9.4	20.02	16.0	0.55	fsw	
170	81	196	FDEGX	Fidelity Aggressive Growth(0.75%r<90d)	LCGro	H	H	H	7.4	3.8	-10.6	12.63	53.5	1.75	fsw	

Dow Jones
NASDAQ
S&P 500

4.4% -0.5% -10.8%
9.0 7.9 -1.2
5.1 2.9 -9.7

indexes do not
include dividends

International Stock Funds

1	2	-	ARTJX	Artisan Intl Small Cap (2%r<90d)	Int'l	B	B	B	7.8%	20.5%	5.9%	\$11.71	-	-	SW
2	1	30	SLAFX	Scudder Latin America	LatinA	*	H	H	2.8	22.0	-4.7	18.93	37.7	-	FSW
3	6	33	PRIDX	T.Rowe Price Intl Disc. (2%r<1yr)	Int'l	B	B	B	10.1	16.6	-2.5	18.72	37.1	-	fsw
4	3	46	FLATX	Fidelity Latin Amer. (1.5%r<90d)	LatinA	*	H	H	3.2	21.8	-7.5	11.01	40.4	-	fs
5	5	22	PRLAX	T.Rowe Price Latin America (2%r<1yr)	LatinA	*	H	H	3.5	18.7	-6.5	8.83	43.5	-	fsw
6	4	2	OAKGX	Oakmark Global (2%r<90d)	Global	B	B	B	10.1	12.2	-0.2	14.98	-	-	Fsw
7	7	45	SGSCX	Scudder Global Discovery (closed)	Int'l	B	B	B	10.3	12.0	-6.8	21.78	34.4	-	FSW
8	12	25	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	B	B	B	9.4	10.3	-12.2	11.64	25.6	-	FSW
9	9	3	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	B	B	7.5	8.6	-5.4	12.26	21.8	-	FSW
10	18	14	FDIVX	Fidelity Diversified Intl (1%r<30d)	Int'l	B	B	B	7.4	8.4	-6.5	18.82	20.4	-	Fsw
11	50	15	ICHKX	Investec China & Hong Kong	Pacific	H	H	H	12.2	6.0	-8.3	11.28	39.2	-	FSW
12	17	1	MACSX	Matthews Asia Growth&Income (2%r<90d)	Pacific	Ⓢ	Ⓢ	Ⓢ	5.6	5.3	2.2	11.09	14.4	-	FSW
13	19	4	BJBIX	Julius Baer International Equity A	Int'l	B	B	B	6.5	6.1	-4.7	21.19	28.8	-	FS
14	15	55	FIEUX	Fidelity Europe (1%r<90d)	Europe	B	B	B	9.7	6.4	-11.2	20.86	20.6	-	fsw
15	26	6	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	H	H	H	10.8	4.9	-10.0	9.02	47.1	-	FSW
16	20	21	FIVFX	Fidelity Aggressive Intl. (1%r<30d)	Int'l	H	H	H	7.0	6.6	-10.1	11.94	25.6	-	Fsw
17	13	35	VEURX	Vanguard European Stock Index	Europe	Ⓢ	Ⓢ	Ⓢ	6.7	5.8	-9.3	17.81	17.3	-	fsw
18	16	5	VEIEX	Vanguard Emerging Mkts Stk Index (0.5%r)	Int'l	*	H	H	6.4	5.6	-8.4	8.33	32.3	-	fsw
19	11	27	PRESX	T. Rowe Price European	Europe	Ⓢ	Ⓢ	Ⓢ	6.2	6.0	-9.0	14.16	17.7	-	fsw
20	23	12	USIFX	USAA International	Int'l	H	H	H	5.2	5.6	-7.7	16.14	18.1	-	w
21	8	11	MNEMX	Montgomery Emerging Mkts (closed)	Int'l	*	H	H	5.0	5.9	-8.9	8.63	31.6	-	FSW
22	25	10	VNEPX	Vontobel International Equity (2%r<360d)	Int'l	H	H	H	5.1	4.9	-7.0	12.54	21.1	-	Fsw
23	10	8	HAINX	Harbor International	Int'l	Ⓢ	Ⓢ	Ⓢ	6.0	4.9	-9.8	28.60	17.8	-	sw
24	30	19	FIGRX	Fidelity International G & I	Int'l	H	H	H	7.3	4.4	-10.8	18.06	22.0	-	Fsw
25	41	31	GIGRX	Gabelli Intl. Growth	intl	H	H	H	8.8	4.4	-13.3	12.47	21.0	-	FSW
26	34	23	SCOBX	Scudder Global	Global	H	H	H	7.0	4.9	-12.3	18.89	16.7	-	FSW
27	29	18	USAWX	USAA World Growth	Int'l	H	H	H	5.3	4.5	-9.3	13.02	20.0	-	w
28	27	26	FWWFX	Fidelity Worldwide (1%r<30d)	Global	H	H	H	7.4	3.3	-10.3	13.08	18.5	-	Fsw
29	22	49	SGGEX	Scudder Greater Europe (2%r<180d)	Europe	S	S	S	6.1	4.5	-12.7	19.55	22.5	-	FSW
30	24	9	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	S	S	S	6.7	3.1	-10.5	7.69	32.9	-	fsw
31	14	20	OAKIX	Oakmark International (2%r<90d)	Int'l	Ⓢ	Ⓢ	Ⓢ	7.7	3.7	-13.6	14.16	24.3	-	FSW
32	32	44	LSIEX	Loomis Sayles International Equity	Int'l	H	H	H	6.4	3.8	-12.1	8.77	32.2	-	fsw
33	28	32	SWINX	Schwab International Index (1.5%r<180d)	Int'l	S	S	S	6.1	3.4	-12.3	11.05	18.0	-	S
34	35	38	CMISX	Columbia International Stock	Int'l	S	S	S	5.6	3.4	-12.5	10.63	22.2	-	fsw
35	36	-	WBIGX	Wm. Blair Intl. Growth Stock N	Int'l	S	S	S	6.5	3.0	-13.1	14.11	14.6	-	FSW

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

RANK	5/30 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	5	48	CGMRX	CGM Realty	RealEs	*	*	*	17.2%	38.6%	19.6%	\$18.57	17.50	0.21	fsw	
2	12	39	RYOIX	Rydex Biotechnology	Health	*	*	*	17.9	18.7	13.8	17.93	59.70	0.96	fsw	
3	1	3	SCGDG	Scudder Gold (closed)	NatRes	*	*	*	9.7	23.7	1.2	11.50	31.90	0.28	FSW	
4	54	17	FSDGX	Fidelity Natural Gas (3%&.75%r<30d)	Utility	*	*	*	14.8	20.3	1.5	19.60	27.70	0.61	fsw	
5	19	40	FBIOX	Fidelity Biotechnology (3%&.75%r<30d)	Health	*	*	*	11.1	15.8	9.5	47.61	53.10	0.88	fsw	
6	20	1	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	12.5	21.6	-7.9	8.80	36.90	0.15	FSW	
7	6	21	FSMEX	Fidelity Medical Equip (3%&.75%r<30d)	Health	*	*	*	6.7	16.7	11.0	17.92	15.50	0.29	fsw	
8	24	2	FSAGX	Fidelity Gold (3%&.75%r<30d)	NatRes	*	*	*	11.2	19.5	-5.6	22.10	34.10	0.36	fsw	
9	4	37	RSCOX	RS Contrarian	Altern	*	*	*	6.0	16.7	9.4	12.24	17.60	0.57	FSW	
10	84	13	FSESX	Fidelity Energy Services (3%&.75%r<30d)	NatRes	*	*	*	16.7	14.9	-5.8	33.63	46.40	1.18	fsw	
11	18	7	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	11.3	24.5	-21.9	5.03	42.40	0.41	fsw	
12	67	15	FSTEX	INVESCO Energy Inv	NatRes	*	*	*	13.2	15.8	-3.2	18.77	33.90	0.84	FS	
13	10	12	FBMPX	Fidelity Multimedia (3%&.75%r<30d)	Consmr	*	*	*	13.9	7.8	15.1	40.31	21.80	1.08	fsw	
14	44	80	RYUIX	Rydex Utilities	Utility	*	*	*	10.2	20.6	-11.6	19.71	-	-	fsw	
15	38	14	VGENX	Vanguard Energy (1%r<1yr)	Energy	*	*	*	9.9	15.7	1.0	26.05	24.50	0.64	fsw	
16	26	5	FGLDX	INVESCO Gold Inv	NatRes	*	*	*	11.8	17.7	-8.3	2.66	30.30	0.22	FS	
17	2	65	RYIIX	Rydex Internet	Tech	*	*	*	17.4	6.1	8.5	26.37	-	-	fsw	
18	16	58	FSUTX	Fidelity Utilities Growth (3%&.75%r<30d)	Utility	*	*	*	9.6	14.4	-1.0	30.50	17.50	0.95	fsw	
19	14	27	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	6.6	13.1	5.1	47.77	14.60	0.23	FSW	
20	15	24	CSEIX	Cohen & Steers Equity Income	RealEs	*	*	*	6.2	12.8	5.7	12.48	13.10	0.13	FSW	
21	86	18	RYVIX	Rydex Energy Services	NatRes	*	*	*	16.7	11.9	-8.0	20.47	37.90	1.15	fsw	
22	7	79	FSDCX	Fidelity Developing Comm (3%&.75%r<30d)	Tech	*	*	*	11.5	13.1	-3.7	12.60	37.00	1.72	fsw	
23	43	11	VGPMX	Vanguard Precious Metals (closed,1%r<1yr)	NatRes	*	*	*	12.1	14.7	-9.5	11.14	32.70	0.56	fsw	
24	17	26	VGPIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	5.5	11.9	4.5	13.00	13.70	0.14	fsw	
25	25	22	IVSRX	INVESCO Real Estate Inv	RealEs	*	*	*	6.2	11.1	5.4	8.29	13.90	0.34	FS	
26	73	29	RYEIX	Rydex Energy	NatRes	*	*	*	11.8	11.4	-4.7	9.95	21.30	0.66	fsw	
27	21	16	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	5.7	10.7	5.4	28.28	13.20	0.17	fsw	
28	11	75	FSPTX	Fidelity Technology (3%&.75%r<30d)	Tech	*	*	*	12.8	7.8	0.8	47.56	46.60	2.14	fsw	
29	77	30	FSENX	Fidelity Energy (3%&.75%r<30d)	NatRes	*	*	*	11.5	11.4	-6.7	22.58	22.10	0.70	fsw	
30	13	23	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	4.5	11.1	4.4	19.97	13.90	0.20	Fsw	
31	52	6	RYPMX	Rydex Precious Metals	NatRes	*	*	*	11.9	13.4	-12.9	29.29	31.70	0.24	fsw	
32	33	51	RYHIX	Rydex Health Care	Health	*	*	*	7.1	11.4	-0.9	10.47	15.50	0.31	fsw	
33	62	54	FSTUX	INVESCO Utilities Inv	Utility	*	*	*	8.8	11.2	-3.2	9.36	16.10	0.66	FS	
34	8	85	FNINX	Fidelity Networking	Tech	*	*	*	15.2	9.8	-10.0	1.90	-	-	fsw	
35	35	83	FDCPX	Fidelity Computers (3%&.75%r<30d)	Tech	*	*	*	14.8	9.5	-9.0	28.00	41.20	2.09	fsw	
36	27	60	FDLX	Fidelity Leisure (3%&.75%r<30d)	Consmr	*	*	*	7.6	10.7	-2.9	58.72	21.20	1.10	fsw	
37	30	31	FSLVX	Fidelity Home Finance (3%&.75%r<30d)	FinServ	*	*	*	5.8	12.0	-3.9	55.01	25.80	0.37	fsw	
38	72	33	FNARX	Fidelity Natrl Resources (3%&.75%r<30d)	NatRes	*	*	*	10.5	10.6	-8.2	12.07	21.90	0.78	fsw	
39	29	32	FBALX	Fidelity Balanced	Hybrid	B	*	*	6.9	8.8	1.8	14.81	10.50	0.54	Fsw	
40	9	66	FSRFX	Fidelity Transportation (3%&.75%r<30d)	Cycls	*	*	*	5.0	12.9	-5.7	27.98	23.00	0.88	fsw	
41	32	78	RYTIX	Rydex Technology	Tech	*	*	*	15.2	5.0	-3.1	9.03	34.10	2.04	fsw	
42	3	42	FSCSX	Fidelity Software (3%&.75%r<30d)	Tech	*	*	*	6.3	5.2	6.8	40.70	52.00	2.14	fsw	
43	41	38	RYKIX	Rydex Banking	FinServ	*	*	*	6.4	9.5	-4.6	8.44	27.50	0.70	fsw	
44	23	20	FSTCX	Fidelity Telecomm (3%&.75%r<30d)	Utility	*	*	*	10.3	1.3	9.6	28.43	25.00	1.38	fsw	
45	31	59	FPHAX	Fidelity Pharmaceuticals (3%&.75%r<30d)	Health	*	*	*	5.3	9.4	-3.8	8.16	-	-	fsw	
46	46	35	FSLBX	Fidelity Brokerage (3%&.75%r<30d)	FinServ	*	*	*	11.1	4.1	-1.8	41.46	30.80	1.47	fsw	
47	51	86	FWRLX	Fidelity Wireless	Tech	*	*	*	14.1	7.0	-13.5	3.07	-	-	fsw	
48	49	43	VGHGX	Vanguard Health Care (\$25k&1%r<5yr)	Health	*	*	*	6.0	6.7	-3.6	104.60	15.00	0.37	fsw	
49	60	56	FSHOX	Fidelity Const & Housing (3%&.75%r<30d)	Cycls	*	*	*	8.6	7.2	-9.4	26.75	24.40	0.80	fsw	
50	40	34	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	4.3	5.6	0.1	16.84	10.70	0.57	fsw	
51	58	47	FSRBX	Fidelity Banking (3%&.75%r<30d)	FinServ	*	*	*	6.8	6.1	-5.6	33.55	24.50	0.70	fsw	
52	37	41	FIDSX	Fidelity Finl Serv (3%&.75%r<30d)	FinServ	*	*	*	5.1	6.3	-3.9	98.32	21.80	0.79	fsw	
53	22	28	FSPCX	Fidelity Insurance (3%&.75%r<30d)	FinServ	*	*	*	5.1	5.6	-2.2	49.40	27.70	0.56	fsw	
54	66	73	FHLX	INVESCO Health Sciences Inv	Health	*	*	*	3.9	8.4	-7.5	42.03	31.50	0.29	FS	
55	36	53	FLISX	INVESCO Leisure Inv	Consmr	*	*	*	5.8	5.9	-7.4	35.46	22.60	1.04	FS	
56	80	46	RYCIX	Rydex Consumer Products	Consmr	*	*	*	7.4	4.6	-7.2	23.63	15.90	0.52	fsw	
57	42	57	RYMIX	Rydex Telecommunications	Utility	*	*	*	11.4	-0.4	-0.9	12.25	21.60	1.52	fsw	
58	53	50	FSFSX	INVESCO Financial Serv Inv	FinServ	*	*	*	5.3	5.4	-6.9	25.30	22.80	0.86	FS	
59	55	63	RYFIX	Rydex Financial Services	FinServ	*	*	*	6.3	6.7	-11.5	8.97	24.10	0.93	fsw	
60	47	45	FSPHX	Fidelity Health Care (3%&.75%r<30d)	Health	*	*	*	3.9	4.8	-3.6	109.70	15.30	0.28	fsw	
61	34	19	GATEX	Gateway Fund	Altern	B	*	*	1.6	3.9	2.0	21.98	7.84	0.40	FSW	
62	50	36	FSDPX	Fidelity Indust Matrls (3%&.75%r<30d)	Cycls	*	*	*	7.1	6.0	-12.4	24.67	23.00	0.87	fsw	
63	61	52	FSLEX	Fidelity Environmental Ser (3%&.75%r<30d)	Cycls	*	*	*	6.6	2.9	-4.0	11.18	19.70	0.59	fsw	
64	45	25	MERFX	Merger Fund	Altern	*	*	*	1.6	3.7	-1.0	14.22	6.84	0.14	FSW	
65	63	82	ISWCX	INVESCO Telecommunications Inv	Utility	*	*	*	8.3	2.4	-11.1	9.26	35.80	1.97	FS	
66	28	84	FAIX	Fidelity Air Transport (3%&.75%r<30d)	Cycls	*	*	*	6.4	7.4	-21.5	24.30	28.50	1.14	fsw	
67	65	88	FSELX	Fidelity Electronics (3%&.75%r<30d)	Tech	*	*	*	15.4	3.0	-24.3	31.83	51.20	2.32	fsw	
68	56	70	FBSOX	Fidelity Bus Services (3%&.75%r<30d)	Tech	*	*	*	7.6	4.3	-17.1	12.21	22.60	1.03	fsw	
69	59	87	FTCHX	INVESCO Technology Inv	Tech	*	*	*	10.9	2.4	-17.8	20.43	48.00	2.26	FS	
70	48	67	FCYIX	Fidelity Cyclical Ind (3%&.75%r<30d)	Cycls	*	*	*	4.1	3.6	-12.7	12.68	22.00	0.98	fsw	

Alternatives Not Too Bad

MONEYLETTER typically spends a lot of time reviewing standard domestic stock fare, and rightfully so. Given the recent improvement in market behavior, there has been a lot to say when it comes to the upper reaches of our Domestic Stock Fund list. But, in this issue we thought we'd check in on two portfolio holdings that have a little different approach to investing.

RS Contrarian (RSCOX)

RS Contrarian was added to the *MONEYLETTER* Select portfolio on April 9, 2003 and has returned a tidy 10.2% in nearly two months since the purchase (through 5/31). The fund is managed by familiar face Andy Pilara, Jr., who has changed its stripes somewhat since he took over in late 1998. It has always attempted to pick winners from among the market's castoffs, but Pilara has generally stayed with long positions in stocks rather than more exotic choices, such as shorts and options, which are available to the fund. After miserable years in 1997 and 1998, over the last four and one-half years the fund has beaten the Vanguard 500 Index Fund, a market proxy, every year.

As of April 30th RS Contrarian held 13.1% in cash and 86.9% in stocks. Notable are the fund's international holdings, which total almost one-third of the portfolio. China Yuchai International (a manufacturer of diesel truck engines) and Bunge (an Argentinian soybean exporter) are among the top three holdings, along with AT&T. The fund holds approximately 35 names, and due to its recent performance shows a 3-year beta of approximately 0.6. Keep in mind this measure is low due to the recent volatility of the benchmark index.

*RS Funds, 388 Market Street, Suite 1700
San Francisco, CA 94111, 800-766-3863*

Performance—Total Return (%)

Fund	1996	1997	1998	1999	2000	2001	2002	5/31/03
RSCOX	21.7	-29.5	-32.7	38.3	10.3	-8.3	1.4	19.3
GATEX	10.5	12.4	12.3	13.0	6.6	-3.5	-4.9	5.9
Vanguard500	22.9	33.2	28.6	21.1	-9.1	-12.0	-22.2	10.3

Gateway Fund (GATEX)

Gateway was added to the *MONEYLETTER* Conservative portfolio on November 27, 2002 and has returned 3.8% since then (vs. 3.6% for the Vanguard 500). The fund holds S&P 500 stocks and sells call options against those stocks. Thus the fund earns premiums—in essence income—from the sale of those options, allowing it to provide positive performance during flat market conditions.

Of course, this conservative strategy will limit the fund's upside potential. Gateway also buys put options that help to limit its exposure on the downside. As one can see from the performance chart, the result is a low-volatility alternative to mainstream domestic stock funds with a beta of about half the S&P 500.

*Gateway Group, 3805 Edwards Road, Suite 600
Cincinnati, OH 45209, 800-354-6339*

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	0.84%	0.85%	1.28%
Fidelity Spartan US Treas MMF	0.79	0.81	1.23
Amer Century Capital Presv Fund/Inv	0.72	0.73	1.13
T. Rowe Price US Treasury MF	0.66	0.67	1.09
DBAB Cash Reserve Treasury	0.57	0.58	0.94
CMA Treasury Fund	0.55	0.57	1.05
US Treasury MF of America/CI A	0.55	0.57	0.89
Schwab US Treasury Money Fund	0.54	0.54	0.94
Prudential Govt Sec Tr/US Treas/CI A	0.52	0.53	1.03
Dreyfus 100% US Treas MMF	0.51	0.52	0.98

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.21%	1.21%	1.65%
Phoenix-Goodwin Money Market Series/A	1.19	1.13	1.19
RBB MMP/Sansom Street Class	1.11	1.13	1.47
Bunker Hill MMF	1.06	1.07	1.39
Scudder YieldWise Money Fund	1.03	0.99	1.39
McMorgan Principal Preservation Fund	1.02	1.03	1.40
Pacific Cap Cash Assets Tr/Orig	1.00	1.00	1.30
Flex-fund Money Market Fund	0.97	0.98	1.37
Scudder Premium Money Mkt Shrs/CI S	0.97	0.98	1.35
Scudder Premium Money Mkt Shrs/AARP	0.97	0.98	1.35
TIAA-CREF Money Market Fund	0.97	0.99	1.40

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Vanguard Tax-Exempt MMF	1.12%	1.17%	1.27%
Strong Tax-Free Money Fund	1.10	1.17	1.27
Scudder YieldWise Muni MF	0.99	1.04	1.13
Strong Municipal MMF	0.98	1.05	1.21
USAA Tax Exempt MMF	0.93	0.97	1.11
Fidelity Municipal MMF	0.89	0.92	1.04
T. Rowe Price Summit Muni MMF	0.89	0.93	1.07
Amer Century T-F MMF/Inv Class	0.88	0.93	1.09
Scudder Tax-Exempt Money Fund	0.86	0.90	1.03
Dreyfus BASIC Muni MMF	0.84	0.86	1.03

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	1.09%	1.13%	1.26%
Vanguard CA Tax-Exempt MMF	1.08	1.14	1.19
Vanguard PA Tax-Exempt MMF	1.07	1.13	1.18
Vanguard NJ Tax-Exempt MMF	1.04	1.09	1.13
Vanguard NY Tax-Exempt MMF	1.02	1.08	1.17
USAA Tax Exempt CA MMF	0.93	0.98	1.10
Fidelity FL Municipal MMF	0.83	0.87	0.98
Fidelity OH Municipal MMF	0.82	0.85	0.98
Fidelity PA Municipal MMF	0.81	0.85	0.96
Fidelity CA Municipal MMF	0.80	0.83	0.92
Fidelity MI Municipal MMF	0.80	0.85	0.92

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 5/27/03. 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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Discovering the Undiscovered

A research paper on the money management business written by Mark Hurley and colleagues at Goldman Sachs ultimately provided the basis for Hurley's founding of the Undiscovered Managers investment firm in 1997. In his research, Hurley found that the best money managers worked at smaller firms where they were afforded more flexibility. Hence, Undiscovered Managers was established to give its clients the opportunity to invest with some of the best – yet still unknown – managers in the world.

Hurley and his current colleagues employ a rigorous screening process to find portfolio management teams that have a clear and disciplined investment approach reflecting an underlying investment philosophy, a strategy that emphasizes the managers' very best ideas (resulting in concentrated portfolios), and an exceptional long-term investment performance record.

Hurley likes to hire money managers with academic backgrounds, and with advanced degrees in finance as well. Why? He asserts that managers with such backgrounds are able to support their recommendations and strategies with solid research. Meanwhile, these managers are freed from any responsibilities of marketing the funds, which is undertaken by the Undiscovered Managers firm. Two UM funds are profiled below.

Undiscovered Managers Behavioral Growth (UBRRX)

Behavioral finance: the study of how emotions such as fear and greed, and mental errors, can cause stocks and bonds to be overvalued or undervalued. That is the linchpin of this fund, which seeks to capitalize on the irrational investor behavior that results in mispriced securities. Managers Fred Stanske and Russell Fuller of Fuller & Thayer, the fund's advisor, believe that analysts and investors are slow to react to earnings improvements and other new, positive information. So they buy small- and mid-cap stocks where positive news has not caused the stock price to rise as much as the managers believe is warranted. Stocks are sold when earnings are in line with, or below expectations.

Since positive earnings surprises are often preceded by new products or increased demand, the managers tend to favor stocks in product-driven industries. As a result, the fund is often heavy in technology, health care, and consumer industries, as is evident below. The portfolio currently has less than 50 individual equity holdings and a third of assets in its top ten stocks.

Top Five Sectors and Holdings (% of Assets)

Consumer Services	23.8%	Varian Medical Syst.	5.1%
Hardware	22.5	Expedia	4.0
Health Care	14.8	Intl. Game Tech.	4.0
Software	14.7	Coach	3.9
Consumer Goods	12.2	Gen-Probe	2.7

as of April 30, 2003

Consumer services and health technology stocks were winners for the fund in the first quarter. And more recently, technology stocks have accelerated as well. The fund's year-to-date total return (as of May 30) of 24.4% has been propelled by strong performances by Expedia, Western Digital, Macromedia, and SanDisk (all ahead by at least 80%). The caveat with this fund: its concentrated nature and focus on more volatile industries can lead to a bumpy ride in tough markets. But it's certainly powered for an improving market environment.

Undiscovered Managers Small Cap Growth (USRLX)

A 31.5% total return thus far this year (May 30) puts this fund near the top of the small cap growth fund heap. Powered by exceptional returns from Alkermes, Digital Insight, DoubleClick, Mentor Graphics, and E*Trade Group, the fund has nearly recouped its -38.6% return from 2002, when growth stocks were clearly out of favor.

The sub-advisor for the fund is Mazama Capital Management. Managers Ron Sauer, Steve Brink, and Helen Degener believe market inefficiencies in the small- and micro-cap universe (market cap of \$2.5 billion or less) provide opportunities to earn superior returns by undertaking in-depth and disciplined bottom-up stock analysis. They key in on accelerating returns on capital, and seek to identify firms that can outperform current earnings expectations. In addition, they emphasize company visits and deep and thorough industry analysis. They are willing to pay a higher price for a stock at purchase, as long as the stock has superior growth prospects.

Coming out of 2001, the managers assert that the fund's holdings have exhibited improving top and bottom line fundamentals. In fact, 80% of the stocks in the portfolio exceeded Wall Street fourth quarter earnings expectations when they reported in the first quarter of 2003.

Top Five Sectors and Holdings (% of Assets)

Health Care	25.5%	E*Trade Group	4.9%
Hardware	21.7	Pixelworks	4.8
Software	13.5	Polycom	4.2
Financial Services	11.5	Red Hat	4.1
Consumer Services	11.3	Lattice Semiconductor	3.7

as of April 30, 2003

The managers recently trimmed the fund's overall technology weighting by taking profits, but remain confident that fundamentals remain strong throughout the holdings in this area. Still, the fund remains underweighted in cyclical technology; the managers believe that a recovery here will lag other technology-related areas.

Although this is an institutional fund, it is available through a number of NTF plans. \$

Undiscovered Managers Funds
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