

MONEYLETTER[®].com

“Serving Investors Since 1980”

Two Cheers

by Walter S. Frank, Chief Investment Officer

Finally, we received an employment report (September's) that showed job growth. Not only that, but all the growth came from the private sector (government employment actually declined). There's more. The manufacturing workweek rose (back to the March level) and so did manufacturing overtime (back to the February level). There were other positive indications contained in the report, indications that suggested this time the better job news was not just a headfake.

Small caps greeted the news with enthusiasm, the blue chips were more restrained. In either case, the news deserved to generate a rally, and it did. The job news came as a positive surprise, and positive surprises should move stock prices higher.

It is still too early, though, to break out the champagne. We've been surprised before by the twists and turns of the jobs report. And the numbers, as we have just seen with the August report, can be revised substantially. We need at least another month of hiring, and maybe a turnaround in manufacturing jobs before we can say that the recovery is moving on its own. Without job creation, the recovery is always at risk. For this month then, two cheers.

Any encore

As the good news rolls out, and we get positive surprises, we need to keep in mind that the stock market is a discounting mechanism. That is, the market is always looking ahead and reflects its expectations in today's prices. The market is always running ahead of the news. But there are always surprises in the news, and, by definition, they were not foreseen. The employment report sent the market higher, as prices adjusted to the positive job numbers that were an unexpected (good) surprise.

We have argued all year, and earlier, that Wall Street (and companies) were lowballing their profit estimates after having been burned so badly by their wild estimates during the bubble. We still believe that analysts are underestimating the profit outlook. Aside from psychology (once burned, etc.), another reason

we think today's estimates are behind the curve is that Wall Street is still trying to catch up to the recovering economy.

We're seeing an example of that in the fact that as the market moves ahead, the analysts' profit revisions have been moving along with it. (Or is it the other way round, the market is following the rising estimates?) Either way, the result is that the year ahead price-earnings ratio, based on analysts' earnings estimates for the S&P 500, has held steady for weeks. We would normally expect it to rise as stock prices rise.

What all this means is that we are now in a dynamic process in which Wall Street analysts are raising their estimates, as reported profits consistently outrun their estimates. This is fine. But there is a danger here. The danger is that as the recovery rolls on, analysts' caution begins to slip away and the period of positive surprises ends.

The process can go further. We saw it at work during the bubble when analysts threw all caution to the wind and estimates became ludicrous. Without even suggesting a return to the bubble mentality, we can see that as the recovery proceeds and optimism rises, estimates can easily continue to rise, more than justified by the overall outlook. This has happened before, even before the word "bubble" became trendy.

What this means is that the more confirmation we get that the recovery is sustainable, the more careful we need be in using analysts' estimates. More than ever, the overall outlook for the economy and profits will be the key to evaluating whether the estimates are reasonable, and whether the year-ahead price-earnings ratio is a reliable estimator in gauging the market outlook.

It's still early

Don't misunderstand us. Wall Street is many, many months away from becoming the canyon of the optimists and rosy scenarios. But the process that leads there is on the verge of commencing. Another good employment report may be enough.

As this rally proceeds, and we firmly believe it will (look at our asset allocation), it will become imperative to ask the same question over and over again. Has the market discounted much of the good news ahead? Right now the answer is a firm no. A year from now the answer may be less definite. At that time we may be looking at other markets or other asset classes in our recommended allocations. In any case, a new phase of the market is on its way.

Japan

We haven't mentioned Japan in a long, long time. We felt no need to, what with the troubles of the banking system infecting much of the economy. But something is happening there. The economy is stirring. It has done this before only to hit the wall before too long.

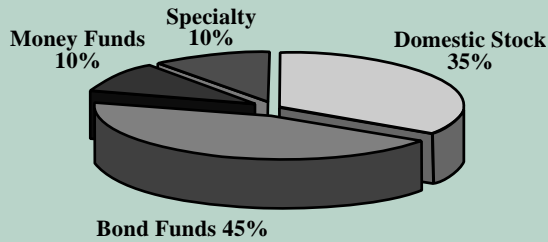
This time it appears that the Japan experts believe the improvement will stick. Estimates of Japan's economic growth for the year ahead have gone from 1% to 2%-3%. The improved outlook has been enough to send the Nikkei up 25% this year, better than the S&P 500 (17.6%). Japan can no longer be ignored. \$

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	Higher	Higher
Japan (Nikkei)	Higher	Higher
Hong Kong (Hang Seng)	Higher	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	0.4%	10,061	\$1.00	\$10,061
Gateway Fund	11/27/02	5.7	597	22.40	13,373
PIMCO High Yield	05/14/03	3.7	1,492	9.42	14,055
RS Partners	04/02/03	36.6	689	25.25	17,410
Heartland Value	07/16/03	6.2	179	45.19	8,080
AmerCent Inflation Adj.	02/12/03	4.0	1,534	11.03	16,920
WmBlair S-C Growth N	07/16/03	5.9	989	19.28	19,068
Dodge & Cox Income	02/19/03	4.3	959	12.92	12,394
TOTAL VALUE					\$111,361

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
0.9%	14.2%	15.6%	13.5%	10.6%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.6%	8,621	\$1.00	\$8,621
Fidelity Balanced	11/27/02	13.4	765	15.31	11,708
Fidelity High Income	01/17/01	8.3	1,885	8.68	16,360
Fidelity Capital Appreciation	06/25/03	11.2	844	21.90	18,475
Fidelity Growth Company	07/09/03	2.0	290	45.71	13,271
Fidelity Intermediate Gov	02/19/03	1.9	1,126	10.39	11,694
Fidelity Investment Grade	02/19/03	3.7	1,651	7.62	12,584
TOTAL VALUE					\$92,713

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
1.2%	12.4%	12.7%	-9.6%	11.0%

Vanguard Conservative

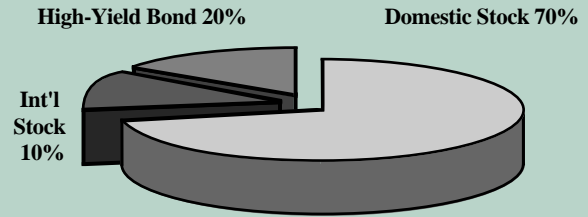
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.5%	8,397	\$1.00	\$8,397
Vanguard Balanced Index	11/27/02	8.7	562	17.15	9,632
Vanguard Bond Market	02/19/03	3.3	695	10.41	7,233
Vanguard Inflation Protect	02/19/03	3.9	1,029	12.28	12,641
Vanguard Strategic Equity	10/09/02	45.2	801	16.68	13,356
Vanguard Extended Mkt	09/10/03	-1.4	436	23.63	10,295
Vanguard Small Cap Grwth	07/09/03	2.3	1,219	11.54	14,071
Vanguard FI Hi-Yld Corp	01/17/01	13.5	2,614	6.21	16,230
TOTAL VALUE					\$91,855

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
0.6%	12.3%	16.8%	-11.8%	12.2%

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	20.6%	1,825	\$10.76	\$19,635
Heartland Value	06/18/03	12.8	412	45.19	18,607
Mathews Pacific Tiger	02/06/02	30.1	971	11.50	11,169
RS Partners	02/12/03	44.2	564	25.25	14,233
WmBlair S-C Growth N	07/16/03	5.9	989	19.28	19,068
Legg Mason Special	04/02/03	35.0	511	40.28	20,577
TOTAL VALUE					\$103,289

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
0.4%	29.0%	30.2%	-2.3%	24.4%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Growth Company	07/09/03	2.0%	280	\$45.71	\$12,821
Fidelity High Income	01/17/01	8.3	2,749	8.68	23,863
Fidelity OTC	07/30/03	4.7	653	29.47	19,258
Fidelity Capital Appr.	03/12/03	41.8	830	21.90	18,183
Fidelity Aggressive Grwth	07/09/03	1.4	1,327	13.48	17,883
Fidelity Aggr. Int'l	05/14/03	17.1	556	13.53	7,528
TOTAL VALUE					\$99,536

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
0.4%	19.2%	18.5%	2.0%	16.6%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Extended Mkt	11/27/02	20.1%	595	\$23.63	\$14,070
Vanguard FI Hi-Yld Corp	01/17/01	13.5	3,185	6.21	19,782
Vanguard Emerg. Mkts Stock	02/06/02	19.6	919	10.12	9,303
Vanguard Explorer	07/09/03	2.1	360	58.04	20,891
Vanguard Small Cap Grwth	09/10/03	-3.4	1,262	11.54	14,559
Vanguard Strategic Equity	10/09/02	45.2	968	16.68	16,145
TOTAL VALUE					\$94,750

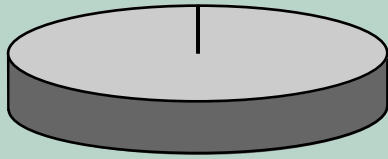
TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
-0.4%	20.1%	24.3%	-9.6%	19.8%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 9/30/03.

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	9.4%	458	\$29.87	\$13,684
Heartland Value	06/18/03	12.8	345	45.19	15,586
Legg Mason Special	04/02/03	35.0	484	40.28	19,486
Royce Opportunity	07/16/03	6.4	1,219	10.63	12,963
WmBlair S-C Growth N	06/25/03	14.2	786	19.28	15,163
RS Partners	02/12/03	44.2	729	25.25	18,407
TOTAL VALUE					\$95,289

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
-0.3%	30.6%	29.4%	-0.9%	25.5%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Growth Company	06/04/03	6.7%	827	\$45.71	\$37,816
Fidelity OTC	07/09/03	2.1	672	29.47	19,810
Fidelity Aggressive Grwth	04/16/03	19.8	1,144	13.48	15,422
Fidelity Capital Apprec.	12/04/02	29.6	661	21.90	14,472
Fidelity Small Cap Stock	07/30/03	4.6	1,107	14.64	16,203
TOTAL VALUE					\$103,723

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
-0.7%	20.5%	18.1%	5.9%	16.8%

Vanguard Venturesome

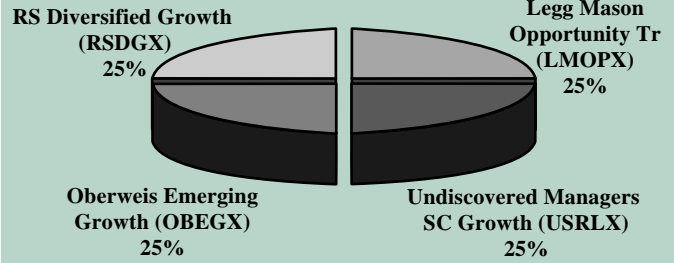
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Capital Value	06/04/03	4.9%	1,503	\$9.05	\$13,603
Vanguard Extended Mkt	11/27/02	20.1	773	23.63	18,273
Vanguard Explorer	07/09/03	2.1	394	58.04	22,895
Vanguard Strategic Equity	10/09/02	45.2	1,131	16.68	18,862
Vanguard Small Cap Growth	01/29/03	29.2	1,634	11.54	18,861
TOTAL VALUE					\$92,494

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	3-yr	YTD
-1.1%	21.9%	23.6%	-11.0%	20.8%

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	42.9%	2,511	\$12.51	\$31,407
Undiscovered SC Growth	09/17/03	-7.7	2,589	9.13	23,642
Oberweis Emerging Grwth	07/30/03	7.7	1,135	25.05	28,441
RS Diversified Growth	09/03/03	-4.0	1,322	19.27	25,477
TOTAL VALUE					\$108,967

TOTAL RETURNS (as of 9/30/03)

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
-1.9%	24.7%	9.0%	9.0%	17.4%

MONEYLETTER Select Commentary

The Hotline of Tuesday, September 16 recommended the sale of TCW Galileo Aggr. Growth (TGANX) to be upgraded to Undiscovered Managers Small Cap Growth (USRLX). The recommended trades were executed at the market close September 17. Details: Sold 2,293 shares of TCW Galileo Aggr. Growth @ \$11.17 per share. Purchased 2,589 shares of Undiscovered Managers Small Cap Growth @ \$ 9.89 per share.

The model remains fully invested in equity funds.

Total Returns—September 30, 2003

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	-1.1%	18.4%	24.3%	-27.5%	14.7%
Asset Allocation Funds (Avg) 24 Funds	0.1	16.1	19.3	-14.1	13.3

4 FUND SCORECARD & RECOMMENDATIONS

Domestic Stock Funds

RANK	10/03	1 Mo	6 Mo	Ticker	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	1	6		OBEGX	Oberweis Emerging Growth	SCGro	*	B	B	-0.9%	63.7%	89.3%	\$25.94	34.2	1.63	FSW
2	2	-		USRLX	Undiscovered Small Cap Growth (\$10,000)	SCGro	B	B	B	0.7	56.3	79.2	9.66	-	-	fw
3	6	16		RYPNX	Royce Opportunity (1%r<180d)	SCVal	B	B	B	1.6	56.4	70.4	11.17	26.3	1.07	fsw
4	4	10		NBSX	Neuberger Berman Focus	LCVal	*	B	B	2.0	51.4	82.3	33.56	36.2	1.87	FSW
5	3	229		PBEGX	PBHG Emerging Growth (closed)	SCGro	*	B	B	1.0	53.9	74.4	12.80	33.6	2.03	FSW
6	8	215		RSSGX	RS Smaller Company Growth	SCGro	*	B	B	2.6	54.5	60.6	19.05	28.0	1.33	FSW
7	14	1		LMO PX	Legg Mason Opportunity Trust (1%r<1yr)	MC	*	B	B	5.0	44.5	81.7	12.78	32.2	1.45	-
8	5	216		RSDGX	RS Diversified Growth	SCGro	*	B	B	0.9	55.5	60.0	20.26	29.0	1.53	FSW
9	10	52		HRTVX	Heartland Value (1%r<90d)	SCVal	B	B	B	2.0	54.4	60.0	46.58	21.0	0.76	FsW
10	11	-		HENLX	Henlopen Fund (1%r<30d)	SCGro	*	B	B	0.7	49.8	73.0	23.06	33.7	1.43	FSW
11	17	213		VWEGX	Van Wagoner Emerging Growth (closed)	MCGro	B	B	B	0.7	48.8	71.8	6.22	54.7	3.00	FSW
12	21	77		POGSX	Pin Oak Aggressive Stock	MCGro	*	B	B	0.7	42.9	84.0	17.77	40.6	2.57	FSW
13	9	20		WBSNX	WmBlair S-C Growth N (1%r<60d)	SCGro	B	B	B	1.8	49.7	64.4	20.25	34.6	1.32	FSW
14	13	252		CGMFX	CGM Focus	SCVal	*	B	B	4.4	53.7	46.0	26.64	50.6	0.13	fsw
15	7	-		UBRRX	Undiscovered Behavioral Growth (\$10,000)	MCGro	*	B	B	2.0	46.3	64.0	19.11	26.9	1.34	fw
16	26	15		NEEGX	Needham Growth Fund (.75%r<30d)	MCGro	B	B	B	1.6	43.2	62.0	28.20	28.8	1.38	FSW
17	22	17		LMASX	Legg Mason Special Investment Trust	MC	*	B	B	2.5	41.9	60.3	42.15	27.2	1.30	-
18	16	188		BUFSX	Buffalo Small Cap (closed)	SCGro	B	B	B	0.1	46.0	50.7	20.73	28.9	1.20	SW
19	23	30		WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SCVal	B	B	B	1.7	43.3	54.8	4.80	25.4	0.86	FSW
20	12	243		TGSCX	TCW Galileo Small Cap Growth	MCGro	*	B	B	-0.4	43.3	57.4	14.09	37.9	2.17	FSW
21	15	171		JAVTX	Janus Venture (closed)	SCGro	*	B	B	0.7	44.4	51.6	45.26	30.1	1.52	FSW
22	18	145		RSEGX	RS Emerging Growth (closed)	MCGro	*	B	B	1.6	41.4	56.9	26.90	30.6	1.68	FSW
23	35	-		BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	(B)	(B)	3.5	45.0	44.5	11.69	-	-	fsw
24	30	3		RSPFX	RS Partners	SC	B	B	B	1.8	40.5	54.9	25.99	23.0	0.65	FSW
25	20	245		SAFGX	Safeco Growth Opportunities	SC	B	B	B	1.7	44.9	42.1	22.94	27.8	1.22	fsw
26	36	115		BOGLX	Bogle Small Cap Growth (closed)	SCGro	(B)	(B)	(B)	1.3	43.2	44.4	23.60	21.3	0.90	w
27	33	70		BPSCX	Boston Ptnrs Smlcap Val (closed,1%r<1yr)	SCVal	B	B	B	0.5	42.0	44.1	20.52	26.4	0.74	FSW
28	46	25		FDCAX	Fidelity Capital Appreciation	MC	H	H	H	3.5	34.7	55.1	22.89	23.2	1.27	fsw
29	24	-		USCGX	USAA Capital Growth	SCGro	*	B	B	1.0	38.5	48.5	5.97	-	-	fsw
30	41	22		VHCOX	Vanguard Cap Opp (\$25,000&1%r<5yr)	MCGro	H	H	H	1.8	35.0	55.9	23.23	22.8	1.29	fsw
31	29	180		KAUFX	Federated Kaufmann Fund (0.2%)	MCGro	B	B	B	1.7	40.9	40.9	4.79	20.1	0.89	FSW
32	31	33		TGVNX	TCW Galileo Value Opportunities	MC	H	H	H	0.4	35.2	56.6	18.40	-	-	FSW
33	44	72		RYLPX	Royce Low Priced Stock (1%r<180d)	SCVal	H	H	H	0.3	38.6	44.6	12.68	26.1	1.02	FSW
34	19	4		TGANX	TCW Galileo Aggressive Growth CIN	MCGro	*	H	H	-0.4	27.7	72.2	11.16	38.2	2.14	SW
35	25	41		PRNHX	T. Rowe Price New Horizons	SCGro	B	B	B	-0.9	35.3	52.9	22.70	29.2	1.44	fsw
36	55	228		WGROX	Wasatch Core Growth (closed,2%r<60d)	SCGro	H	H	H	1.8	37.4	42.0	34.85	30.1	1.06	FSW
37	43	-		MXXIX	Marsico 21st Century	LC	H	H	H	2.4	37.3	40.0	9.24	20.5	1.01	fsw
38	40	-		TGCNX	TCW Galileo Select Equity	LCGro	*	H	H	2.2	29.8	58.0	16.19	26.8	1.55	FSW
39	27	123		TMGFX	Turner Mid Cap Growth	MCGro	*	H	H	0.9	33.3	50.8	20.56	31.2	1.70	FSW
40	42	116		VEXPX	Vanguard Explorer	SCGro	H	H	H	0.8	35.7	44.9	60.84	24.7	1.18	fsw
41	47	113		JSVAX	Janus Special Equity	MC	*	H	H	-0.6	36.5	43.9	9.69	19.0	1.00	SW
42	66	24		MUHLX	Muhlenkamp Fund	MCVal	H	H	H	3.3	33.6	45.1	56.96	28.6	1.26	FSW
43	37	-		ARTSX	Artisan Small Cap	SCGro	H	H	H	-1.4	34.3	50.2	13.21	27.8	1.23	FSW
44	90	85		TAVFX	Third Avenue Value	MCVal	H	H	H	4.4	34.0	41.4	39.77	16.1	0.75	FSW
45	67	23		LMVTX	Legg Mason Value	LCVal	H	H	H	1.5	32.1	49.4	53.37	21.6	1.17	-
46	51	62		NAESX	Vanguard SmallCap Index	SC	H	H	H	0.7	35.1	43.0	20.79	22.2	1.03	fsw
47	50	2		FBRVX	FBR Small Cap Value A (1%r<90d)	SCGro	H	H	H	1.5	30.7	52.3	30.73	22.0	0.76	FSW
48	34	194		MNSCX	Montgomery Small Cap	SCGro	*	(H)	(H)	0.0	35.3	42.3	9.96	24.3	1.13	s
49	45	49		FDGRX	Fidelity Growth Company	LCGro	H	H	H	1.9	30.1	51.7	47.90	24.6	1.46	Fsw
50	28	199		CRMSX	CRM Small Cap Value Inv	SCVal	H	H	H	-1.1	37.9	36.6	22.11	22.9	0.87	FSW
51	61	139		TUDRX	WPG Tudor	SC	H	H	H	-0.3	34.5	44.0	14.50	27.3	1.36	FsW
52	39	112		VISGX	Vanguard Small Cap Growth Index	SCGro	H	H	H	0.2	34.7	42.0	12.14	22.3	1.02	w
53	56	249		IZZYX	ICM/Isabelle Small Cap Value	SCVal	H	H	H	1.7	39.4	27.5	12.10	24.6	0.85	FSW
54	52	47		RSMOX	RS MidCap Opportunities	MCGro	H	H	H	1.6	31.8	46.6	10.00	20.3	1.08	FSW
55	76	45		TASCX	Third Avenue Small-Cap Value	SCVal	H	H	H	2.2	32.5	42.0	17.40	19.1	0.81	FSW
56	86	-		CSMVX	Century Select Small Cap	SCGro	H	H	H	3.0	30.6	44.5	20.50	16.3	0.54	FSW
57	32	128		WAAEX	Wasatch Small Cap Grth (closed,2%r<60d)	SCGro	H	H	H	-2.1	32.8	45.6	33.78	30.0	1.29	FSW
58	58	42		SLSSX	Selected Special Shares	MCGro	H	H	H	0.7	31.5	44.2	11.15	19.0	1.04	sW
59	48	150		CUEGX	CS Warburg Pincus Emerging Growth	MCGro	H	H	H	0.4	30.4	47.0	25.63	24.0	1.31	FSW
60	64	61		VEXMX	Vanguard Extended Market Index	MC	H	H	H	0.9	32.3	41.5	24.60	23.1	1.17	fsw
61	68	99		SMCDX	Strong Mid Cap Disciplined	MCVal	H	H	H	0.3	32.9	40.4	18.94	21.3	0.94	FSW
62	49	161		MPMVX	MSI Mid Cap Value	MCVal	H	H	H	-1.2	32.6	43.4	18.77	16.3	0.80	fsw
63	60	181		FSLCX	Fidelity Small Cap Stock (2%r<90d)	SCGro	H	H	H	1.3	32.4	40.2	15.22	20.3	0.92	F
64	70	48		VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	2.1	31.1	41.6	17.40	16.2	0.78	fsw
65	79	66		PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	0.8	33.3	37.4	8.41	19.2	0.71	Fsw
66	54	198		FOCPX	Fidelity OTC Portfolio	LCGro	*	H	H	1.6	31.0	41.4	30.98	29.2	1.59	fsw
67	89	63		VCVLX	Vanguard Capital Value	LCVal	S	S	H	2.0	29.9	42.4	9.35	-	-	fsw
68	73	82		FLPSX	Fidelity L P Stock (1.5%r<90d)	SCVal	H	H	H	0.4	32.7	37.5	32.13	16.9	0.67	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	10/03	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	38	218	GSETX	Liberty Small Company Equity ClZ	SCGro	S	S	S	-1.5	32.6	40.1	15.54	33.0	1.10	f	
70	94	54	AVALX	Aegis Value Fund	SCVal	H	H	H	2.2	32.8	33.7	15.94	16.9	0.47	fw	
71	74	9	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	H	H	H	1.1	31.6	38.4	26.10	19.3	0.67	fw	
72	112	26	EEQFX	Eclipse Small Cap Value	SCVal	S	S	S	4.4	31.1	32.1	15.27	17.5	0.63	FSW	
73	83	90	SOPFX	Strong Opportunity	MCVal	S	S	S	0.3	29.4	41.3	36.57	20.1	1.07	FSW	
74	57	55	MERDX	Meridian Fund	SCGro	S	S	S	-1.6	30.9	38.4	30.04	20.3	0.84	fw	
75	80	21	RYPXX	Royce Premier (1%r<180d)	SC	S	S	S	-0.2	29.9	37.8	11.90	18.2	0.73	FSW	
76	93	127	SMTVX	Strong Multi-Cap Value	MCVal	S	S	S	-0.4	32.0	33.0	49.25	18.8	0.85	FSW	
77	78	98	FMLIX	Fidelity New Millennium (closed)	MCGro	S	S	S	2.2	28.6	36.9	28.30	30.4	1.51	fsw	
78	69	65	STDIX	Strong Discovery	MCGro	S	S	S	0.3	29.2	38.3	18.83	17.9	0.84	FSW	
79	59	88	MPSCX	MSI Small Cap Value (closed)	SCVal	S	S	S	-1.4	29.6	39.3	18.98	18.7	0.91	fsw	
80	65	169	MPEGX	MSI Mid Cap Growth	MCGro	S	S	S	0.2	28.3	40.2	16.11	22.9	1.30	fsw	
81	63	58	BSCFX	Baron Small Cap	SCGro	S	S	S	-1.0	29.9	37.5	17.83	22.5	0.89	FSW	
82	97	53	FDEGX	Fidelity Aggressive Growth (0.75%r<90d)	LCGro	H	H	H	0.7	22.2	53.1	13.95	30.5	1.96	fsw	
83	71	146	RSVPX	RS Value+Growth	LC	S	S	S	0.8	28.5	37.2	16.39	17.4	1.04	FSW	
84	62	235	FIEXG	INVESCO Small Company Growth	SCGro	S	S	S	-0.8	29.7	36.0	10.62	27.8	1.39	FSW	
85	133	46	BERWX	Berwyn Fund (1%r<180d)	SCVal	S	S	S	4.2	28.1	31.2	21.95	20.6	0.63	fsw	
86	102	192	VISVX	Vanguard Small-Cap Value Index	SCVal	S	S	S	1.4	30.0	30.1	10.49	23.2	0.87	fsw	
87	88	19	STCSX	Strong Advisor Common Stock (closed)	MC	S	S	S	-0.8	25.4	44.6	20.18	21.1	1.10	FSW	
88	95	12	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	S	S	S	1.0	27.4	35.9	27.42	17.6	0.62	fsw	
89	53	149	SSMGX	SIT Small Cap Growth	MCGro	S	S	S	-1.1	27.6	38.2	23.83	24.2	1.29	FSW	
90	75	56	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	S	S	S	-0.7	25.9	41.6	39.58	21.7	1.13	fsw	
91	124	154	CRIMX	CRM Mid Cap Value Ins	MCVal	S	S	S	1.6	27.8	32.9	19.41	20.0	0.65	w	
92	117	87	BPMCX	Boston Partners Mid Cap Value	MCVal	S	S	S	1.0	26.8	36.1	11.69	18.6	0.83	FSW	
93	84	130	VGEQX	Vanguard Growth Equity	LCGro	S	S	S	1.4	26.2	36.7	8.67	22.8	1.43	fsw	
94	72	244	FDISX	Dreyfus-Founders Discovery	SCGro	S	S	S	-0.5	29.5	31.0	24.09	25.7	1.30	FSW	
95	77	32	CBMDX	C&B Mid Cap Value	MCVal	S	S	S	-2.0	27.4	38.5	17.09	19.5	0.66	FSW	
96	126	51	VWVNDX	Vanguard Windsor	LCVal	S	S	S	1.6	24.9	39.2	14.78	19.6	0.91	fsw	
97	128	163	CRMXX	CRM Mid Cap Value Inv	MCVal	S	S	S	1.5	27.6	32.5	19.25	-	-	FSW	
98	107	197	PESPX	Dreyfus Mid Cap Index	MCGro	S	S	S	1.0	27.2	33.7	21.68	19.6	0.95	FSW	
99	85	29	SCDVX	Scudder Development (closed)	MCGro	S	S	S	0.7	22.0	46.6	17.97	31.7	1.82	FSW	
100	81	107	FIDYX	INVESCO Dynamics	MCGro	S	S	S	-0.7	24.5	41.6	13.55	29.5	1.67	FSW	

Dow Jones
NASDAQ
S&P 500

0.0% 16.2% 24.0%
1.5 34.7 61.3
0.4 17.5 25.8

indexes do not
include dividends

International Stock Funds

1	10	59	MJFOX	Mathews Japan Fund (2%r<90d)	Japan	*	H	H	13.1%	72.6%	47.5%	\$13.05	15.2	-	FSW
2	8	61	SJPNX	Japan Fund (Scudder) (2%r<180d)	Japan	*	H	H	9.4	68.0	53.6	9.29	14.8	-	FSW
3	11	6	PRIDX	T. Rowe Price Intl Disc. (2%r<1yr)	Int'l	B	B	B	8.1	49.7	57.7	23.51	16.0	-	fsw
4	5	12	MAPTX	Mathews Pacific Tiger (2%r<90d)	Pacific	*	B	B	3.2	53.2	53.6	11.81	23.6	-	FSW
5	9	-	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	B	B	B	6.0	46.6	57.4	14.19	-	-	SW
6	18	63	VINEX	Vanguard Intl. Explorer	Int'l	(B)	(B)	(B)	6.8	48.8	48.2	11.55	16.3	-	fsw
7	28	62	WPJGX	CS Warburg Pincus Japan Grth (2%r<180d)	Japan	*	H	H	6.3	50.7	37.6	5.23	22.7	-	FSW
8	16	41	PRASX	T. Rowe Price New Asia	Pacific	*	H	H	4.5	48.8	43.5	7.71	19.7	-	fsw
9	12	13	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	B	B	B	4.3	47.7	43.5	13.97	20.4	-	FSW
10	35	60	PRJJPX	T. Rowe Price Japan	Japan	*	H	H	9.9	48.1	31.9	6.90	14.4	-	s
11	6	5	VEIEX	Vanguard Emerging Mkts Stk Index (0.5%r)	Int'l	*	B	B	2.9	42.6	51.5	10.52	22.6	-	fsw
12	2	7	OAKGX	Oakmark Global (2%r<90d)	Global	B	B	B	0.5	43.1	53.5	17.39	26.5	-	FSW
13	36	58	FJPNX	Fidelity Japan (1.5%r<90d)	Japan	*	H	H	8.4	44.5	37.0	11.33	17.3	-	Fsw
14	13	49	ICHKX	Investec China & Hong Kong	Pacific	*	H	H	2.1	43.6	47.0	14.42	19.6	-	FSW
15	37	57	VPACX	Vanguard Pacific Stock Index	Pacific	*	H	H	8.5	43.1	36.7	7.93	13.7	-	fsw
16	20	40	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	1.6	45.7	37.8	13.00	21.1	-	fsw
17	19	20	FIEXX	Fidelity Europe (1%r<90d)	Europe	(B)	(B)	(B)	4.8	39.2	48.3	23.49	22.5	-	fsw
18	15	9	SGSCX	Scudder Global Discovery (closed)	Int'l	(H)	(H)	(H)	3.3	39.3	48.7	25.45	20.1	-	FSW
19	1	1	FLATX	Fidelity Latin Amer. (1.5%r<90d)	LatinA	*	H	H	2.3	35.5	58.1	13.02	29.8	-	fs
20	14	4	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	H	H	3.3	39.6	45.4	14.88	21.6	-	FSW
21	29	55	FPBFX	Fidelity Pacific Basin (1.5%r<90d)	Pacific	H	H	H	5.3	42.6	33.9	16.85	14.7	-	Fsw
22	7	38	LLINX	Longleaf Partners International	Int'l	(H)	(H)	(H)	0.5	43.9	36.6	13.15	19.4	-	fw
23	25	56	FOSFX	Fidelity Overseas (1%r<30d)	Int'l	H	H	H	4.1	40.6	34.1	28.55	15.5	-	Fsw
24	17	14	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	H	H	H	1.8	38.7	40.7	9.43	-	-	fsw
25	22	35	SCOPIX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	H	H	H	2.2	39.3	36.9	10.43	19.0	-	FSW
26	21	26	FIVFX	Fidelity Aggressive Intl. (1%r<30d)	Int'l	H	H	H	3.7	37.3	37.5	14.05	20.4	-	Fsw
27	30	27	FIGRX	Fidelity International G & I	Int'l	H	H	H	4.6	35.5	34.7	21.49	15.2	-	Fsw
28	3	3	PRLAX	T. Rowe Price Latin America (2%r<1yr)	LatinA	*	H	H	2.5	31.7	47.0	10.10	29.7	-	fsw
29	27	39	VTRIX	Vanguard International Value	Int'l	H	H	H	3.2	35.8	34.2	23.73	16.8	-	fsw
30	34	34	PFIFX	Preferred International	Int'l	S	S	S	5.1	34.8	32.7	13.02	17.4	-	w
31	4	2	SLAFX	Scudder Latin America	LatinA	*	H	H	1.6	29.7	48.9	21.40	27.3	-	FSW
32	33	-	WBIGX	Wm. Blair Intl. Growth Stock N	Int'l	S	S	S	3.8	33.7	35.4	16.84	14.6	-	FSW
33	32	17	FDIVX	Fidelity Diversified Intl (1%r<30d)	Int'l	S	S	S	4.2	33.2	35.1	21.91	13.8	-	Fsw
34	24	16	HAINX	Harbor International	Int'l	H	H	H	2.1	32.9	37.3	33.40	17.9	-	sw
35	23	22	OAKIX	Oakmark International (2%r<90d)	Int'l	H	H	H	1.8	35.2	31.0	16.11	22.0	-	FSW

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

RANK	10/03	1Mo	6Mo	Ticker	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.	
1	3	1	SCGD	Scudder Gold (closed)	NatRes	*	*	*	7.0%	70.6%	75.4%	\$16.96	31.90	0.28	FSW	
2	2	13	FNINX	Fidelity Networking	Tech	*	*	*	-1.3	48.1	99.1	2.31	-	-	fsw	
3	12	2	CGMRX	CGM Realty	RealEs	*	*	*	10.1	51.4	67.0	22.10	17.50	0.21	fsw	
4	8	22	RYIIX	Rydex Internet	Tech	*	*	*	1.3	44.0	94.8	30.22	41.00	2.70	fsw	
5	1	54	RYSEX	Rydex Electronics	Tech	*	*	*	-1.2	47.7	87.2	12.82	50.30	2.33	fsw	
6	4	44	FSELX	Fidelity Electronics (.75%r<30d)	Tech	*	*	*	1.1	46.4	80.7	38.09	51.20	2.32	Fsw	
7	5	27	RYTIX	Rydex Technology	Tech	*	*	*	-0.2	44.4	83.1	10.73	34.10	2.04	fsw	
8	6	12	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	*	*	*	2.1	44.5	76.9	15.32	37.00	1.72	Fsw	
9	7	43	FDCPX	Fidelity Computers (.75%r<30d)	Tech	*	*	*	0.7	44.9	77.7	33.77	41.20	2.09	Fsw	
10	9	18	FSPTX	Fidelity Technology (.75%r<30d)	Tech	*	*	*	1.4	42.1	83.0	56.87	46.60	2.14	Fsw	
11	10	55	FWRLX	Fidelity Wireless	Tech	*	*	*	0.3	44.8	52.7	3.65	-	-	fsw	
12	29	29	VGPMX	Vanguard Precious Metals (closed,1%r<1yr)	NatRes	*	*	*	4.6	44.7	46.1	14.21	32.70	0.56	fsw	
13	22	3	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	3.4	44.0	45.3	6.42	42.40	0.41	fsw	
14	15	-	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	1.6	36.2	57.8	19.75	30.00	1.53	fsw	
15	11	17	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	-2.6	36.8	60.3	44.89	21.80	1.08	Fsw	
16	17	-	PRSCX	T. Rowe Price Science & Tech	Tech	*	*	*	0.3	31.5	68.9	17.29	39.20	2.41	fsw	
17	14	66	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycl	*	*	*	-0.6	42.0	39.8	29.18	28.50	1.14	Fsw	
18	18	5	RSCOX	RS Contrarian	Altern	*	*	*	1.4	35.0	52.3	14.97	17.60	0.57	FSW	
19	24	4	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	-1.5	42.7	35.7	10.65	36.90	0.15	fSW	
20	20	61	FTCHX	INVESCO Technology Inv	Tech	*	*	*	0.7	31.6	58.8	23.33	48.00	2.26	FS	
21	13	82	RYOIX	Rydex Biotechnology	Health	*	*	*	2.2	34.2	48.3	19.37	59.70	0.96	fsw	
22	26	40	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	0.4	33.1	51.0	46.96	30.80	1.47	Fsw	
23	34	19	FGLDX	INVESCO Gold Inv	NatRes	*	*	*	1.0	39.7	32.8	3.20	30.30	0.22	FS	
24	30	36	RYMIX	Rydex Telecommunications	Utility	*	*	*	1.9	29.1	56.2	13.40	21.60	1.52	fsw	
25	16	16	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	-3.3	25.7	70.4	46.53	52.00	2.14	Fsw	
26	31	52	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycl	*	*	*	2.6	33.2	40.3	31.00	24.40	0.80	Fsw	
27	50	32	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycl	*	*	*	3.4	31.3	41.7	29.51	23.00	0.87	Fsw	
28	19	24	FSRFX	Fidelity Transportation (.75%r<30d)	Cycl	*	*	*	-0.1	33.1	41.8	32.11	23.00	0.88	Fsw	
29	21	63	FSAVX	Fidelity Automotive (.75%r<30d)	Cycl	*	*	*	-0.6	35.0	35.3	29.35	25.10	0.93	Fsw	
30	43	14	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	-0.1	36.8	29.3	25.93	34.10	0.36	Fsw	
31	25	37	FDSLX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	0.0	29.2	38.7	65.81	21.20	1.10	Fsw	
32	32	20	RYPMX	Rydex Precious Metals	NatRes	*	*	*	-3.6	34.7	28.6	34.45	31.70	0.24	fsw	
33	44	-	PRISX	T. Rowe Price Financial Services	FinServ	*	*	*	1.6	26.8	37.2	20.61	20.00	0.80	fsw	
34	23	79	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	-2.0	30.8	30.2	42.72	19.80	0.89	Fsw	
35	28	72	RYRIX	Rydex Retailing	Consmr	*	*	*	-2.4	29.4	32.8	10.78	20.50	0.95	fsw	
36	48	8	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	3.8	25.0	31.3	53.97	14.60	0.23	FSW	
37	49	10	IVSRX	INVESCO Real Estate Inv	RealEs	*	*	*	3.7	24.6	31.8	9.49	13.90	0.34	FS	
38	39	68	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	-2.5	25.3	38.9	13.14	22.60	1.03	Fsw	
39	35	73	ISWCX	INVESCO Telecommunications Inv	Utility	*	*	*	0.8	25.1	33.5	10.16	35.80	1.97	FS	
40	70	60	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	*	*	*	2.1	24.5	31.8	36.65	24.50	0.70	Fsw	
41	57	7	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	3.8	23.1	29.6	14.52	13.70	0.14	fsw	
42	58	9	CSEIX	Cohen & Steers Equity Income	RealEs	*	*	*	4.0	22.9	28.3	13.81	13.10	0.13	FSW	
43	33	84	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycl	*	*	*	-2.6	26.9	27.5	20.60	22.90	1.11	fsw	
44	54	-	TRREX	T. Rowe Price Real Estate	RealEs	*	*	*	3.3	21.7	31.0	13.05	13.70	0.16	fsw	
45	27	59	FBIOX	Fidelity Biotechnology (.75%r<30d)	Health	*	*	*	-0.3	19.2	42.3	50.65	53.10	0.88	Fsw	
46	59	42	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	*	*	*	2.0	21.5	32.7	106.40	21.80	0.79	Fsw	
47	72	41	RYKIX	Rydex Banking	FinServ	*	*	*	2.0	21.7	32.2	9.08	27.50	0.70	fsw	
48	63	11	RYUIX	Rydex Utilities	Utility	*	*	*	4.1	21.9	28.6	20.15	20.80	0.60	fsw	
49	65	30	FSVLX	Fidelity Home Finance (.75%r<30d)	FinServ	*	*	*	2.0	21.5	32.7	59.24	25.80	0.37	Fsw	
50	37	23	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	-1.6	17.2	48.6	28.82	25.00	1.38	Fsw	
51	38	78	RYLIX	Rydex Leisure	Consmr	*	*	*	0.4	27.2	20.4	23.05	22.00	1.10	fsw	
52	66	64	RYFIX	Rydex Financial Services	FinServ	*	*	*	1.8	22.3	30.3	9.71	24.10	0.93	fsw	
53	62	15	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	4.0	22.7	25.9	31.24	13.20	0.17	fsw	
54	61	6	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	4.0	21.0	29.7	22.68	13.90	0.20	Fsw	
55	64	58	FSFSX	INVESCO Financial Serv Inv	FinServ	*	*	*	2.0	21.3	30.3	27.38	22.80	0.86	FS	
56	45	81	RYHIX	Rydex Health Care	Health	*	*	*	2.0	22.4	27.3	11.53	15.50	0.31	fsw	
57	40	57	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycl	*	*	*	-1.9	23.3	27.1	14.12	22.00	0.98	Fsw	
58	42	35	FSLEX	Fidelity Environmental Ser (3%&.75%r<30)	Cycl	*	*	*	0.4	20.7	28.0	12.40	19.70	0.59	fsw	
59	53	26	FSMEX	Fidelity Medical Equip (.75%r<30d)	Health	*	*	*	1.6	19.3	29.9	19.33	15.50	0.29	Fsw	
60	36	-	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	0.4	20.0	29.6	18.75	22.60	0.84	fsw	
61	56	28	FBALX	Fidelity Balanced	Hybrid	B	*	*	1.1	19.3	29.0	15.66	10.50	0.54	Fsw	
62	51	21	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	1.6	19.1	28.5	30.68	17.50	0.95	Fsw	
63	52	83	RYBIX	Rydex Basic Materials	Utility	*	*	*	-1.1	23.2	22.1	21.65	23.40	0.90	fsw	
64	60	56	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	2.3	19.8	25.3	52.17	27.70	0.56	Fsw	
65	47	70	RYPIX	Rydex Transportation	Cycl	*	*	*	0.6	23.4	18.7	18.80	20.80	0.76	fsw	
66	41	80	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycl	*	*	*	-3.8	24.8	15.5	46.26	19.50	0.76	Fsw	
67	67	50	FPHAX	Fidelity Pharmaceuticals (.75%r<30d)	Health	*	*	*	4.7	15.0	26.9	8.53	-	-	Fsw	
68	46	53	FLISX	INVESCO Leisure Inv	Consmr	*	*	*	-0.8	18.8	24.4	37.49	22.60	1.04	FS	
76	76	39	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	1.2	13.0	19.5	17.44	10.70	0.57	fsw	
84	82	25	GATEX	Gateway Fund	Altern	B	*	*	0.4	7.5	19.0	22.64	7.84	0.40	FSW	

Quick Hits

America is in the midst of the Major League Baseball play-offs, so *MONEYLETTER* decided to take a few swings at these mutual fund curveballs:

- On October 13, 2003 the Liberty Funds will be changing its name to Columbia Funds. Funds in the *MONEYLETTER* database that will be affected: Liberty Small Company Equity CIZ (GSETX) will become Columbia Small Company Equity (tickers will remain the same for all funds); Liberty Equity Value CIZ (GEVIX) will become Columbia Disciplined Value; Liberty Equity Growth CIZ (GEGTX) will become Columbia Large Cap Growth; Liberty Asset Allocation CIZ (GAATX) will become Columbia Asset Allocation; Liberty International Equity CIZ (GIETX) will become Columbia International Equity; Liberty Income CIZ (SRINX) will become Columbia Income; and Liberty Intermediate Bond CIZ (SRBFX) will become Columbia Intermediate Bond. For more information, call Liberty Shareholder Services at 800-345-6611.
- Keep an eye out this quarter for the acquisition of the Neuberger Berman Funds by Lehman Brothers. This transaction is currently subject to shareholder approval. For more information, call Neuberger Berman Shareholder Services 800-877-9700.
- One of *MONEYLETTER*'s Bond Funds—TCW Galileo Total Return Bond Fund (TGLMX)—holds the distinction of being the only mutual fund to win both the BusinessWeek/Standard & Poor's 2003 Excellence in Fund Management Award and the 2003 Lipper Fund Award. The fund returned 13.6% in 2000, 9.4% in 2001, 11.0% in 2002, and is up 2.4% for the year-to-date. For more information, call TCW at 800-386-3829. \$

MONEY MANAGEMENT

PRI Financial Advisors Inc. is the exclusive provider of the "*MONEYLETTER* Managed Account Program."¹

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 Street
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*.

HOTLINE

(410)528-1804

Call for Updates Every
Tuesday and Friday at 7:00pm (ET)

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	0.69%	0.70%	1.03%
Gabelli US Treasury MMF	0.65	0.65	1.03
Fidelity Spartan US Treas MMF	0.60	0.61	0.97
T Rowe Price US Treasury MF	0.49	0.49	0.82
US Treasury MF of America/CI A	0.42	0.39	0.69
Dreyfus 100% US Treas MMF	0.36	0.36	0.71
Schwab US Treasury Money Fund	0.36	0.36	0.70
JENNDRY/Dryden Govt SecTr/US Treas/D	0.35	0.38	0.74
CMA Treasury Fund RIC	0.34	0.36	0.74
MTB US Treasury MMF/CI A	0.33	0.35	0.69

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.04%	1.03%	1.38%
GE Money Market Fund	0.94	0.93	1.00
Bunker Hill MMF	0.85	0.85	1.17
Flex-fund Money Market Fund	0.85	0.84	1.10
McMorgan Principal Preservation Fund	0.84	0.86	1.19
Centennial Money Market Trust	0.82	0.84	1.10
TIAA-CREF Money Market Fund	0.81	0.81	1.14
AIG Money Market Fund/CI B	0.80	0.79	0.85
Phoenix-Goodwin Money Market Series/A	0.80	0.80	1.09
E*TRADE Premier MMF	0.77	0.76	1.05
Vanguard Prime MMF/Retail	0.77	0.76	1.12

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Strong Tax-Free Money Fund	0.92%	0.81%	1.13%
Vanguard Tax-Exempt MMF	0.89	0.78	1.10
Strong Municipal MMF	0.83	0.70	1.04
Scudder YieldWise Muni MF	0.80	0.69	0.98
USAA Tax Exempt MMF	0.75	0.65	0.94
Amer Century T-F MMF/Inv Class	0.72	0.61	0.91
T Rowe Price Summit Muni MMF	0.69	0.60	0.90
Dreyfus BASIC Muni MMF	0.68	0.59	0.87
Fidelity Municipal MMF	0.68	0.58	0.88
Scudder Tax-Exempt Money Fund	0.65	0.55	0.87

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	0.91%	0.81%	1.09%
Vanguard PA Tax-Exempt MMF	0.89	0.76	1.04
Vanguard CA Tax-Exempt MMF	0.84	0.74	1.04
Vanguard NY Tax-Exempt MMF	0.84	0.75	1.02
Vanguard NJ Tax-Exempt MMF	0.82	0.73	0.99
USAA Tax Exempt CA MMF	0.67	0.57	0.93
Fidelity FL Municipal MMF	0.63	0.53	0.81
Amer Century CA T-F MMF/Inv Class	0.60	0.48	0.73
Fidelity OH Municipal MMF	0.60	0.50	0.81
Fidelity PA Municipal MMF	0.60	0.51	0.81

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 9/30/03. 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

GIFT SUBSCRIPTIONS

Purchase a *MONEYLETTER* Gift Subscription for a friend, relative, or business associate for only \$75, and you'll receive a handsome pocket diary for 2004.

Call Customer Service
800-890-9670
for details.

Restrictions apply. Deadline: October 15, 2003.

Movin' On Up Part 2 – Five More Rank Climbers

In the last issue of *MONEYLETTER*, we featured four funds that had taken a significant jump in rank over the prior three months. Those four were the highest in rank on September 15 out of the nine total funds we found that had jumped between 47 and 185 spots. Here we take a look at the remaining five, which had September 15 rankings of between 55 and 82. Most have a small-cap orientation, which explains their rise relative to other types of funds. Small-cap stocks have sizzled in this rally, leaving the others far behind.

Fidelity OTC (FOCPX)

Classified by Lipper as a multi-cap growth fund, Fidelity OTC limits its stock picks to the Nasdaq. Hence, the portfolio, reflecting its index, is typically full of technology and biotechnology stocks, which are among the riskier sectors in the market. However, even within the Nasdaq index, there is room to be more conservative, and the fund's prior manager, Jason Weiner, did position the fund more cautiously, a strategy which paid off during the bear market. On April 1 of this year, Shep Perkins took the helm. A former manager of two communications-related sector funds at Fidelity, Perkins repositioned the fund, slashing its 13% cash position and boosting its technology-related exposure. Those actions have played nicely into the stock market's recent moves. As Perkins looks for new stocks for the portfolio, he's targeting firms he believes can beat earnings estimates. That can include cheap stocks, such as recent purchase Fifth Third Bank, and pricey issues such as eBay and Amazon.com.

Fidelity Small Cap Stock (FSLCX)

Fidelity Small Cap Stock rose from rank 217 in mid-June to 55 in mid-September. Yet despite its rise in rank, its recent performance is just average compared to its Lipper peer group, small-cap core funds. The fund has more of a value bent than many of its peers, which may explain its relative performance. Manager Paul Antico seeks out firms with good growth prospects, but he also has valuation criteria. He avoids areas where valuations have escalated. He limits risk in the portfolio in other ways as well—spreading assets among about 200 positions and limiting the size of individual holdings. The fund's sector weightings also indicate a lower risk profile; it is somewhat underweight in technology related sectors, with its greatest overweights in health care, consumer and business services, as well as industrial materials. Over the years, Antico has generally turned in respectable returns with less risk than many competing funds.

*Fidelity Group, 82 Devonshire Street,
Boston, MA 02109; (800) 544-8888*

PBHG Small Cap (PBSVX)

As of September 15, this fund had reached a *MONEYLETTER* ranking of 82, a significant gain over the prior three months when it languished at number 239. Its time spent at the bottom of the domestic stock funds list largely reflected a dismal loss of nearly 32% in 2002. This year, the fund's performance relative to large-cap funds has improved, but it lags its small-cap core peers. One reason: its very small allocation to micro-cap stocks relative to its category. Another is simply picks that have not yet panned out. Manager Jerome Heppelmann avoids expensive stocks in selecting buys, looking for improving earnings, potential for positive earnings surprises, and moderate relative valuations. He often owns stocks not widely held by other funds, stocks which stand to rise once they are "discovered."

*PBHG Funds, P.O. Box 219534,
Kansas City, MO 64121-9534; (800) 433-0051*

Sit Small Cap Growth (SSMGX)

Although "small cap" is in this fund's name, it has 64% of assets in mid-cap stocks (with the remainder in small- and micro-caps), resulting in its classification as a mid-cap growth fund. Manager Eugene Sit has never deviated from the fund's traditional aggressive growth orientation, even during the bear market. As a result, it lost roughly 27% in 2001 and 2002, but results are reviving this year (up 28% through September 15). Accordingly, the fund hit a rank of 57 in September vs. 104 three months earlier. Believing that the prospects for the U.S. economy and growth stocks would significantly improve in the second half of 2003, Sit moved to position the fund more aggressively in the second quarter. He reduced the fund's health services holdings (in light of high valuations and reduced growth potential), while boosting the fund's exposure to electronic technology and health technology.

*Sit Group, 4600 Norwest Center, 90 South 7th Street,
Minneapolis, MN 55402-4130; (800) 332-5580*

Third Avenue Small-Cap Value

This fund boasts the strongest four-week and one-year returns (1.7% and 42.0%, respectively, as of September 15) of the group on this page. And it has moved from a mid-June rank of 183 to a mid-September showing of 66. Manager Curtis Jensen invests for the long term—with a buy and hold strategy. He picks up stocks that are deeply undervalued (and often troubled), and holds them until their fortunes improve and other investors finally recognize their attractiveness. Hence, turnover is miniscule, at less than 20% annually. The fund has its largest overweights in industrial materials, hardware, and financial services, and has about 20% of assets in micro-cap issues.

*Third Avenue Funds, 622 Third Avenue, 32nd Floor
New York, NY 10017; (800) 443-1021*

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.