

MONEYLETTER.com[®]

"Serving Investors Since 1980"

The Vigilantes Ride Again

by Walter S. Frank, Chief Investment Officer

The bond market vigilantes are at it again, or so it seems. Let the slightest hint of an improving economy surface and the vigilantes mount up to protect one and all from the "inevitable" inflation. Let bond prices fall and yields rise.

Wall Street has been understandably unnerved by the sharp rise in rates. The Street had become complacent about rates, and was thinking about another possible slight fall in rates, not a spike up. The sudden slide in bond prices (rise in rates) caught everyone napping.

The press, and some financial commentary, have been treating the slide as one continuous episode, and that is not so. Go back to all the talk about deflation (encouraged by the Fed) and the building expectation that the Fed would soon be buying long-term bonds to drive yields down as a deflation antidote. The bond market became an arena for speculation, and yields dove to as low as 3.13% (10-year Treasury) on June 13.

Two weeks later Alan Greenspan pricked that bubble with his "I never said that" testimony to Congress, and the bond market promptly dropped with yields going back close to 3.75%. We take that rise in rates as simply a reversal of the "deflation" premium that had driven rates so low (in hindsight so irrationally low).

The rise in rates since then, broadly speaking, can be attributed to the better economic news, a large Treasury refunding, and obligatory Treasury bond selling by mortgage investors. When you put it all together, the vigilantes were not the prime movers of the bond market's drubbing this time. Speculation was, and that speculation is now gone, unlikely to return.

To assess the damage, we took a look at the various bond funds in our portfolios from June 13 (the rate low point) to August 1. During that time the 10-year Treasury yield rose by more than 33% and the press made a fuss over that. A much more fruitful way to look at what happened is that yields rose by 1.300 percentage points from 3.13% to 4.43%.

As the Table shows the actual decline in price for the bonds was a far cry from the percentage increase in the Treasury yield. What

was important for the most part was something called the duration of the bond fund. A rough rule of thumb says that the duration times the change in the market interest rate will give you the expected change in a fund's NAV. By and large, the formula worked well for all but the high-yield funds where NAVs fell considerably less than expected. High-yield bond funds are a breed unto themselves.

As for the relative underperformance of inflation-adjusted bonds, that can be attributed to the retail investor. These bond funds have become extremely popular and have attracted numerous safety-conscious investors because of their inflation protection. Alas, as these investors learned, a bond fund is a bond fund. When rates rise, a bond fund's NAV falls. There must have been some pressure on the bonds from fund redemptions.

What now for rates? To start with, if our analysis is correct, the deflation speculative element in the bond market is gone. And, it is hard to believe that we have not also had some selling from the naïve bond investor who believed the bond market was a one-way street. A lot of the fluff then is out of the bond market.

Looking at bond market fundamentals, bond yields are somewhat higher than where they should be given the prospective rate of inflation. It seems to us that it time for the vigilantes to dismount and take a long cold shower.

Bond Fund Performance (NAV June 13-August 1)

Fund	Duration (years)	% Change (NAV)	Expected Change
American Century Infl-Adj.	4.22	-7.3%	-5.5%
Dodge & Cox Income	3.34	-3.3	-4.3
Fidelity Intermed. Govt.	3.20	-3.9	-4.2
Fidelity Investment Grade	3.90	-4.6	-5.1
Vanguard Total Bond Mkt.	3.79	-4.5	-4.9
Vanguard Infl. Protected Sec.	5.40	-7.0	-7.0
Buffalo High Yield	4.40	-0.1	-5.7
Fidelity High Income	Less than 5	-0.7	-
Vanguard High Yield	4.34	-1.5	-5.6
Pimco High Yield	4.43	-2.9	-5.8

Market Trends

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

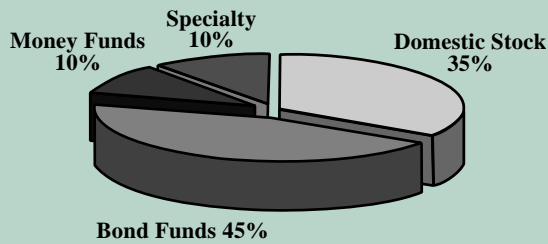
Portfolio changes

The Hotline of Tuesday, July 29 recommended the sale of Fidelity Convertible Securities in the Fidelity family Venturesome and Moderate model portfolios. For the Venturesome model portfolio a switch into Fidelity Small Cap Stock was recommended. For the Moderate portfolio the recommended switch was into Fidelity OTC Portfolio.

Here are the changes as of Wednesday, July 30. **Fidelity Venturesome**—Sold 844 shares of Convertible Securities @ \$18.36 per share. Purchased 1,107 shares of Small Cap Stock @ \$14.00 per share. **Fidelity Moderate**—Sold 1,002 shares of Convertible Securities, purchased 653 shares of OTC Portfolio @ \$28.15 per share. \$

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	0.4%	10,055	\$1.00	\$10,055
Gateway Fund	11/27/02	5.0	597	22.25	13,283
PIMCO High Yield	05/14/03	0.2	1,475	9.18	13,540
RS Partners	04/02/03	29.7	689	23.98	16,534
Heartland Value	07/16/03	-0.1	179	42.53	7,604
AmerCent Inflation Adj.	02/12/03	-1.2	1,527	10.53	16,082
WmBlair S-C Growth N	07/16/03	0.9	989	18.37	18,168
Dodge & Cox Income	02/19/03	1.3	948	12.70	12,043
TOTAL VALUE					\$107,309

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
-0.1%	8.5%	8.6%	11.3%	6.6%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.6%	8,610	\$1.00	\$8,610
Fidelity Balanced	11/27/02	10.0	762	14.92	11,366
Fidelity High Income	01/17/01	4.4	1,864	8.46	15,773
Fidelity Capital Appreciation	06/25/03	4.0	844	20.49	17,285
Fidelity Growth Company	07/09/03	-1.7	290	44.02	12,780
Fidelity Intermediate Gov	02/19/03	-0.7	1,121	10.17	11,396
Fidelity Investment Grade	02/19/03	0.1	1,642	7.40	12,154
TOTAL VALUE					\$89,364

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
-0.2%	8.1%	5.4%	-10.6%	7.0%

Vanguard Conservative

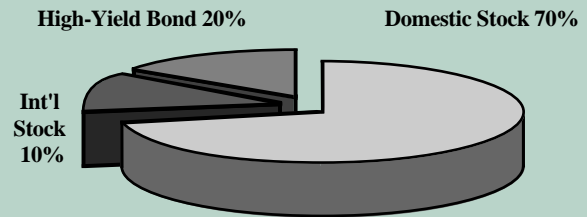
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.5%	8,386	\$1.00	\$8,386
Vanguard Balanced Index	11/27/02	6.5	558	16.90	9,436
Vanguard Bond Market	02/19/03	0.0	691	10.13	7,000
Vanguard Inflation Protect	02/19/03	-1.0	1,025	11.75	12,046
Vanguard Strategic Equity	10/09/02	38.6	801	15.92	12,747
Vanguard Capital Value	01/29/03	21.2	1,153	8.74	10,074
Vanguard Small Cap Grwth	07/09/02	-1.1	1,219	11.16	13,608
Vanguard FI Hi-Yld Corp	01/17/01	10.2	2,580	6.11	15,763
TOTAL VALUE					\$89,060

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
-0.3%	9.4%	9.0%	-14.8%	8.8%

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
Buffalo High Yield	06/20/01	17.9%	1,804	\$10.65	\$19,216
Heartland Value	06/18/03	6.1	412	42.53	17,512
Mathews Pacific Tiger	02/06/02	17.1	971	10.35	10,052
RS Partners	02/12/03	37.0	564	23.98	13,517
WmBlair S-C Growth N	07/16/03	0.9	989	18.37	18,168
Legg Mason Special	04/02/03	30.0	511	38.77	19,806
TOTAL VALUE					\$98,271

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.0%	20.3%	20.3%	1.4%	18.4%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Growth Company	07/09/03	-1.7%	280	\$44.02	\$12,347
Fidelity High Income	01/17/01	4.4	2,719	8.46	23,006
Fidelity OTC	07/30/03	0.6	653	28.33	18,513
Fid. Capital Appreciation	03/12/03	32.6	830	20.49	17,012
Fidelity Aggressive Grwth	07/09/03	-0.9	1,327	13.17	17,472
Fidelity Aggr. Int'l	05/14/03	12.9	556	13.04	7,255
TOTAL VALUE					\$95,605

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
1.3%	13.0%	9.5%	0.8%	12.0%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Extended Mkt	11/27/02	16.8%	595	\$22.99	\$13,689
Vanguard FI Hi-Yld Corp	01/17/01	10.2	3,145	6.11	19,213
Vanguard Emerg. Mkts Stock	02/06/02	11.6	919	9.44	8,678
Vanguard Explorer	07/09/03	-1.4	360	56.06	20,178
Vanguard Capital Value	01/29/03	21.2	1,663	8.74	14,531
Vanguard Strategic Equity	10/09/02	38.6	968	15.92	15,409
TOTAL VALUE					\$91,698

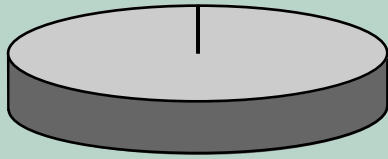
TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	16.2%	16.4%	-12.8%	15.9%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 7/31/03.

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
FBR Small Cap Value	06/04/03	3.9%	458	\$28.38	\$13,001
Heartland Value	06/18/03	6.1	345	42.53	14,669
Legg Mason Special	04/02/03	30.0	484	38.77	18,756
Royce Opportunity	07/16/03	0.2	1,219	10.01	12,207
WmBlair S-C Growth N	06/25/03	8.8	786	18.37	14,447
RS Partners	02/12/03	37.0	729	23.98	17,481
TOTAL VALUE					\$90,561

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.8%	22.6%	20.1%	-1.6%	19.3%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Growth Company	06/04/03	2.8%	827	\$44.02	\$36,418
Fidelity OTC	07/09/03	-1.9	672	28.33	19,044
Fidelity Aggressive Grwth	04/16/03	17.1	1,144	13.17	15,067
Fidelity Capital Apprec.	12/04/02	21.2	661	20.49	13,541
Fidelity Small Cap Stock	07/30/03	0.6	1,107	14.09	15,594
TOTAL VALUE					\$99,664

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
2.7%	14.0%	8.2%	6.0%	12.2%

Vanguard Venturesome

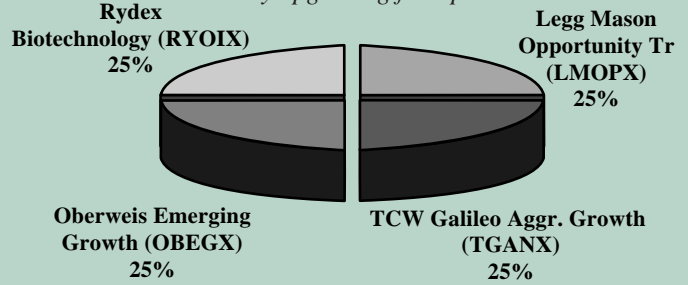
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Capital Value	06/04/03	1.3%	1,503	\$8.74	\$13,137
Vanguard Extended Mkt	11/27/02	16.8	773	22.99	17,779
Vanguard Explorer	07/09/03	-1.4	394	56.06	22,114
Vanguard Strategic Equity	10/09/02	38.6	1,131	15.92	18,002
Vanguard Small Cap Growth	01/29/03	25.0	1,634	11.16	18,240
TOTAL VALUE					\$89,272

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.5%	17.4%	14.4%	-14.4%	16.6%

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	30.8%	2,510	\$11.45	\$28,745
TCW Galileo Aggr. Grwth	03/26/03	20.7	2,293	10.58	24,257
Oberweis Emerging Grwth	07/30/03	1.2	1,135	23.55	26,738
Rydex Biotechnology	06/25/03	9.0	1,401	19.07	26,716
TOTAL VALUE					\$106,456

TOTAL RETURNS (as of 7/31/03)

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
3.4%	12.5%	n/a	6.5%	14.7%

MONEYLETTER Select Commentary

The Hotline of Tuesday, July 29 recommended the sale of RS Contrarian (RSCOX) to be upgraded to Oberweis Emerging Growth (OBEGX). The recommended trades were executed at the market close July 30. Details: Sold 1,994 shares of RS Contrarian @ \$13.25 per share. Purchased 1,135 shares of Oberweis Emerging Growth @ \$23.27 per share.

The recent resurgence in growth has spawned some profit-taking in recent weeks. While the potential for growth and profit gains exist, the near-term outlook for the market remains choppy until the bond market settles down. The model remains fully invested in equity funds.

Total Returns—July 31, 2003

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	1.7%	16.8%	10.6%	-27.7%	13.7%
Asset Allocation Funds (Avg) 24 Funds	0.7	13.1	9.3	-15.3	11.2

Domestic Stock Funds

RANK	8/01 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	2	59	OBEGX	Oberweis Emerging Growth	SCGro	*	B	B	11.0%	52.5%	55.7%	\$23.31	48.7	1.49	FSW	
2	4	-	USRLX	Undiscovered Small Cap Growth (\$10,000)	SCGro	B	B	B	6.6	43.7	48.7	8.61	-	-	fw	
3	-	-	HENLX	Henlopen Fund	SCGro	*	(H)	(H)	15.8	36.9	46.5	21.09	33.7	1.43	FSW	
4	11	250	RSDGX	RS Diversified Growth	SCGro	*	B	B	5.9	44.4	32.7	18.38	56.1	1.55	FSW	
5	6	-	UBRRX	Undiscovered Behavioral Growth (\$10,000)	MCGro	*	B	B	5.3	36.3	44.4	16.95	26.9	1.34	fw	
6	14	104	RYPNX	Royce Opportunity (1%r<180d)	SCVal	B	B	B	7.6	36.3	31.4	9.87	27.3	0.77	fsw	
7	9	37	WBSNX	WmBlair S-C Growth N (1%r<60d)	SCGro	B	B	B	4.8	35.5	37.4	18.10	32.2	1.30	FSW	
8	1	10	LMOFX	Legg Mason Opportunity Trust (1%r<1yr)	MC	*	B	B	-3.0	37.1	44.3	11.36	29.5	1.45	-	
9	21	230	BUFSX	Buffalo Small Cap	SCGro	B	B	B	6.1	36.7	28.4	19.23	-	0.69	SW	
10	24	242	RSSGX	RS Smaller Company Growth	SCGro	*	B	B	7.1	36.4	27.0	16.78	41.2	1.27	FSW	
11	7	52	HRTVX	Heartland Value (1%r<90d)	SCVal	B	B	B	3.9	34.6	35.5	42.03	22.5	0.63	FsW	
12	5	3	RSPFX	RS Partners	SC	B	B	B	3.8	32.0	42.2	23.82	21.9	0.64	FSW	
13	10	-	TGANX	TCW Galileo Aggressive Growth CIN	MCGro	*	B	B	2.6	29.6	49.4	10.47	33.9	1.93	SW	
14	12	239	PBEGX	PBHG Emerging Growth (closed)	SCGro	*	B	B	6.4	35.0	29.5	11.11	51.2	1.46	FSW	
15	19	247	NBSX	Neuberger Berman Focus	LCVal	*	B	B	1.7	36.0	33.6	28.96	38.5	1.52	FSW	
16	23	228	JAVTX	Janus Venture (closed)	SCGro	*	B	B	6.1	33.3	31.0	41.30	58.6	1.63	FSW	
17	13	88	PRNHX	T. Rowe Price New Horizons	SCGro	B	B	B	4.1	31.1	33.0	21.27	37.8	1.24	fsw	
18	38	243	POGSX	Pin Oak Aggressive Stock	MCGro	*	H	H	5.9	32.6	25.3	16.05	74.0	2.00	FSW	
19	-	-	TGCNX	TCW Galileo Select Equity	LCGro	*	H	H	2.6	30.8	34.5	14.78	26.8	1.55	FSW	
20	20	163	KAUFX	Federated Kaufmann Fund (0.2%)	MCGro	B	B	B	5.0	32.0	25.6	4.41	33.5	0.86	FSW	
21	3	-	FBRVX	FBR Small Cap Value A (1%r<90d)	SCGro	B	B	B	0.0	26.8	46.2	28.29	20.2	0.73	FSW	
22	25	191	BPSGX	Boston Ptnrs Smicap Val (closed,1%r<1yr)	SCVal	B	B	B	4.7	33.0	22.9	19.07	24.9	0.72	FSW	
23	-	-	USCGX	USAA Capital Growth	SCGro	*	H	H	5.5	30.5	26.5	5.35	-	-	fsw	
24	36	44	NEEGX	Needham Growth Fund (.75%r<30d)	MCGro	H	H	H	6.2	28.5	30.2	25.46	50.6	1.11	FSW	
25	39	244	TGSCX	TCW Galileo Small Cap Growth	MCGro	*	H	H	4.5	30.7	25.9	12.77	70.4	1.97	FSW	
26	8	12	LMASX	Legg Mason Special Investment Trust	MC	*	B	B	1.5	28.0	36.6	38.36	25.5	1.34	-	
27	17	76	MNSCX	Montgomery Small Cap	SCGro	B	B	B	3.4	30.1	27.8	9.24	38.5	1.31	s	
28	35	214	WMCVX	Wasatch Small Cap Value (2%r<60d)	SCVal	H	H	H	5.5	31.8	20.0	4.39	27.5	0.71	FSW	
29	28	232	RSEGX	RS Emerging Growth (closed)	MCGro	*	H	H	4.5	29.9	25.8	24.14	74.9	1.73	FSW	
30	29	-	MXXIX	Marsico 21st Century	LC	B	B	B	5.0	28.8	27.6	8.42	20.5	1.01	fsw	
31	15	215	WAAEX	Wasatch Small Cap Grth (closed,2%r<60d)	SCGro	B	B	B	3.7	29.2	27.5	32.12	37.8	1.15	FSW	
32	33	103	BOGLX	Bogle Small Cap Growth (closed)	SCGro	H	H	H	6.5	29.7	21.5	21.33	21.3	0.90	w	
33	69	-	TGVNX	TCW Galileo Value Opportunities	MC	H	H	H	4.0	28.4	27.3	16.85	-	-	FSW	
34	37	154	TMGFX	Turner Mid Cap Growth	MCGro	*	H	H	5.4	27.6	26.7	18.84	58.5	1.57	FSW	
35	32	-	ARTSX	Artisan Small Cap	SCGro	H	H	H	3.0	28.1	26.0	12.27	27.8	1.23	FSW	
36	26	61	RSMOX	RS MidCap Opportunities	MCGro	B	B	B	2.4	26.8	30.2	9.09	27.0	1.06	FSW	
37	41	204	CRMSX	CRM Small Cap Value Inv	SCVal	H	H	H	4.9	28.3	21.4	20.76	24.3	0.90	Fsw	
38	-	-	BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	H	H	0.2	29.2	25.8	10.39	-	-	fsw	
39	27	75	TUDRX	WPG Tudor	SC	H	H	H	5.0	24.7	27.1	13.74	38.9	1.20	FsW	
40	22	34	FDCAX	Fidelity Capital Appreciation	MC	H	H	H	1.7	26.1	28.1	20.36	31.5	1.26	fsw	
41	60	231	SAFGX	Safeco Growth Opportunities	SC	H	H	H	5.6	28.5	16.1	21.19	26.0	1.12	fsw	
42	49	193	FDGRX	Fidelity Growth Company	LCGro	H	H	H	2.7	26.6	24.8	43.61	42.1	1.12	Fsw	
43	40	69	VHCOX	Vanguard Cap Opp (\$25,000&1%r<5yr)	MCGro	H	H	H	2.4	25.0	28.0	21.01	38.1	1.06	fsw	
44	-	-	CSMVX	Century Select Small Cap	SCGro	H	H	H	3.7	24.0	28.3	18.88	16.3	0.54	FSW	
45	59	183	GSETX	Liberty Small Company Equity CIZ	SCGro	H	H	H	3.3	26.1	23.6	14.46	33.0	1.10	f	
46	34	-	JSVAX	Janus Special Equity	MC	*	H	H	3.5	27.0	20.4	8.89	-	-	SW	
47	45	77	CUEGX	CS Warburg Pincus Emerging Growth	MCGro	H	H	H	3.1	24.6	26.8	23.64	35.5	1.26	FSW	
48	31	35	BSCFX	Baron Small Cap	SCGro	H	H	H	4.2	26.2	20.3	16.78	28.0	1.07	FSW	
49	51	144	VEXPX	Vanguard Explorer	SCGro	H	H	H	3.3	25.3	22.9	55.38	34.0	1.03	fsw	
50	47	159	RSVPX	RS Value+Growth	LC	H	H	H	2.2	25.2	23.9	15.20	28.9	1.20	FSW	
51	54	153	MERDX	Meridian Fund	SCGro	H	H	H	2.4	27.3	17.9	28.09	21.4	0.77	fw	
52	61	31	VISGX	Vanguard Small Cap Growth Index	SCGro	H	H	H	4.6	23.5	23.5	11.02	28.2	0.85	w	
53	42	220	TWCVX	American Century Vista	MCGro	*	H	H	4.2	25.8	16.3	10.91	52.3	1.17	FSW	
54	16	17	LMVTX	Legg Mason Value	LCVal	H	H	H	-0.4	22.6	31.2	49.63	28.1	1.16	-	
55	44	131	MPEGX	MSI Mid Cap Growth	MCGro	*	H	H	2.8	24.3	21.9	14.90	44.0	1.50	fsw	
56	62	99	NAESX	Vanguard SmallCap Index	SC	H	H	H	3.4	24.6	20.0	18.98	26.7	0.87	fsw	
57	99	40	STDIX	Strong Discovery	MCGro	H	H	H	5.8	22.9	20.6	17.22	25.1	0.83	FSW	
58	46	71	VEXMX	Vanguard Extended Market Index	MC	H	H	H	3.0	24.0	22.0	22.72	31.4	1.17	fsw	
59	52	85	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	H	H	H	2.8	23.6	22.9	37.76	24.5	1.12	fsw	
60	18	237	CGMFX	CGM Focus	SCVal	*	(H)	(H)	-1.7	27.9	17.7	22.23	55.1	0.02	fsw	
61	63	28	STCSX	Strong Advisor Common Stock (closed)	MC	S	S	S	2.7	21.8	26.2	19.19	23.2	0.95	FSW	
62	93	73	SMCDX	Strong Mid Cap Disciplined	MVal	S	S	S	4.3	21.3	24.3	17.77	23.4	0.92	FSW	
63	78	18	RYPRX	Royce Premier (1%r<180d)	SC	S	S	S	3.7	22.3	22.2	11.12	18.7	0.62	FSW	
64	72	51	MPSCX	MSI Small Cap Value (closed)	SCVal	S	S	S	3.4	23.0	20.8	17.75	25.5	0.77	fsw	
65	48	78	SSMGX	SIT Small Cap Growth	MCGro	*	S	S	2.3	23.3	21.7	22.28	54.5	1.32	FSW	
66	92	120	FOCPX	Fidelity OTC Portfolio	LCGro	*	H	H	3.4	22.0	22.8	28.07	29.1	1.57	fsw	
67	84	60	SLSSX	Selected Special Shares	MCGro	S	S	S	1.6	22.8	23.1	10.24	23.9	1.04	sW	
68	108	116	FIEGX	INVESCO Small Company Growth	SCGro	*	S	S	4.9	22.0	20.1	9.88	48.4	1.38	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.

Domestic Stock Funds

RANK	8/01 2003	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	75	197	VEQEX	Vanguard Growth Equity	LCGro	H	H	H	2.8	22.7	21.0	8.10	37.2	1.39	fsw	
70	76	115	RYLPX	Royce Low Priced Stock (1%r<180d)	SCVal	S	S	S	2.5	22.7	21.3	11.62	24.8	0.69	FSW	
71	83	203	MPMVX	MSI Mid Cap Value	MCVal	S	S	S	3.1	22.9	19.1	17.49	24.2	0.92	fsw	
72	64	121	PRWAX	T. Rowe Price New America	LC	S	S	S	1.7	21.8	23.5	26.46	27.0	1.27	fsw	
73	98	140	SOPFX	Strong Opportunity	MCVal	S	S	S	2.5	22.7	19.8	34.29	21.8	0.91	FSW	
74	94	32	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	S	S	S	3.9	21.5	20.0	7.80	16.7	0.51	Fsw	
75	95	108	VPMCX	Vanguard PRIMECAP (\$25,000&1%r<5yr)	LC	S	S	S	2.3	21.6	20.9	46.15	26.7	1.00	fsw	
76	58	66	BGRFX	Baron Growth	SCGro	S	S	S	3.5	22.2	17.4	32.12	25.4	1.06	FSW	
77	86	24	AVALX	Aegis Value Fund	SCVal	S	S	S	4.4	20.7	18.8	14.89	18.2	0.31	fw	
78	124	91	FSLCX	Fidelity Small Cap Stock (2%r<90d)	SCGro	H	H	H	5.0	20.3	18.3	13.95	22.8	0.78	F	
79	110	38	BERWX	Berwyn Fund (1%r<180d)	SCVal	S	S	S	2.2	22.1	17.4	20.31	18.7	0.41	fsw	
80	57	33	SCDVX	Scudder Development (closed)	MCGro	S	S	S	1.2	20.5	22.4	16.61	41.9	1.47	FSW	
81	79	171	NBNGX	SIT Mid Cap Growth	MCGro	*	S	S	2.0	21.4	18.9	8.29	43.2	1.35	FSW	
82	81	112	FIDYX	INVESCO Dynamics	MCGro	S	S	S	2.1	19.9	22.0	12.72	44.2	1.43	FSW	
83	66	39	EEQFX	Eclipse Small Cap Value	SCVal	S	S	S	4.0	22.2	12.8	13.81	18.6	0.75	FSW	
84	43	53	VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	1.4	21.0	19.6	15.72	17.2	0.82	fsw	
85	115	132	BPMCX	Boston Partners Mid Cap Value	MCVal	S	S	S	2.5	21.1	17.5	11.02	18.3	0.76	FSW	
86	68	169	VCVLX	Vanguard Capital Value	LCVal	H	H	H	0.7	21.3	19.6	8.65	-	-	fsw	
87	30	157	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	(S)	(S)	(S)	-0.8	25.6	11.0	24.16	17.0	0.45	fw	
88	85	249	WGROX	Wasatch Core Growth (closed,2%r<60d)	SCGro	H	H	H	1.8	24.6	9.5	31.97	29.2	0.95	FSW	
89	88	166	NPRTX	Neuberger Berman Partners	LCVal	S	S	S	1.5	21.9	16.5	18.77	18.2	0.84	FSW	
90	103	68	FLPSX	Fidelity L P Stock (1.5%r<90d)	SCVal	S	S	S	3.5	21.1	15.0	29.78	16.6	0.57	fsw	
91	104	136	SGROX	Strong Growth	LCGro	S	S	S	2.4	20.7	17.4	15.62	43.9	1.16	FSW	
92	97	23	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	S	S	S	2.6	20.2	17.5	25.45	16.4	0.44	fsw	
93	53	93	MUHLX	Muhlenkamp Fund	MCVal	H	H	H	-2.1	22.0	19.4	51.13	26.4	0.91	FSW	
94	136	238	FDISX	Dreyfus-Founders Discovery	SCGro	*	S	S	4.0	20.5	13.7	22.22	48.7	1.45	FSW	
95	77	58	JAENX	Janus Enterprise	MCGro	*	S	S	1.4	20.0	19.0	27.24	54.1	1.59	FSW	
96	168	233	PBSVX	PBHG Small Cap Value	SC	S	S	S	2.6	21.0	14.4	16.38	28.5	0.87	FSW	
97	120	90	FEQTX	Fidelity Equity-Income II	G&I	S	S	S	0.8	19.9	19.2	19.94	17.2	0.74	Fsw	
98	50	176	SMDCX	Strong Advisor Midcap Growth	MCGro	S	S	S	-0.1	20.5	18.9	10.59	50.6	1.52	FSW	
100	80	80	FDEGX	Fidelity Aggressive Growth (0.75%r<90d)	LCGro	H	H	H	1.8	17.6	22.9	13.09	53.5	1.75	fsw	
177	65	5	FCVXS	Fidelity Convertible Securities	Convrt	(S)	(S)	(S)	-1.0	12.8	21.1	18.29	27.4	0.89	Fsw	

Dow Jones
NASDAQ
S&P 500

1.9%
5.7
0.6

13.7%
29.9
14.5

7.6%
34.0
10.8

indexes do not
include dividends

International Stock Funds

1	1	-	ARTJX	Artisan Intl Small Cap (2%r<90d)	Int'l	B	B	B	3.3%	28.9%	30.4%	\$12.54	-	-	SW
2	4	6	PRIDX	T. Rowe Price Intl Disc. (2%r<1yr)	Int'l	B	B	B	6.2	28.6	25.0	20.58	37.1	-	fsw
3	3	40	FLATX	Fidelity Latin Amer. (1.5%r<90d)	LatinA	*	H	H	0.7	28.3	31.8	11.51	40.4	-	fs
4	13	8	MPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	*	B	B	9.4	27.7	20.1	10.48	47.1	-	FSW
5	2	7	OAKGX	Oakmark Global (2%r<90d)	Global	B	B	B	2.1	26.6	28.7	15.84	27.8	-	FSw
6	8	63	VINEX	Vanguard Intl. Explorer	Int'l	B	B	B	4.8	29.2	16.5	10.36	23.5	-	fsw
7	11	14	VEIEX	Vanguard Emerging Mkts Stk Index (0.5%r)	Int'l	*	B	B	5.9	23.8	25.3	9.46	32.3	-	fsw
8	6	53	PRLAX	T. Rowe Price Latin America (2%r<1yr)	LatinA	*	H	H	-0.1	26.3	28.0	9.09	43.5	-	fsw
9	5	28	SLAFX	Scudder Latin America	LatinA	*	H	H	0.3	26.1	27.2	19.50	37.7	-	FSW
10	14	2	ICHKX	Investec China & Hong Kong	Pacific	B	B	B	8.8	23.8	19.0	12.97	39.2	-	FSW
11	16	15	FIVFX	Fidelity Aggressive Intl. (1%r<30d)	Int'l	B	B	B	4.2	25.9	17.1	12.99	25.6	-	Fsw
12	9	23	SGSCX	Scudder Global Discovery (closed)	Int'l	B	B	B	3.9	24.9	19.9	23.16	34.4	-	FSW
13	15	51	LLINX	Longleaf Partners International	Int'l	B	B	B	6.2	24.9	14.5	12.16	20.4	-	fw
14	10	5	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	B	B	4.2	22.9	20.3	13.48	21.8	-	FSW
15	19	31	PRASX	T. Rowe Price New Asia	Pacific	H	H	H	10.1	20.1	12.1	6.87	33.6	-	fsw
16	33	11	HAINX	Harbor International	Int'l	H	H	H	4.6	20.0	17.1	30.58	17.8	-	sw
17	29	59	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	8.6	21.5	6.6	11.81	38.5	-	fsw
18	37	42	VTRIX	Vanguard International Value	Int'l	H	H	H	6.3	20.9	10.0	21.85	15.9	-	fsw
19	31	48	FIEUX	Fidelity Europe (1%r<90d)	Europe	H	H	H	2.2	21.8	13.3	21.31	20.6	-	fsw
20	17	25	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	H	H	H	4.4	18.9	15.2	8.51	32.9	-	fsw
21	7	10	SJPNX	Japan Fund (Scudder) (2%r<180d)	Japan	*	H	H	4.3	22.0	6.9	7.10	31.4	-	FSW
22	23	21	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	H	H	H	3.2	21.2	9.4	12.46	25.6	-	FSW
23	28	49	FOSFX	Fidelity Overseas (1%r<30d)	Int'l	H	H	H	4.2	20.2	9.5	25.52	20.7	-	Fsw
24	21	44	FWWFX	Fidelity Worldwide (1%r<30d)	Global	H	H	H	1.6	19.4	13.3	13.77	18.5	-	Fsw
25	12	22	MJFOX	Matthews Japan Fund (2%r<90d)	Japan	*	H	H	6.5	21.7	0.2	9.82	16.3	-	FSW
26	24	-	WBIGX	Wm. Blair Intl. Growth Stock N	Int'l	S	S	S	3.7	19.9	8.4	15.17	14.6	-	FSW
27	27	41	SCOPX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	H	H	H	7.7	17.2	8.8	9.53	33.5	-	FSW
28	20	9	FDIVX	Fidelity Diversified Intl (1%r<30d)	Int'l	H	H	H	1.9	18.1	14.2	19.77	20.4	-	Fsw
29	32	17	FIGRX	Fidelity International G & I	Int'l	S	S	S	2.9	17.8	10.2	19.17	22.0	-	Fsw
30	43	46	VEURX	Vanguard European Stock Index	Europe	H	H	H	1.9	17.5	12.1	18.16	17.3	-	fsw
31	44	27	PFIFX	Preferred International	Int'l	S	S	S	5.0	17.5	7.3	11.73	17.4	-	w
32	47	33	OAKIX	Oakmark International (2%r<90d)	Int'l	S	S	S	3.2	17.6	9.2	14.92	24.3	-	FSW
33	46	39	PRESX	T. Rowe Price European	Europe	H	H	H	1.4	15.9	12.1	14.28	17.7	-	fsw
34	22	1	MACSX	Matthews Asia Growth&Income (2%r<90d)	Pacific	S	S	S	3.5	13.8	13.8	11.64	14.4	-	FSW
35	36	37	VWIGX	Vanguard International Growth	Int'l	S	S	S	2.6	15.8	9.4	13.61	17.6	-	fsw

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

RANK	8/01 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	2	84	RYOIX	Rydex Biotechnology	Health	* * *	6.5%	40.7%	37.4%	\$18.56	59.70	0.96	fsw	
2	35	89	RYSEX	Rydex Electronics	Tech	* * *	8.7	45.9	20.7	11.35	50.30	2.33	fsw	
3	11	75	FDCPX	Fidelity Computers (3%&.75%r<30d)	Tech	* * *	6.2	40.4	36.5	30.25	41.20	2.09	fsw	
4	24	88	FSELX	Fidelity Electronics (3%&.75%r<30d)	Tech	* * *	7.7	44.6	21.9	33.75	51.20	2.32	fsw	
5	3	41	RYIIX	Rydex Internet	Tech	* * *	0.2	31.4	57.1	27.20	41.00	2.70	fsw	
6	10	56	FSPTX	Fidelity Technology (3%&.75%r<30d)	Tech	* * *	4.2	35.4	40.8	50.59	46.60	2.14	fsw	
7	8	44	FSDCX	Fidelity Developing Comm (3%&.75%r<30d)	Tech	* * *	5.4	31.9	45.5	13.30	37.00	1.72	fsw	
8	13	70	RYTIX	Rydex Technology	Tech	* * *	4.5	35.0	39.2	9.56	34.10	2.04	fsw	
9	4	71	FWRLX	Fidelity Wireless	Tech	* * *	4.4	36.5	33.7	3.29	-	-	fsw	
10	9	76	FNINX	Fidelity Networking	Tech	* * *	3.6	34.7	32.9	2.02	-	-	fsw	
11	6	52	FBIOX	Fidelity Biotechnology (3%&.75%r<30d)	Health	* * *	7.4	29.5	36.4	50.43	53.10	0.88	fsw	
12	-	-	PRMTX	T. Rowe Price Media & Telecommunications	Utility	* * *	1.7	26.3	48.1	18.27	30.00	1.53	fsw	
13	1	24	CGMRX	CGM Realty	RealEs	* * *	-5.4	34.6	32.2	18.08	17.50	0.21	fsw	
14	7	12	FBMPX	Fidelity Multimedia (3%&.75%r<30d)	Consmr	* * *	1.1	20.2	57.2	42.07	21.80	1.08	fsw	
15	-	-	PRSCX	T. Rowe Price Science & Tech	Tech	* * *	2.7	27.4	32.6	15.75	39.20	2.41	fsw	
16	5	15	RSCOX	RS Contrarian	Altern	* * *	3.1	25.4	32.2	13.34	17.60	0.57	FSW	
17	-	-	PRHSX	T. Rowe Price Health Sciences	Health	* * *	3.4	27.6	25.4	18.52	22.60	0.84	fsw	
18	25	1	SCGDV	Scudder Gold (closed)	NatRes	* * *	9.9	12.1	54.0	13.18	31.90	0.28	FSW	
19	16	16	FSCSX	Fidelity Software (3%&.75%r<30d)	Tech	* * *	2.0	19.4	46.5	43.15	52.00	2.14	fsw	
20	21	77	FSLBX	Fidelity Brokerage (3%&.75%r<30d)	FinServ	* * *	0.8	25.2	27.2	43.68	30.80	1.47	fsw	
21	15	39	FDSLX	Fidelity Leisure (3%&.75%r<30d)	Consmr	* * *	1.7	22.9	31.5	62.02	21.20	1.10	fsw	
22	42	45	FSAVX	Fidelity Automotive (3%&.75%r<30d)	Cycl	* * *	7.1	25.0	17.1	27.09	25.10	0.93	fsw	
23	12	20	FSMEX	Fidelity Medical Equip (3%&.75%r<30d)	Health	* * *	1.9	22.0	32.5	18.76	15.50	0.29	fsw	
24	22	31	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	* * *	4.4	24.5	20.2	50.85	14.60	0.23	FSW	
25	33	66	FSRFX	Fidelity Transportation (3%&.75%r<30d)	Cycl	* * *	1.7	27.2	16.3	29.63	23.00	0.88	fsw	
26	43	78	RYRIX	Rydex Retailing	Consmr	* * *	3.8	25.3	17.4	10.00	20.50	0.95	fsw	
27	38	83	FSRPX	Fidelity Retailing (3%&.75%r<30d)	Consmr	* * *	2.5	27.0	14.0	40.29	19.80	0.89	fsw	
28	19	29	IVSRX	INVESCO Real Estate Inv	RealEs	* * *	3.2	23.2	18.8	8.85	13.90	0.34	FS	
29	23	81	FSAIX	Fidelity Air Transport (3%&.75%r<30d)	Cycl	* * *	-1.8	28.7	11.2	26.59	28.50	1.14	fsw	
30	-	-	TRREX	T. Rowe Price Real Estate	RealEs	* * *	4.1	22.0	18.4	12.34	13.70	0.16	fsw	
31	40	82	FTCHX	INVESCO Technology Inv	Tech	* * *	2.4	23.4	16.8	21.02	48.00	2.26	FS	
32	20	26	CSEIX	Cohen & Steers Equity Income	RealEs	* * *	2.9	22.4	17.5	13.11	13.10	0.13	FSW	
33	26	27	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	* * *	3.9	22.1	16.9	13.74	13.70	0.14	fsw	
34	-	-	PRISX	T. Rowe Price Financial Services	FinServ	* * *	2.8	21.4	19.1	19.77	20.00	0.80	fsw	
35	18	59	RYHIX	Rydex Health Care	Health	* * *	2.5	20.0	21.7	11.04	15.50	0.31	fsw	
36	76	74	FSCGX	Fidelity Industrial Equip (3%&.75%r<30d)	Cycl	* * *	7.0	20.6	12.1	19.57	22.90	1.11	fsw	
37	41	64	FSHOX	Fidelity Const & Housing (3%&.75%r<30d)	Cycl	* * *	0.9	22.9	12.5	27.84	24.40	0.80	fsw	
38	32	21	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	* * *	3.9	20.1	14.5	21.17	13.90	0.20	Fsw	
39	28	28	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	* * *	2.9	20.4	14.9	29.65	13.20	0.17	fsw	
40	29	32	RYMIX	Rydex Telecommunications	Utility	* * *	-1.4	14.1	34.8	12.25	21.60	1.52	fsw	
41	69	63	FCYIX	Fidelity Cyclical Ind (3%&.75%r<30d)	Cycl	* * *	4.6	18.2	10.9	13.47	22.00	0.98	fsw	
42	46	80	RYLIX	Rydex Leisure	Consmr	* * *	2.2	21.6	4.9	21.77	22.00	1.10	fsw	
43	14	9	FSTCX	Fidelity Telecomm (3%&.75%r<30d)	Utility	* * *	-7.1	7.9	52.9	27.48	25.00	1.38	fsw	
44	65	85	FBSOX	Fidelity Bus Services (3%&.75%r<30d)	Tech	* * *	1.5	17.4	13.6	12.55	22.60	1.03	fsw	
45	34	65	ISWCX	INVESCO Telecommunications Inv	Utility	* * *	-0.2	15.1	21.8	9.46	35.80	1.97	FS	
46	39	49	FLISX	INVESCO Leisure Inv	Consmr	* * *	0.5	16.1	17.1	36.16	22.60	1.04	FS	
47	75	19	FSDPX	Fidelity Indust Matr (3%&.75%r<30d)	Cycl	* * *	5.9	11.9	18.5	26.82	23.00	0.87	fsw	
48	55	67	FSFSX	INVESCO Financial Serv Inv	FinServ	* * *	1.7	16.4	11.9	26.19	22.80	0.86	FS	
49	54	61	FIDSX	Fidelity Finl Serv (3%&.75%r<30d)	FinServ	* * *	1.2	15.9	13.1	100.60	21.80	0.79	fsw	
50	48	36	FSLEX	Fidelity Environmental Ser (3%&.75%r<30d)	Cycl	* * *	1.9	14.2	15.9	11.43	19.70	0.59	fsw	
51	52	48	FSRBX	Fidelity Banking (3%&.75%r<30d)	FinServ	* * *	1.4	15.1	11.8	34.84	24.50	0.70	fsw	
52	80	58	FSCHX	Fidelity Chemicals (3%&.75%r<30d)	Cycl	* * *	7.6	13.4	5.8	43.39	21.60	0.82	fsw	
53	45	10	VGPMX	Vanguard Precious Metals (closed,1%r<1yr)	NatRes	* * *	2.2	5.6	32.4	11.88	32.70	0.56	fsw	
54	37	35	FBALX	Fidelity Balanced	Hybrid	B * *	-0.5	14.0	15.3	14.82	10.50	0.54	FSW	
55	49	72	FSPCX	Fidelity Insurance (3%&.75%r<30d)	FinServ	* * *	1.1	15.2	9.0	50.02	27.70	0.56	fsw	
56	58	73	RYFIX	Rydex Financial Services	FinServ	* * *	1.2	15.3	7.6	9.21	24.10	0.93	fsw	
57	27	69	FHLSX	INVESCO Health Sciences Inv	Health	* * *	-1.3	16.0	9.5	43.51	31.50	0.29	FS	
58	44	5	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	* * *	0.4	3.1	39.0	9.43	36.90	0.15	fSW	
59	56	42	RYKIX	Rydex Banking	FinServ	* * *	1.1	13.7	10.4	8.61	27.50	0.70	fsw	
60	31	54	VGHGX	Vanguard Health Care (\$25k&1%r<5yr)	Health	* * *	-1.0	14.0	12.2	107.40	15.00	0.37	fsw	
61	67	57	FSDAX	Fidelity Defense & Aero (3%&.75%r<30d)	Cycl	* * *	3.2	14.2	5.1	44.56	19.50	0.76	fsw	
62	61	60	FSCPX	Fidelity Consumer Ind (3%&.75%r<30d)	Consmr	* * *	0.2	14.2	9.3	21.35	14.00	0.66	fsw	
63	82	68	RYPIX	Rydex Transportation	Cycl	* * *	3.4	13.4	5.6	17.55	20.80	0.76	fsw	
64	71	2	USERX	U.S. Global Gold Shares (.25%r<30d)	NatRes	* * *	1.3	0.9	39.9	5.44	42.40	0.41	fsw	
65	17	55	FSUTX	Fidelity Utilities Growth (3%&.75%r<30d)	Utility	* * *	-6.3	14.0	18.6	29.15	17.50	0.95	fsw	
66	59	7	FGLDX	INVESCO Gold Inv	NatRes	* * *	2.5	3.6	31.2	2.86	30.30	0.22	FS	
67	57	50	FSVLX	Fidelity Home Finance (3%&.75%r<30d)	FinServ	* * *	0.7	14.0	7.4	55.11	25.80	0.37	fsw	
68	81	79	RYBIX	Rydex Basic Materials	Cycl	* * *	3.9	13.7	0.6	20.60	23.40	0.90	fsw	
72	53	34	VBINX	Vanguard Balanced Index	Hybrid	B * *	-1.1	10.2	10.8	16.78	10.70	0.57	fsw	
74	63	30	GATEX	Gateway Fund	Altern	B * *	0.6	8.0	12.7	22.17	7.84	0.40	FSW	

“FundAccess” Improves at Vanguard

Vanguard Brokerage’s funds supermarket, their FundAccess service, has expanded by adding 550 new funds and has modified the fee schedule for their NTF funds.

Previously, Vanguard’s FundAccess included more than 100 Vanguard funds, as well as thousands of no-load funds from more than 300 other mutual fund families. With the expansion, the platform now offers investors hundreds of funds that carry a sales commission. The families that are new to FundAccess are AIM, Alliance, American, Davis, Merrill Lynch, MFS, Oppenheimer, and Putnam. In addition, Vanguard has added more funds from the following groups that were already in the program: Fidelity, Franklin, Templeton, and PIMCO.

Focusing on the no-load offerings, the new FundAccess has changed the fee schedule for NTF (no transaction fee) funds as follows:

- The 1% charge (\$50 minimum) for early redemption is now capped at a maximum of \$250.
- The qualifying period for early redemption has been reduced to six months.

“Money 100” List Includes a Dozen from Vanguard

Money Magazine’s 2003 listing of the world’s best stock and bond funds included 12 from Vanguard, the fourth straight year Vanguard has topped the charts. Money gives “highest marks to funds that have shown they can do well in a variety of time periods and market conditions.” The funds are also ranked based on style consistency, reasonable expenses, and management continuity.

Here are the Vanguard funds that made the “Money 100”: 500 Index, Energy, GNMA, Health Care, Inflation-Protected Securities, Intermediate-Term Tax-Exempt, International Growth, PRIMECAP, Total Bond Market Index, Total Stock Market Index, Wellington, and Windsor II. \$

MONEY MANAGEMENT

PRI Financial Advisors Inc. is the exclusive provider of the “*MONEYLETTER* Managed Account Program.”¹ If you lack the time, discipline or patience to successfully manage your mutual fund investments, PRI can execute the strategies you see in *MONEYLETTER* for you.

Contact PRI and ask about a free, no-obligation Portfolio Review. Minimum Investment is \$100,000.

- * **TOLL-FREE:** (800) 707-2060
- * **FAX:** (508) 429-0940
- * **E-MAIL:** info@priadvisors.com
- * **WRITE:** PRI Financial Advisors Inc.
360 Woodland St.
Holliston, MA 01746

¹As 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*.

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	0.76%	0.78%	1.16%
Gabelli US Treasury MMF	0.70	0.72	1.17
Fidelity Spartan US Treas MMF	0.68	0.69	1.11
Amer Century Capital Presv Fund/Inv	0.61	0.61	1.02
T Rowe Price US Treasury MF	0.53	0.56	0.96
US Treasury MF of America/CI A	0.43	0.48	0.80
Schwab US Treasury Money Fund	0.41	0.43	0.83
CMA Treasury Fund	0.39	0.41	0.91
Dreyfus 100% US Treas MMF	0.39	0.41	0.85
JENNDRY/Dryden Govt SecTr/US Treas/D	0.38	0.39	0.89

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.04%	1.07%	1.52%
McMorgan Principal Preservation Fund	0.90	0.94	1.30
Centennial Money Market Trust	0.85	0.86	1.20
Bunker Hill MMF	0.84	0.86	1.27
AIG Money Market Fund/CI B	0.81	0.82	0.92
Flex-fund Money Market Fund	0.81	0.80	1.25
GE Money Market Fund	0.81	0.80	1.09
TIAA-CREF Money Market Fund	0.80	0.84	1.28
E*TRADE Premier MMF	0.79	0.81	1.16
Vanguard Prime MMF/Retail	0.79	0.82	1.25

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Vanguard Tax-Exempt MMF	0.75%	0.72%	1.20%
Strong Tax-Free Money Fund	0.73	0.68	1.23
Scudder YieldWise Muni MF	0.66	0.64	1.07
Strong Municipal MMF	0.62	0.59	1.14
T Rowe Price Summit Muni MMF	0.60	0.57	1.00
USAA Tax Exempt MMF	0.59	0.56	1.04
Amer Century T-F MMF/Inv Class	0.56	0.51	1.01
Fidelity Municipal MMF	0.56	0.55	0.97
Dreyfus BASIC Muni MMF	0.55	0.54	0.96
Northern Municipal MMF	0.49	0.48	0.88

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	0.77%	0.74%	1.18%
Vanguard NY Tax-Exempt MMF	0.72	0.69	1.10
Vanguard PA Tax-Exempt MMF	0.71	0.67	1.12
Vanguard CA Tax-Exempt MMF	0.70	0.69	1.12
Vanguard NJ Tax-Exempt MMF	0.67	0.66	1.07
Schwab MA Muni MF	0.65	0.34	-
USAA Tax Exempt CA MMF	0.51	0.48	1.04
Fidelity FL Municipal MMF	0.50	0.48	0.91
Fidelity NY Municipal MMF	0.48	0.47	0.88
Fidelity OH Municipal MMF	0.47	0.46	0.91

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 7/29/03. 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

CHECK OUT MONEYLETTER *Plus!*

www.moneyletter.com/sample.htm

52 Weekly Updates for Only \$68
Includes Every Fund We Track—Almost 500

Call Customer Service
(800) 890-9670 for More Details

New Small Cap Choices

Once again we are updating our domestic equity fund list, adding two funds to our coverage. Both have posted total returns in excess of 30% for the year-to-date (as of July 31), surpassing the average small-cap growth fund tracked by Morningstar by more than ten percentage points. But both suffered 20% or better losses in 2002, when investors favored value over growth.

Henlopen (HENLX)

A standalone fund is a rarity in the mutual fund business, but Henlopen is the only open-end mutual fund offered to investors by Landis Associates. Chairman of Landis, Michael Hershey, has managed the fund since its December 1992 inception. The fund has posted a respectable average annual return since inception of 13.0% (through June 30).

The managers here—lead manager Hershey and co-manager Bruce Vogenitz—do not make top-down bets on hot sectors or themes. Rather, they look for fast-growing firms, using bottom-up fundamental analysis. After generating a list of ideas, the team subjects interesting prospects to a rigorous assessment. They look for catalysts for change, sound accounting and financials, and solid management. They like a firm that is underfollowed by analysts, has a market-leading position and a top-notch industry reputation. What about selling? If a stock reaches its price target, it is reevaluated for a higher potential value or sold. And if the manager's confidence in a stock's fundamentals declines, it is sold.

Top Five Sectors and Holdings (% of Assets)

Health Care	22.7%	IGEN International	12.3%
Energy	16.2	Grey Wolf	3.1
Consumer Services	14.9	Universal Compression	2.9
Financial Services	12.9	Rite Aid	2.3
Hardware	11.0	Acres Gaming	2.1

as of June 30, 2003

Recent strong results have been broad-based, with stocks across a variety of industries contributing to positive performance. However, technology stocks and specialty retailers in the portfolio have been especially strong. Moreover, investors have been favoring the types of stocks that Henlopen likes: companies with strong earnings and positive outlooks. And what about top holding (by a wide margin), IGEN International? After this medical equipment maker surged nearly 46% during the fourth quarter of 2002, it has added another 33% year-to-date (July 31).

*Henlopen Fund, 415 McFarlan Road, Ste. 213,
Kennet Square, PA 19348; (866) 800-0032.
Minimum investment \$2,000/\$2,000 IRA.*

USAA Capital Growth (USCGX)

Born in October 2000 as a near-clone of USAA Aggressive Growth, USAA Capital Growth's path has diverged from that of its predecessor. The group closed Aggressive Growth as its fees declined as a percent of assets (mandated by prospectus) until the group claimed the fund was "uneconomical." Its solution: launch a near-clone, Capital Growth, to be run by the same management team as the original. Flash forward nearly two years, to June 2002. USAA decides to name subadvisors for its funds. USAA Aggressive Growth goes to Tom Marsico. He gave the fund a big overhaul, moving it from a small- and mid-cap focus to large-cap orientation, and making it more concentrated. USAA Capital Growth goes to Batterymarch Financial Management, with William Elcock as head manager. This fund retains a smaller-cap focus. Today, the fund has 18% of assets in mid-cap stocks, 71% in small-caps and 11% in micro-cap issues.

The fund's stock holdings are well diversified (its top stock constitutes only 1.5% of assets). Manager Elcock diversifies the portfolio across industry sectors as well. In selecting individual securities, Batterymarch looks for firms with above-average sales and earnings growth potential. The stock selection process consists of a proprietary multi-factor analysis of fundamental criteria. Rankings of stocks are based on earnings growth, expectations, cash generation, valuation, and technical inputs. The companies Batterymarch chooses are well positioned to take advantage of emerging, long-term social and economic trends, with sufficient financial strength to sustain growth. On the other side of the coin, stocks that do not deliver on growth expectations are sold. Stocks also can be sold if more attractive opportunities exist.

Top Five Sectors and Holdings (% of Assets)

Health Care	22.1%	Take Two Interactive Software	5.2%
Financial Services	12.2	Mid Atlantic Medical Services	3.9
Hardware	11.8	Idexx Laboratories	3.6
Business Services	11.6	Amphenol	3.4
Consumer Services	10.8	Avid Tech.	3.3

as of June 30, 2003

Batterymarch's fundamentals-based strategy is in favor now, but has not always been so. In rallies led by companies with poor fundamentals and weak earnings expectations, the fund lags, as it did in late 2002. Recently, however, the fund has been responding strongly to more positive market conditions. Its biggest winners have come from software, hardware, telecommunications, business services and healthcare. \$

*USAA Capital Growth, USAA Group, USAA Building,
San Antonio, TX 78288; (800) 382-8722.
Minimum investment \$3,000/\$2,000 IRA*

MONEYLETTER® (ISSN:1526-5110) is published twice each month for \$150 per year (24 issues) by PRI Financial Publishing Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020. First Class Postage paid at Holliston, MA and at additional mailing offices. POSTMASTER: send address changes to MONEYLETTER, 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020. Chief Investment Officer/Chief Economist: Walter Frank. Contributing Editor: Cynthia Andrade. Editorial Assistant: Christa Mohr. Publisher: Brian W. Kelly. Address all subscription and editorial inquiries to PRI Financial Publishing Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020, (800) 890-9670. Paid advertising which appears in or accompanies this publication does not constitute an endorsement of products or services offered. Employees and staff of MONEYLETTER may from time to time maintain positions in recommended securities. PRI Financial Publishing Inc. is affiliated with PRI Financial Advisors Inc. (formerly Principal Resource Inc.), a registered investment advisor. Walter Frank also serves as an independent economic consultant to PRI Financial Advisors. MONEYLETTER is not produced as a solicitation for PRI Financial Advisors. Views presented are the opinion of the Chief Investment Officer/Chief Economist and contributing editors, and should not be treated as fact. MONEYLETTER does not purport to provide legal, tax or individual investment advice. While carefully screened, the accuracy of the statistical data in MONEYLETTER cannot be guaranteed. Readers should carefully review investment prospectuses before investing. MONEYLETTER provides a twice-weekly Hotline: call (410) 528-1804. Back copies \$5 each. Reproduction in whole or in part by any means is strictly forbidden without written permission. © Copyright 2003 PRI Financial Publishing Inc.