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“Serving Investors Since 1980”

Hot Economy, Hot Market

by Walter S. Frank, Chief Investment Officer

As the numbers roll in it is obvious, even to the most dismal of Wall Street’s dismal scientists, that an economic recovery is underway. As is usually the case when the economy finally turns (either up or down), the early stages of the move are much sharper than anyone expected. That is what is happening now.

The market, as is sometimes—but not always—the case is following its script to perfection. It anticipated the cyclical turnaround correctly and drove stocks higher long before any recovery was confirmed by the data. Not only that, but the sector which usually leads the market higher in a cyclical recovery, small caps, is also performing its role to perfection.

We responded to the earliest signs that the odds of a recovery developing were favorable and took a very aggressive stance in our allocation advice for Venturesome and Moderate investors. As things developed our fund system chipped in and told us that small caps were the way to go. We had no hesitation in following the system’s suggestions. We did not follow the system blindly (we never do), and avoided some of what turned out to be the hottest funds of the subsequent rally. The long bear market left its indelible mark on us. We make no apologies. The funds we did choose did well enough, thank you.

Fund caution and all, the performance numbers on pages two and three tell the story of our strategy for the year-to-date.

The challenge ahead

Now comes the hard part. At some point it will be time to lower our aggressive allocation a notch or two. Timing is not everything in investing, but it matters greatly. Consequently, we are back to the same question we wrestled with a month or two ago, as the market advances: are the risks rising faster than the prospective rewards? And then there is the sub-question: how does the risk/reward balance look now?

Unfortunately, there is no ruler we can use to measure and give you an answer. It is all a matter of judgment. What do we know? We look at the overall market and we see the S&P 500 still selling at 17.6 times the estimate for S&P 500 earnings over the next twelve

months, an OK number for us. As we all know earnings estimates take on the tenor of the times. During a bear market, earnings estimates woefully underestimate results and, of course, in a bull market earnings estimates miraculously inflate along with the market. If we learned any lesson from the bubble, that is one to take home.

Has the earnings inflation begun? Not yet, from everything we can see. Chuck Hill, of First Call, the earnings gathering company, has a keen nose for earnings puffery. In his recent commentary he stresses the very low level of earnings warnings relative to positive earnings statements. This applies to this quarter (the year-end quarter) as well. Things may change, of course, but right now Hill’s “guesstimate” is for earnings growth of 25% this quarter. That is a big number. Looking at the analysts’ actual estimates for this quarter, there is nothing to suggest that the analysts have moved to the far side so far.

On that basis, we are comfortable with market valuations, at least as far as the S&P 500 is concerned. Still, the world of the S&P 500 is one thing and the world of the small caps is another. As the Dutch uncles in Wall Street have been warning, there is speculation down there. And indeed there is. But there are also companies where earnings are growing at extraordinary rates. As the recovery gathers steam over the next few quarters, especially in manufacturing, we should see knockout earning reports from many small companies.

We will also see the market catching up to those earnings. But it is not there yet. This bull market still has ground to cover. We have strong earnings gains ahead, stronger than in analysts’ current estimates. Our conclusion: the risk/reward ratio still justifies our posture, but the ratio is not as favorable as it was.

A bear market rally?

We have all seen the phrase “bear market rally” frequently used to refer to today’s market (though much less frequently lately than before). The implication is that when this (presumably) short-lived rally is over the market will slide back to the lows of the bear market and lower.

We just don’t see any basis for this view. Naturally, the bull market we are in will end. We don’t know when. And, by definition, when it ends, the broad market will go down again. But there is nothing to suggest that the next bearish phase of the market will be anything other than the normal run-of-the-mill bear market, retracing a fair portion of the gains of the bull market.

Of course, rampant inflation could return. Of course, the Fed could raise short-term rates to very high levels. Of course, we could be in the midst of a new bubble. Anything could happen. But are any of these likely over the next year or two? We think not. \$

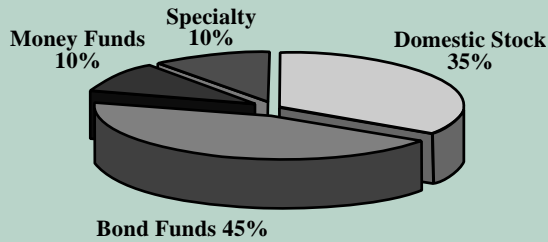
NEW ADVICE: The Hotline of Tuesday, November 4 recommended the sale of Fidelity Aggressive International to be switched into Fidelity International Small Cap for the Fidelity Moderate Portfolio. International Small Cap has just entered our fund list, but its performance is so superior that we hastened to put it into the portfolio.

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/Higher
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%	10,064	\$1.00	\$10,064
Gateway Fund	11/27/02	7.6	597	22.80	13,611
PIMCO High Yield	05/14/03	5.2	1,501	9.53	14,306
RS Partners	04/02/03	44.6	689	26.74	18,437
Heartland Value	07/16/03	16.3	179	49.48	8,847
AmerCent Inflation Adj.	02/12/03	3.8	1,542	11.01	16,973
WmBlair S-C Growth N	07/16/03	14.0	989	20.74	20,512
Dodge & Cox Income	02/19/03	3.7	959	12.85	12,327
TOTAL VALUE					\$115,077

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.3%	12.8%	17.2%	20.4%	14.3%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.7%	8,628	\$1.00	\$8,628
Fidelity Balanced	11/27/02	18.3	765	15.99	12,228
Fidelity High Income	01/17/01	10.8	1,895	8.83	16,734
Fidelity Capital Appreciation	06/25/03	19.4	844	23.53	19,850
Fidelity Growth Company	07/09/03	9.7	290	49.14	14,267
Fidelity Intermediate Gov	02/19/03	0.8	1,128	10.25	11,561
Fidelity Investment Grade	02/19/03	2.7	1,656	7.53	12,470
TOTAL VALUE					\$95,738

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.3%	11.3%	15.2%	3.5%	14.6%

Vanguard Conservative

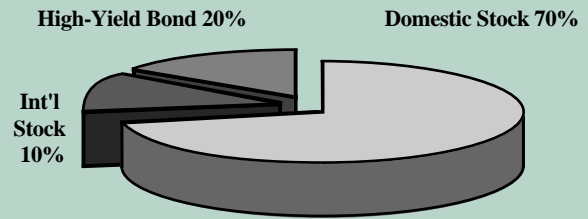
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.6%	8,402	\$1.00	\$8,402
Vanguard Balanced Index	11/27/02	12.2	562	17.70	9,940
Vanguard Bond Market	02/19/03	2.3	698	10.27	7,164
Vanguard Inflation Protect	02/19/03	4.4	1,029	12.34	12,703
Vanguard Strategic Equity	10/09/02	55.5	801	17.86	14,301
Vanguard Extended Mkt	09/10/03	6.1	436	25.44	11,083
Vanguard Small Cap Grwth	07/09/03	11.6	1,219	12.59	15,351
Vanguard FI Hi-Yld Corp	01/17/01	15.1	2,630	6.26	16,465
TOTAL VALUE					\$95,409

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.9%	12.2%	18.3%	5.2%	16.5%

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	22.7%	1,825	\$10.95	\$19,981
Heartland Value	06/18/03	23.5	412	49.48	20,374
Mathews Pacific Tiger	02/06/02	42.9	971	12.63	12,266
RS Partners	02/12/03	52.7	564	26.74	15,072
WmBlair S-C Growth N	07/16/03	14.0	989	20.74	20,512
Legg Mason Special	04/02/03	46.9	511	43.82	22,386
TOTAL VALUE					\$110,591

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
7.1%	28.4%	36.2%	17.4%	33.2%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Growth Company	07/09/03	9.7%	280	\$49.14	\$13,783
Fidelity High Income	01/17/01	10.8	2,764	8.83	24,407
Fidelity OTC	07/30/03	11.8	653	31.46	20,559
Fidelity Capital Appr.	03/12/03	52.3	830	23.53	19,536
Fidelity Aggressive Grwth	07/09/03	7.7	1,327	14.31	18,985
Fidelity Aggr. Int'l	05/14/03	24.3	556	14.36	7,989
TOTAL VALUE					\$105,259

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
5.8%	19.0%	23.2%	11.4%	23.3%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Extended Mkt	11/27/02	29.3%	595	\$25.44	\$15,148
Vanguard FI Hi-Yld Corp	01/17/01	15.1	3,206	6.26	20,069
Vanguard Emerg. Mkts Stock	02/06/02	30.5	919	11.04	10,149
Vanguard Explorer	07/09/03	11.1	360	63.17	22,737
Vanguard Small Cap Grwth	09/10/03	5.4	1,262	12.59	15,883
Vanguard Strategic Equity	10/09/02	55.5	968	17.86	17,287
TOTAL VALUE					\$101,273

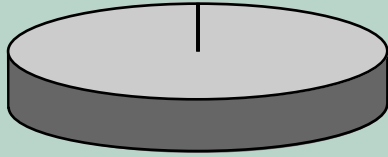
TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
6.9%	21.0%	29.9%	0.7%	28.0%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 10/31/03.

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	15.6%	458	\$31.57	\$14,462
Heartland Value	06/18/03	23.5	345	49.48	17,066
Legg Mason Special	04/02/03	46.9	484	43.82	21,199
Royce Opportunity	07/16/03	18.7	1,219	11.86	14,463
WmBlair S-C Growth N	06/25/03	22.9	786	20.74	16,311
RS Partners	02/12/03	52.7	729	26.74	19,493
TOTAL VALUE					\$102,994

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
8.1%	31.5%	38.2%	15.8%	35.7%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Growth Company	06/04/03	14.7%	827	\$49.14	\$40,654
Fidelity OTC	07/09/03	9.0	672	31.46	21,148
Fidelity Aggressive Grwth	04/16/03	27.2	1,144	14.31	16,371
Fidelity Capital Apprec.	12/04/02	39.2	661	23.53	15,549
Fidelity Small Cap Stock	07/30/03	12.9	1,107	15.80	17,486
TOTAL VALUE					\$111,208

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
7.2%	21.6%	24.1%	17.6%	25.2%

Vanguard Venturesome

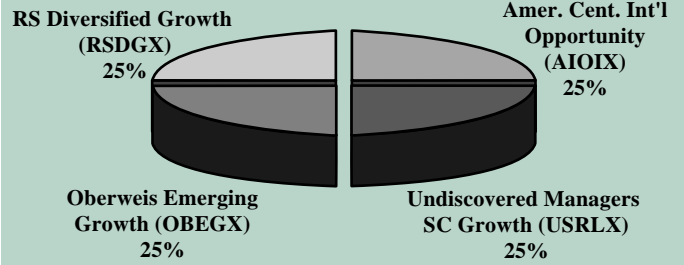
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Capital Value	06/04/03	10.8%	1,503	\$9.56	\$14,370
Vanguard Extended Mkt	11/27/02	29.3	773	25.44	19,673
Vanguard Explorer	07/09/03	11.1	394	63.17	24,919
Vanguard Strategic Equity	10/09/02	55.5	1,131	17.86	20,196
Vanguard Small Cap Growth	01/29/03	41.0	1,634	12.59	20,577
TOTAL VALUE					\$99,735

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
7.8%	24.6%	30.4%	0.7%	30.3%

SELECT

Seeks maximum long-term growth by assertively upgrading fund positions



MONEYLETTER Select

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Legg Mason Opportunity	04/09/03	50.2%	2,511	\$13.15	\$33,013
Undiscovered SC Growth	09/17/03	2.9	2,589	10.18	26,361
Oberweis Emerging Grwth	07/30/03	17.3	1,135	27.30	30,995
RS Diversified Growth	09/03/03	5.7	1,322	21.22	28,055
TOTAL VALUE					\$118,424

TOTAL RETURNS (as of 10/31/03)

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
8.7%	28.7%	25.7%	18.4%	27.6%

MONEYLETTER Select Commentary

The Hotline of Tuesday, November 4 recommended the sale of Legg Mason Opportunity Trust (LMOPX) to be upgraded to American Century International Opportunities (AIOIX). From the sale proceeds, \$4,000 will be used to purchase shares of Undiscovered Managers SC Growth (USRLX). These recommended trades will be executed at the market close November 5, which is after the press date for this issue. Details will be provided in the next issue. Note that the model details reflect positions as of month-end on October 31, 2003, while the pie chart has presented positions reflecting changes indicated in the Hotline of November 4.

The model remains fully invested in equity funds. However, an international position has been established in recognition of strengthening fundamentals throughout Asia and Japan.

Total Returns—October 31, 2003

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	5.7%	15.6%	20.7%	-23.1%	21.1%
Asset Allocation Funds (Avg) 24 Funds	4.2	13.8	18.4	-8.1	18.1

4 FUND SCORECARD & RECOMMENDATIONS

Domestic Stock Funds

RANK	10/31 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	1	9	OBEGX	Oberweis Emerging Growth	SCGro	*	B	B	9.0%	56.3%	78.8%	\$27.30	34.2	1.63	FSW	
2	3	35	RYPNX	Royce Opportunity (1%r<180d)	SCVal	B	B	B	11.6	55.0	73.6	11.86	26.3	1.07	fsW	
3	9	8	HRTVX	Heartland Value (1%r<90d)	SCVal	B	B	B	9.5	52.2	66.6	49.48	21.0	0.76	FsW	
4	2	-	USRLX	Undiscovered Small Cap Growth (\$10,000)	SCGro	B	B	B	11.5	49.3	66.1	10.18	-	-	fw	
5	10	-	HENLX	Henlopen Fund (1%r<30d)	SCGro	*	B	B	8.5	49.9	68.4	24.32	33.7	1.43	FSW	
6	5	235	PBEGX	PBHG Emerging Growth	SCGro	*	B	B	10.9	51.4	57.1	13.34	33.6	2.03	FSW	
7	12	99	POGSX	Pin Oak Aggressive Stock	MCGro	*	B	B	15.5	44.5	64.5	19.13	40.6	2.57	FSW	
8	6	169	RSSGX	RS Smaller Company Growth	SCGro	*	B	B	8.1	51.9	54.9	19.84	28.0	1.33	FSW	
9	8	113	RSDGX	RS Diversified Growth	SCGro	*	B	B	10.1	50.2	53.0	21.22	29.0	1.53	FSW	
10	11	161	VWEGX	Van Wagoner Emerging Growth (closed)	MCGro	B	B	B	10.1	45.6	52.5	6.42	54.7	3.00	FSW	
11	4	41	NBSX	Neuberger Berman Focus	LCVal	*	B	B	8.7	41.3	64.3	34.77	36.2	1.87	FSW	
12	13	13	WBSNX	WmBlair S-C Growth N (1%r<60d)	SCGro	B	B	B	7.6	42.6	58.7	20.74	34.6	1.32	FSW	
13	14	129	CGMFX	CGM Focus	SCVal	*	B	B	10.6	46.7	43.8	27.45	50.6	0.13	fsW	
14	19	52	WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SCVal	B	B	B	9.3	41.9	57.3	5.05	25.4	0.86	FSW	
15	21	93	JAVTX	Janus Venture (closed)	SCGro	*	B	B	10.8	42.7	51.2	47.77	30.1	1.52	FSW	
16	15	-	UBRRX	Undiscovered Behavioral Growth (\$10,000)	MCGro	*	B	B	8.6	41.7	53.9	19.54	26.9	1.34	fw	
17	22	137	RSEGX	RS Emerging Growth (closed)	MCGro	*	B	B	11.4	40.8	49.2	28.28	30.6	1.68	FSW	
18	26	65	BOGLX	Bogle Small Cap Growth (closed)	SCGro	B	B	B	10.3	41.3	48.9	24.75	21.3	0.90	w	
19	7	1	LMOPX	Legg Mason Opportunity Trust (1%r<1yr)	MC	*	B	B	5.1	34.8	72.8	13.15	32.2	1.45	-	
20	18	60	BUFSX	Buffalo Small Cap (closed)	SCGro	B	B	B	8.6	40.0	50.3	21.70	28.9	1.20	SW	
21	20	178	TGSCX	TCW Galileo Small Cap Growth	MCGro	*	B	B	10.9	39.6	44.1	14.74	37.9	2.17	FSW	
22	16	23	NEEGX	Needham Growth Fund (.75%r<30d)	MCGro	B	B	B	5.2	39.0	53.7	28.82	28.8	1.38	FSW	
23	17	4	LMASX	Legg Mason Special Investment Trust	MC	*	B	B	8.8	36.2	52.3	43.82	27.2	1.30	-	
24	29	-	USCGX	USAA Capital Growth	SCGro	*	B	B	10.1	37.5	46.6	6.23	-	-	fsW	
25	24	3	RSPFX	RS Partners	SC	B	B	B	5.9	34.8	55.7	26.74	23.0	0.65	FSW	
26	27	26	BPCX	Boston Ptnrs Smlcap Val (closed,1%r<1yr)	SCVal	B	B	B	7.1	36.1	47.0	21.21	26.4	0.74	FSW	
27	37	53	MXIX	Marsico 21st Century	LC	H	H	H	11.7	36.1	40.0	9.76	20.5	1.01	fsW	
28	23	-	BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	B	B	8.9	36.7	41.8	12.00	-	-	fsW	
29	30	21	VHCOX	Vanguard Cap Opp (\$25,000&1%r<5yr)	MCGro	H	H	H	9.4	33.6	46.9	24.28	22.8	1.29	fsW	
30	39	74	TMGFX	Turner Mid Cap Growth	MCGro	*	H	H	9.9	34.6	42.4	21.48	31.2	1.70	FSW	
31	72	72	EEQFX	Eclipse Small Cap Value	SCVal	H	H	H	11.5	33.0	42.0	16.26	17.5	0.63	FSW	
32	35	27	PRNHX	T. Rowe Price New Horizons	SCGro	H	H	H	8.9	32.5	45.3	23.63	29.2	1.44	fsW	
33	33	84	RYLPX	Royce Low Priced Stock (1%r<180d)	SCVal	H	H	H	7.4	33.8	44.4	13.14	26.1	1.02	FSW	
34	69	156	GSETX	Liberty Small Company Equity ClZ	SCGro	H	H	H	10.5	33.7	39.2	16.41	33.0	1.10	f	
35	57	141	WAAEX	Wasatch Small Cap Grth (closed,2%r<60d)	SCGro	H	H	H	10.5	34.2	38.1	35.66	30.0	1.29	FSW	
36	40	80	VEXPX	Vanguard Explorer	SCGro	H	H	H	8.8	33.5	41.7	63.17	24.7	1.18	fsW	
37	32	34	TGVNX	TCW Galileo Value Opportunities	MC	H	H	H	7.7	31.8	47.1	19.11	-	-	FSW	
38	25	154	SAFGX	Safeco Growth Opportunities	SC	B	B	B	5.0	36.1	40.2	23.37	27.8	1.22	fsW	
39	54	29	RSMOX	RS MidCap Opportunities	MCGro	H	H	H	9.3	31.4	44.3	10.42	20.3	1.08	FSW	
40	59	47	CUEGX	CS Warburg Pincus Emerging Growth	MCGro	H	H	H	9.9	32.0	41.2	26.79	24.0	1.31	FSW	
41	28	19	FDCAX	Fidelity Capital Appreciation	MC	H	H	H	7.4	32.0	44.5	23.53	23.2	1.27	fsW	
42	36	124	WGROX	Wasatch Core Growth (closed,2%r<60d)	SCGro	H	H	H	7.5	32.8	42.4	36.06	30.1	1.06	FSW	
43	41	22	JSVAX	Janus Special Equity	MC	*	H	H	6.5	32.6	43.6	9.97	19.0	1.00	SW	
44	51	106	TUDRX	WPG Tudor	SC	H	H	H	6.6	33.5	41.0	15.02	27.3	1.36	FsW	
45	52	184	VISGX	Vanguard Small Cap Growth Index	SCGro	H	H	H	9.1	33.1	38.3	12.59	22.3	1.02	w	
46	56	-	CSMVX	Century Select Small Cap	SCGro	H	H	H	7.5	31.9	43.1	21.39	16.3	0.54	FSW	
47	48	31	MNSCX	Montgomery Small Cap	SCGro	*	H	H	10.2	32.0	38.3	10.40	24.3	1.13	s	
48	74	68	MERDX	Meridian Fund	SCGro	H	H	H	10.4	30.8	40.3	32.08	20.3	0.84	fw	
49	63	140	FSLCX	Fidelity Small Cap Stock (2%r<90d)	SCGro	H	H	H	7.9	33.1	37.0	15.80	20.3	0.92	F	
50	38	-	TGCNX	TCW Galileo Select Equity	LCGro	*	H	H	9.2	29.2	44.5	16.75	26.8	1.55	FSW	
51	31	36	KAUFX	Federated Kaufmann Fund (0.2%)	MCGro	(H)	(H)	(H)	4.9	34.3	38.1	4.89	20.1	0.89	FSW	
52	46	88	NAESX	Vanguard SmallCap Index	SC	H	H	H	8.1	31.3	40.9	21.46	22.2	1.03	fsW	
53	42	24	MUHLX	Muhlenkamp Fund	MCVal	H	H	H	10.0	29.2	43.1	60.14	28.6	1.26	FSW	
54	50	162	CRMSX	CRM Small Cap Value Inv	SCVal	H	H	H	7.5	32.6	37.4	22.83	22.9	0.87	FSW	
55	53	245	IZZYX	ICM/Isabelle Small Cap Value	SCVal	H	H	H	6.1	35.8	30.0	12.44	24.6	0.85	FSW	
56	55	89	TASCX	Third Avenue Small-Cap Value	SCVal	H	H	H	7.1	30.8	40.9	18.02	19.1	0.81	FSW	
57	81	50	BSCFX	Baron Small Cap	SCGro	H	H	H	8.7	29.5	41.4	18.76	22.5	0.89	FSW	
58	44	149	TAVFX	Third Avenue Value	MCVal	H	H	H	7.4	30.6	37.8	40.62	16.1	0.75	FSW	
59	60	48	VEXMX	Vanguard Extended Market Index	MC	H	H	H	7.7	29.6	38.9	25.44	23.1	1.17	fsW	
60	43	-	ARTSX	Artisan Small Cap	SCGro	H	H	H	7.2	28.4	41.8	13.43	27.8	1.23	FSW	
61	80	142	MPEGX	MSI Mid Cap Growth	MCGro	*	S	S	9.3	29.7	35.2	16.85	22.9	1.30	fsW	
62	49	61	FDGRX	Fidelity Growth Company	LCGro	H	H	H	7.5	28.8	39.1	49.14	24.6	1.46	FSW	
63	83	86	RSVPX	RS Value+Growth	LC	S	S	S	9.0	29.1	35.2	17.08	17.4	1.04	FSW	
64	64	33	VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	7.1	28.9	38.6	17.86	16.2	0.78	fsW	
65	58	54	SLSSX	Selected Special Shares	MCGro	H	H	H	8.4	28.2	38.1	11.63	19.0	1.04	sW	
66	85	30	BERWX	Berwyn Fund (1%r<180d)	SCVal	H	H	H	9.0	26.8	40.7	22.99	20.6	0.63	fsW	
67	78	77	STDIX	Strong Discovery	MCGro	S	S	S	8.6	28.8	34.5	19.47	17.9	0.84	FSW	
68	47	2	FBRVX	FBR Small Cap Value A (1%r<90d)	SCGro	H	H	H	5.7	24.0	49.3	31.57	22.0	0.76	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	10/31 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	65	107	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	S	S	S	6.5	28.3	36.5	8.65	19.2	0.71	Fsw	
70	68	87	FLPSX	Fidelity LP Stock (1.5%r<90d)	SCVal	S	S	S	6.7	28.7	34.7	33.20	16.9	0.67	fsw	
71	77	109	FMLX	Fidelity New Millennium (closed)	MCGro	S	S	S	9.8	27.4	32.6	29.46	30.4	1.51	fsw	
72	94	242	FDISX	Dreyfus-Founders Discovery	SCGro	*	S	S	8.6	28.9	30.6	25.00	25.7	1.30	FSW	
73	89	91	SSMGX	SIT Small Cap Growth	MCGro	*	S	S	9.4	26.7	33.8	24.88	24.2	1.29	FSW	
74	62	51	MPMVX	MSI Mid Cap Value	MCVal	S	S	S	6.5	27.1	37.0	19.25	16.3	0.80	fsw	
75	95	40	CBMDX	C&B Mid Cap Value	MCVal	S	S	S	9.1	25.6	36.8	17.96	19.5	0.66	FSW	
76	91	69	CRIMX	CRM Mid Cap Value Ins	MCVal	S	S	S	8.1	26.9	34.9	20.40	20.0	0.65	w	
77	34	5	TGANX	TCW Galileo Aggressive Growth CIN	MCGro	*	(S)	(S)	7.9	21.9	47.6	11.35	38.2	2.14	SW	
78	84	221	FIGGX	INVESCO Small Company Growth	MCGro	*	S	S	7.8	28.9	30.2	10.94	27.8	1.39	FSW	
79	105	151	TWCVX	American Century Vista	MCGro	*	S	S	8.0	29.0	29.4	11.97	20.6	0.77	FSW	
80	97	73	CRMIX	CRM Mid Cap Value Inv	MCVal	S	S	S	8.1	26.8	34.5	20.23	-	-	FSW	
81	79	62	MPSCX	MSI Small Cap Value (closed)	SCVal	S	S	S	7.3	27.4	33.3	19.52	18.7	0.91	fsw	
82	66	220	FOCPX	Fidelity OTC Portfolio	LCGro	*	H	H	6.8	28.3	30.1	31.46	29.2	1.59	fsw	
83	104	56	TRMCX	T. Rowe Price Mid Cap Value	MCVal	S	S	S	7.9	26.8	31.7	19.19	17.7	0.72	fsw	
84	106	215	PBSVX	PBHG Small Cap Value	SC	S	S	S	9.1	26.2	29.9	18.33	24.3	1.08	FSW	
85	90	45	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	S	S	S	7.7	24.9	34.8	41.12	21.7	1.13	fsw	
86	71	18	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	S	S	S	5.1	25.4	36.9	26.84	19.3	0.67	fw	
87	100	170	FIDYX	INVESCO Dynamics	MCGro	S	S	S	9.0	25.0	31.6	14.12	29.5	1.67	FSW	
88	112	64	SMDCX	Strong Advisor Midcap Growth	MCGro	S	S	S	9.5	23.6	34.2	11.80	30.8	1.68	FSW	
89	61	12	SMCDX	Strong Mid Cap Disciplined	MCVal	S	S	S	3.4	26.6	34.8	19.19	21.3	0.94	FSW	
90	101	63	NBNGX	SIT Mid Cap Growth	MCGro	*	S	S	8.1	24.7	32.2	9.23	24.6	1.40	FSW	
91	70	16	AVALX	Aegis Value Fund	SCVal	S	S	S	3.6	26.8	33.1	16.26	16.9	0.47	fw	
92	45	6	LMVTX	Legg Mason Value	LCVal	H	H	H	6.6	23.6	36.7	54.58	21.6	1.17	-	
93	86	204	VISVX	Vanguard Small-Cap Value Index	SCVal	S	S	S	7.1	26.0	29.6	10.77	23.2	0.87	fsw	
94	98	165	PESPX	Dreyfus Mid Cap Index	MCGro	S	S	S	7.5	25.4	30.1	22.42	19.6	0.95	FSW	
95	108	71	VPICX	Vanguard PRIMECAP (\$25,000&1%r<5yr)	LC	S	S	S	7.6	23.8	33.9	51.22	19.9	1.16	fsw	
96	75	81	RYPRX	Royce Premier (1%r<180d)	SC	S	S	S	6.0	24.9	33.1	12.16	18.2	0.73	FSW	
97	73	100	SOPFX	Strong Opportunity	MCVal	S	S	S	5.6	24.5	33.8	37.27	20.1	1.07	FSW	
98	88	76	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	S	S	S	6.6	23.3	34.7	28.11	17.6	0.62	fsw	
109	82	118	FDEGX	Fidelity Aggressive Growth (0.75%r<90d)	LCGro	H	H	H	6.2	21.7	34.0	14.31	30.5	1.96	fsw	
114	67	20	VCVLX	Vanguard Capital Value	LCVal	S	S	H	5.6	21.8	32.2	9.56	-	-	fsw	

Dow Jones
NASDAQ
S&P 500

5.7% 15.6% 16.7%
8.1 32.0 45.3
5.5 14.6 18.6

indexes do not
include dividends

International Stock Funds

1	2	52	SJPNX	Japan Fund (Scudder) (2%r<180d)	Japan	*	B	B	7.5%	67.5%	56.2%	\$9.31	14.8	-	FSW
2	-	-	FISMX	Fidelity Int'l Small Cap (2%r<90d)	Int'l	(B)	(B)	(B)	8.5	54.5	79.8	17.71	-	-	Fw
3	-	-	AIOIX	Amer. Cent. Intl. Opp (2%r<180d)	Int'l	(H)	(H)	(H)	10.7	56.1	68.8	7.76	-	-	FSW
4	4	37	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	*	B	B	9.8	55.2	60.1	12.63	23.6	-	FSW
5	1	39	MJFOX	Matthews Japan Fund (2%r<90d)	Japan	*	B	B	3.7	62.4	47.3	12.80	15.2	-	FSW
6	3	5	PRIDX	T. Rowe Price Intl Disc. (2%r<1yr)	Int'l	B	B	B	10.0	48.2	64.3	25.21	16.0	-	fsw
7	14	45	ICHKX	Investec China & Hong Kong	Pacific	*	B	B	8.7	52.5	51.8	15.33	19.6	-	FSW
8	8	59	PRASX	T. Rowe Price New Asia	Pacific	*	B	B	9.6	52.4	44.3	8.14	19.7	-	fsw
9	10	56	PRJPX	T. Rowe Price Japan	Japan	*	B	B	8.9	49.6	40.7	7.12	14.4	-	s
10	16	60	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	B	B	8.8	48.3	38.9	13.73	21.1	-	fsw
11	7	62	WPJGX	CS Warburg Pincus Japan Grth (2%r<180d)	Japan	*	B	B	6.5	47.8	37.7	5.26	22.7	-	FSW
12	11	34	VEIEX	Vanguard Emerging Mkts Stk Index (0.5%r)	Int'l	*	B	B	9.1	41.0	49.9	11.04	22.6	-	fsw
13	9	8	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	B	B	B	9.2	41.1	46.5	15.01	20.4	-	FSW
14	5	1	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	B	B	B	7.3	36.8	58.8	14.86	-	-	SW
15	25	61	SCOPX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	H	H	H	8.3	44.5	37.1	10.98	19.0	-	FSW
16	6	63	VINEX	Vanguard Intl. Explorer (\$10,000,2%r<60d)	Int'l	B	B	B	5.2	39.6	47.7	11.89	16.3	-	fsw
17	13	57	FJPNX	Fidelity Japan (1.5%r<90d)	Japan	*	B	B	6.9	41.2	35.7	11.18	17.3	-	Fsw
18	20	16	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	(B)	(B)	7.4	36.1	47.2	15.51	21.6	-	FSW
19	21	58	FPBFX	Fidelity Pacific Basin (1.5%r<90d)	Pacific	H	H	H	6.4	41.0	34.0	17.06	14.7	-	Fsw
20	24	43	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	H	H	H	7.6	36.1	40.5	9.81	-	-	fsw
21	15	51	VPACX	Vanguard Pacific Stock Index	Pacific	*	H	H	5.3	39.3	33.8	7.80	13.7	-	fsw
22	18	7	SGSCX	Scudder Global Discovery (closed)	Int'l	H	H	H	6.5	32.9	45.4	26.25	20.1	-	FSW
23	12	6	OAKGX	Oakmark Global (2%r<90d)	Global	H	H	H	5.5	31.6	49.8	17.91	26.5	-	FSW
24	23	42	FOSFX	Fidelity Overseas (1%r<30d)	Int'l	H	H	H	7.0	35.6	31.2	29.20	15.5	-	Fsw
25	32	36	WBIGX	Wm. Blair Intl. Growth Stock N	Int'l	H	H	H	7.4	32.2	33.2	17.52	14.6	-	FSW
26	19	3	FLATX	Fidelity Latin Amer. (1.5%r<90d)	LatinA	*	H	H	5.6	25.4	52.8	13.38	29.8	-	fs
27	22	14	LLINX	Longleaf Partners International	Int'l	H	H	H	4.6	32.9	35.4	13.34	19.4	-	fw
28	29	40	VTRIX	Vanguard International Value	Int'l	H	H	H	8.0	31.4	31.7	24.54	16.8	-	fsw
29	27	21	FIGRX	Fidelity International G & I	Int'l	S	S	S	6.1	30.0	32.0	21.88	15.2	-	FSW
30	36	50	JAOSX	Janus Overseas (closed)	Int'l	S	S	S	8.3	30.4	27.6	19.50	16.5	-	FSW
31	17	13	FIEUX	Fidelity Europe (1%r<90d)	Europe	H	H	H	7.2	28.1	34.1	24.37	22.5	-	fsw
32	34	18	HAINX	Harbor International	Int'l	S	S	S	7.2	28.0	34.0	34.55	17.9	-	Fsw
33	26	17	FIVFX	Fidelity Aggressive Intl. (1%r<30d)	Int'l	(S)	(S)	(S)	6.1	28.7	33.3	14.36	20.4	-	Fsw
34	33	10	FDIVX	Fidelity Diversified Intl (1%r<30d)	Int'l	S	S	S	5.4	27.6	33.3	22.36	13.8	-	Fsw
35	41	26	LSIEX	Loomis Sayles International Equity	Int'l	S	S	S	8.7	26.6	29.6	10.43	13.8	-	fsW

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

RANK	10/31 2003	1Mo Ago	6Mo 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	1	7	SCGD	Scudder Gold (closed)	NatRes	*	*	*	20.1%	97.0%	122.9%	\$20.65	31.90	0.28	FSW	
2	13	50	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	15.6	69.3	91.3	7.65	42.40	0.41	fsw	
3	-	-	RYTVX	Royce Technology Value	Tech	*	*	*	7.0	61.6	105.8	8.13	-	-	FSW	
4	3	1	CGMRX	CGM Realty	RealEs	*	*	*	17.1	52.6	74.9	24.17	17.50	0.21	fsw	
5	5	79	RYSIX	Rydex Electronics	Tech	*	*	*	17.9	54.7	64.2	14.09	50.30	2.33	fsw	
6	12	32	VGPMX	Vanguard Precious Metals (closed,1%r<1yr)	NatRes	*	*	*	10.2	56.0	61.9	15.51	32.70	0.56	fsw	
7	19	29	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	9.4	54.1	64.9	11.99	36.90	0.15	fSW	
8	8	10	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	*	*	*	13.8	45.6	71.9	16.45	37.00	1.72	Fsw	
9	23	49	FGLDX	INVESCO Gold Inv	NatRes	*	*	*	11.1	51.3	59.3	3.60	30.30	0.22	FS	
10	6	62	FSELX	Fidelity Electronics (.75%r<30d)	Tech	*	*	*	12.3	46.9	61.8	40.52	51.20	2.32	Fsw	
11	9	34	FDCPX	Fidelity Computers (.75%r<30d)	Tech	*	*	*	12.3	46.9	58.8	35.84	41.20	2.09	Fsw	
12	2	12	FNINX	Fidelity Networking	Tech	*	*	*	7.8	42.4	72.8	2.35	-	-	fsw	
13	11	45	FWRLX	Fidelity Wireless	Tech	*	*	*	13.0	45.0	56.0	3.90	-	-	fsw	
14	30	40	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	9.6	45.5	54.3	28.91	34.10	0.36	Fsw	
15	10	22	FSPTX	Fidelity Technology (.75&r<30d)	Tech	*	*	*	11.0	41.4	60.2	59.64	46.60	2.14	Fsw	
16	32	66	RYPMX	Rydex Precious Metals	NatRes	*	*	*	7.9	45.7	48.6	38.14	31.70	0.24	fsw	
17	7	35	RYTIX	Rydex Technology	Tech	*	*	*	10.1	41.7	54.7	11.11	34.10	2.04	fsw	
18	4	4	RYIIX	Rydex Internet	Tech	*	*	*	9.6	38.9	60.7	31.20	41.00	2.70	fsw	
19	27	68	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycls	*	*	*	9.9	37.4	46.9	31.64	23.00	0.87	Fsw	
20	18	2	RSCOX	RS Contrarian	Altern	*	*	*	7.2	35.0	55.6	15.59	17.60	0.57	FSW	
21	26	58	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycls	*	*	*	13.1	34.9	42.4	33.24	24.40	0.80	Fsw	
22	14	-	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	9.6	31.1	48.6	20.72	30.00	1.53	fsw	
23	20	69	FTCHX	INVESCO Technology Inv	Tech	*	*	*	11.0	32.2	40.8	24.37	48.00	2.26	FS	
24	17	37	FSAX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	8.4	33.1	41.2	30.38	28.50	1.14	Fsw	
25	16	-	PRSCX	T. Rowe Price Science & Tech	Tech	*	*	*	9.0	29.4	44.7	17.90	39.20	2.41	fsw	
26	29	78	FAVX	Fidelity Automotive (.75%r<30d)	Cycls	*	*	*	8.3	30.9	36.9	30.14	25.10	0.93	Fsw	
27	15	8	FMBPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	8.0	30.1	38.9	46.06	21.80	1.08	Fsw	
28	66	44	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycls	*	*	*	10.7	28.7	30.2	49.83	19.50	0.76	Fsw	
29	22	61	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	6.1	29.2	35.1	48.19	30.80	1.47	Fsw	
30	35	85	RYRIX	Rydex Retailing	Consmr	*	*	*	10.2	27.9	28.2	11.31	20.50	0.95	fsw	
31	28	27	FSRFX	Fidelity Transportation (.75%r<30d)	Cycls	*	*	*	7.8	24.8	39.1	33.25	23.00	0.88	Fsw	
32	43	75	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycls	*	*	*	9.4	25.8	28.8	21.65	22.90	1.11	Fsw	
33	24	48	RYMIX	Rydex Telecommunications	Utility	*	*	*	7.2	24.5	33.8	13.69	21.60	1.52	fsw	
34	25	28	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	5.9	23.0	37.6	47.10	52.00	2.14	Fsw	
35	34	83	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	7.6	26.5	24.3	44.31	19.80	0.89	Fsw	
36	33	-	PRISX	T. Rowe Price Financial Services	FinServ	*	*	*	8.8	23.3	29.7	21.67	20.00	0.80	fsw	
37	51	76	RYLIX	Rydex Leisure	Consmr	*	*	*	8.0	25.5	25.6	24.00	22.00	1.10	fsw	
38	31	31	FDLSX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	5.9	22.8	33.9	67.01	21.20	1.10	Fsw	
39	49	41	FVLX	Fidelity Home Finance (.75%r<30d)	FinServ	*	*	*	9.9	21.6	30.8	63.23	25.80	0.37	Fsw	
40	39	71	ISWXC	INVESCO Telecommunications Inv	Utility	*	*	*	8.8	23.2	27.3	10.53	35.80	1.97	FS	
41	57	59	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycls	*	*	*	9.0	21.4	29.4	14.78	22.00	0.98	Fsw	
42	47	52	RYKIX	Rydex Banking	FinServ	*	*	*	9.4	21.3	27.1	9.62	27.50	0.70	fsw	
43	63	73	RYBIX	Rydex Basic Materials	Cycls	*	*	*	9.1	22.0	25.2	22.79	23.40	0.90	fsw	
44	21	5	RYOIX	Rydex Biotechnology	Health	*	*	*	0.1	23.4	33.6	18.77	59.70	0.96	fsw	
45	36	11	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	1.6	21.8	35.2	53.35	14.60	0.23	FSW	
46	40	57	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	*	*	*	8.1	22.0	24.0	38.32	24.50	0.70	Fsw	
47	37	26	IVSRX	INVESCO Real Estate Inv	RealEs	*	*	*	1.6	22.0	31.8	9.36	13.90	0.34	FS	
48	42	13	CSEIX	Cohen & Steers Equity Income	RealEs	*	*	*	1.9	20.2	33.3	13.72	13.10	0.13	FSW	
49	41	19	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	1.6	20.0	32.9	14.37	13.70	0.14	fsw	
50	58	67	FSLEX	Fidelity Environmental Ser (3%&.75%r<30)	Cycls	*	*	*	5.1	20.9	25.4	12.68	19.70	0.59	fsw	
51	54	23	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	2.0	19.3	32.6	22.57	13.90	0.20	Fsw	
52	50	14	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	9.4	16.8	27.2	30.12	25.00	1.38	Fsw	
53	52	65	RYFIX	Rydex Financial Services	FinServ	*	*	*	6.8	19.0	23.6	10.04	24.10	0.93	fsw	
54	53	25	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	2.1	19.3	29.6	31.07	13.20	0.17	fsw	
55	38	64	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	6.3	18.9	24.2	13.49	22.60	1.03	Fsw	
56	44	-	TRREX	T. Rowe Price Real Estate	RealEs	*	*	*	0.9	18.2	32.7	12.85	13.70	0.16	fsw	
57	46	54	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	*	*	*	7.1	18.0	23.8	110.30	21.80	0.79	Fsw	
58	55	63	FSFSX	INVESCO Financial Serv Inv	FinServ	*	*	*	6.9	17.8	20.9	28.30	22.80	0.86	FS	
59	62	15	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	6.9	14.3	27.6	31.81	17.50	0.95	Fsw	
60	61	33	FBALX	Fidelity Balanced	Hybrid	B	*	*	4.4	16.3	25.3	15.99	10.50	0.54	Fsw	
61	59	9	FSMEX	Fidelity Medical Equip (.75%r<30d)	Health	*	*	*	2.0	15.5	30.7	19.41	15.50	0.29	Fsw	
62	56	24	RYHIX	Rydex Health Care	Health	*	*	*	2.7	17.4	24.4	11.48	15.50	0.31	fsw	
63	65	82	RYPIX	Rydex Transportation	Cycls	*	*	*	7.2	16.7	18.1	19.41	20.80	0.76	fsw	
64	68	51	FLISX	INVESCO Leisure Inv	Consmr	*	*	*	5.8	15.0	24.0	38.56	22.60	1.04	FS	
65	60	-	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	1.4	16.8	24.8	18.53	22.60	0.84	fsw	
66	72	80	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	6.5	16.7	16.0	23.16	14.00	0.66	Fsw	
67	69	18	VGENX	Vanguard Energy (1%r<1yr)	Energy	*	*	*	2.2	14.7	24.4	27.19	24.50	0.64	fsw	
68	64	47	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	5.9	13.7	20.8	53.42	27.70	0.56	Fsw	
78	76	53	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	3.2	11.0	16.3	17.70	10.70	0.57	fsw	
86	84	55	GATEX	Gateway Fund	Altern	B	*	*	1.8	5.4	11.6	22.80	7.84	0.40	FSW	

The Fund Scandal

We have not said anything about the developing fund scandal for a number of reasons. But since the press has taken up the issue with great hue and cry, it is time to throw in our two cents.

The most important thing to remember, when you read about the issue, is that the performance numbers that you have for your funds are still the bottom line numbers. What those who are accused of committing the misdeeds did was, in effect, take something off the top before the net asset of each share of the fund is calculated.

That "something off the top" actually should have gone to the fund's shareholders rather than to the skimmers by the fund's own rules. For any individual fundholder, the amount of gain that accrued to someone else is surely small. But collectively, considering the millions of shareholders, the amount that was skimmed was huge.

One reason we haven't said anything about the scandal is that we believe that our purpose in *MONEYLETTER* is to give you the best investment advice and information we can and to concentrate solely on that objective. From that perspective, the scandal is a side issue. That being said, the scandal does involve mutual funds, and some fund investment advisory publications have gone beyond commentary to providing sell advice for the funds in the fund families involved. We understand the reaction but we differ with the advice.

There is no question that all of us fund shareholders should be disgusted with the behavior of those fund insiders who skimmed or permitted the skimming to occur. Their behavior was totally unethical. Insiders are paid by shareholders to invest shareholders' money, and as such, aside from any rules of the fund, the insiders have a fiduciary obligation to see that the shareholders were treated fairly. They did not. In fact, they did the opposite. Shame on them.

The operative question, though, is what to do? Sell all the funds of a fund family where skimming occurred? We think that is going much too far. As far as we are concerned if a fund is performing, and skimming occurred, we don't see any reason to drop the fund now. We may not like the fund family's greed in allowing skimming, but that doesn't deny the performance of any individual fund in the family's lineup. And if the skimming were large enough to affect any fund's performance, then we would not be recommending the fund in the first place.

Does this let the fund family off the hook? Yes, but we do not think it is our place to put them on the hook in the first place. That is the job for the regulators, first and foremost for the SEC. Some of the anger should be directed there. The skimming involves a quick buy-and-sell of funds. The easiest way to stop it is by a redemption fee for shares held less than a week. We hope all funds adopt this proposal. \$

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Next Issue: Volume 24, No. 22

Mails: November 21, 2003

Internet: November 19, 2003, 12:00pm (ET)

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	0.69%	0.69%	0.97%
Gabelli US Treasury MMF	0.65	0.65	0.97
Fidelity Spartan US Treas MMF	0.62	0.61	0.91
Amer Century Capital Presv Fund/Inv	0.53	0.55	0.83
T Rowe Price US Treasury MF	0.48	0.48	0.76
US Treasury MF of America/CI A	0.36	0.37	0.63
Schwab US Treasury Money Fund	0.35	0.35	0.64
CMA Treasury Fund RIC	0.33	0.34	0.66
Dreyfus 100% US Treas MMF	0.30	0.33	0.64
JENNDRY/Dryden Govt SecTr/US Treas/D	0.30	0.32	0.67

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.05%	1.04%	1.32%
GE Money Market Fund	0.89	0.89	0.96
Bunker Hill MMF	0.84	0.83	1.14
Flex-fund Money Market Fund	0.84	0.84	1.05
McMorgan Principal Preservation Fund	0.83	0.82	1.13
AIG Money Market Fund/CI B	0.82	0.80	0.81
Centennial Money Market Trust	0.82	0.83	1.05
Phoenix-Goodwin Money Market Series/A	0.82	0.80	1.05
TIAA-CREF Money Market Fund	0.80	0.80	1.08
Harbor Money Market Fund	0.76	0.77	0.93
Scudder Premium Money Mkt Shrs/CI S	0.76	0.76	1.04
Scudder Premium Money Mkt Shrs/AARP	0.76	0.76	1.04
Scudder YieldWise Money Fund	0.76	0.76	1.08
Vanguard Prime MMF/Retail	0.76	0.76	1.05

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Strong Tax-Free Money Fund	0.84%	0.84%	1.08%
Vanguard Tax-Exempt MMF	0.83	0.83	1.05
Strong Municipal MMF	0.75	0.77	0.99
Scudder YieldWise Muni MF	0.74	0.74	0.94
USAA Tax Exempt MMF	0.66	0.68	0.90
Amer Century T-F MMF/Inv Class	0.65	0.66	0.85
Fidelity Municipal MMF	0.64	0.64	0.83
Dreyfus BASIC Muni MMF	0.63	0.64	0.82
T Rowe Price Summit Muni MMF	0.63	0.63	0.86
Scudder Tax-Exempt Money Fund	0.60	0.60	0.82

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	0.83%	0.83%	1.04%
Vanguard PA Tax-Exempt MMF	0.81	0.80	0.99
Vanguard NY Tax-Exempt MMF	0.78	0.79	0.97
Vanguard CA Tax-Exempt MMF	0.77	0.78	0.99
Vanguard NJ Tax-Exempt MMF	0.77	0.76	0.95
USAA Tax Exempt CA MMF	0.59	0.60	0.88
Fidelity FL Municipal MMF	0.56	0.58	0.76
Fidelity OH Municipal MMF	0.54	0.55	0.76
Fidelity PA Municipal MMF	0.54	0.55	0.76
Northern CA Municipal MMF	0.53	0.51	0.71

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 10/28/03. 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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Tuesday and Friday at 7:00pm (ET)

International Small Caps Offer Diversification and Performance

International small cap funds have been red hot lately. As the U.S.-led global economic recovery strengthened in the third quarter, and the outlook for earnings growth improved, investors grew more confident in foreign stock markets. And investors' interest was multi-faceted. Small-cap international firms (and funds) offer diversification for U.S.-based portfolios. Moreover, foreign small-cap firms suffered greatly when the stock market tanked, making attractive values plentiful recently.

It is no longer clear how much diversification international funds provide, aside from Japan. However, foreign small caps have less correlation with U.S. stocks than foreign large-cap issues do. The two funds profiled here are among the strongest performers in the international small-cap category.

American Century International Opportunities (AIOIX)

American Century launched this fund in June 2001 with Lynette Schroeder at the helm. Schroeder came to American Century with a strong record from Driehaus European Opportunity and Driehaus International Discovery. Henrik Strabo, the CIO (Chief Investment Officer) at American Century, subsequently joined Schroeder as co-manager. The fund concentrates on very small firms—with under \$1 billion in market capitalization. That means the fund is invested in less-liquid stocks and markets. The pair looks for improving revenues and earnings trends via a bottom-up investment approach. The resulting fund is fairly concentrated, with only about 75 stocks in the portfolio.

Top Five Countries and Sectors (% of Assets)*

Japan	14.9%	Consumer Cyclical	15.4%
Germany	11.9	Technology	14.2
United Kingdom	8.7	Basic Materials	13.0
Denmark	5.3	Telecommunications	11.3
Thailand	4.8	Commercial Services	10.8

*countries as of June 30, 2003; sectors as of September 30, 2003

Total returns have been superb since the fund was launched. For the year-to-date through October 31, the fund is up 66.2%, which surpassed 87% of all small-cap international funds tracked by Lipper. The managers attribute a number of factors to recent strong results. An overweight in semiconductor stocks has been a plus as the industry benefited from improved pricing and increased demand for consumer electronics products. The fund's overweight in technology in general, has helped drive recent results, as the technology sector was a market leader during the third quarter. The managers also cite the portfolio's largest sector, consumer cyclicals,

as particularly strong, with good contributions from the clothing store, construction, and real property industries.

The fund, which currently has \$31 million in net assets, will close when assets reach \$500 million.

American Century Investments,
4500 Main Street, P.O. Box 419200
Kansas City, MO 64141-6200

(800) 345-2021; Minimum investment \$10,000/\$10,000 IRA

Fidelity International Small Cap (FISMIX)

First offered to investors in September 2002, this Fidelity offering is just over a year old. And what a year it's been! A near-71% total return for the year ended September 30 put it in the top spot out of 97 international small cap funds tracked by Lipper. A month later, the trailing year return is 79.8%, and year-to-date performance through October 31 is 67.9%.

The fund targets non-U.S. firms with market caps of \$5 billion or less. And it has a few characteristics atypical of a traditional Fidelity offering. For example, the fund has two managers, L.C. Kvaal and Tokuya Sano, each of whom manage a distinct portion of the fund's assets. Kvaal, who is based in London, invests in European stocks, while Sano, based in Tokyo, searches out Asian opportunities. And, while the fund does have a benchmark index, the MSCI EAFE Small Cap Index, the managers do not target the fund's sector or country weighting to that index.

Top Five Countries and Sectors (% of Assets)*

Japan	30.3%	Consumer Discretionary	21.3%
United Kingdom	16.5	Information Technology	19.1
Germany	13.5	Industrials	15.9
USA	8.7	Financials	12.6
Australia	6.0	Health Care	8.0

*as of September 30, 2003

When the fund was launched, a Fidelity spokesperson cited the opportunities in foreign small-cap stocks, "Small-cap companies are often under-researched compared to their large-cap counterparts, and this is especially true overseas." In selecting stocks, the managers are looking for growth at a reasonable price. Expect to see sizable sector or country bets—for example, the fund currently has nearly a third of assets in Japan, which has benefited recent results.

There is one notable caveat with this fund. Both managers previously worked as analysts at Fidelity: neither has experience managing a public, U.S.-based mutual fund. We'll be keeping close tabs on this offering. \$

Fidelity Group

82 Devonshire Street, Boston, MA 02109
(800) 544-6666; Minimum investment \$2,500/\$2,500 IRA

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