

## U.S. Outlook Drearier

by Walter S. Frank, Chief Investment Officer

As we round the first half turn for 2006, the outlook for both the economy and the stock market has gotten drearier. The June employment report added new evidence that the economy had lost its zip, probably even more than the Fed or Wall Street had bargained for. We now have had three months of very slow employment gains, numbers which tie into the message we have been getting from other economic indicators such as auto sales and residential construction.

Not only has the economy slowed, but also the likelihood of meaningfully faster growth ahead is pretty slim. The estimates of growth for the quarter just ended run about 2.5%, which is much slower than the economy has been running. Looking ahead over the next twelve months, there is not much pickup in the estimates. The two primary causes of the slowing are—you guessed it—oil prices and interest rates. High oil prices are surely going to be with us over the period. As for the Fed, it is wishful thinking to see any reversal of rates ahead, barring an economic collapse.

### Profits

This naturally raises the question of profits. Slow economic growth and rapid profit growth just do not go together. It is not that profit growth is going to disappear, just that we should prepare ourselves for single-digit growth here instead of the double-digit growth we have enjoyed over the past three years.

This is not good news for the U.S. market, but it is not fatal news either. Right now the U.S. market is selling at a very reasonable 14 times estimated earnings over the next twelve months. This leaves room for reasonable gains over the rest of this year provided the Fed is about done raising rates (as we believe). Of course, analysts' estimates have been wrong before, particularly when the economy is changing speed as it is now. But we have been tracking the analysts this year, and so far they have been close.

### Market Trends

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

### Overseas

Traditionally, a prolonged slowing of the American economy has been bad news for overseas markets. As the saying went, "When the U.S. sneezes, Europe (or whoever) catches cold." We're not so sure that holds anymore. Of course, we are a major importer. But we are not talking about a recession here, just slower growth. More important, the world economy has been changing rapidly over the last decade.

One of the key arguments made by Asian specialists is that the domestic markets in Asia have grown considerably and inter-Asian trade is now a vital part of Asia's economic structure. Then there is the case of Japan, where investment is picking up as the economy turns faster. If we are right, it means that the overseas markets will continue to present opportunities, again with the proviso that the Fed is close to being done.

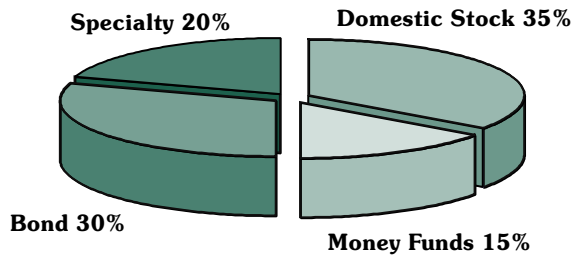
### Fund changes

The last issue (June 23) recommended lowering the stock fund exposure for Venturesome and Moderate investors. The recommendation and specific model portfolio changes were first given in the Hotline of Tuesday, June 20. Here are the changes we made to the portfolios as of Wednesday, June 21. **MONEYLETTER Venturesome**—Sold 1,412 shares (all) of Marsico 21<sup>st</sup> Century @ \$13.57 per share. Also sold 539 shares (all) of Driehaus International Discovery @ \$40.94 per share. Purchased 30,000 shares of Charles Schwab Money Fund. Also purchased 144 shares of Kinetics Paradigm @ \$21.05 per share and 469 shares of ICON Europe @ \$17.21 per share. **MONEYLETTER Moderate**—Sold 1,408 shares (all) of Marsico 21<sup>st</sup> Century and 624 shares of Forward International Small Companies @ \$16.02 per share. Purchased 27,000 shares of Charles Schwab Money Fund and 205 shares of Bridgeway Small Cap Value @ \$15.12 per share.

**Fidelity Venturesome**—Sold 1,153 shares (all) of Fidelity Small Cap Stock @ \$17.65 per share. Also sold 650 shares of Fidelity Southeast Asia @ \$21.54 per share. Purchased 30,355 shares of Fidelity Cash Reserves. Also purchased 166 shares of Fidelity Europe Capital Appreciation @ \$24.06 per share. **Fidelity Moderate**—Sold 397 shares of Small Cap Stock and 645 shares of Fidelity Emerging Markets @ \$18.61 per share. Purchased 19,000 shares of Cash Reserves. **Vanguard Venturesome**—Sold 663 shares of Vanguard Small Cap Growth Index @ \$16.58 per share, also sold 1,345 shares of Vanguard Pacific Stock Index @ \$11.15 per share. Purchased \$26,000 shares of Vanguard Prime Portfolio. **Vanguard Moderate**—Sold 663 shares of Small Cap Growth Index, also sold 717 shares of Pacific Stock Index. Purchased 19,000 shares of Prime Portfolio. \$

**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	2.0%	21,534	\$1.00	\$21,534
AmerCent Inflation Adj	02/12/03	14.3	2,342	10.56	24,736
Loomis Sayles Bond Retail	03/17/04	16.9	1,275	13.61	17,347
Gateway Fund	11/27/02	27.5	619	25.91	16,126
Marsico 21st Century	11/30/05	8.4	1,488	14.03	20,878
Bridgeway Small Cap Value	09/19/05	14.6	859	16.02	13,764
Royce Opportunity	04/26/06	-7.6	1,511	13.49	20,381
RS Global Natural Resources	01/11/06	5.3	421	36.09	15,207
<b>TOTAL VALUE</b>					<b>\$149,973</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.2%	3.8%	7.3%	39.6%	3.8%

**Fidelity Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	2.2%	16,017	\$1.00	\$16,017
Fidelity Inflation-Protected	09/15/04	3.7	1,144	10.69	12,232
Fidelity Strategic Income	03/17/04	13.4	1,902	10.33	19,652
Fidelity Balanced	11/27/02	57.7	846	19.27	16,302
Fidelity Independence	04/26/06	-4.9	773	20.53	15,860
Fidelity Small Cap Stock	02/22/06	-1.8	737	18.17	13,399
Fidelity Value Discovery	04/26/06	-3.0	975	16.58	16,172
Fidelity Natural Resources	01/11/06	9.5	452	28.04	12,674
<b>TOTAL VALUE</b>					<b>\$122,308</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
0.2%	4.3%	10.1%	36.6%	4.3%

**Vanguard Conservative**

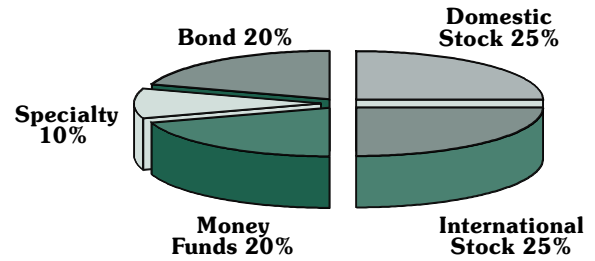
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	2.2%	17,486	\$1.00	\$17,486
Vanguard Inflation Protect	02/19/03	15.4	1,198	11.70	14,014
Vanguard GNMA	03/17/04	5.1	1,826	9.96	18,191
Vanguard Balanced Index	11/27/02	35.7	605	19.87	12,027
Vanguard Value (VIPER) (VTV)	06/14/06	4.0	326	60.18	19,643
Vanguard Equity Income	06/14/06	3.1	639	23.88	15,249
Vanguard Small Cap Value	03/24/04	38.6	537	15.72	8,442
RS Global Natural Resources	01/18/06	5.3	335	36.09	12,092
<b>TOTAL VALUE</b>					<b>\$117,144</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.8%	2.0%	5.1%	31.2%	2.0%

**MODERATE**

Seeks greater long-term growth than the Conservative Portfolio by taking prudent risks

**MONEYLETTER Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	2.0%	38,017	\$1.00	\$38,017
Loomis Sayles Bond Retail	03/17/04	16.9	1,783	13.61	24,273
Driehaus Emerging Mkts Growth	05/24/06	1.3	804	32.21	25,885
Forward Intl Small Companies	06/01/05	37.0	944	16.75	15,813
Bridgeway Small Cap Value	09/19/05	14.6	1,161	16.02	18,596
Janus Orion	11/16/05	11.9	2,495	8.97	22,378
RS Global Natural Resources	01/11/06	5.3	443	36.09	15,992
<b>TOTAL VALUE</b>					<b>\$160,954</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.9%	5.9%	13.2%	68.7%	5.9%

**Fidelity Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	2.2%	30,158	\$1.00	\$30,158
Fidelity Strategic Income	03/17/04	13.4	2,786	10.33	28,784
Fidelity Emerging Markets	05/11/05	52.5	855	19.97	17,067
Fidelity Europe Capital App.	06/07/06	-1.1	765	25.12	19,228
Fidelity Leveraged Company	04/26/06	-2.6	815	28.44	23,192
Fidelity Small Cap Stock	04/26/06	-7.9	792	18.17	14,396
Fidelity Natural Resources	01/11/06	9.5	563	28.04	15,776
<b>TOTAL VALUE</b>					<b>\$148,601</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-1.6%	1.8%	14.8%	57.4%	1.8%

**Vanguard Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	2.2%	28,655	\$1.00	\$28,655
Vanguard FI Hi-Yld Corp	01/17/01	33.9	3,880	6.02	23,358
Vanguard Pacific Stk Index	10/05/05	14.7	1,118	11.74	13,125
Vanguard International Value	06/07/06	2.9	546	38.69	21,123
Vanguard S-C Growth Index	02/22/06	-2.6	680	17.36	11,802
Vanguard Value (VIPER)	06/14/06	4.0	367	60.18	22,067
RS Global Natural Resources	01/18/06	5.3	373	36.09	13,479
<b>TOTAL VALUE</b>					<b>\$133,609</b>

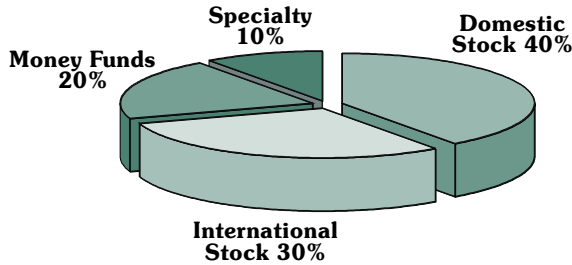
**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-1.7%	2.0%	10.1%	48.8%	2.0%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show allocations at press time.

**VENTURESOME**

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



**MONEYLETTER Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.1%	30,032	\$1.00	\$30,032
Janus Overseas	05/24/06	3.3	660	37.35	24,663
ICON Europe	06/07/06	2.0	1,223	18.11	22,154
Bridgeway Small Cap Value	09/19/05	14.6	1,664	16.02	26,662
Kinetics Paradigm	09/07/05	11.8	653	22.73	14,849
Janus Orion	11/16/05	11.9	2,323	8.97	20,842
RS Global Natural Resources	01/11/06	5.3	431	36.09	15,560
<b>TOTAL VALUE</b>					<b>\$154,762</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-1.7%	4.7%	17.2%	77.3%	4.7%

**Fidelity Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.1%	30,390	\$1.00	\$30,390
Fidelity Emerging Markets	05/11/05	52.5	1,407	19.97	28,103
Fidelity Europe Capital App.	06/07/06	-1.1	785	25.12	19,721
Fidelity Fifty	04/26/06	-4.9	1,183	23.62	27,935
Fidelity Leveraged Company	04/26/06	-2.6	826	28.44	23,482
Fidelity Value Discovery	03/08/06	1.5	722	16.58	11,963
Fidelity Natural Resources	01/11/06	9.5	596	28.04	16,717
<b>TOTAL VALUE</b>					<b>\$158,311</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-1.4%	2.3%	17.6%	63.2%	2.3%

**Vanguard Venturesome**

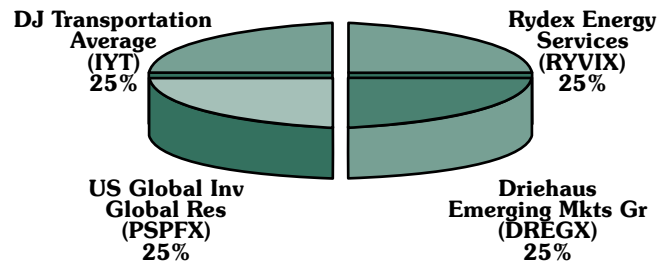
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.1%	26,030	\$1.00	\$26,030
Vanguard International Value	06/07/06	2.9%	755	38.69	29,208
Vanguard Pacific Stk Index	10/05/05	14.7	1,048	11.74	12,309
Vanguard Value (VIPER)	06/14/06	4.0	389	60.18	23,439
Vanguard Capital Value	05/03/06	-5.2	1,659	12.07	20,020
Vanguard S-C Growth Index	02/22/06	-2.6	599	17.36	10,400
RS Global Natural Resources	01/18/06	5.3	388	36.09	14,004
<b>TOTAL VALUE</b>					<b>\$135,410</b>

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-2.2%	1.8%	13.0%	56.9%	1.8%

**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
Driehaus Emerging Mkts Growth	05/17/06	-6.5%	1,402	\$32.21	\$45,149
US Global Inv Global Resources	05/03/06	-7.8	2,867	17.22	49,368
Rydex Energy Services	05/03/06	-6.9	1,121	46.39	52,012
DJ Transportation Average (iS)	06/21/06	3.3	523	88.52	46,296
<b>TOTAL VALUE*</b>					<b>\$192,885</b>

Inception: 9/30/02

**TOTAL RETURNS (as of 6/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.4%	4.7%	28.0%	87.4%	4.7%

**MONEYLETTER Select Commentary**

The Hotline of Tuesday, June 20 recommended the sale of Fidelity Latin America (FLATX) to be exchanged for shares of DJ Transportation Average (iS) ETF (IYT). The recommended trades were executed at the market close June 21, 2006. Details: Sold 1,328 shares of Fidelity Latin America @ \$33.88 per share. Purchased 523 shares of DJ Transportation Average (iS) ETF @ \$85.86 per share.

With purchases of Exchange-Traded Funds (ETFs) it is necessary to enter trades in whole-share quantities. This is unlike traditional open-ended mutual funds, which allow for the purchase/sale of fractional shares.

\* A small "cash" balance remained which has been included in the Total Value of the portfolio. These balances will be used to purchase fractional shares of another fund held in the portfolio. \$

Please note: The recommendations presented for the Select Portfolio are based strictly upon "technical" data rather than fundamental analysis. As such, these exchanges should NOT be considered for investors following our Asset Allocation Portfolios (i.e. Conservative, Moderate or Venturesome).

**Total Returns—June 30, 2006**

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	0.2%	2.7%	8.6%	37.6%	2.7%
Asset Allocation Funds (Avg) 300 Funds	0.0	2.7	8.2	33.1	2.7

Domestic Stock Funds

RANK	7/10 2006	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	96	1		CGMFX	CGM Focus	MC	*	(B)	(B)	7.2%	7.0%	22.1%	\$38.15	22.4	1.50	sa
2	2	—		HDPMX	Hodges Fund (2%r<90d)	MC	*	B	B	2.9	1.4	25.7	24.52	19.0	1.85	FSA
<b>3</b>	<b>4</b>	<b>27</b>		<b>WWNPX</b>	<b>Kinetics Paradigm (2%r&lt;30d)</b>	<b>MC</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>1.1</b>	<b>7.1</b>	<b>16.5</b>	<b>22.50</b>	<b>10.8</b>	<b>1.05</b>	<b>Fsa</b>
4	192	3		TWHIX	American Century Heritage	MCGro	H	H	H	3.8	1.9	21.0	15.43	13.4	1.31	FSA
<b>5</b>	<b>64</b>	<b>45</b>		<b>MXXIX</b>	<b>Marsico 21st Century (2%r&lt;30d)</b>	<b>LC</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>3.7</b>	<b>3.9</b>	<b>19.8</b>	<b>13.98</b>	<b>14.2</b>	<b>1.36</b>	<b>FSA</b>
6	15	—		JKF	Morningstar Large Value (fS)	LCVal	H	H	H	4.0	6.0	13.0	74.30	—	—	—
<b>7</b>	<b>148</b>	<b>29</b>		<b>FLVCX</b>	<b>Fidelity Leveraged Co (\$10k, 1.5%r&lt;90d)</b>	<b>MC</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>3.9</b>	<b>3.5</b>	<b>14.8</b>	<b>28.03</b>	<b>18.1</b>	<b>1.75</b>	<b>Fa</b>
<b>8</b>	<b>68</b>	<b>18</b>		<b>BRSVX</b>	<b>Bridgeway Small Cap Value</b>	<b>SCVal</b>	<b>(B)</b>	<b>(B)</b>	<b>(B)</b>	<b>1.3</b>	<b>2.7</b>	<b>17.4</b>	<b>15.58</b>	—	—	<b>fsa</b>
9	37	151		SAOPX	Salomon Brothers Opportunity	MCVal	H	H	H	3.3	4.4	13.6	55.01	8.5	0.94	sa
10	17	85		HOVLX	Homestead Value	LCVal	H	H	H	3.3	4.4	14.1	35.26	9.2	0.96	A
11	168	106		USCGX	USAA Capital Growth	SCGro	*	H	H	4.8	2.8	12.4	8.51	15.0	1.52	fSA
12	1	—		HRTVX	Heartland Value (2%r<10d)	SCVal	*	B	B	-1.8	5.8	16.9	49.51	16.9	1.57	FSA
13	54	127		BPTRX	Baron Partners	MCGro	(B)	(B)	(B)	0.6	4.3	14.2	19.75	13.3	1.15	FSA
14	43	16		JSVAX	Janus Contrarian	LC	*	H	H	2.1	2.1	18.7	15.96	13.6	1.29	SA
15	51	5		SSMVX	Wells Fargo Adv SC Value Cl Z (closed)	SC	H	H	H	1.5	1.9	17.4	31.94	16.3	1.44	fSA
<b>16</b>	<b>111</b>	<b>7</b>		<b>JORNX</b>	<b>Janus Orion</b>	<b>MCGro</b>	<b>*</b>	<b>(B)</b>	<b>(B)</b>	<b>3.3</b>	<b>1.3</b>	<b>20.9</b>	<b>8.84</b>	<b>13.3</b>	<b>1.37</b>	<b>FSA</b>
17	52	—		IOLIX	ICON Long/Short	LngShrt	*	H	H	2.8	4.0	15.8	17.59	12.9	1.57	FSA
18	44	—		ATASX	ABN AMRO/TAMRO Small Cap N	SC	*	(B)	(B)	0.4	5.4	12.7	17.88	15.8	1.52	FSA
19	191	58		HENLX	Hennessy Cornerstone Gwth II (1.5%r<90d)	SC	H	H	H	3.1	2.6	11.8	31.83	30.9	1.19	FSA
20	38	111		GEVIX	Columbia Disciplined Value ClZ	LC	H	H	H	3.1	4.1	14.5	15.17	9.1	0.98	fa
21	53	75		PRSVX	T. Rowe Price S-C Value (closed, 1%r<90d)	SC	H	H	H	1.8	3.3	13.3	39.98	12.0	1.13	fSA
22	6	84		LSGIX	Loomis Sayles Value	LCVal	H	H	H	1.0	4.0	16.2	19.68	8.7	0.93	fSA
23	46	13		FMC SX	Fidelity Mid-Cap Stock (closed, .75%r<30d)	MCGro	*	(B)	(B)	0.8	1.6	18.6	27.74	13.8	1.29	fSA
24	109	19		FMILX	Fidelity New Millennium (closed)	MCGro	*	(B)	(B)	1.2	1.3	19.2	36.36	15.8	1.46	Fsa
25	9	—		PWV	Powershares Dynamic LargeCap Va	LCVal	H	H	H	2.2	3.9	13.4	17.20	—	—	—
26	42	225		FBRVX	FBR Small Cap (closed, 1%r<90d)	SCGro	(B)	(B)	(B)	2.1	4.5	6.9	46.29	12.4	1.11	FSA
27	72	—		IWN	Russell 2000 Value (fS)	SCVal	*	H	H	2.3	3.7	9.4	71.57	13.6	1.50	—
28	11	—		RYPVX	Royce Value Plus (1%r<180d)	SCGro	*	B	B	-0.4	0.5	23.0	12.72	16.9	1.54	FSA
29	27	—		DSV	DJ WI US SmallCap Value (stftr)	SCVal	*	H	H	1.6	2.9	12.2	64.75	13.5	1.53	—
30	13	10		RYP LX	Royce Low Priced Stock (closed, 1%r<180d)	SC	H	H	H	-0.4	1.7	18.7	16.58	15.4	1.38	fSA
31	200	43		FTQGX	Fidelity Focused Stock (.75%r<30d)	LC	*	H	H	5.5	0.6	13.4	12.54	11.1	0.97	Fa
<b>32</b>	<b>21</b>	<b>—</b>		<b>VTV</b>	<b>Vanguard Value (VIPER)</b>	<b>LCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>2.7</b>	<b>3.9</b>	<b>11.6</b>	<b>60.65</b>	—	—	—
33	125	11		RIMSX	Rainier Small/Mid Cap Equity (closed)	MCGro	*	(B)	(B)	1.7	0.1	17.9	35.11	15.2	1.42	FSA
34	14	126		MQIFX	Mutual Qualified (1%) ClZ	MCVal	H	H	H	1.6	3.8	12.7	20.98	8.0	0.82	sa
35	7	9		NEEGX	Needham Growth Fund (2%r<60d)	SCGro	B	B	B	0.0	1.1	18.5	38.02	25.7	1.19	FSA
36	77	—		NYC	NYSE Composite (fS)	LC	H	H	H	2.7	3.0	12.9	74.84	—	—	—
37	25	182		VIVAX	Vanguard Value Index	LCVal	H	H	H	2.5	3.7	11.4	23.62	8.2	1.00	fSA
38	116	28		TGSCX	TCW Galileo Small Cap Growth	MCGro	*	H	H	1.8	0.0	15.7	18.62	18.6	1.71	fSA
39	39	—		IWD	Russell 1000 Value (fS)	LCVal	H	H	H	2.8	3.8	10.9	73.54	8.0	0.99	—
40	28	89		RSPFX	RS Partners (closed)	SC	H	H	H	0.7	2.7	11.2	34.89	13.0	1.16	FSA
41	—	—		FSLVX	Fidelity Large Cap Value (.75%r<30d) @	LCVal	H	H	H	3.4	2.2	12.3	13.68	—	1.00	Fw
42	30	120		LSCRX	Loomis Sayles Small Cap Value Ret	SC	H	H	H	0.7	3.2	11.1	27.04	12.1	1.18	FSA
43	18	—		IWS	Russell MidCap Value (fS)	MCVal	H	H	H	1.5	3.1	11.4	131.90	10.0	1.18	—
44	41	—		IWW	Russell 3000 Value (fS)	LCVal	H	H	H	2.5	3.6	10.6	95.89	8.3	1.03	—
45	67	211		GABAX	Gabelli Asset	MC	H	H	H	2.1	4.0	9.4	44.25	10.2	1.09	FSA
46	33	98		MNSCX	WellsFargo Adv Small Cap Growth (closed)	SCGro	(H)	(H)	(H)	-1.2	1.4	14.6	12.82	17.1	1.53	fS
47	3	37		FAIRX	Fairholme Fund	MC	(H)	(H)	(H)	-1.1	3.8	12.2	26.82	8.4	0.71	fSA
48	88	96		TAVFX	Third Avenue Value (1%r<60d)	SC	H	H	H	2.4	2.2	12.4	57.48	9.3	0.82	FSA
49	49	—		JKJ	Morningstar Small Core (fS)	SC	H	H	H	0.4	2.9	10.6	77.58	—	—	—
<b>50</b>	<b>29</b>	<b>63</b>		<b>RYPNX</b>	<b>Royce Opportunity (1%r&lt;180d)</b>	<b>SCVal</b>	<b>(H)</b>	<b>(H)</b>	<b>(H)</b>	<b>-0.5</b>	<b>2.1</b>	<b>13.6</b>	<b>13.23</b>	<b>18.4</b>	<b>1.74</b>	<b>fSA</b>
51	24	93		DODGX	Dodge & Cox Stock (closed)	LCVal	H	H	H	1.7	2.5	13.4	144.00	9.5	1.02	sa
52	82	193		LLPFX	Longleaf Partners	MCVal	H	H	H	1.0	4.5	11.7	33.23	9.9	0.95	fa
53	61	123		ICSLX	ICAP Select Equity	LCVal	H	H	H	1.9	3.0	11.4	38.33	9.1	0.94	fSA
54	48	54		FCV SX	Fidelity Convertible Securities	Convrt	H	H	H	1.5	1.8	12.6	23.61	8.9	1.14	fSA
<b>55</b>	<b>26</b>	<b>232</b>		<b>VEIPX</b>	<b>Vanguard Equity-Income</b>	<b>LCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>1.7</b>	<b>3.9</b>	<b>9.5</b>	<b>24.00</b>	<b>7.6</b>	<b>0.91</b>	<b>fSA</b>
56	59	—		ELV	DJ WI US LargeCap Value (stftr)	LCVal	H	H	H	2.5	3.1	10.2	73.69	7.4	0.86	—
57	55	—		IVE	S&P 500 Value (fS)	LCVal	H	H	H	1.7	3.0	10.4	68.56	8.6	1.07	—
58	56	—		VBR	Vanguard SmallCap Value (VIPER)	SCVal	H	H	H	1.8	2.3	8.7	65.23	—	—	—
59	112	85		BRMIX	Laudus Rosenberg Value L/S (2%r<30d)	LngShrt	S	S	S	3.2	4.6	6.7	10.95	5.2	0.03	FSA
<b>60</b>	<b>63</b>	<b>165</b>		<b>VISVX</b>	<b>Vanguard Small-Cap Value Index</b>	<b>SCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>1.6</b>	<b>2.3</b>	<b>8.6</b>	<b>15.61</b>	<b>12.0</b>	<b>1.34</b>	<b>fSA</b>
61	8	119		SMCDX	Wells Fargo Advantage MC Disciplined	MCVal	(H)	(H)	(H)	0.3	2.7	12.2	21.80	10.0	0.96	FSA
62	32	—		JKI	Morningstar Mid Value (fS)	MCVal	S	S	S	1.3	2.6	9.0	78.08	—	—	—
63	80	—		IYJ	DJ US Industrial (fS)	LC	S	S	S	1.1	3.3	13.2	61.25	9.9	1.08	—
64	71	128		BARAX	Baron Asset	MCGro	H	H	H	0.4	1.9	13.1	58.86	10.9	1.00	FSA
65	107	68		FIDYX	AIM Dynamics Inv (closed)	MCGro	*	H	H	0.8	1.5	11.9	19.19	13.1	1.26	Fsa
<b>66</b>	<b>58</b>	<b>—</b>		<b>FVDFX</b>	<b>Fidelity Value Discovery</b>	<b>MC</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>1.6</b>	<b>-0.2</b>	<b>15.8</b>	<b>16.42</b>	<b>11.6</b>	<b>1.19</b>	<b>F</b>
67	108	—		IJS	S&P 600 SmallCap Value (fS)	SCVal	*	H	H	1.4	2.1	8.8	68.51	13.9	1.50	—
68	122	17		BOGLX	Bogle Small Cap Growth (closed)	SCGro	*	H	H	0.1	0.3	14.2	28.03	16.2	1.47	fa

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 (A/a) for TD Ameritrade.

Domestic Stock Funds (continued)

RANK	7/10 2006	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wif
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	10	197	SCOVX	Wells Fargo Adv SC Disciplined	SCVal	*	(H)	(H)	-0.4	3.3	8.8	17.08	16.0	1.41	FSA	
70	199	79	VALSX	Value Line Special Situations	MCGro	H	H	H	2.3	0.8	11.3	26.79	10.2	1.06	FSA	
71	123	137	TGLNX	TCW Galileo Equities N	LC	S	S	S	1.9	1.8	11.4	16.40	10.8	1.13	FSA	
72	34	161	WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SC	*	H	H	0.6	1.9	8.2	5.35	14.0	1.47	FSA	
73	91	—	RYVFX	Royce Value (1%r<180d)	SC	H	H	H	0.2	-0.4	15.4	10.04	13.1	1.18	FSA	
74	19	168	VWNFX	Vanguard Windsor II (closed)	LCVal	S	S	S	2.0	1.9	10.1	32.50	7.9	0.90	fSa	
75	76	179	FEQIX	Fidelity Equity-Income	LCVal	S	S	S	1.8	1.7	11.0	54.24	9.8	1.08	Fsa	
76	23	252	TWEIX	American Century Equity Income	MCVal	S	S	S	1.4	3.8	6.8	8.21	6.8	0.77	FSA	
77	65	180	SAIFX	Salomon Brothers Investors	LCVal	S	S	S	1.5	2.2	10.3	21.15	9.9	1.06	fSa	
78	69	12	RYPRX	Royce Premier (closed,1%r<180d)	SC	H	H	H	0.2	-1.2	16.8	17.25	12.6	1.13	fSa	
79	177	34	NMANX	Neuberger Berman Manhattan	MCGro	*	H	H	1.5	-0.5	12.5	8.20	13.8	1.28	fSa	
80	117	—	IJJ	S&P 400 MidCap Value (IS)	MCVal	*	S	S	1.2	0.9	9.7	73.78	11.7	1.37	—	
81	50	118	RSVAX	RS Value	MC	S	S	S	0.3	1.7	8.4	25.59	12.0	1.01	FSA	
82	5	92	VCV SX	Vanguard Convertible Securities (closed)	Convrt	(S)	(S)	(S)	-0.3	0.9	13.0	13.83	7.8	1.02	fSa	
83	45	112	MUTHX	Mutual Shares (1%) CIZ	MCVal	(S)	(S)	(S)	0.9	2.0	11.0	24.94	6.9	0.71	sa	
84	66	192	TGDVX	TCW Galileo Diversified Value N	LCVal	S	S	S	0.9	2.5	8.9	14.71	10.4	1.08	FA	
85	16	48	IZZYX	Ironwood Isabelle Small Company Stock	SCVal	(H)	(H)	(H)	-1.8	0.7	11.7	15.01	17.1	1.60	FSA	
<b>104</b>	<b>207</b>	<b>40</b>	<b>FFTYX</b>	<b>Fidelity Fifty (.75%r&lt;30d)</b>	<b>LC</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>2.6</b>	<b>-1.7</b>	<b>14.4</b>	<b>23.33</b>	<b>12.5</b>	<b>1.28</b>	<b>Fsa</b>	
<b>122</b>	<b>159</b>	<b>38</b>	<b>FDFFX</b>	<b>Fidelity Independence</b>	<b>LCGro</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>1.5</b>	<b>-1.5</b>	<b>13.1</b>	<b>20.25</b>	<b>12.2</b>	<b>1.25</b>	<b>Fsa</b>	
<b>199</b>	<b>226</b>	<b>64</b>	<b>VISGX</b>	<b>Vanguard Small Cap Growth Index</b>	<b>SCGro</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-0.1</b>	<b>-2.8</b>	<b>7.6</b>	<b>16.84</b>	<b>14.9</b>	<b>1.60</b>	<b>fSa</b>	
<b>205</b>	<b>129</b>	<b>65</b>	<b>FSLCX</b>	<b>Fidelity SC Stock (closed,2%r&lt;60d)</b>	<b>SCGro</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-1.4</b>	<b>-2.5</b>	<b>8.7</b>	<b>17.55</b>	<b>12.8</b>	<b>1.20</b>	<b>Fa</b>	
<b>207</b>	<b>133</b>	<b>216</b>	<b>VCVLX</b>	<b>Vanguard Capital Value</b>	<b>LCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>0.3</b>	<b>-1.1</b>	<b>6.7</b>	<b>11.98</b>	<b>10.1</b>	<b>1.19</b>	<b>fSa</b>	

Dow Jones  
NASDAQ  
S&P 500

1.9%  
-0.9  
1.2

0.8%  
-8.8  
-1.7

6.3%  
0.2  
4.6

indexes do not  
include dividends

International Stock Funds

1	29	1	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	H	H	11.4%	8.9%	59.9%	\$29.67	20.5	—	fSa
2	54	4	FLATX	Fidelity Latin Amer. (1.5%r<90d)	LatinA	*	H	H	9.8	7.0	57.4	36.63	19.8	—	Fs
<b>3</b>	<b>5</b>	<b>7</b>	<b>DREGX</b>	<b>Drieheas Emerging Mkts Gr (2%r&lt;60d)</b>	<b>Int'l</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>8.0</b>	<b>8.2</b>	<b>56.0</b>	<b>32.64</b>	<b>17.9</b>	—	<b>FSA</b>
<b>4</b>	<b>1</b>	—	<b>ICSEFX</b>	<b>ICON Europe</b>	<b>Europe</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>5.8</b>	<b>15.7</b>	<b>39.6</b>	<b>18.17</b>	<b>13.9</b>	—	<b>FSA</b>
5	79	3	SLAFX	DWS Latin Amer Equity S (closed,2%r<30d)	LatinA	*	H	H	10.8	3.9	51.5	51.75	21.1	—	Sa
<b>6</b>	<b>3</b>	<b>11</b>	<b>JAOSX</b>	<b>Janus Overseas (2%r&lt;90d)</b>	<b>Int'l</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>6.3</b>	<b>9.7</b>	<b>49.9</b>	<b>37.10</b>	<b>15.1</b>	—	<b>FSA</b>
7	93	—	ILF	S&P 40 Latin America (IS)	LatinA	*	H	H	11.0	2.5	46.6	136.50	19.2	—	—
8	94	2	EUROX	US Global Eastern Europe (2%r<180d)	Europe	*	H	H	12.2	0.3	44.5	42.92	22.0	—	FSA
<b>9</b>	<b>45</b>	<b>6</b>	<b>FEMIX</b>	<b>Fidelity Emerging Mkts (1.5%r&lt;90d)</b>	<b>Int'l</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>8.3</b>	<b>3.2</b>	<b>47.6</b>	<b>20.29</b>	<b>17.8</b>	—	<b>Fsa</b>
10	9	28	ACINX	Columbia Acorn Intl Z (2%r<60d)	Int'l	*	B	B	4.6	9.6	34.6	37.66	11.6	—	Sa
11	2	60	ARTKX	Artisan Intl Value (2%r<90d)	Int'l	*	B	B	3.6	11.4	31.7	25.61	10.5	—	FSA
12	36	31	HAINX	Harbor International (2%r<60d)	Int'l	*	(B)	(B)	6.5	7.1	34.5	55.26	11.2	—	fSa
13	16	67	SCGEX	DWS Europe Equity S (closed,2%r<30d)	Europe	*	(H)	(H)	4.7	10.4	27.4	34.09	11.3	—	FSA
14	10	45	ACFFX	Columbia Acorn Intl Select Z	Int'l	*	B	B	4.3	8.9	30.8	23.30	11.5	—	Sa
15	21	—	EZU	MSCI EMU (IS)	Europe	*	H	H	6.4	9.1	25.6	88.33	12.1	—	—
16	6	38	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	*	(H)	(H)	3.9	7.7	31.9	22.41	10.5	—	FSA
17	71	5	TREMX	T. Rowe Price Emg Europe & Med (2%r<90d)	Europe	*	H	H	7.7	0.4	33.9	26.72	19.4	—	fa
18	30	25	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	7.2	4.3	36.1	23.44	17.2	—	fSa
<b>19</b>	<b>4</b>	<b>37</b>	<b>FECAX</b>	<b>Fidelity Europe Capital App. (1%r&lt;30d)</b>	<b>Europe</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>2.2</b>	<b>9.6</b>	<b>29.1</b>	<b>25.12</b>	<b>13.3</b>	—	<b>Fa</b>
20	12	30	SCOBX	DWS Global Thematic S (closed,2%r<30d)	Global	*	(B)	(B)	3.7	6.6	32.9	33.79	11.1	—	FSA
21	27	58	QFVOX	Quant Foreign Value (1%r<30d)	Int'l	*	H	H	5.4	8.2	29.1	19.76	12.2	—	FSA
22	14	35	SCOPX	DWS Pacific Opp Eq. S (closed,2%r<30d)	Pacific	*	H	H	7.1	5.3	33.1	17.92	14.9	—	FSA
23	13	19	PRIDX	T. Rowe Price Intl Disc. (2%r<90d)	Int'l	*	(H)	(H)	4.2	5.1	36.8	45.54	12.9	—	fSa
24	73	—	SSEMXX	SSGA Emerging Markets	Int'l	*	H	H	7.8	3.2	32.8	20.75	17.1	—	FA
25	22	—	VGK	Vanguard European (VIPER)	Europe	*	H	H	5.4	8.9	24.5	59.70	—	—	—
26	23	32	BJBIX	Julius Baer Intl Eq A (closed,2%r<90d)	Int'l	*	H	H	4.6	7.0	31.4	39.82	11.9	—	FS
27	28	9	DRIDX	Drieheas Intl Discovery (2%r<60d)	Int'l	*	H	H	4.5	1.1	41.2	43.93	16.3	—	FSA
28	82	73	ICHKX	Guinness China & Hong Kong (2%r<90d)	Pacific	*	H	H	11.1	7.7	18.8	21.66	16.9	—	FSA
29	26	—	IEV	S&P 350 Europe Plus (IS)	Europe	*	H	H	5.3	8.6	25.5	91.45	10.6	—	—
30	24	65	USIFX	USAA International	Int'l	*	H	H	5.6	7.4	28.2	26.15	9.4	—	a
31	33	—	FEZ	DJ Euro Stoxx 50 (stfr)	Europe	*	H	H	6.1	7.9	23.3	46.69	12.6	—	—
<b>32</b>	<b>25</b>	<b>49</b>	<b>VTRIX</b>	<b>Vanguard International Value (2%r&lt;60d)</b>	<b>Int'l</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>5.3</b>	<b>6.2</b>	<b>30.7</b>	<b>38.79</b>	<b>11.1</b>	—	<b>fSa</b>
33	18	76	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	*	H	H	4.8	9.0	25.0	31.51	10.7	—	fSa
<b>34</b>	<b>11</b>	<b>23</b>	<b>PISRXX</b>	<b>Forward Intl Small Companies (2%r&lt;180d)</b>	<b>Europe</b>	<b>*</b>	<b>(H)</b>	<b>(H)</b>	<b>3.3</b>	<b>5.8</b>	<b>33.4</b>	<b>16.69</b>	<b>13.6</b>	—	<b>FSA</b>
35	7	72	OAKIX	Oakmark International (2%r<90d)	Int'l	*	(H)	(H)	2.3	9.7	26.8	25.58	9.2	—	FSA
36	15	43	VINEX	Vanguard Intl Expl (closed,\$25k,2%r<60d)	Int'l	*	(H)	(H)	4.9	6.5	29.5	20.02	11.4	—	fSa
37	20	63	DODFX	Dodge & Cox Intl Stock	Int'l	*	S	S	4.3	7.4	28.4	39.13	11.2	—	fSa
38	31	41	ICEUX	ICAP Euro Select Equity (2%r<30d)	Int'l	*	S	S	5.2	5.9	30.0	36.00	10.9	—	fSa
39	8	22	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	*	(H)	(H)	3.7	4.8	34.2	21.81	12.6	—	SA
40	37	26	NBISX	Neuberger Berman Intl (2%r<60d)	Int'l	*	S	S	4.9	4.8	28.8	23.75	11.4	—	fSa
41	46	48	ARTIX	Artisan International (2%r<90d)	Int'l	*	S	S	5.1	5.3	29.1	27.69	10.6	—	FSA
42	59	53	SCINX	DWS International S (2%r<180d)	Int'l	*	S	S	5.7	5.4	27.1	55.26	10.5	—	FSA
43	17	39	WAIGX	Wasatch Intl Growth (closed,2%r<60d)	Int'l	*	(H)	(H)	3.2	5.3	26.9	21.60	11.5	—	FSA
57	19	20	FISMXX	Fidelity Intl Small Cap (closed,2%r<90d)	Int'l	*	(S)	(S)	3.3	1.9	30.2	28.94	14.2	—	Fa
<b>67</b>	<b>58</b>	<b>29</b>	<b>VPACX</b>	<b>Vanguard Pacific Stock Index (2%r&lt;60d)</b>	<b>Pacific</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>5.7</b>	<b>0.3</b>	<b>32.4</b>	<b>11.79</b>	<b>13.8</b>	—	<b>fSa</b>

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

RANK	7/10 2006	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wf
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	1	1	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	9.4%	30.6%	106.2%	\$15.55	35.30	2.08	fSa	
2	2	6	VGPXM	Vang Precious Metal (closed,\$10k,1%r<1yr)	NatRes	*	*	*	8.5	18.6	71.5	29.25	24.20	1.63	fSa	
3	8	3	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	9.7	11.1	69.2	18.76	32.60	1.85	FSA	
4	19	8	SCGDG	DWS Gold & Precious Metals S (closed)	NatRes	*	*	*	11.5	11.5	60.2	23.40	33.50	1.92	Sc	
<b>5</b>	<b>12</b>	<b>9</b>	<b>PSPFX</b>	<b>U.S.Global Inv Global Res (.25%r&lt;30d)</b>	<b>NatRes</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>4.7</b>	<b>11.8</b>	<b>44.1</b>	<b>17.01</b>	<b>24.40</b>	<b>1.70</b>	<b>FSA</b>	
6	54	7	RYPXM	Rydex Precious Metals (\$25k)	NatRes	*	*	*	10.7	5.0	53.8	53.00	33.10	1.78	FSA	
7	17	2	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	5.7	2.2	62.9	34.68	29.60	1.63	FSA	
8	6	—	IAU	Comex Gold Trust (iS)	NatRes	*	*	*	3.1	14.9	46.9	62.15	—	—	—	
<b>9</b>	<b>15</b>	—	<b>IT</b>	<b>DJ Transportation Average (iS)</b>	<b>Cycl</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>6.9</b>	<b>15.7</b>	<b>36.6</b>	<b>87.44</b>	—	—	—	
10	5	—	GLD	Gold (stfr)	NatRes	*	*	*	2.6	14.7	46.8	62.02	—	—	—	
11	21	31	RYPIX	Rydex Transportation (\$25k)	Cycl	*	*	*	8.0	13.7	36.4	29.73	14.20	1.21	FSA	
12	25	28	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycl	*	*	*	6.9	13.2	36.5	45.87	13.60	1.14	FSA	
<b>13</b>	<b>39</b>	<b>15</b>	<b>VGENX</b>	<b>Vanguard Energy (\$25k,1%r&lt;1yr)</b>	<b>NatRes</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>7.1</b>	<b>8.6</b>	<b>30.9</b>	<b>64.89</b>	<b>18.70</b>	<b>1.07</b>	<b>fSa</b>	
<b>14</b>	<b>40</b>	<b>12</b>	<b>FNARX</b>	<b>Fidelity Natrl Resources (.75%r&lt;30d)</b>	<b>NatRes</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>6.3</b>	<b>6.7</b>	<b>37.1</b>	<b>27.54</b>	<b>20.00</b>	<b>1.23</b>	<b>Fa</b>	
15	33	27	FSRFX	Fidelity Transportation (.75%r<30d)	Cycl	*	*	*	6.7	11.9	33.0	51.50	13.80	1.28	FSA	
16	51	21	ICBMX	ICON Materials	Cycl	*	*	*	6.5	10.4	31.2	12.46	18.40	1.73	FSA	
17	24	20	CGMRX	CGM Realty	RealEs	*	*	*	6.6	7.9	28.7	31.17	21.40	1.58	sa	
18	32	23	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycl	*	*	*	4.5	9.4	32.2	48.23	17.10	1.58	FSA	
19	72	—	IGE	GS Natural Resour (iS)	NatRes	B	B	B	6.7	6.2	26.9	99.31	19.40	1.26	—	
<b>20</b>	<b>50</b>	<b>5</b>	<b>RYVIX</b>	<b>Rydex Energy Services (\$25k)</b>	<b>NatRes</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>3.4</b>	<b>3.2</b>	<b>39.1</b>	<b>44.97</b>	<b>25.60</b>	<b>1.46</b>	<b>FSA</b>	
<b>21</b>	<b>23</b>	<b>14</b>	<b>RSNRX</b>	<b>RS Global Natural Resources (\$5k)</b>	<b>NatRes</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>2.1</b>	<b>5.2</b>	<b>35.5</b>	<b>35.81</b>	<b>19.70</b>	<b>1.29</b>	<b>FSA</b>	
22	4	32	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	4.2	11.3	22.6	22.57	15.30	0.85	fSa	
23	79	—	XLE	Energy (SPDR)	NatRes	*	*	*	8.1	6.0	24.5	56.86	20.50	1.14	—	
24	58	18	PRNEX	T. Rowe Price New Era	NatRes	B	B	B	5.6	6.4	28.3	46.30	16.90	1.29	fSa	
25	83	16	VDE	Vanguard Energy VIPER	NatRes	B	B	B	7.5	6.0	24.7	81.93	—	—	—	
26	7	34	CSRSX	Cohen & Steers Realty (\$10k,1%r<180d)	RealEs	*	*	*	4.2	10.3	22.1	83.82	15.60	0.91	FSA	
27	9	—	RWR	DJ Wilshire REIT (stfr)	RealEs	*	*	*	4.2	9.8	20.0	77.78	16.10	0.92	—	
28	81	—	IXC	S&P Global Energy (iS)	NatRes	*	*	*	7.4	7.2	19.4	106.40	18.70	1.10	—	
29	84	—	IYE	DJ US Energy (iS)	NatRes	*	*	*	8.0	6.1	22.0	96.45	20.10	1.15	—	
30	82	11	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	6.2	2.8	28.7	50.91	20.70	1.07	FSA	
31	62	4	FSESX	Fidelity Energy Services (.75%r<30d)	NatRes	*	*	*	3.2	1.1	37.9	71.81	25.50	1.34	FSA	
32	10	—	ICF	Cohen & Steers Realty Major (iS)	RealEs	*	*	*	4.0	9.7	20.5	85.87	16.60	0.92	—	
33	99	10	ICENX	ICON Energy	NatRes	*	*	*	6.0	1.7	29.3	35.49	23.00	1.44	FSA	
34	94	17	RYEIX	Rydex Energy (\$25k)	NatRes	*	*	*	7.4	4.0	22.6	22.48	20.40	1.16	FSA	
35	44	38	ICTRX	ICON Industrials	Cycl	*	*	*	3.9	8.4	23.3	14.35	13.10	1.24	FSA	
36	11	—	VNQ	Vanguard REIT (VIPER)	RealEs	*	*	*	3.8	9.2	17.7	67.83	—	—	—	
37	13	41	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	3.9	8.8	17.6	22.53	15.70	0.91	fSa	
38	29	91	RYJUX	Rydex Juno (\$25k)	Altern	*	*	*	2.4	11.9	16.2	20.61	13.50	0.16	FSA	
39	3	64	BEARX	Prudent Bear (1%r<30d)	Altern	*	*	*	0.0	13.2	17.9	6.02	8.54	-0.58	FSA	
40	16	—	IYR	DJ US Real Estate (iS)	RealEs	*	*	*	4.1	8.7	15.7	73.15	16.00	0.98	—	
41	14	36	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	3.3	7.7	18.5	35.40	15.20	0.89	FSA	
42	28	—	VOX	Vanguard Telecom Service (VIPER)	Utility	*	*	*	1.9	9.2	15.5	61.22	—	—	—	
43	127	13	FSNGX	Fidelity Natural Gas (.75%r<30d)	Utility	*	*	*	8.6	-2.0	21.7	39.81	23.10	1.17	FSA	
44	20	65	CSEIX	Cohen & Steers Realty Income (1%r<180d)	RealEs	*	*	*	3.8	7.2	12.4	16.83	14.30	0.88	fSa	
45	18	—	PBW	Power Shares WilderH Clean Eng	NatRes	B	B	B	-5.5	5.7	22.8	18.27	—	—	—	
46	22	60	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	1.9	8.5	13.5	47.75	9.78	0.81	FSA	
47	101	—	IYM	DJ US Basic Materials (iS)	LCVal	*	*	*	5.2	4.7	19.2	55.56	15.90	1.50	—	
48	46	—	IXG	S&P Global Financial (iS)	FinServ	*	*	*	2.7	4.3	23.2	78.97	9.32	0.99	—	
49	85	59	RYBIX	Rydex Basic Materials (\$25k)	Cycl	*	*	*	4.2	4.4	18.1	34.18	16.10	1.66	FSA	
50	34	—	IYZ	DJ US Telecom (iS)	Tech	*	*	*	1.9	8.9	10.6	25.29	11.00	0.88	—	
51	26	73	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	3.8	6.9	9.0	36.96	15.10	0.88	fSa	
52	61	81	FDFAV	Fidelity Food & Agr (.75%r<30d)	Consmr	*	*	*	3.8	6.4	14.1	54.14	7.83	0.69	FSA	
53	97	—	XLB	Materials (SPDR)	LCVal	*	*	*	5.0	3.5	18.1	31.89	15.40	1.47	—	
54	100	—	VAV	Vanguard Materials (VIPER)	NatRes	*	*	*	4.4	3.1	17.2	64.08	—	—	—	
55	68	53	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycl	*	*	*	1.7	3.8	18.9	29.04	14.20	1.55	FSA	
56	55	—	VIS	Vanguard Industrials (VIPER)	LC	*	*	*	1.5	5.1	16.0	61.75	—	—	—	
57	59	22	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	1.5	1.6	19.4	35.51	12.50	1.46	fSa	
58	63	51	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycl	*	*	*	1.4	2.9	16.2	20.53	12.20	1.34	Fa	
59	64	—	XLI	Industrial (SPDR)	LC	*	*	*	1.8	5.1	13.7	33.36	10.00	1.06	—	
60	42	46	FSLEX	Fidelity Environmental Ser (.75%r<30d)	Cycl	*	*	*	-1.2	3.8	12.5	16.79	13.00	1.27	FSA	
61	66	—	VDC	Vanguard Consumer Staple (VIPER)	LC	*	*	*	3.3	5.6	8.3	59.60	—	—	—	
62	65	—	XLP	Consumer Staples (SPDR)	LC	*	*	*	3.6	5.2	8.8	24.51	7.22	0.62	—	
63	60	—	IXP	S&P Global Telecommunication (iS)	Tech	*	*	*	1.8	5.3	9.0	52.62	10.20	0.94	—	
64	57	96	RYCIX	Rydex Consumer Products (\$25k)	Consmr	*	*	*	2.5	6.1	6.5	32.19	8.83	0.81	FSA	
65	76	74	ICFSX	ICON Financial	FinServ	*	*	*	1.3	2.7	11.6	13.85	12.50	1.32	FSA	
66	30	—	VPU	Vanguard Utilities (VIPER)	Utility	*	*	*	1.9	4.2	5.6	68.32	—	—	—	
67	31	—	IDU	DJ US Utilities	Utility	*	*	*	1.8	3.9	5.0	79.96	10.60	0.52	—	
<b>79</b>	<b>73</b>	<b>82</b>	<b>GATEX</b>	<b>Gateway Fund</b>	<b>Altern</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>1.5</b>	<b>3.3</b>	<b>6.2</b>	<b>25.98</b>	<b>2.80</b>	<b>0.30</b>	<b>FSA</b>	
<b>85</b>	<b>78</b>	<b>45</b>	<b>FBALX</b>	<b>Fidelity Balanced</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>0.5</b>	<b>-0.7</b>	<b>9.4</b>	<b>19.07</b>	<b>7.99</b>	<b>1.18</b>	<b>FSA</b>	
<b>98</b>	<b>86</b>	<b>77</b>	<b>VBINX</b>	<b>Vanguard Balanced Index</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>0.6</b>	<b>-0.8</b>	<b>4.2</b>	<b>19.83</b>	<b>5.24</b>	<b>0.78</b>	<b>fSa</b>	

## Fund Fees and Expenses Continue to Decline

Fees and expenses charged by traditional mutual funds fell to their lowest levels in more than 25 years during 2005 according to data released by the Investment Company Institute (ICI). On average, stock fund investors paid 113 basis points (1.13 percent) in fees and expenses in 2005, down four basis points from the previous year. Bond fund investors paid 90 basis points, a decline of two basis points since 2004.

Fees and expenses paid by mutual fund investors come in two primary forms: sales loads and ongoing expenses. Loads are one-time fees that an investor pays either at the time of purchase (front-end) or after redemption (back-end). Ongoing expenses are paid out of fund assets and cover the cost of portfolio management, distribution, shareholder services, etc.

The drop in fees and expenses in 2005 was the continuation of a trend that has been underway since the early 1980s. There has been a decline in fees and expenses of more than 50% since 1980. With regard to the decline in 2005, ICI cited the popularity of low-cost funds as a key reason for the decline of the average expense ratio for stock funds.

For more information from the Investment Company Institute, go to [www.ici.org](http://www.ici.org).

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### 100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF	4.82%	4.81%	3.63%
Vanguard Treasury MMF	4.65	4.61	3.58
Amer Century Capital Presv Fund/Inv	4.44	4.41	3.38
RMK Select Treas MMF/CI A	4.38	4.32	3.20
US Treasury MF of America/CI A	4.35	4.28	3.19
JPMorgan 100% US Treas MMF/Morgan	4.34	4.31	3.24
T. Rowe Price US Treasury MF	4.34	4.30	3.28
Schwab US Treasury Money Fund	4.30	4.25	3.19
Wells Fargo Adv 100% Treas MMF/CI A	4.26	4.21	3.15
Merrill Lynch CMA Treas Fund RIC	4.18	4.15	3.12

### GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
Harbor Money Market Fund	5.09%	4.89%	3.78%
Pioneer Cash Reserves Fund/CI I	5.07	4.79	3.47
Vanguard Prime MMF/Retail	5.07	4.98	3.86
Amer Beacon MMF/Plan Ahead	5.05	4.82	3.65
PayPal Money Market Fund	5.04	4.91	4.04
TIAA-CREF Money Market Fund	5.03	4.96	3.87
AIG Money Market Fund/CI B	4.98	4.85	3.72
MFS Money Market Fund	4.98	4.89	3.84
TCW Money Market Fund	4.98	4.86	3.77
Flex-fund Money Market Fund	4.91	4.82	3.71
Marshall Prime MMF/Investor Class	4.91	4.87	3.76
SSgA MMF/CI A	4.91	4.81	3.77

### TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	3.89%	3.72%	2.88%
Vanguard Tax-Exempt MMF	3.86	3.64	2.79
Fidelity AMT Tax-Free Money Fund	3.64	3.47	2.62
Dreyfus BASIC Muni MMF	3.58	3.37	2.50
Amer Century T-F MMF/Inv Class	3.57	3.33	2.51
Fidelity Municipal MMF	3.56	3.37	2.53
Marshall Tax Free MMF/Class Y	3.55	3.35	2.53
Fidelity Tax Free Money Market	3.53	3.33	2.51
USAA Tax Exempt MMF	3.53	3.35	2.50
DWS Tax-Exempt Money Fund	3.52	3.32	2.54

### TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard PA Tax-Exempt MMF	3.86%	3.65%	2.76%
Vanguard OH Tax-Exempt MMF	3.80	3.61	2.77
Vanguard NY Tax-Exempt MMF	3.79	3.59	2.75
Vanguard NJ Tax-Exempt MMF	3.75	3.56	2.73
Vanguard CA Tax-Exempt MMF	3.73	3.54	2.72
Fidelity PA Municipal MMF	3.55	3.33	2.47
Fidelity FL Municipal MMF	3.51	3.31	2.50
Amer Century CA T-F MMF/Inv Class	3.49	3.25	2.39
Fidelity AZ Municipal MMF	3.49	3.30	2.47
Fidelity MI Municipal MMF	3.48	3.28	2.43
Fidelity NY Municipal MMF	3.48	3.28	2.43

**Taxable equivalent yield = yield / (1—total effective tax bracket).** Funds are ranked by 7-day yield; 7-day and 30-day yields are compound yields as of 7/3/06. 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: *iMoneynet's Money Fund Report (800) 343-5413*

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## Champlain Small Company

While some small company funds seek attractive investments in areas overlooked by other professional investors, Scott Brayman, founder of Champlain and lead portfolio manager, “fishes in well-stocked ponds.” In other words, he starts the investment process from a universe of established and profitable small-cap companies. The maximum stock capitalization the fund will hold is \$3 billion. And while Brayman definitely guides the fund for growth, valuation plays a very important role in the investment process.

The Champlain Small Company fund has been in existence only since November 30, 2004. And in that time, it has turned in a good performance. Its 2005 total return of 10.1% placed it in the top 20% of Morningstar’s small-cap growth category. Through July 7 of this year, a 3.3% return puts it ahead of 61% of its peers. In its short life, the fund’s strategy seems to be working.

The strategy employed by Brayman is a well-tested one—by Brayman himself, as a matter of fact. Prior to founding Champlain Investment Partners, Brayman worked for Sentinel Advisors, Inc. as the portfolio manager for Sentinel Small Company, where he established a solid record. He transferred his strategy to Champlain, and also brought along several of his colleagues who help manage the fund. All but one of the Brayman’s co-managers have ownership stakes in the company as well.

### The strategy

In a nutshell, Champlain managers focus “on companies with high returns, strong cash flow, low capital requirements, above-average potential for growth, and effective management.” Additionally, the managers buy for the long-term, stating, “Instead of trying to buy and sell around the business cycle...our process calls for us to own companies that we expect to outperform over a 3- to 5-year investment horizon.”

#### Top Five Sectors & Holdings (% of Assets)

Health Care	21.6	Allegheny Corp.	2.3
Business Services	19.9	ABM Industries	2.3
Financial Services	14.2	AptarGroup	2.3
Industrial Materials	13.9	Lancaster Colony Corp.	2.0
Consumer Goods	9.5	Euronet Worldwide	1.9

As of June 30, 2006

The managers generally focus on five main industry sectors: consumer, financials, health care, industrials, and technology. Within that small-cap universe, they employ disciplined fundamental analysis to find firms which sport

stable cash flows, superior earnings growth relative to their industries, low capital requirements, and strong management. Then, the firm’s valuation parameters kick in. The managers look at a number of valuation parameters for each stock, including discounted cash flow models and takeover value. Ultimately, they will only buy if a stock is selling at a discount to Champlain’s calculation of its fair market value.

### The industry factor

The managers also give weight to different factors in different industries. In health care, for example, Brayman and team avoid firms that generate much of their revenues from government payments, instead opting for medical device makers and health care suppliers. In fact, the fund is overweight in health care, and continues to find good ideas. Within the consumer sectors, low fashion risk and high brand loyalty are pluses. The fund’s strategy in financial services includes pursuing banks that focus on small businesses in fast-growing markets, where large money center banks have acquired many community banks. In industrials, they like companies that are not too cyclical.

The managers preference for established and growing brands is evident in their recent purchase of WD-40—the shares are ahead by 27% this year, and Prestige Brands (a firm that makes products under the brand names of Chloraseptic, Little Remedies, and The Doctor’s dental products). The fund also owns a number of post-secondary educators. Corinthian Colleges, one in that classification, is up by 18% in 2006. They also have added outdoor outfitter Cabela’s to the portfolio, stating that it reminds them of “Whole Foods in its early years,” with an earnings power that should become more obvious as its store base matures.

Brayman notes that the fund’s focus on consistent growth and high quality suffers when the investing public favors cyclical, lower-quality companies, as has occurred recently. He also notes that historically, “investors begin to rotate away from the cyclicals into the quality-dependable growers before the end of the economic cycle. Many of the companies we own should be resistant to slower growth... The fund’s holdings should produce stronger relative performance when this shift happens.” \$

Champlain Small Company Fund (CIP5X)  
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