

As Advertised

by Walter S. Frank, Chief Investment Officer

As we round the corner after Labor Day, ending Wall Street's summer slack season, the Street is trying to sketch out the outline of what lies ahead. In the broadest sense—too broad to be very useful—the economy is acting as previously advertised.

Once the Fed started tightening seriously, the housing boom, and all it implied, was expected to end. Given the prominent role of housing in this economic cycle, a housing downturn it was widely anticipated would cause the economy to slide. But there was a safety net expected to be in place as the economy slid, and that net took the form of business investment, which would replace much of the stimulus provided by housing.

The scenario is more or less playing out right now. It sounds neat on paper. Unfortunately, when it is put into action things get very messy. It is one thing to turn housing down, it is another to know how far down is down. The Fed expects a tolerable decline, i.e., a decline which will slow but not cripple economic growth. Others have their fingers crossed.

As for business investment, it has been somewhat sluggish until recent months, when it has finally shown signs of life. Has the long-expected business investment surge finally arrived? It seems so, but we've been fooled before. *Business Week's* Business Outlook column (September 11, 2006) carries a sub-headline, "Capital spending should contribute strongly to second half growth." The important word for us is "should." Yes it should, but will it? Once again fingers are crossed.

We enter the new trimester, then, with uncertainty draped all over the U.S. business outlook.

Our own view is that the Fed will succeed in bringing the economy in for a soft landing. We certainly do not see a recession on the horizon. The risk, and it is not negligible, is that the landing is softer than now expected. In any case, even a successful soft landing, with growth settling down at 2.0%–2.5% for some quarters, will certainly have its effect on profits.

When it comes to profits, Wall Street now has its sight set on 2007. (After Labor Day, 2006 is almost old news.) The latest analysts' estimates for the first half of next year have profits growing at about 9%, not bad, but a long step down from this year's 14% gains. There is an offset, and that is we should see long-term interest rates at current levels or lower, as the economy slows.

Taking the global view

As the U.S. slows down, we believe it is more important than ever for U.S. investors to take a global view. We suspect that both developed Europe and Japan will be growing at rates equal to or better than our own. True enough, in both cases the central banks are now moving interest rates higher, but the conditions are different. Neither Europe nor Japan are on as tight an inflation leash as is the U.S. Here, in the U.S., there is a deliberate effort to slow growth. In fact, there is an acceptance of sub-par growth. That is not the case abroad.

The difference is important for the markets. Under the circumstances, we would expect overseas markets' valuations to improve relative to that of the US. market. In addition there is the matter of the dollar. Along with everyone else, we expect that a slower U.S. economy will weigh on the dollar's value, considering the huge foreign deficit.

We have not said anything about the developing countries, because the attraction there is so straightforward, at least to us. Yes, we know, May 10th, when emerging market stock prices plunged, marked "the end of risk-taking." Has it? We think it marked the start of a severe correction. No less, but no more.

We see risk-taking as making a comeback, at least in the case of overseas funds.

Fund changes

The Hotline of August 16 as well as the last issue recommended an increase in the international allocation for Venturesome investors only. Here are the changes we made to the Venturesome model portfolios. **MONEYLETTER Venturesome**—Sold 15,000 shares of Charles Schwab Money Fund. Purchased 511 shares of Metzler/Payden European Emerging Markets (MYPMX) @ \$29.35 per share. **Fidelity Venturesome**—Sold 15,000 shares of Fidelity Cash Reserves. Purchased 387 shares of Fidelity Latin America (FLATX) @ \$38.77. **Vanguard Venturesome**—Sold 13,003 shares of Vanguard Prime Portfolio. Purchased 210 shares of Vanguard European ETF (VGK) @ \$61.92 per share.

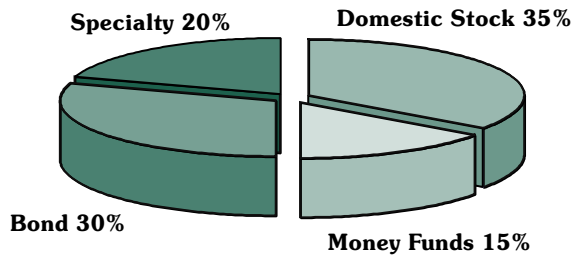
The Hotline of Wednesday, August 16 also recommended the sale of Marsico 21st Century (MXXIX) in the *MONEYLETTER* Conservative Portfolio, to be replaced by Kinetics Paradigm (WWNPX). On August 17, we sold 1,488 shares of 21st Century @ \$13.70 per share and purchased 894 shares of Kinetics @ \$22.80 per share. \$

Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Higher	Flat
Dollar	Lower	Flat/Lower
Inflation	Higher	Flat
Dow	Higher	Higher
NASDAQ	Flat	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	2.8%	21,724	\$1.00	\$21,724
AmerCent Inflation Adj	02/12/03	18.1	2,364	10.81	25,553
Loomis Sayles Bond Retail	03/17/04	21.5	1,275	14.15	18,035
Gateway Fund	11/27/02	30.3	622	26.48	16,481
Kinetics Paradigm	08/17/06	0.1	894	22.83	20,413
Morningstar Large Value (iS) ETF	08/03/06	1.0	169	77.73	13,136
Fairholme Fund	08/03/06	0.1	709	27.74	19,670
RS Global Natural Resources	01/11/06	3.0	421	35.32	14,882
TOTAL VALUE					\$149,894

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.1%	0.8%	5.6%	35.8%	3.8%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	3.1%	16,155	\$1.00	\$16,155
Fidelity Inflation-Protected	09/15/04	7.0	1,149	11.00	12,638
Fidelity Strategic Income	03/17/04	16.1	1,919	10.53	20,212
Fidelity Balanced	11/27/02	60.7	850	19.56	16,617
Fidelity Large Cap Value	08/03/06	0.3	1,112	13.94	15,495
Fidelity Equity-Income	07/27/06	3.0	226	56.10	12,703
Fidelity Value Discovery	04/26/06	-1.5	975	16.85	16,435
Fidelity Natural Resources	01/11/06	3.8	452	26.58	12,014
TOTAL VALUE					\$122,269

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
0.8%	1.2%	7.2%	33.5%	4.2%

Vanguard Conservative

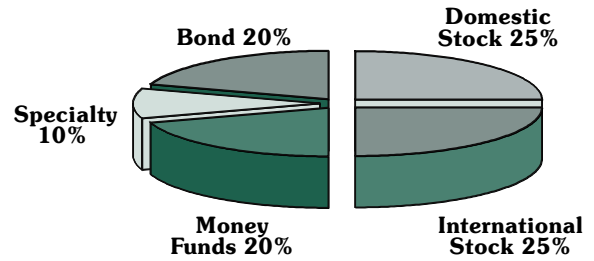
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	3.1%	17,643	\$1.00	\$17,643
Vanguard Inflation Protect	02/19/03	19.2	1,198	12.09	14,481
Vanguard GNMA	03/17/04	8.2	1,842	10.17	18,735
Vanguard Balanced Index	11/27/02	39.2	605	20.37	12,330
Vanguard Value ETF	06/14/06	8.4	326	62.73	20,475
Vanguard Equity Income	06/14/06	7.3	639	24.85	15,868
Vanguard Dividend Growth	08/03/06	2.5	637	13.47	8,582
RS Global Natural Resources	01/18/06	3.0	335	35.32	11,834
TOTAL VALUE					\$119,948

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.4%	2.0%	5.4%	31.4%	4.4%

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	2.8%	38,354	\$1.00	\$38,354
Loomis Sayles Bond Retail	03/17/04	21.5	1,783	14.15	25,236
Driehaus Emerging Mkts Growth	05/24/06	5.0	804	33.40	26,842
ICON Europe	08/10/06	3.0	855	18.70	15,992
Morningstar Large Value (iS) ETF	08/03/06	1.0	229	77.73	17,800
Powershares Dyn LC Value ETF	08/10/06	2.5	1,215	18.10	21,992
RS Global Natural Resources	01/11/06	3.0	443	35.32	15,651
TOTAL VALUE					\$161,867

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.5%	0.6%	9.0%	57.3%	6.6%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	3.1%	30,464	\$1.00	\$30,464
Fidelity Strategic Income	03/17/04	16.1	2,811	10.53	29,605
Fidelity Emerging Markets	05/11/05	59.2	855	20.85	17,819
Fidelity Europe Capital App.	06/07/06	4.0	765	26.41	20,215
Fidelity Leveraged Company	04/26/06	-1.9	815	28.65	23,363
Fidelity Equity-Income	07/27/06	3.0	243	56.10	13,649
Fidelity Natural Resources	01/11/06	3.8	563	26.58	14,955
TOTAL VALUE					\$150,070

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.3%	-1.2%	10.6%	51.3%	2.8%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	3.1%	28,958	\$1.00	\$28,958
Vanguard FI Hi-Yld Corp	01/17/01	36.9	3,928	6.08	23,880
Vanguard Pacific Stk Index	10/05/05	16.4	1,118	11.91	13,315
Vanguard International Value	06/07/06	6.6	546	40.07	21,876
Vanguard Value Index	07/27/06	2.8	460	24.46	11,242
Vanguard Value ETF	06/14/06	8.4	367	62.73	23,002
RS Global Natural Resources	01/18/06	3.0	373	35.32	13,191
TOTAL VALUE					\$135,464

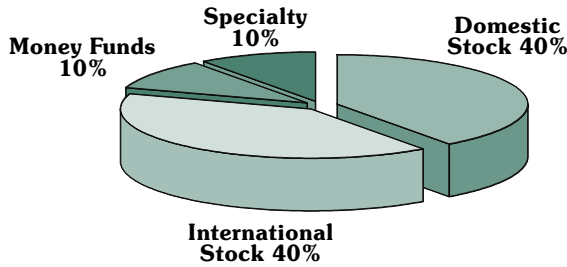
TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.2%	0.0%	7.9%	42.4%	3.5%

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	0.9%	15,280	\$1.00	\$15,280
Janus Overseas	05/24/06	7.7	660	38.96	25,726
Metzler/Payden Europe Emg Mkts	08/17/06	0.4	511	29.48	15,066
ICON Europe	06/07/06	5.4	1,223	18.70	22,876
Morningstar Large Value (iS) ETF	08/03/06	1.0	328	77.73	25,495
Kinetics Paradigm	09/07/05	12.3	653	22.83	14,915
Powershares Dyn LC Value ETF	08/10/06	2.5	1,131	18.10	20,471
RS Global Natural Resources	01/11/06	3.0	431	35.32	15,228
TOTAL VALUE					\$155,057

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.9%	-2.0%	10.5%	62.2%	4.9%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.9%	15,663	\$1.00	\$15,663
Fidelity Emerging Markets	05/11/05	59.2	1,407	20.85	29,341
Fidelity Latin America	08/17/06	-1.4	387	38.22	14,787
Fidelity Europe Capital App	06/07/06	4.0	785	26.41	20,734
Fidelity Large Cap Value	08/03/06	0.3	1,923	13.94	26,805
Fidelity Leveraged Company	04/26/06	-1.9	826	28.65	23,656
Fidelity Value Discovery	03/08/06	3.2	722	16.85	12,158
Fidelity Natural Resources	01/11/06	3.8	596	26.58	15,847
TOTAL VALUE					\$158,991

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.0%	-1.4%	11.4%	52.3%	2.8%

Vanguard Venturesome

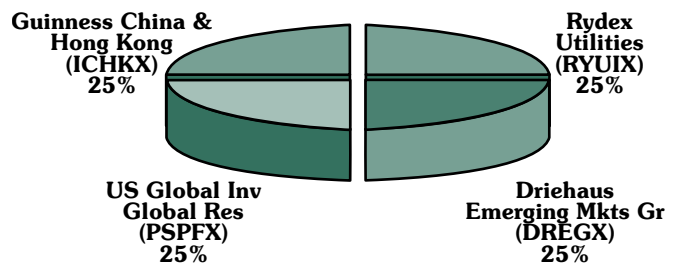
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.9%	13,268	\$1.00	\$13,268
Vanguard International Value	06/07/06	6.6	755	40.07	30,249
Vanguard European ETF	08/17/06	0.8	210	62.41	13,106
Vanguard Pacific Stk Index	10/05/05	16.4	1,048	11.91	12,487
Vanguard Value ETF	06/14/06	8.4	389	62.73	24,432
Vanguard Dividend Growth	08/10/06	2.8	1,465	13.47	19,733
Vanguard Value Index	07/27/06	2.8	405	24.46	9,906
RS Global Natural Resources	01/18/06	3.0	388	35.32	13,706
TOTAL VALUE					\$136,887

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.1%	-1.1%	8.9%	46.4%	2.9%

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	-2.6%	1,402	\$33.40	\$46,817
US Global Inv Global Resources	05/03/06	-7.3	2,867	17.14	49,139
Rydex Utilities	07/27/06	2.6	1,822	27.91	50,853
Guinness Atkinson China & HK	07/27/06	1.5	1,887	21.78	41,092
TOTAL VALUE					\$187,901

Inception: 9/30/02

TOTAL RETURNS (as of 8/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
1.4%	-7.4%	15.0%	69.2%	1.9%

MONEYLETTER Select Commentary

We have received some inquiries regarding exchanges that were made in July, specifically, purchases of Guinness Atkinson China & Hong Kong (ICHKX) and Rydex Utilities (RYUIX). As we have mentioned previously, extreme volatility since May has had a dramatic impact on our statistical models. The selection of the Guinness and Rydex funds resulted from an examination of data which attempted to exclude the statistical impact of the steep May correction. While the rankings may suggest lackluster performance, with returns for ICHKX and RYUIX of 1.63% and 1.38% respectively during the past month, both have outperformed the top-ranked fund in our entire database. \$

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—August 31, 2006

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	2.3%	2.8%	8.9%	36.5%	5.7%
Asset Allocation Funds (Avg) 213 Funds	1.8	1.9	7.6	32.4	4.7

Domestic Stock Funds

RANK	9/1 2006	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/wf
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	1	—	—	JFK	Morningstar Large Value (iS)	LCVal	B	B	B	2.0%	9.3%	17.3%	\$78.11	—	—	—
2	2	—	—	PWV	Powershares Dynamic LC Value	LCVal	B	B	B	3.3	8.3	16.3	18.26	—	—	—
3	6	102	—	GEVIX	Columbia Disciplined Value CIZ	LCVal	B	B	B	2.7	6.4	17.9	15.83	9.1	0.98	a
4	9	81	—	SAOPX	Salomon Brothers Opportunity	MCVal	B	B	B	2.8	7.5	15.1	56.99	0.9	8.54	fa
5	—	—	—	LSVRX	Loomis Sayles Value Ret	LCVal	B	B	B	2.8	6.0	17.7	20.61	7.4	0.90	A
6	4	—	—	VTV	Vanguard Value ETF	LCVal	B	B	B	2.3	6.7	14.5	63.06	—	—	—
7	80	186	—	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	H	H	H	5.8	4.6	14.6	29.29	11.2	1.09	fa
8	5	185	—	VIVAX	Vanguard Value Index	LCVal	B	B	B	2.5	6.6	14.5	24.59	8.2	1.00	fsa
9	55	219	—	SMCDX	Wells Fargo Advantage MC Disciplined	MCVal	H	H	H	4.6	5.9	12.4	22.66	10.0	0.96	FSA
10	29	33	—	USCGX	USAA Capital Growth	SCGro	*	(B)	(B)	3.8	4.0	17.8	8.86	15.0	1.52	fsA
11	10	—	—	ELV	DJ WI US LargeCap Value (stTr)	LCVal	B	B	B	2.8	6.0	14.0	76.80	7.4	0.86	—
12	13	250	—	TWEIX	American Century Equity Income	LCVal	B	B	B	2.6	7.0	11.3	8.58	6.8	0.77	FSA
13	11	211	—	VEIPX	Vanguard Equity-Income	LCVal	B	B	B	3.1	6.2	12.7	24.99	7.6	0.91	fsa
14	56	68	—	CBMDX	Wells Fargo Adv C&B Mid Cap Value	MC	H	H	H	5.5	3.6	15.4	22.09	13.0	1.32	FSA
15	84	266	—	WWALX	Weitz Value Fund (\$10k)	LCVal	H	H	H	4.9	6.5	8.9	37.78	7.7	0.80	FSA
16	22	—	—	NYC	NYSE Composite (iS)	LC	B	B	B	3.3	5.1	14.3	77.53	—	—	—
17	16	268	—	DGAGX	Dreyfus Appreciation	LC	B	B	B	2.9	7.2	9.4	43.14	7.6	0.79	FSA
18	8	—	—	IWD	Russell 1000 Value (iS)	LCVal	B	B	B	2.3	5.9	13.7	76.32	8.0	0.99	—
19	21	—	—	VDIGX	Vanguard Dividend Growth	LCVal	H	H	H	3.4	5.3	12.8	13.54	7.1	0.88	fsa
20	30	108	—	MQIFX	Mutual Qualified (2%r<7d) CIZ	MCVal	H	H	H	3.6	4.8	13.3	21.66	8.0	0.82	sa
21	27	176	—	FEQIX	Fidelity Equity-Income	LCVal	H	H	H	3.1	5.0	13.4	56.42	9.8	1.08	Fsa
22	44	184	—	TWVLX	American Century Value	LCVal	H	H	H	4.1	4.9	11.7	7.45	7.9	0.94	FSA
23	12	—	—	IWW	Russell 3000 Value (iS)	LCVal	B	B	B	2.3	5.3	13.4	99.41	8.3	1.03	—
24	19	193	—	VWNFX	Vanguard Windsor II (closed,\$10k)	LCVal	H	H	H	2.8	5.3	12.6	33.76	7.9	0.90	fsa
25	18	117	—	FAIRX	Fairholme Fund (2%r<60d)	MC	B	B	B	1.0	5.9	13.6	27.84	8.4	0.71	fsa
26	46	27	—	JSVAX	Janus Contrarian	LC	*	H	H	5.2	1.5	17.7	16.49	13.6	1.29	SA
27	47	247	—	VASVX	Vanguard Selected Value (\$25k,1%r<1yr)	MCVal	H	H	H	4.5	5.4	8.8	20.29	9.9	1.08	fsa
28	34	49	—	NEEGX	Needham Growth Fund (2%r<60d)	SCGro	H	H	H	3.8	1.6	18.8	40.15	25.7	1.19	FSA
29	28	—	—	DIA	Dow 30 Industrials (Diamonds)	LCVal	H	H	H	3.1	4.7	11.8	114.70	8.6	1.03	—
30	17	—	—	IVE	S&P 500 Value (iS)	LCVal	H	H	H	2.5	4.5	12.8	70.70	8.6	1.07	—
31	24	243	—	PVLDX	Allianz OCC Value D (2%r<7d)	LCVal	*	H	H	3.2	5.0	10.5	16.94	11.8	1.25	FSA
32	43	128	—	MUTHX	Mutual Shares (1%) CIZ	MCVal	H	H	H	3.7	3.9	11.9	25.83	6.9	0.71	sa
33	31	138	—	DODGX	Dodge & Cox Stock (closed)	LCVal	H	H	H	2.5	4.2	13.2	148.20	9.5	1.02	sa
34	128	238	—	WEHIX	Weitz Hickory (\$10k)	MC	*	H	H	5.4	4.4	8.2	35.13	10.5	1.10	fsA
35	39	216	—	GABAX	Gabelli Asset (2%r<7d)	MC	H	H	H	3.4	4.9	9.7	45.45	10.2	1.09	FSA
36	76	14	—	RYPX	Royce Low Priced Stock (closed,1%r<180d)	SC	H	H	H	4.1	1.1	18.3	17.27	15.4	1.38	fsa
37	45	140	—	TRMCX	T. Rowe Price Mid Cap Value (closed)	MCVal	H	H	H	3.9	3.6	12.3	25.34	11.1	1.19	fsa
38	99	260	—	YACKX	Yacktman Fund (2%r<30d)	LCVal	H	H	H	4.7	4.8	7.8	15.92	8.8	0.92	FSA
39	25	—	—	NY	NYSE 100 (iS)	LCVal	H	H	H	2.4	4.6	11.5	69.89	—	—	—
40	15	122	—	HOVLX	Homestead Value (2%r<30d)	LCVal	(H)	(H)	(H)	1.2	5.0	12.5	35.80	9.2	0.96	A
41	7	—	—	DVY	DJ Select Dividend Index (iS)	MCVal	(H)	(H)	(H)	1.7	6.2	8.3	66.22	—	—	—
42	41	—	—	OEF	S&P 100 (iS)	LC	H	H	H	3.5	4.5	9.7	60.77	7.2	0.90	—
43	74	159	—	LLPFX	Longleaf Partners (closed)	LC	H	H	H	3.4	3.9	11.3	33.77	9.9	0.95	fa
44	48	136	—	BEGRX	Mutual Beacon (2%r<7d) CIZ	MCVal	H	H	H	4.2	3.6	10.6	16.77	7.6	0.76	sa
45	52	119	—	FLVCX	Fidelity Leveraged Co (\$10k,1.5%r<90d)	MC	*	H	H	3.3	3.2	12.9	28.80	18.1	1.75	Fa
46	40	134	—	TAVFX	Third Avenue Value (\$10k,1%r<60d)	SC	H	H	H	3.4	3.2	12.5	59.20	9.3	0.82	FSA
47	101	175	—	SSMVX	Wells Fargo Adv SC Value Cl Z (closed)	SC	*	H	H	2.8	3.7	12.1	32.92	16.3	1.44	fsA
48	109	—	—	HRTVX	Heartland Value (2%r<10d)	SCVal	*	H	H	4.2	1.5	15.4	50.74	16.9	1.57	FSA
49	26	252	—	OAKBX	Oakmark Equity&Income (2%r<90d)	Bal	H	H	H	1.7	5.7	8.5	26.62	6.6	0.78	FSA
50	51	242	—	TGIGX	TCW Dividend Focused N	LCVal	H	H	H	3.7	4.0	9.7	12.44	9.7	1.03	FSA
51	36	—	—	IWS	Russell MidCap Value (iS)	MCVal	H	H	H	3.4	3.3	11.8	135.30	10.0	1.18	—
52	53	200	—	TGDVX	TCW Diversified Value N	LCVal	H	H	H	3.8	3.4	10.7	15.26	10.4	1.08	FSA
53	72	—	—	IWN	Russell 2000 Value (iS)	SCVal	*	H	H	4.5	2.3	12.5	73.69	13.6	1.50	—
54	118	—	—	RYPX	Royce Value Plus (1%r<180d)	SCGro	*	H	H	4.1	-0.9	20.3	13.22	16.9	1.54	FSA
55	33	213	—	PRFDX	T. Rowe Price Equity-Income	LCVal	H	H	H	2.6	4.0	10.1	27.84	8.9	0.98	fsa
56	20	—	—	FSLVX	Fidelity Large Cap Value	LCVal	(H)	(H)	(H)	1.7	3.2	12.6	14.02	—	1.00	Fa
57	38	183	—	SLASX	Selected American Shares	LC	H	H	H	1.8	3.6	11.6	42.55	8.7	0.93	SA
58	35	126	—	ICSLX	ICAP Select Equity	LCVal	H	H	H	1.5	3.4	12.5	39.66	9.1	0.94	fsA
59	126	11	—	BPTRX	Baron Partners	MCGro	H	H	H	5.8	0.6	12.9	19.77	13.3	1.15	FSA
60	23	32	—	WWNPX	Kinetics Paradigm (2%r<30d)	MC	(H)	(H)	(H)	1.8	2.8	13.2	22.94	10.8	1.05	Fsa
61	63	259	—	NOIEX	Northern Income Equity	Convrt	S	S	S	3.5	4.4	6.8	12.24	6.4	0.81	FSA
62	123	70	—	FDSVX	Fidelity Discovery	LC	H	H	H	5.2	1.4	11.4	12.09	8.7	0.86	Fsa
63	37	169	—	SAIFX	Salomon Brothers Investors	LCVal	S	S	S	1.5	3.4	11.3	21.74	9.9	1.06	fa
64	64	65	—	FVDFX	Fidelity Value Discovery	MC	H	H	H	2.9	1.3	14.1	16.93	11.6	1.19	F
65	79	131	—	FFIDX	Fidelity Fund	LC	H	H	H	3.7	2.1	11.0	33.43	8.5	0.93	Fsa
66	120	—	—	JKJ	Morningstar Small Core (iS)	SC	S	S	S	4.7	0.7	12.7	79.48	—	—	—
67	113	239	—	SSHFX	Sound Shore (\$10k)	LCVal	S	S	S	4.1	2.6	8.8	38.80	10.5	1.07	FSA
68	78	144	—	FDGFX	Fidelity Dividend Growth	LC	S	S	S	3.7	2.0	10.3	30.48	9.2	0.98	Fsa

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	9/1 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/wff
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	42	—	JKI	Morningstar Mid Value (iS)	MVal	S	S	S	2.5	2.9	9.9	79.19	—	—	—	
70	238	2	IZZYX	Ironwood Isabelle Small Company Stock	SCVal	S	S	S	8.3	-2.6	14.9	15.86	17.1	1.60	FSA	
71	68	—	JKD	Morningstar Large Core (iS)	LC	S	S	S	3.4	2.4	9.5	69.43	—	—	—	
72	69	201	FSMKX	Fidelity Spartan 500 (\$10k)	LC	S	S	S	3.4	2.5	9.3	91.03	8.8	1.00	Fa	
73	73	—	VV	Vanguard LargeCap ETF	LC	S	S	S	3.3	2.4	9.3	58.34	—	—	—	
74	62	258	TWEBX	Tweedy, Browne American Value (closed)	MVal	S	S	S	2.8	3.2	8.3	25.15	6.8	0.82	fsc	
75	71	205	VFINX	Vanguard 500 Index	LC	S	S	S	3.4	2.4	9.2	121.20	7.8	1.00	fsc	
76	67	—	IWV	S&P 500 (iS)	LC	S	S	S	3.2	2.5	9.3	131.70	7.8	1.00	—	
77	60	—	SPY	S&P 500 (SPDR)	LC	S	S	S	3.3	2.4	9.2	131.40	7.8	1.00	—	
78	159	9	ATASX	ABN AMRO/TAMRO Small Cap N	SC	*	S	S	5.2	-0.4	13.4	18.32	15.8	1.52	FSA	
79	61	215	PRDGX	T. Rowe Price Dividend Growth	LC	S	S	S	3.0	2.6	9.0	23.90	8.4	0.94	fsc	
80	66	230	PRWCX	T. Rowe Price Cap Appreciation	LCVal	S	S	S	2.5	2.9	8.8	21.37	7.1	0.94	fsc	
81	152	—	VPCCX	Vanguard PRIMECAP Core (\$10,000)	LC	S	S	S	4.1	0.9	11.0	12.08	—	—	fsw	
82	50	100	CRMMX	CRM Mid Cap Value Inv (closed)	MC	S	S	S	3.5	1.4	10.7	28.62	10.0	1.04	FSA	
83	89	263	OAKMX	Oakmark Fund (2%r<90d)	LCVal	S	S	S	3.5	3.3	5.5	43.36	8.2	0.84	FSA	
84	90	145	FTRNX	Fidelity Trend	LC	S	S	S	3.6	1.4	10.3	60.33	8.9	1.00	Fsa	
85	85	187	JMCVX	Janus Mid Cap Value	MVal	S	S	S	3.0	2.1	9.2	23.72	10.2	1.06	FSA	
86	81	—	IWB	Russell 1000 (iS)	LC	S	S	S	3.3	2.0	9.0	71.19	8.0	1.02	—	
87	94	188	SNXFX	Schwab 1000 Fund (2%r<30d)	LC	S	S	S	3.4	2.0	8.9	38.34	8.8	1.00	fsc	
88	143	91	SLSSX	Selected Special Shares	MC	S	S	S	4.2	1.3	9.2	13.28	12.3	1.28	SA	
89	96	—	VTI	Vanguard Total Stock Mkt ETF	LC	S	S	S	3.4	1.7	9.3	129.80	8.5	1.08	—	
90	127	224	BPAVX	Robeco Boston Partners All Cap Value	MVal	S	S	S	3.1	2.4	8.1	15.71	10.0	1.04	FA	

Dow Jones
NASDAQ
S&P 500

0.5%
6.4
3.2

3.7%
-5.3
1.5

9.6%
2.1
7.3

indexes do not
include dividends

International Stock Funds

1	25	5	JAOSX	Janus Overseas (2%r<90d)	Int'l	*	B	B	7.4%	8.6%	44.5%	\$39.15	15.1	—	FSA
2	6	4	DREGX	Driehaus Emerging Mkts Gr (2%r<60d)	Int'l	*	B	B	4.2	4.8	46.1	33.54	17.9	—	FSA
3	2	2	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	*	B	5.0	2.1	51.1	31.70	20.5	—	fsc
4	33	60	ACFFX	Columbia Acorn Intl Select Z	Int'l	*	B	B	5.7	11.6	23.9	24.50	11.5	—	Sa
5	8	—	IEV	S&P 350 Europe Plus (iS)	Europe	*	B	B	4.0	11.7	23.2	96.44	10.6	—	—
6	3	19	ICSEX	ICON Europe	Europe	*	B	B	3.6	9.5	28.9	18.88	13.9	—	FSA
7	21	—	EZU	MSCI EMU (iS)	Europe	*	B	B	5.2	10.5	23.8	93.18	12.1	—	—
8	4	1	FLATX	Fidelity Latin Amer. (1.5%r<90d)	LatinA	*	*	H	5.8	0.2	48.6	38.92	19.8	—	Fsa
9	10	—	VGK	Vanguard European ETF	Europe	*	B	B	4.3	11.5	22.4	62.71	—	—	—
10	7	72	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	*	B	B	4.6	11.2	22.5	33.18	10.7	—	fsc
11	1	—	MPYMX	Metzler/Payden Europe Emg Mkts (2%r<30d)	Europe	*	B	B	1.5	8.1	34.2	29.51	21.4	—	FSA
12	20	—	FEZ	DJ Euro Stoxx 50 (stfr)	Europe	*	B	B	4.8	10.6	22.9	49.11	12.6	—	—
13	16	63	USIFX	USAA International	Int'l	*	B	B	4.4	10.0	24.9	27.61	9.4	—	—
14	9	66	OAKIX	Oakmark International (2%r<90d)	Int'l	*	H	H	3.8	10.5	23.3	26.61	9.2	—	FSA
15	13	36	FECAX	Fidelity Europe Capital App. (1%r<30d)	Europe	*	H	H	4.5	9.4	24.7	26.61	13.3	—	Fa
16	22	—	FEU	DJ Stoxx 50 (stfr)	Europe	*	H	H	4.3	11.5	18.9	45.45	10.6	—	—
17	42	21	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	4.3	5.6	33.2	24.15	17.2	—	Fsa
18	—	—	HIINX	Harbor International Inv (2%r<60d)	Int'l	*	H	H	4.3	6.9	28.3	57.52	12.0	—	FSA
19	19	65	DODFX	Dodge & Cox Intl Stock	Int'l	*	H	H	3.0	9.4	23.7	40.57	11.2	—	fsc
20	23	—	ADRU	Europe 100 ADR (BLDRS)	Europe	*	H	H	3.4	11.1	18.2	27.43	11.0	—	—
21	24	—	ADRD	Develop Mkts 100 ADR (BLDRS)	Int'l	*	H	H	3.7	9.9	20.5	27.31	10.5	—	—
22	29	32	SCGEX	DWS Europe Equity S (closed,2%r<30d)	Europe	*	H	H	4.9	8.4	22.5	35.70	11.3	—	FSA
23	41	24	ACINX	Columbia Acorn Intl Z (2%r<60d)	Int'l	*	H	H	4.5	7.0	26.2	38.92	11.6	—	Sa
24	17	40	VTRIX	Vanguard International Value (2%r<60d)	Int'l	*	H	H	4.1	7.3	25.6	40.40	11.1	—	fsc
25	27	69	SWINX	Schwab International Index (1.5%r<180d)	Int'l	*	H	H	4.0	8.7	21.7	20.53	9.6	—	S
26	26	53	VWIGX	Vanguard International Growth (2%r<60d)	Int'l	*	H	H	4.8	6.9	23.7	24.16	10.1	—	fsc
27	30	56	ICEUX	ICAP Euro Select Equity (2%r<30d)	Int'l	*	H	H	3.5	7.9	23.0	37.11	10.9	—	fsc
28	31	35	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	*	S	S	3.9	7.2	23.7	23.20	10.5	—	FSA
29	36	20	SCOBX	DWS Global Thematic S (closed,2%r<30d)	Global	*	S	S	4.6	5.1	27.3	35.26	11.1	—	FSA
30	47	25	SCOPX	DWS Pacific Opp Eq. S (closed,2%r<30d)	Pacific	*	S	S	4.5	4.6	28.8	18.48	14.9	—	FSA
31	35	6	FEMMX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	*	H	H	4.4	0.7	38.2	21.01	17.8	—	Fsa
32	32	—	ADRA	Asia 50 ADR (BLDRS)	Pacific	*	S	S	3.8	5.0	28.0	30.02	13.7	—	—
33	—	—	FFINX	Forward International Equity (2%r<180d)	Int'l	*	S	S	3.3	5.8	26.5	17.55	12.2	—	FSA
34	52	22	PRIDX	T. Rowe Price Intl Disc. (2%r<90d)	Int'l	*	S	S	4.2	5.1	26.6	46.60	12.9	—	fsc
35	43	44	FOSFX	Fidelity Overseas (1%r<30d)	Int'l	*	S	S	3.7	6.2	24.0	46.00	12.1	—	Fsa
36	28	45	ARTIX	Artisan International (2%r<90d)	Int'l	*	H	H	3.8	6.2	23.8	28.84	10.6	—	FSA
37	40	47	SCINX	DWS International S (2%r<180d)	Int'l	*	S	S	4.4	6.7	21.7	57.83	10.5	—	FSA
38	38	79	USAWX	USAA World Growth	Int'l	*	S	S	3.7	8.3	18.6	20.38	7.8	—	a
39	65	—	EPP	MSCI Pacific ex Japan (iS)	Pacific	*	S	S	4.4	8.5	16.8	112.80	11.8	—	—
40	5	42	ARTKX	Artisan Intl Value (2%r<90d)	Int'l	*	H	H	1.4	7.2	23.8	25.98	10.5	—	FSA
41	46	50	FIGRX	Fidelity Intl Discovery (1%r<30d)	Int'l	*	S	S	3.8	6.0	21.9	35.60	11.3	—	Fsa
42	18	43	BJBIX	Julius Baer Intl Eq A (closed,2%r<90d)	Int'l	*	S	S	3.5	5.3	23.6	41.41	11.9	—	FS
43	37	61	CMISX	Columbia Intl Stock ClZ (2%r<60d)	Int'l	*	S	S	3.1	6.5	21.4	19.11	10.0	—	fsc
68	61	38	VPACX	Vanguard Pacific Stock Index (2%r<60d)	Pacific	*	H	H	3.7	2.0	22.7	11.98	13.8	—	fsc
91	76	78	ICHKX	Guinness Atkinson China & HK (2%r<90d)	Pacific	*	H	H	1.6	2.9	13.5	21.79	16.9	—	FSA

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

RANK	9/1 2006	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/wf
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	1	1	USERX	U.S. Global Gold Shares (.25%r<30d)	NatRes	*	*	*	0.5%	26.0%	91.1%	\$16.25	35.30	2.08	fSa	
2	4	6	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	2.1	13.9	63.3	19.37	32.60	1.85	FSA	
3	6	7	SCGD	DWS Gold & Precious Metals S (closed)	NatRes	*	*	*	2.5	14.0	58.9	24.31	33.50	1.92	Sa	
4	16	16	RYPMX	Rydex Precious Metals (\$25k)	NatRes	*	*	*	3.3	11.4	52.9	56.29	33.10	1.78	FSA	
5	5	4	VGPIMX	Vang Precious Metal (closed,\$10k,1%r<1yr)	NatRes	*	*	*	2.5	13.0	49.6	29.43	24.20	1.63	fSa	
6	15	2	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	3.3	5.3	55.2	36.16	29.60	1.63	Fsa	
7	3	—	IAU	Cornex Gold Trust (iS)	NatRes	*	*	*	-3.4	10.9	40.8	62.28	—	—	—	
8	9	9	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	3.5	11.8	27.9	23.51	15.30	0.85	fSa	
9	2	—	GLD	Gold (stR)	NatRes	*	*	*	-3.4	10.8	40.5	62.14	—	—	—	
10	7	10	CSRSX	Cohen & Steers Realty (\$10k,1%r<180d)	RealEs	*	*	*	3.2	10.9	26.8	87.27	15.60	0.91	FSA	
11	8	—	ICF	Cohen & Steers Realty Major (iS)	RealEs	*	*	*	3.1	10.9	25.7	89.91	16.60	0.92	—	
12	10	—	RWR	DJ Wilshire REIT (stR)	RealEs	*	*	*	3.1	9.8	24.4	80.83	16.10	0.92	—	
13	24	—	VOX	Vanguard Telecom Service ETF	Utility	*	*	*	5.2	9.1	22.6	65.80	—	—	—	
14	12	—	VNQ	Vanguard REIT ETF	RealEs	*	*	*	3.4	9.8	22.9	70.87	—	—	—	
15	11	15	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	3.5	9.7	23.0	23.54	15.70	0.91	fSa	
16	14	24	PSPFX	U.S. Global Inv Global Res (.25%r<30d)	NatRes	B	B	B	-0.5	9.4	29.1	17.30	24.40	1.70	FSA	
17	21	29	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	5.0	9.5	18.5	38.79	15.10	0.88	fSa	
18	37	67	FDFA	Fidelity Food & Agr (.75%r<30d)	Consumr	*	*	*	4.2	10.2	16.8	57.03	7.83	0.69	FSA	
19	13	—	NR	DJ US Real Estate (iS)	RealEs	*	*	*	3.0	9.2	20.3	75.67	16.00	0.98	—	
20	20	27	CSEIX	Cohen & Steers Realty Income (1%r<180d)	RealEs	*	*	*	4.0	8.4	19.2	17.65	14.30	0.88	fSa	
21	17	13	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	3.3	7.6	22.0	36.52	15.20	0.89	Fsa	
22	43	—	XLP	Consumer Staples (SPDR)	LC	*	*	*	5.0	9.8	13.7	25.66	7.22	0.62	—	
23	26	—	IXG	S&P Global Financial (iS)	FinServ	*	*	*	3.9	5.8	24.8	82.94	9.32	0.99	—	
24	19	11	CGMRX	CGM Realty	RealEs	*	*	*	1.7	7.0	25.0	31.63	21.40	1.58	sa	
25	68	73	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	7.5	7.2	15.7	58.36	15.50	1.35	Fsa	
26	45	—	VDC	Vanguard Consumer Staple ETF	LC	*	*	*	4.9	9.4	12.6	62.30	—	—	—	
27	23	—	NYZ	DJ US Telecom (iS)	Tech	*	*	*	3.6	8.0	16.9	27.00	11.00	0.88	—	
28	22	64	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	2.1	8.7	16.8	50.79	9.78	0.81	Fsa	
29	49	87	RYCIX	Rydex Consumer Products (\$25k)	Consumr	*	*	*	4.3	9.7	10.3	33.56	8.83	0.81	FSA	
30	28	—	IXP	S&P Global Telecommunication (iS)	Tech	*	*	*	3.3	10.0	8.1	55.18	10.20	0.94	—	
31	73	—	XLB	Materials (SPDR)	LCVal	*	*	*	5.0	3.3	19.9	32.19	15.40	1.47	—	
32	72	30	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	5.6	3.9	17.1	36.88	12.50	1.46	fSa	
33	27	—	VPU	Vanguard Utilities ETF	Utility	*	*	*	1.6	9.4	9.0	72.60	—	—	—	
34	18	97	BEARX	Prudent Bear (1%r<30d)	Altern	*	*	*	-1.3	9.0	14.3	6.06	8.54	-0.58	FSA	
35	58	19	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	5.9	2.9	18.6	44.00	14.10	1.45	Fsa	
36	29	—	IDU	DJ US Utilities	Utility	*	*	*	1.8	9.1	8.4	85.06	10.60	0.52	—	
37	47	—	IXJ	S&P Global Healthcare (iS)	Health	*	*	*	3.2	7.1	11.1	57.28	8.36	0.49	—	
38	44	60	VGHGX	Vanguard Health (closed,\$25k&1%r<1yr)	Health	*	*	*	2.6	6.6	13.2	148.70	8.20	0.66	fSa	
39	30	—	XLU	Utilities (SPDR)	Util	*	*	*	1.6	8.9	8.9	34.80	11.20	0.46	—	
40	62	31	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycls	*	*	*	2.4	1.9	22.5	47.13	17.10	1.58	Fsa	
41	64	—	IYK	DJ US Consumer NonCyclical (iS)	LC	*	*	*	5.0	6.0	7.6	56.67	9.76	0.92	—	
42	50	39	FPHAX	Fidelity Pharmaceuticals (.75%r<30d)	Health	*	*	*	3.0	4.1	14.5	10.72	11.60	0.68	Fa	
43	38	100	RYUIX	Rydex Utilities (\$25k)	Utility	*	*	*	1.4	8.3	6.1	27.88	10.10	0.60	Fsa	
44	89	—	VAV	Vanguard Materials ETF	NatRes	*	*	*	5.0	1.6	16.6	64.39	—	—	—	
45	87	—	IYM	DJ US Basic Materials (iS)	LCVal	*	*	*	3.7	2.3	16.6	54.91	15.90	1.50	—	
46	39	—	IGE	GS Natural Resour (iS)	NatRes	B	B	B	-2.9	7.2	13.6	99.13	19.40	1.26	—	
47	40	—	XLF	Financial (SPDR)	FinServ	*	*	*	1.6	3.4	16.3	33.52	9.06	0.84	—	
48	42	—	VFH	Vanguard Financials ETF	FinServ	*	*	*	1.8	3.5	15.3	59.65	—	—	—	
49	32	—	IYG	DJ US Financial Services (iS)	FinServ	*	*	*	1.3	3.3	16.5	122.10	9.36	0.82	—	
50	41	—	IYF	DJ US Financial (iS)	FinServ	*	*	*	1.6	3.2	15.5	107.60	9.08	0.88	—	
51	31	—	IYE	DJ US Energy (iS)	NatRes	*	*	*	-3.4	8.2	10.5	96.91	20.10	1.15	—	
52	92	33	RYBIX	Rydex Basic Materials (\$25k)	Cycls	*	*	*	4.6	0.9	16.6	34.22	16.10	1.66	Fsa	
53	33	55	VGENX	Vanguard Energy (\$25k,1%r<1yr)	NatRes	B	B	B	-3.0	6.3	14.1	64.27	18.70	1.07	fSa	
54	48	57	PRNEX	T. Rowe Price New Era	NatRes	B	B	B	-1.8	4.8	15.9	45.73	16.90	1.29	fSa	
55	25	—	IXC	S&P Global Energy (iS)	NatRes	*	*	*	-2.9	7.9	9.1	107.20	18.70	1.10	—	
56	79	17	ICBMX	ICON Materials	Cycls	*	*	*	1.7	-0.1	22.2	12.08	18.40	1.73	FSA	
57	36	88	VDE	Vanguard Energy ETF	NatRes	B	B	B	-3.7	7.2	10.5	81.89	—	—	—	
58	46	92	RYJUX	Rydex Juno (\$25k)	Altern	*	*	*	-2.7	5.9	12.2	19.73	13.50	0.16	Fsa	
59	55	37	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	B	B	B	-2.4	3.6	16.9	27.00	20.00	1.23	Fa	
60	98	62	FSPFX	Fidelity Paper & Forest (.75%r<30d)	Cycls	*	*	*	5.9	0.4	11.7	30.40	16.60	1.51	Fsa	
61	35	—	XLE	Energy (SPDR)	NatRes	*	*	*	-3.8	6.9	10.1	56.50	20.50	1.14	—	
62	63	49	RSNRX	RS Global Natural Resources (\$5k)	NatRes	B	B	B	-0.9	3.0	15.4	35.71	19.70	1.29	FSA	
63	61	91	GATEX	Gateway Fund	Altern	B	*	*	1.6	4.1	7.8	26.51	2.80	0.30	Fsa	
64	60	96	MERFX	Merger Fund (closed,2%r<30d)	Altern	*	*	*	1.0	4.6	6.4	15.87	3.50	0.29	FSA	
65	34	76	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	*	*	*	0.6	3.3	10.2	37.36	9.20	0.83	Fsa	
66	53	79	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	2.7	2.3	9.3	7.58	11.00	0.94	FSA	
67	78	74	FBALX	Fidelity Balanced	Hybrid	B	*	*	2.9	1.6	9.5	19.64	7.99	1.18	Fsa	
68	113	34	RYMIX	Rydex Telecommunications (\$25k)	Utility	*	*	*	7.8	-1.2	8.9	16.92	15.00	1.55	Fsa	
69	96	59	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	3.9	0.6	9.9	68.74	9.93	1.02	Fsa	
77	74	83	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	2.7	1.8	6.1	20.44	5.24	0.78	fSa	

New Look for Select Funds?

Fidelity has proposed an investment realignment of their Select Portfolios, with the hope of making the funds easier to track and use. In addition, there are three other proposals on the agenda that will significantly change the Select Fund landscape. Assuming approval of these initiatives at the Fidelity shareholder meeting on September 20th, the changes would take effect on October 1, 2006.

- **Aligning the funds under ten major sectors...** proposed so that the funds' goals can match up with standard industry descriptions. The 10 major sectors, which are consistent with the Global Industry Classification Standard (GICS) are: Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services, and Utilities. Performance benchmarks will be changed for most of the funds, with many matching the GICS structure.
- **Removal of hourly pricing...** if approved, the funds will price at 4pm ET just like all the other Fidelity Funds. With the advent of Exchange-Traded Funds (ETFs), which trade intra-day, the hourly pricing policy has become obsolete.
- **Adoption of standard trading policies...** we're talking about the market timing policy here, which you can view in the fund's prospectus.
- **Dropping the \$7.50 exchange fee...** this fee, which is currently charged on fund exchanges not made through automated channels, will be dropped.

New International Funds

Fidelity has two relatively new international funds that are worth watching: Fidelity International Value (FIVLX) and Fidelity International Small Cap Opportunities (FSCOX). International Value invests in large company stocks that are inexpensive based on several criteria and have catalysts that may enhance value. It is benchmarked against the MSCI Europe, Australasia, Far East Value Index. It was launched on May 18 of this year, and is not yet eligible for the *MONEYLETTER* database.

International Small Cap Opportunities just turned a year old, and will be added to our database in an upcoming issue. In the last year through September 1st, the fund has returned 31.8%, and it is up 9.6% for the year-to-date (through 9/1 also). The fund seeks capital appreciation by investing primarily in attractively valued small foreign companies, generally with market capitalizations of \$5 billion or less. The fund is benchmarked against the MSCI EAFE (dividends re-invested). \$

For more information call Fidelity (800) 544-6666.

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100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF	5.07%	5.01%	3.99%
Vanguard Treasury MMF	4.85	4.80	3.91
Amer Century Capital Presv Fund/Inv	4.67	4.62	3.70
T. Rowe Price US Treasury MF	4.67	4.59	3.60
HSBC Investor US Treas MM/CI D	4.63	4.55	3.41
JPMorgan 100% US Treas MMF/Morgan	4.62	4.56	3.58
RMK Select Treas MMF/CI A	4.57	4.53	3.53
Merrill Lynch CMA Treas Fund RIC	4.51	4.42	3.43
Schwab US Treasury Money Fund	4.50	4.46	3.51
Wells Fargo Adv 100% Treas MMF/CI A	4.48	4.42	3.47

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
Transamerica Premier Cash Res/Inv	5.36%	5.32%	4.25%
MFS Money Market Fund	5.25	5.24	4.20
Vanguard Prime MMF/Retail	5.24	5.22	4.21
TIAA-CREF Money Market Fund	5.23	5.23	4.21
Harbor Money Market Fund	5.18	5.17	4.14
PayPal Money Market Fund	5.17	5.16	4.34
SSgA MMF/CI A	5.11	5.08	4.10
Dreyfus BASIC MMF	5.10	5.08	4.05
Pioneer Cash Reserves Fund/CI I	5.09	5.10	3.83
GE Money Market Fund	5.08	5.07	4.08

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	3.57%	3.52%	3.09%
Vanguard Tax-Exempt MMF	3.54	3.48	3.01
Fidelity AMT Tax-Free Money Fund	3.38	3.33	2.84
Fidelity Municipal MMF	3.31	3.24	2.75
DWS Tax-Exempt Money Fund	3.30	3.24	2.75
Amer Century T-F MMF/Inv Class	3.26	3.17	2.72
Fidelity Tax Free Money Market	3.26	3.19	2.72
T-E Portfolio/Managed Shares	3.24	3.19	2.69
Dreyfus BASIC Muni MMF	3.23	3.19	2.72
USAA Tax Exempt MMF	3.20	3.15	2.71

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard PA Tax-Exempt MMF	3.54%	3.48%	2.99%
Vanguard NY Tax-Exempt MMF	3.50	3.45	2.97
Vanguard OH Tax-Exempt MMF	3.50	3.45	2.99
Vanguard NJ Tax-Exempt MMF	3.47	3.42	2.94
Vanguard CA Tax-Exempt MMF	3.44	3.40	2.93
Fidelity NY Municipal MMF	3.25	3.16	2.65
Fidelity PA Municipal MMF	3.24	3.20	2.69
Fidelity AZ Municipal MMF	3.23	3.16	2.69
Fidelity OH Municipal MMF	3.23	3.14	2.64
Fidelity FL Municipal MMF	3.21	3.17	2.71

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 8/29/06. 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

(continued from page 8)

Morningstar Large Value Index (iShares) (JKF)
c/o SEI Investments Distribution Co.
One Freedom Valley Drive, Oaks, PA 19456
(800) 474-2737

PowerShares Dynamic Large Cap Value Portfolio (PWV)
PowerShares Capital Management
301 West Roosevelt Road, Wheaton, IL 60187
(800) 843-2639

ETFs Top the Domestic List

The two top-ranked funds in *MONEYLETTER*'s list of domestic stock funds are two ETFs: iShares Morningstar Large Value Index (JKF) and PowerShares Dynamic Large Cap Value Portfolio (PWV). As of September 1, 2006, the Morningstar ETF was edging out the PowerShares offering in most measures of recent performance. Given that they are both focused on "large-cap value," we set out to explore what sets these two ETFs apart.

Fund Performance (Total Return %)

	1 Month	3 Month	Year-to-Date	1 Year
JKF	2.0%	7.2%	15.4%	17.2%
PWV	2.9	6.0	13.4	16.7

Structure differences

Let's take a look at the iShares Morningstar Large Value, which seeks investment results that correspond to the Morningstar Large Value Index. That index is derived from the Morningstar US Market Index, which represents about 97% of the market capitalization of publicly traded U.S. stocks. From there, the large-cap component is defined as the stocks that form the top 70% of market capitalization of that index. And that universe is further designated as "core," "growth," or "value" based on their style orientations. The "value" group is characterized by low valuation based on price-to-earnings, price-to-book value, price-to-sales, price-to-cash flow, and dividend yield. The stocks in the index are weighted by the total number of shares available for public trading. Finally, the fund uses a representative sampling strategy for final stock selection. The underlying index is rebalanced quarterly and reconstituted semi-annually in June and December, and the ETF follows suit. Pretty straightforward.

PowerShares, if readers recall from our May 19 feature on the PowerShares Dynamic Market and Dynamic OTC ETFs, uses an indexing strategy with a "twist." The beginning of the construction of the Large Cap Value Intellidex (on which the ETF is based) starts with the 2,000 largest (by market capitalization) U.S. stocks. At this point, the Intellidex methodology uses a combination of 25 factors to calculate a "model score," which is used to rank the stocks by investment potential. The goal: to identify those with the greatest potential for capital appreciation.

The universe of stocks is then divided into three size groups, with the 250 largest stocks considered large-cap. Large-cap stocks are then divided into value and growth, based on a proprietary multi-factor methodology. Of the large-cap universe, 100 are deemed value stocks, with this further broken down into two sub-groups by market capitalization. The first

comprises the top quintile in market cap, from which 15 stocks with the highest potential are chosen and given a collective 50% weighting. From the remaining four quintiles, 35 high-potential stocks are selected for a collective 50% weighting. The Intellidex is designed to be sector-neutral. Stocks are reassessed and rebalanced at the end of every quarter.

How much turnover does this rebalancing cause? The answer is not as much as you might think. Dynamic Large Cap Value's turnover is 29%, compared to 17% for Morningstar Large Value.

Sectors and stocks

Looking at sectors, it's clear that both ETFs have the greatest portion of their assets in financial services stocks. Beyond that, they diverge. Looking at stock composition, the PowerShares offering consists of 50 stocks, with 35% of assets in the top ten holdings. The Morningstar ETF comprises 93 stocks, with nearly 50% of assets in the top ten. You can easily note that the PowerShares stock weightings are much more even than that of the Morningstar portfolio. That said, the two ETFs do share a number of top ten holdings in common: AT&T, Citigroup, JPMorgan Chase, Pfizer, and Verizon Communications. And before the Powershares ETF rebalanced on September 1, it also held Exxon Mobil and Altria Group in its top ten, which are currently top holdings of Morningstar. In addition, both funds have profited from a number of the same big winners (up more than 30% year-to-date): Merck, AT&T, and BellSouth, albeit with differing weightings. \$

Top Five Sectors (% of Assets)

	JKF		PWV
Financial Services	38.0%	Financial Services	45.0%
Energy	21.3	Consumer Staples	7.6
Health Care	9.1	Consumer Discretionary	7.3
Consumer Goods	9.0	Energy	7.3
Telecommunications	8.8	Telecommunications	6.7

JKF as of August 31 2006; PWV as of September 1, 2006.

Top Five Holdings (% of Assets)

	JKF		PWV
Exxon Mobil	10.8%	AT&T	3.4%
Citigroup	6.4	Citigroup	3.4
Bank of America	6.2	Verizon Communications	3.4
Pfizer	5.2	IBM	3.4
Altria Group	4.5	Pfizer	3.4

JKF as of August 31, 2006; PWV as of September 1, 2006

(continued on page 7)

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