

The Dilemma Remains

by Walter S. Frank, Chief Investment Officer

The stock market has been on a quiet tear over the past two months. Meanwhile, the U.S. economy has been crawling along at an extremely slow 1.6% growth rate (preliminary 3rd quarter estimate). This combination of a strong stock market and a weak economy usually occurs as the economy is close to turning the corner late in a recession after the Fed has cut interest rates to ignite a recovery. Those conditions do not exist today.

What then accounts for the stockmarket's buoyancy? Leaving aside the fading hopes of a near-term interest rate cut, the answer is profits—or rather profit estimates. We are coming to the end of the third-quarter earnings season. We would expect the economy's weakness to show up in disappointing profit reports. To the contrary, the profit reports have been surprisingly good.

As *The Investor's Business Daily* wrote (October 30), "The third quarter is proving to be full of surprises. Even as economic growth slows, corporate profit growth has accelerated, beating estimates by a wide margin." We can understand beating the analysts' estimates, the bar could well have been set too low. But coming in with a gain over last year's third quarter profits that was higher than any gain over the last six quarters (17% so far) has us scratching our heads.

While we are puzzled about the ability of profits to override the pull of gravity, we do not doubt that profit growth will return to earth sooner rather than later (upper single-digit profit growth.) As of the moment, the analysts appear to agree, at least with respect to the six months ahead. As the profit surprises continue, the U.S. market remains attractively valued despite the recent gains. The forward-looking price-earnings ratio for the S&P 500 still stands below 15. The market has room to move.

Unless the profit miracle continues, the room is going to lessen assuming the market marches on. That is why we have recommended and continue to recommend a substantial position in overseas markets.

The rate debate

There is a debate going on now among prominent Wall Street economists and market participants about the path of interest rates over the next six months. On the one side there are those such as Bill Gross of PIMCO who see the weakness in housing dragging the economy down enough so that the next move by the Federal Reserve will be to lower interest rates.

On the other hand, there are those such as the economists at JP Morgan Chase Bank who see the weakness in housing as having little "spillover" into the rest of the economy. As they see it, after a period of weakish results, which could well include this quarter, the economy will pick up, and the next move by the Fed will be to raise rates once or twice more next year.

Both sides can make convincing cases. For example, the economy does appear to be doing well, despite the slide in housing. Consumer spending is holding up and so are consumer spirits. The plunge in gas prices represents the equivalent of a huge tax cut. Wal-Mart may be having troubles, but other retailers appear to be doing well. And so it goes not only for consumption, but business investment as well.

Still we may not have felt the full effects of the housing slide yet. As Paul McCulley, the colorful PIMCO Managing Director, put it in his October observations, "When a bubble market swings from being a seller's market to a buyer's market, it stays shifted, and shafted, for a long, long time."

We won't leave you hanging. Right now we lean toward the side that looks for interest rate cuts sometime later next year. We say "lean" because we all have little experience to guide us in this case of a rapidly deflating housing bubble. Our feet are not fixed in cement. We are all flying by the seat of our pants, including the Fed.

Fund changes

As we discussed in the last issue of *MONEYLETTER*, we removed RS Global Natural Resources, now a load fund, from our model portfolios. As we said, we will continue to monitor the fund and carry it in our specialty list as long as the fund carries a Buy or Hold rating. If you currently hold the fund continue to hold it until its rating changes to a Sell.

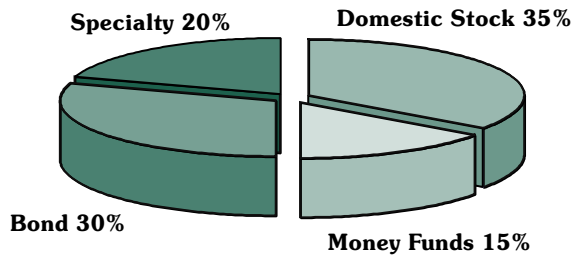
Here are the changes we made to the portfolios. All changes are as of Thursday, October 19. **MONEYLETTER Venturesome**—Sold 431 shares of RS Global Natural Resources @ \$34.65 per share. Purchased 329 shares of T. Rowe Price New Era (PRNEX) @ \$45.44 per share. **MONEYLETTER Moderate**—Sold 443 shares of RS Global, purchased 338 shares of New Era. **MONEYLETTER Conservative**—Sold 421 shares of RS Global, purchased 321 shares of New Era. **Vanguard Venturesome**—Sold 388 shares of RS Global. Purchased 166 shares of Vanguard Energy ETF (VDE) @ \$81.00 per share. **Vanguard Moderate**—Sold 373 shares of RS Global, purchased 160 shares Energy ETF. **Vanguard Conservative**—Sold 335 shares of RS Global, purchased 143 shares of Energy ETF. \$

Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Higher	Flat
Dollar	Flat	Flat/Lower
Inflation	Higher	Flat/Lower
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	3.6%	21,909	\$1.00	\$21,909
AmerCent Inflation Adj	02/12/03	17.6	2,382	10.72	25,535
Loomis Sayles Bond Retail	03/17/04	24.7	1,291	14.34	18,511
Gateway Fund	11/27/02	33.0	625	26.90	16,818
Wells Fargo Adv C&B MC Value	10/05/06	3.4	912	23.86	21,769
Morningstar Large Value (iS) ETF	08/03/06	5.2	170	80.53	13,680
PowerShares Dyn LC Value ETF	10/05/06	2.2	1,033	19.05	19,679
T. Rowe Price New Era	10/19/06	0.6	321	45.71	14,687
TOTAL VALUE					\$152,588

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	-0.8%	7.7%	32.6%	5.6%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	3.9%	16,291	\$1.00	\$16,291
Fidelity Inflation-Protected	09/15/04	6.9	1,153	10.95	12,629
Fidelity Strategic Income	03/17/04	18.3	1,936	10.63	20,581
Fidelity Balanced	11/27/02	66.7	894	19.27	17,228
Fidelity Large Cap Value	08/03/06	5.8	1,112	14.70	16,340
Fidelity Equity-Income	07/27/06	9.1	227	59.15	13,452
Fidelity Dividend Growth	10/12/06	1.2	545	31.47	17,159
Fidelity Natural Resources	01/11/06	3.7	452	26.57	12,009
TOTAL VALUE					\$125,689

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
2.4%	0.3%	11.4%	31.3%	7.2%

Vanguard Conservative

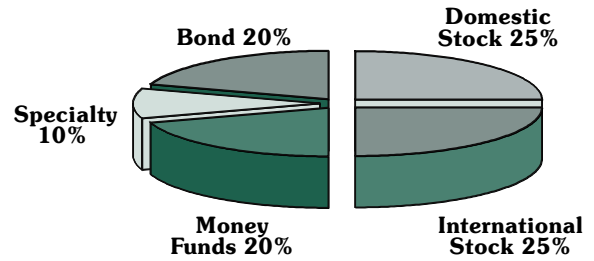
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	3.9%	17,822	\$1.00	\$17,822
Vanguard Inflation Protect	02/19/03	19.3	1,215	11.92	14,484
Vanguard GNMA	03/17/04	9.1	1,858	10.21	18,971
Vanguard Balanced Index	11/27/02	44.9	610	21.06	12,842
Vanguard Value ETF	06/14/06	14.2	328	65.70	21,572
Vanguard Equity Income	06/14/06	12.5	643	25.89	16,645
Vanguard Dividend Growth	08/03/06	7.4	637	14.11	8,990
Vanguard Energy ETF	10/19/06	0.7	143	81.53	11,659
TOTAL VALUE					\$122,985

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
2.0%	2.1%	10.1%	28.9%	7.1%

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	3.6%	38,653	\$1.00	\$38,653
Loomis Sayles Bond Retail	03/17/04	24.7	1,806	14.34	25,903
Driehaus Emerging Mkts Growth	05/24/06	12.7	804	35.84	28,803
ICON Europe	08/10/06	7.3	855	19.49	16,667
Morningstar Large Value (iS) ETF	08/03/06	5.2	230	80.53	18,537
PowerShares Dyn LC Value ETF	08/10/06	8.3	1,218	19.05	23,211
T. Rowe Price New Era	10/19/06	0.6	338	45.71	15,445
TOTAL VALUE					\$167,219

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
2.9%	-2.5%	16.3%	51.2%	10.0%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	3.9%	30,719	\$1.00	\$30,719
Fidelity Strategic Income	03/17/04	18.3	2,836	10.63	30,145
Fidelity SE Asia	10/05/06	2.5	723	25.59	18,505
Fidelity Europe Capital App	06/07/06	8.2	765	27.47	21,026
Fidelity Dividend Growth	09/21/06	4.1	757	31.47	23,834
Fidelity Equity-Income	07/27/06	9.1	244	59.15	14,453
Fidelity Natural Resources	01/11/06	3.7	563	26.57	14,949
TOTAL VALUE					\$153,631

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
2.5%	-3.8%	14.7%	46.0%	5.2%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	3.9%	29,187	\$1.00	\$29,187
Vanguard FI Hi-Yld Corp	01/17/01	39.0	3,975	6.14	24,405
Vanguard European ETF	09/28/06	3.5	208	65.44	13,612
Vanguard International Value	06/07/06	10.9	546	41.70	22,766
Vanguard Value Index	07/27/06	8.3	462	25.62	11,842
Vanguard Value ETF	06/14/06	14.2	369	65.70	24,234
Vanguard Energy ETF	10/19/06	0.7	160	81.53	13,045
TOTAL VALUE					\$139,091

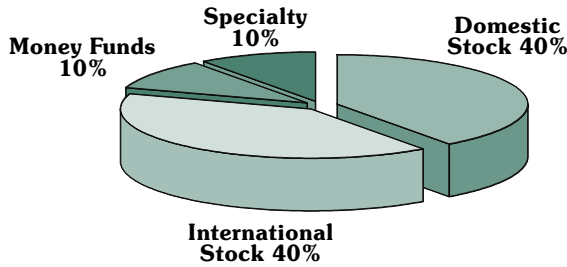
TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
2.5%	-2.4%	12.2%	37.3%	6.2%

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	1.7%	15,433	\$1.00	\$15,433
Janus Overseas	05/24/06	17.3	660	42.44	28,024
Metzler/Payden Europe Emg Mkts	08/17/06	3.5	511	30.39	15,532
ICON Europe	06/07/06	9.8	1,223	19.49	23,842
Morningstar Large Value (iS) ETF	08/03/06	5.2	330	80.53	26,551
Wells Fargo Adv C&B MC Value	10/05/06	3.4	667	23.86	15,905
PowerShares Dyn LC Value ETF	08/10/06	8.3	1,134	19.05	21,606
T. Rowe Price New Era	10/19/06	0.6	329	45.71	15,028
TOTAL VALUE					\$161,921

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
4.2%	-4.7%	17.5%	57.2%	9.6%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	1.7%	15,831	\$1.00	\$15,831
Fidelity SE Asia	10/05/06	2.5	1,191	25.59	30,471
Fidelity Latin America	08/17/06	6.1	387	41.13	15,913
Fidelity Europe Capital App	06/07/06	8.2	785	27.47	21,566
Fidelity Large Cap Value	08/03/06	5.8	1,923	14.70	28,266
Fidelity Equity-Income	09/21/06	4.8	410	59.15	24,280
Fidelity Dividend Growth	10/12/06	1.2	403	31.47	12,694
Fidelity Natural Resources	01/11/06	3.7	596	26.57	15,841
TOTAL VALUE					\$164,862

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
3.7%	-4.0%	17.1%	48.2%	6.6%

Vanguard Venturesome

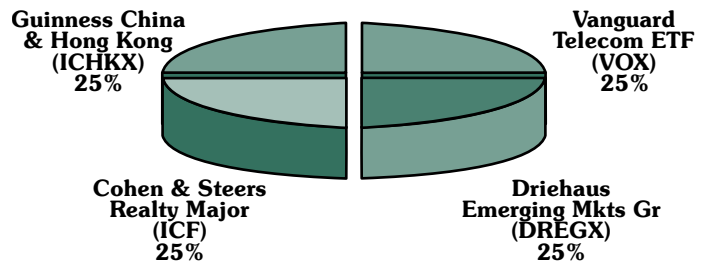
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	1.7%	13,416	\$1.00	\$13,416
Vanguard International Value	06/07/06	10.9	755	41.70	31,480
Vanguard European ETF	08/17/06	5.7	210	65.44	13,742
Vanguard International Growth	09/28/06	3.7	513	24.91	12,787
Vanguard Value ETF	06/14/06	14.2	392	65.70	25,741
Vanguard Dividend Growth	08/10/06	7.7	1,465	14.11	20,670
Vanguard Value Index	07/27/06	8.3	407	25.62	10,435
Vanguard Energy ETF	10/19/06	0.7	166	81.53	13,534
TOTAL VALUE					\$141,805

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
3.3%	-3.5%	14.5%	42.2%	6.6%

SELECT

Seeks maximum long-term growth by assertively upgrading fund positions



MONEYLETTER Select

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Driehaus Emerging Mkts Growth	05/17/06	4.0%	1,402	\$35.84	\$50,237
Cohen & Steers Realty Major (iS)	09/14/06	6.6	488	97.90	47,740
Vanguard Telecom Ser ETF	09/21/06	4.3	724	70.87	51,310
Guinness Atkinson China & HK	07/27/06	7.0	1,887	22.96	43,319
TOTAL VALUE					\$192,668

Inception: 9/30/02

TOTAL RETURNS (as of 10/31/06)

1-mo	6-mo	1-yr	3-yr	YTD
5.1%	-10.3%	13.9%	62.7%	4.5%

MONEYLETTER Select Commentary

With the Fed remaining on the sidelines while it continues to gather data on economic growth and inflation, markets have responded favorably during the month of October.

Measures of economic activity will be closely monitored to see if the Fed decision to “pause,” following a long and uninterrupted string of interest rate increases, was correct. An examination of Fed policy, dating back to 1914, reveals that a “pause” has never been observed. When a cycle of interest rate increases has been “interrupted” the next change has historically been in the opposite direction.

Following a series of recent fund exchanges the Model is now split between domestic sectors and international fund choices. The small “cash” balance, which remained following recent transactions, will be added to the Guinness Atkinson China & HK position (ICHKX). \$

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—October 31, 2006

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	3.3%	6.1%	16.3%	38.4%	12.1%
Asset Allocation Funds (Avg) 213 Funds	2.5	3.4	12.7	32.2	8.8

Domestic Stock Funds

RANK	10/27 2006	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/ w/f
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	3	—	—	LSVRX	Loomis Sayles Value Retail	LCVal	B	B	B	3.7%	8.6%	35.8%	\$21.81	7.4	0.90	FA
2	8	228	—	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	B	B	B	5.1	11.1	27.2	31.77	9.4	1.01	fa
3	1	172	—	JKF	Morningstar Large Value (fS)	LCVal	B	B	B	3.1	11.1	26.1	80.84	—	—	—
4	2	157	—	PWW	PowerShares Dyn LC Value	LCVal	B	B	B	3.5	10.7	26.2	19.10	—	—	—
5	23	276	—	WEHIX	Weitz Hickory	MC	*	B	B	5.0	10.8	23.2	38.02	9.7	0.99	fSA
6	15	234	—	WWALX	Weitz Value Fund	LCVal	B	B	B	4.7	11.0	20.6	40.25	7.2	0.69	FSA
7	5	146	—	GEVTX	Columbia Disciplined Value Clz	LCVal	B	B	B	3.5	8.5	27.3	16.57	9.1	0.98	a
8	6	163	—	VIVAX	Vanguard Value Index	LCVal	B	B	B	3.3	9.0	24.9	25.66	8.2	1.00	fSA
9	9	164	—	VTV	Vanguard Value ETF	LCVal	B	B	B	3.2	8.9	24.9	65.83	—	—	—
10	4	196	—	ELV	DJ WI US LargeCap Value (stTr)	LCVal	B	B	B	3.1	8.9	23.5	80.39	7.4	0.86	—
11	16	166	—	IWD	Russell 1000 Value (fS)	LCVal	B	B	B	3.3	8.4	24.3	79.72	8.0	0.99	—
12	21	162	—	IWW	Russell 3000 Value (fS)	LCVal	B	B	B	3.3	8.0	24.4	104.00	8.3	1.03	—
13	61	120	—	GABAX	Gabelli Asset (2%r<7d)	MC	H	H	H	4.7	7.0	23.8	48.10	10.2	1.09	FSA
14	11	254	—	TWEIX	American Century Equity Income	LCVal	B	B	B	2.5	9.5	20.5	8.92	6.8	0.77	FSA
15	19	—	—	XLG	Rydex Russell Top 50	LC	H	H	H	3.5	9.5	18.7	104.40	—	—	—
16	13	215	—	TWVLX	American Century Value (closed)	LCVal	B	B	B	3.2	8.5	21.7	7.84	7.3	0.88	FSA
17	20	282	—	DVY	DJ Select Dividend Index (fS)	MCVal	(B)	(B)	(B)	3.1	9.7	18.6	68.70	—	—	—
18	7	217	—	PVLDX	Allianz OCC Value D (2%r<7d)	LCVal	*	B	B	2.9	8.3	22.2	17.97	9.8	1.17	FSA
19	35	185	—	TGDVX	TCW Diversified Value N	LCVal	H	H	H	4.3	6.9	22.9	16.22	10.4	1.08	FSA
20	24	153	—	IVE	S&P 500 Value (fS)	LCVal	(B)	(B)	(B)	3.4	7.0	23.5	74.35	8.6	1.07	—
21	17	154	—	FEQIX	Fidelity Equity-Income	LCVal	B	B	B	3.4	7.1	23.4	59.17	8.4	1.04	Fsa
22	58	284	—	BIGRX	American Century Income & Growth	LCVal	H	H	H	4.8	7.6	20.0	33.58	9.5	1.06	FSA
23	10	188	—	VEIPX	Vanguard Equity-Income	LCVal	B	B	B	2.6	8.1	21.8	25.90	7.6	0.91	fSA
24	12	248	—	VASVX	Vanguard Selected Value (\$25k, 1%r<1yr)	MCVal	B	B	B	1.9	8.4	22.0	21.27	8.6	0.97	fSA
25	73	—	—	FSLVX	Fidelity Large Cap Value	LCVal	H	H	H	4.0	6.7	22.7	14.72	—	1.00	Fa
26	47	141	—	LLPFX	Longleaf Partners (closed)	LC	H	H	H	5.2	6.0	22.8	36.61	9.9	0.95	fa
27	40	318	—	THPGX	Thompson Plumb Growth	LC	H	H	H	4.2	8.9	17.1	49.45	11.1	1.12	Fsa
28	31	291	—	OEF	S&P 100 (fS)	LC	H	H	H	3.5	8.3	19.3	64.26	7.2	0.90	—
29	22	214	—	TGIGX	TCW Dividend Focused N	LCVal	H	H	H	3.8	7.2	21.3	13.20	9.7	1.03	FSA
30	14	161	—	VWNFX	Vanguard Windsor II (closed,\$10k)	LCVal	H	H	H	2.6	7.4	22.4	35.23	7.9	0.90	fSA
31	100	19	—	JSVAX	Janus Contrarian	LC	*	H	H	4.6	3.8	28.3	17.48	13.6	1.29	SA
32	26	74	—	CBMDX	Wells Fargo Adv C&B Mid Cap Value	MC	*	B	B	2.3	5.8	26.4	23.50	11.9	1.32	FSA
33	25	—	—	VDIGX	Vanguard Dividend Growth	LCVal	B	B	B	2.8	7.4	21.3	14.10	7.1	0.87	fSA
34	33	263	—	OAKMX	Oakmark Fund (2%r<90d)	LCVal	H	H	H	3.7	7.5	19.5	46.36	8.2	0.84	FSA
35	124	135	—	CHITX	ABN Amro Mid Cap	MC	*	H	H	4.4	5.9	22.6	26.80	15.4	1.54	FSA
36	130	79	—	IWN	Russell 2000 Value (fS)	SCVal	*	H	H	3.6	4.8	26.5	77.40	13.6	1.50	—
37	133	150	—	FAIRX	Fairholme Fund (2%r<60d)	MC	H	H	H	5.4	5.5	22.0	28.76	8.4	0.71	fSA
38	78	8	—	USCGX	USAA Capital Growth	SCGro	*	H	H	4.4	2.6	30.7	9.20	15.0	1.52	fSA
39	18	116	—	DODGX	Dodge & Cox Stock (closed)	LCVal	H	H	H	3.1	6.3	23.2	155.10	9.5	1.02	sa
40	32	149	—	TRMCX	T. Rowe Price Mid Cap Value (closed)	MCVal	(H)	(H)	(H)	2.9	6.0	24.4	26.67	9.8	1.22	fSA
41	72	122	—	IWS	Russell MidCap Value (fS)	MCVal	H	H	H	3.4	6.0	23.4	141.10	10.0	1.18	—
42	34	242	—	JKD	Morningstar Large Core (fS)	LC	H	H	H	3.7	7.3	19.1	74.05	—	—	—
43	28	200	—	DIA	Dow 30 Industrials (Diamonds)	LCVal	H	H	H	3.4	6.9	20.2	120.90	8.6	1.03	—
44	30	209	—	PRFDX	T. Rowe Price Equity-Income	LCVal	H	H	H	3.2	6.7	21.2	29.22	8.9	0.98	fSA
45	29	257	—	NY	NYSE 100 (fS)	LCVal	H	H	H	2.8	7.5	19.0	72.82	—	—	—
46	57	148	—	VWNDX	Vanguard Windsor	LCVal	H	H	H	4.7	5.1	22.2	19.27	8.8	1.09	fSA
47	37	292	—	MAVFX	Matrix Advisors Value (1%r<60d)	LC	*	H	H	4.2	6.4	19.6	58.28	13.2	1.43	FSA
48	36	165	—	SAIFX	Salomon Brothers Investors	LCVal	H	H	H	3.5	6.3	20.7	22.85	9.9	1.06	fa
49	76	314	—	CFIMX	Clipper Fund	LCVal	H	H	H	4.6	7.9	14.9	92.48	8.8	0.83	Fsa
50	118	16	—	WWNPX	Kinetics Paradigm (2%r<30d)	MC	H	H	H	4.5	3.6	25.9	24.16	10.8	1.05	FSA
51	143	1	—	HDPMX	Hodges Fund (2%r<90d)	MC	*	H	H	5.3	0.1	33.4	25.86	19.0	1.85	FSA
52	39	303	—	DGAGX	Dreyfus Appreciation	LC	H	H	H	2.7	8.3	16.4	44.37	7.6	0.79	FSA
53	48	267	—	FDGFX	Fidelity Dividend Growth	LC	H	H	H	3.2	7.1	18.6	31.47	9.2	0.98	Fsa
54	27	294	—	YACKX	Yacktman Fund (2%r<30d)	LCVal	H	H	H	2.3	8.1	17.2	16.65	8.8	0.92	Fsa
55	181	12	—	ATASX	ABN AMRO/TAMRO Small Cap N	SC	*	H	H	5.2	1.1	30.1	19.71	15.8	1.52	FSA
56	56	83	—	NYC	NYSE Composite (fS)	LC	H	H	H	3.6	5.0	22.9	80.38	—	—	—
57	159	27	—	KJK	Morningstar Small Core (fS)	SC	H	H	H	4.5	2.2	27.8	83.98	—	—	—
58	112	99	—	VCVLX	Vanguard Capital Value	LCVal	S	S	S	5.5	3.2	23.5	13.09	10.1	1.19	fSA
59	141	110	—	JKL	Morningstar Small Value (fS)	SCVal	H	H	H	3.5	4.2	23.7	80.03	—	—	—
60	59	160	—	ICSLX	ICAP Select Equity	LCVal	S	S	S	3.6	5.2	21.3	41.38	9.1	0.94	fSA
61	102	202	—	FDEQX	Fidelity Disciplined Equity	LC	S	S	S	4.1	5.4	20.0	30.92	9.1	0.97	Fsa
62	52	266	—	IVV	S&P 500 (fS)	LC	S	S	S	3.2	6.3	19.0	138.20	7.8	1.00	—
63	65	258	—	VUVLX	Vanguard U.S. Value	LCVal	S	S	S	2.9	6.5	18.8	14.99	9.0	1.09	fSA
64	284	20	—	IZZYX	Ironwood Isabelle Small Company Stock	SCVal	S	S	S	7.0	0.3	28.0	16.89	17.1	1.60	FSA
65	53	269	—	SPY	S&P 500 (SPDR)	LC	S	S	S	3.1	6.2	18.9	137.90	7.8	1.00	—
66	75	264	—	VQNPX	Vanguard Growth & Income	LC	H	H	H	3.8	5.8	18.9	35.09	8.3	1.04	fSA
67	49	260	—	FSMKX	Fidelity Spartan 500 (\$10k)	LC	H	H	H	3.2	6.1	19.0	95.83	8.8	1.00	Fa
68	50	262	—	VFINX	Vanguard 500 Index	LC	S	S	S	3.1	6.1	18.9	127.00	7.8	1.00	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	10/27 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	154	50	DSV	DJ Wl US SmallCap Value (stTr)	SCVal	*	S	S	3.7	3.7	24.1	68.51	13.5	1.53	—	
70	155	121	VBR	Vanguard SmallCap Value ETF	SCVal	S	S	S	3.6	4.1	23.1	69.88	—	—	—	
71	98	39	FVDFX	Fidelity Value Discovery	MC	S	S	S	3.3	3.3	25.4	17.06	11.6	1.19	F	
72	103	145	JKI	Morningstar Mid Value (iS)	MCVal	H	H	H	3.3	4.7	21.8	82.49	—	—	—	
73	127	181	JMCMVX	Janus Mid Cap Value	MCVal	S	S	S	4.0	5.2	19.6	24.86	10.2	1.06	FSA	
74	137	101	FSLX	Fidelity Value Strategies	MC	*	S	S	4.4	3.1	24.1	34.53	18.5	1.80	F	
75	95	222	FEQTX	Fidelity Equity-Income II	LCVal	S	S	S	4.2	5.4	18.6	24.98	10.5	1.16	Fsa	
76	114	129	MQIFX	Mutual Qualified (2%r<7d) CIZ	MCVal	S	S	S	3.6	4.7	21.2	22.43	8.0	0.82	sa	
77	74	30	NEEGX	Needham Growth Fund (2%r<60d)	SCGro	*	S	S	2.4	3.0	27.2	41.22	15.1	1.55	FSA	
78	153	124	VISVX	Vanguard Small-Cap Value Index	SCVal	S	S	S	3.6	3.9	23.1	16.72	12.0	1.34	fsa	
79	92	244	BEQGX	American Century Equity Growth	LC	S	S	S	3.8	5.3	19.1	25.66	9.3	1.00	FSA	
80	60	246	VV	Vanguard LargeCap ETF	LC	S	S	S	3.1	5.7	19.0	61.17	—	—	—	
81	195	13	HRTVX	Heartland Value (2%r<10d)	SCVal	*	S	S	5.6	1.0	26.9	53.53	16.9	1.57	FSA	
82	126	134	BEGRX	Mutual Beacon (2%r<7d) CIZ	MCVal	S	S	S	4.0	4.7	19.9	17.53	7.6	0.76	sa	
83	51	80	SMCDX	Wells Fargo Advantage MC Disciplined	MCVal	S	S	S	1.9	5.7	20.4	23.28	7.7	0.80	FSA	
84	116	156	MUTHX	Mutual Shares (1%) CIZ	MCVal	S	S	S	3.9	4.9	19.5	26.89	6.9	0.71	sa	
85	274	36	JAVTX	Janus Venture [closed]	SCGro	*	S	S	7.2	0.3	25.9	65.68	16.7	1.55	FSA	
86	70	249	SNXFX	Schwab 1000 Fund (2%r<30d)	LC	S	S	S	3.3	5.5	18.7	40.37	8.8	1.00	fSa	
87	90	223	VTI	Vanguard Total Stock Mkt ETF	LC	S	S	S	3.4	5.1	19.4	136.20	8.5	1.08	—	
88	79	236	ISI	S&P 1500 (iS)	LC	S	S	S	3.3	5.3	19.0	122.60	—	—	—	
89	42	123	HOVLX	Homestead Value (2%r<30d)	LCVal	H	H	H	2.7	4.8	21.0	36.93	9.2	0.96	A	
139	46	126	SAOPX	Salomon Brothers Opportunity	MCVal	(S)	(S)	(S)	0.2	3.4	21.8	57.83	8.5	0.93	fa	

Dow Jones
NASDAQ
S&P 500

3.4%
3.9
3.1

6.2%
0.2
5.2

18.2%
13.9
16.8

indexes do not
include dividends

International Stock Funds

1	7	1	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	*	B	8.9%	5.3%	54.0%	\$33.89	20.5	—	fsa
2	2	8	JAOSX	Janus Overseas (2%r<90d)	Int'l	*	B	B	6.9	5.2	52.5	42.13	15.1	—	FSA
3	23	4	FLATX	Fidelity Latin America (1.5%r<90d)	LatinA	*	*	(B)	7.8	3.4	50.0	41.12	22.1	—	Fsa
4	56	11	ILF	S&P 40 Latin America (iS)	LatinA	*	*	(B)	9.4	3.4	41.4	153.70	19.2	—	—
5	46	6	SLAFX	DWS Latin Amer Equity S (closed,2%r<30d)	LatinA	*	*	(B)	8.8	2.1	44.9	57.88	21.1	—	Sa
6	22	—	MPYMX	Metzler/Payden Europe Emg Mkts (2%r<30d)	Europe	*	(B)	(B)	7.3	3.6	42.8	30.53	21.4	—	FSA
7	11	28	ACFFX	Columbia Acorn Intl Select Z	Int'l	*	H	H	5.4	6.5	37.9	25.97	11.5	—	Sa
8	4	2	DREGX	Driehaus Emerging Mkts Gr (2%r<60d)	Int'l	*	B	B	4.6	-0.5	53.2	35.56	17.9	—	FSA
9	12	79	IEV	S&P 350 Europe Plus (iS)	Europe	*	B	B	3.6	7.7	33.3	100.30	10.6	—	—
10	40	54	TREMX	T. Rowe Price Europe & Med (2%r<90d)	Europe	*	H	H	7.8	2.6	39.3	30.79	19.4	—	fa
11	6	76	VGK	Vanguard European ETF	Europe	*	B	B	3.8	7.6	32.9	65.36	—	—	—
12	5	64	EZU	MSCI EMU (iS)	Europe	*	B	B	3.6	6.6	35.3	97.31	12.1	—	—
13	41	20	ADRE	Emerging Mkts 50 ADR (BLDRS)	EmerMkt	*	H	H	6.8	2.0	41.7	34.29	17.9	—	—
14	10	81	FEZ	DJ Euro Stoxx 50 (stTr)	Europe	*	B	B	3.1	7.5	33.2	50.89	12.6	—	—
15	14	71	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	*	B	B	3.5	7.2	33.0	34.55	10.6	—	fsa
16	29	40	SCOBX	DWS Global Thematic S (closed,2%r<30d)	Global	*	H	H	4.6	4.1	36.4	37.01	11.1	—	FSA
17	18	—	EFV	MSCI EAFE Value (iS)	Int'l	*	(B)	(B)	4.1	5.8	32.4	68.56	—	—	—
18	25	—	FFINX	Forward International Equity (2%r<180d)	Int'l	*	H	H	5.1	3.5	35.6	18.36	12.2	—	FSA
19	15	96	USAWX	USAA World Growth	Int'l	*	H	H	3.0	8.0	27.0	21.27	7.8	—	a
20	17	7	ICSEX	ICON Europe	Europe	*	(H)	(H)	3.2	1.1	43.7	19.46	13.9	—	FSA
21	13	67	OAKIX	Oakmark International (2%r<90d)	Int'l	*	H	H	3.4	6.2	30.3	27.79	9.0	—	FSA
22	20	95	OAKGX	Oakmark Global (2%r<90d)	Global	*	H	H	4.0	7.3	26.4	27.80	9.8	—	FSA
23	24	92	ADRU	Europe 100 ADR (BLDRS)	Europe	*	H	H	4.1	6.5	27.9	28.30	11.0	—	—
24	9	44	ARTKX	Artisan Intl Value (2%r<90d)	Int'l	*	(H)	(H)	3.6	4.4	33.6	27.66	10.6	—	FSA
25	16	72	USIFX	USAA International (2%r<5d)	Int'l	*	(H)	(H)	2.7	5.9	30.6	28.32	9.8	—	a
26	8	17	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	3.5	0.6	42.5	25.53	16.9	—	Fsa
27	1	41	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	*	(H)	(H)	1.8	4.5	34.4	24.54	10.8	—	FSA
28	3	24	SCOPX	DWS Pacific Opp Eq. S (closed,2%r<30d)	Pacific	*	H	H	2.1	1.5	41.4	19.44	14.8	—	Sa
29	19	93	FEU	DJ Stoxx 50 (stTr)	Europe	*	H	H	3.5	6.6	26.3	46.32	10.6	—	—
30	35	—	HIINX	Harbor International Inv (2%r<60d)	Int'l	*	S	S	4.4	2.4	34.7	59.59	12.0	—	FSA
31	53	91	EPP	MSCI Pacific ex Japan (iS)	Pacific	*	S	S	6.1	4.2	27.3	118.00	11.8	—	—
32	55	9	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	*	S	S	5.2	-2.8	45.4	21.94	17.8	—	Fsa
33	31	45	VTRIX	Vanguard International Value (2%r<60d)	Int'l	*	H	H	3.5	2.9	33.5	41.70	11.1	—	fsa
34	26	102	DGT	DJ Wl Global Titans (stTr)	Global	*	S	S	2.7	8.3	20.1	73.64	7.0	—	—
35	49	—	VHGEX	Vanguard Global Equity	Global	*	S	S	4.1	4.3	27.7	22.89	10.7	—	fsa
36	30	39	SCGEX	DWS Europe Equity S (closed,2%r<30d)	Europe	*	S	S	3.2	1.9	34.9	36.81	11.3	—	FSA
37	34	78	SWINX	Schwab International Index (1.5%r<180d)	Int'l	*	S	S	3.6	4.2	28.0	21.11	9.6	—	S
38	36	83	ADRD	Develop Mkts 100 ADR (BLDRS)	Int'l	*	S	S	4.2	4.1	27.4	27.99	10.5	—	—
39	42	12	ACINX	Columbia Acorn Intl Z (2%r<60d)	Int'l	*	S	S	4.9	0.5	35.3	40.39	11.6	—	Sa
40	45	29	BJBIX	Julius Baer Intl Eq A (closed,2%r<90d)	Int'l	*	S	S	4.4	1.7	32.7	43.02	11.9	—	FS
41	21	21	FECAX	Fidelity Europe Capital App (1%r<30d)	Europe	*	H	H	3.2	1.0	36.1	27.39	13.7	—	Fsa
42	39	57	VWIGX	Vanguard International Growth (2%r<60d)	Int'l	*	H	H	3.9	2.9	29.9	24.87	10.7	—	fsa
43	27	84	PRESX	T. Rowe Price European (2%r<90d)	Europe	*	S	S	3.6	3.6	28.3	20.61	10.7	—	fsa
44	33	47	DODFX	Dodge & Cox Intl Stock	Int'l	*	S	S	4.1	2.1	30.4	41.81	11.2	—	fsa
51	84	74	ICHKX	Guinness Atkinson China & HK (2%r<90d)	Pacific	*	H	H	6.3	0.4	29.7	23.06	16.9	—	FSA

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

RANK	10/27 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	
1	2	49	ICF	Cohen & Steers Realty Major (iS)	RealEs	*	*	*	5.6%	19.9%	45.6%	\$97.27	16.60	0.92	—	
2	6	48	RWR	DJ Wilshire REIT (stTr)	RealEs	*	*	*	5.2	18.3	42.6	86.60	16.10	0.92	—	
3	3	47	CSRSX	Cohen & Steers Realty (\$10k, 1%r<180d)	RealEs	*	*	*	4.9	18.1	43.0	93.61	15.60	0.91	FSA	
4	5	44	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	4.8	17.7	44.1	25.05	15.30	0.85	fsc	
5	10	52	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	5.9	17.9	41.6	36.22	15.20	0.89	Fsa	
6	8	56	VNQ	Vanguard REIT ETF	RealEs	*	*	*	4.9	18.3	40.9	75.78	—	—	—	
7	7	55	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	4.8	18.1	40.5	25.16	15.70	0.91	fsc	
8	12	57	NYR	DJ US Real Estate (iS)	RealEs	*	*	*	5.1	17.1	40.2	81.47	16.00	0.98	—	
9	1	53	VOX	Vanguard Telecom Service ETF	Utility	*	*	*	5.4	14.6	38.9	71.89	—	—	—	
10	16	81	CSEIX	Cohen & Steers Realty Income (1%r<180d)	RealEs	*	*	*	4.1	17.2	32.6	18.71	14.30	0.88	fsc	
11	9	76	NYZ	DJ US Telecom (iS)	Tech	*	*	*	5.4	14.8	32.5	29.07	11.00	0.88	—	
12	20	94	STMDX	Stratton Mithly Div REIT (1.5%r<120d)	RealEs	*	*	*	3.3	16.2	31.9	40.80	15.10	0.88	fsc	
13	4	83	IXP	S&P Global Telecommunication (iS)	Tech	*	*	*	7.5	15.7	26.8	61.31	10.20	0.94	—	
14	15	67	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	3.9	15.1	30.4	53.58	9.78	0.81	fsc	
15	38	20	CGMRX	CGM Realty	RealEs	*	*	*	5.3	9.3	38.1	33.35	21.40	1.58	sa	
16	27	100	XLU	Utilities (SPDR)	Utility	*	*	*	3.9	16.6	21.4	35.77	11.20	0.46	—	
17	35	97	VPU	Vanguard Utilities ETF	Utility	*	*	*	4.0	15.8	21.3	74.48	—	—	—	
18	36	101	IDU	DJ US Utilities	Utility	*	*	*	4.1	15.8	20.8	87.26	10.60	0.52	—	
19	51	111	RYUIX	Rydex Utilities (\$25k)	Utility	*	*	*	4.2	14.5	19.1	28.78	10.10	0.60	Fsa	
20	24	1	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	3.2	-6.8	72.1	14.97	35.30	2.08	fsc	
21	22	108	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	5.4	10.4	25.3	63.59	15.50	1.35	Fsa	
22	25	70	FSTCX	Fidelity Telecom (.75%r<30d)	Utility	*	*	*	3.7	8.2	31.8	47.65	14.10	1.45	Fsa	
23	21	42	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	5.7	6.6	32.0	40.46	12.50	1.46	fsc	
24	28	85	FSPRX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	5.6	7.0	28.5	54.93	13.30	1.18	Fsa	
25	32	—	PEJ	PowerShares Dyn Leisure & Ent	Consmr	*	*	*	4.8	7.6	27.2	17.50	—	—	—	
26	37	104	XLY	Consumer Discretionary (SPDR)	Consmr	*	*	*	5.4	9.1	21.6	37.06	11.80	1.31	—	
27	54	62	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	5.7	7.3	25.2	8.10	11.00	0.94	FSA	
28	133	—	PBE	PowerShares Dyn Biotech & Genome	Tech	*	*	*	10.8	7.2	15.8	18.53	—	—	—	
29	77	3	VGPMX	Vang Precious Metal (closed, \$10k, 1%r<1yr)	NatRes	*	*	*	7.3	-3.4	46.6	29.33	24.20	1.63	fsc	
30	14	40	IXG	S&P Global Financial (iS)	FinServ	*	*	*	3.2	5.8	29.0	86.61	9.32	0.99	—	
31	66	—	PJP	PowerShares Dyn Pharmaceuticals	Health	*	*	*	4.1	9.2	17.5	18.00	—	—	—	
32	60	115	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	5.3	7.2	20.6	27.87	9.78	1.06	Fsa	
33	129	137	FBIOX	Fidelity Biotechnology (.75%r<30d)	Health	*	*	*	8.9	6.4	16.3	66.19	17.10	1.00	Fsa	
34	57	106	VCR	Vanguard Consumer Discr ETF	Consmr	*	*	*	5.6	6.8	20.0	58.78	—	—	—	
35	26	118	XLP	Consumer Staples (SPDR)	Consmr	*	*	*	1.8	10.4	16.7	25.96	7.22	0.62	—	
36	18	86	FDFAX	Fidelity Food & Agr (.75%r<30d)	Consmr	*	*	*	0.6	9.4	20.4	58.09	7.83	0.69	Fsa	
37	29	110	VDC	Vanguard Consumer Staple ETF	Consmr	*	*	*	1.5	10.0	17.4	63.50	—	—	—	
38	89	109	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	4.4	7.3	18.7	27.03	13.00	1.03	fsc	
39	52	141	XLV	Health Care (SPDR)	Health	*	*	*	1.5	10.4	14.4	33.63	9.30	0.56	—	
40	13	69	XLF	Financial (SPDR)	FinServ	*	*	*	2.5	6.7	21.9	35.48	9.06	0.84	—	
41	19	71	VFH	Vanguard Financials ETF	FinServ	*	*	*	2.3	6.6	22.3	62.96	—	—	—	
42	53	24	YT	DJ transportation Average (iS)	Cycls	*	*	*	5.7	1.7	29.6	85.15	—	—	—	
43	84	117	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	7.5	5.7	16.6	48.83	14.10	1.40	Fsa	
44	31	98	RYCIX	Rydex Consumer Products (\$25k)	Consmr	*	*	*	1.1	9.2	17.2	34.14	8.83	0.81	Fsa	
45	62	114	RYC	DJ US Consumer Cyclical (iS)	Cycls	*	*	*	4.6	6.6	18.2	65.67	11.00	1.15	—	
46	17	73	IVF	DJ US Financial (iS)	FinServ	*	*	*	2.3	6.5	21.8	113.40	9.08	0.88	—	
47	83	31	RYBIX	Rydex Basic Materials (\$25k)	Cycls	*	*	*	6.3	0.9	29.4	36.38	16.10	1.66	Fsa	
48	47	120	IVK	DJ US Consumer NonCyclical (iS)	Consmr	*	*	*	2.5	8.6	15.9	58.41	9.76	0.92	—	
49	70	21	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	5.9	-0.1	32.3	46.30	13.60	1.14	Fsa	
50	30	99	VGHCX	Vanguard Health (closed, \$25k&1%r<1yr)	Health	*	*	*	0.5	8.5	18.7	150.10	8.20	0.66	fsc	
51	101	64	FSAVX	Fidelity Automotive (.75%r<30d)	Cycls	*	*	*	7.7	3.9	19.5	37.73	14.20	1.36	Fsa	
52	65	142	IYH	DJ US Healthcare (iS)	Health	*	*	*	1.8	9.6	13.7	66.69	8.96	0.60	—	
53	11	65	IYG	DJ US Financial Services (iS)	FinServ	*	*	*	1.9	5.6	22.5	129.00	9.36	0.82	—	
54	69	140	VHT	Vanguard Health Care ETF	Health	*	*	*	1.7	8.8	13.9	57.60	—	—	—	
55	72	72	RYLIX	Rydex Leisure (\$25k)	Consmr	*	*	*	5.4	2.7	23.2	33.64	11.90	1.22	Fsa	
56	68	46	XLB	Materials (SPDR)	Cycls	*	*	*	4.9	1.4	26.6	33.39	15.40	1.47	—	
57	74	—	PBJ	PowerShares Dyn Food & Beverage	Consmr	*	*	*	3.6	6.7	15.3	16.11	—	—	—	
58	23	38	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	2.5	1.8	28.4	76.88	14.70	1.45	Fsa	
59	46	119	IXJ	S&P Global Healthcare (iS)	Health	*	*	*	0.5	8.1	15.5	57.48	8.36	0.49	—	
60	58	66	FPHAX	Fidelity Pharmaceuticals (.75%r<30d)	Health	*	*	*	2.2	5.3	18.5	10.94	11.60	0.68	Fa	
61	143	143	RYOIX	Rydex Biotechnology (\$25k)	Health	*	*	*	8.2	4.4	11.7	23.08	17.50	1.28	Fsa	
62	56	105	RYRIX	Rydex Retailing (\$25k)	Consmr	*	*	*	3.5	3.3	21.4	13.95	15.10	1.28	Fsa	
63	80	43	VAW	Vanguard Materials ETF	NatRes	*	*	*	5.4	0.2	25.9	67.59	—	—	—	
68	111	26	VDE	Vanguard Energy ETF	NatRes	B	B	B	6.0	0.3	21.6	82.20	—	—	—	
75	71	75	FBALX	Fidelity Balanced	Hybrid	B	*	*	2.7	3.1	17.1	19.27	7.99	1.18	Fsa	
78	63	116	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	2.1	4.8	13.3	21.02	5.24	0.78	fsc	
84	122	18	PRNEX	T. Rowe Price New Era	NatRes	B	B	B	6.7	-3.2	23.9	45.96	16.90	1.29	fsc	
100	55	113	GATEX	Gateway Fund	Altern	B	*	*	0.9	3.9	11.2	26.87	2.80	0.30	Fsa	
102	124	23	IGE	GS Natural Resources (iS)	NatRes	B	B	B	4.8	-2.9	20.9	97.25	19.40	1.26	—	
105	135	14	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	B	B	B	6.5	-5.7	23.9	26.73	20.00	1.23	Fa	

Trading ETFs (Part 2): Who Charges What?

Because Exchange-Traded Funds (ETFs) are traded like stocks on a major exchange, in the last issue we took a close look at Bank of America's program offering 30 free online equity trades per month with a combined deposit balance of \$25,000 or more. In reacting to the BofA announcement, several of the discount brokers said they had no plans to immediately change their price structure and went on to emphasize service as the key to keeping customers. How the industry ultimately adapts remains to be seen, but in the meantime we thought it would be valuable to outline the current pricing offered at several of the discount brokers. \$

Trading ETFs—Discount Brokers Cost Per Trade Comparison

Cost/ Trade Restrictions

Bank of America

\$0 First 30 trades; Min \$25k in deposits

Charles Schwab

\$9.95 > 120 trades per year or balance > \$1MM

\$12.95 < 120 trades and balance < \$1MM

E*Trade

\$6.99 > 1500 trades per quarter

\$7.99 150–1499 trades per quarter

\$9.99 30–149 trades per quarter or balance > \$50k

\$12.99 < 30 trades per quarter and balance < \$50k

Fidelity

\$8.00 > 120 trades per year or balance > \$1MM;
\$25k min

\$10.95 > 36 trades per year and balance > \$25k;
or balance > \$50k;
or 72–119 trades per year

\$19.95 Standard Rate

TD Ameritrade

\$9.99 No restrictions or breakpoints

Vanguard

\$25 or \$.025/share, whichever is greater

10% discount 36–71 trades

25% discount > 72 trades;
first 12 trades per year free

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF	5.07%	5.03%	4.33%
Vanguard Treasury MMF	4.87	4.88	4.20
Amer Century Capital Presv Fund/Inv	4.69	4.69	4.00
RMK Select Treas MMF/CI A	4.53	4.50	3.84
T. Rowe Price US Treasury MF	4.52	4.50	3.91
Schwab US Treasury Money Fund	4.51	4.51	3.82
JPMorgan 100% US Treas MMF/Morgan	4.46	4.45	3.89
Wells Fargo Adv 100% Treas MMF/CI A	4.41	4.40	3.77
Citi US Treasury Reserves	4.36	4.31	3.73
HSBC Investor US Treas MM/CI D	4.35	4.37	3.75

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
Harbor Money Market Fund	5.27%	5.21%	4.46%
Vanguard Prime MMF/Investor	5.23	5.24	4.53
Transamerica Premier Cash Res/Inv	5.22	5.22	4.57
TIAA-CREF Money Market Fund	5.21	5.24	4.53
Fremont Money Market Fund	5.20	5.11	4.05
MFS Money Market Fund	5.19	5.20	4.51
PayPal Money Market Fund	5.16	5.16	4.60
Amer Beacon MMF/Plan Ahead	5.10	5.10	4.31
TCW Money Market Fund	5.10	5.06	4.42
DWS Money Market Prime Ser/DWS MMF	5.09	5.08	4.35
Marshall Prime MMF/Investor Class	5.09	5.11	4.40
SSgA MMF/CI A	5.09	5.08	4.41

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	3.53%	3.54%	3.27%
Vanguard Tax-Exempt MMF	3.52	3.52	3.19
Fidelity AMT Tax-Free Money Fund	3.30	3.32	3.02
DWS Tax-Exempt Money Fund	3.28	3.29	2.92
Fidelity Municipal MMF	3.26	3.26	2.93
Dreyfus BASIC Muni MMF	3.24	3.25	2.90
Marshall Tax Free MMF/Class Y	3.24	3.26	2.92
T-E Portfolio/Managed Shares	3.24	3.23	2.87
Fidelity Tax Free Money Market	3.21	3.21	2.90
Amer Century T-F MMF/Inv Class	3.20	3.24	2.90

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard PA Tax-Exempt MMF	3.51%	3.52%	3.17%
Vanguard OH Tax-Exempt MMF	3.50	3.51	3.17
Vanguard NY Tax-Exempt MMF	3.49	3.49	3.15
Vanguard NJ Tax-Exempt MMF	3.46	3.46	3.12
Vanguard CA Tax-Exempt MMF	3.42	3.42	3.11
Fidelity FL Municipal MMF	3.20	3.20	2.88
Fidelity PA Municipal MMF	3.20	3.20	2.87
Fidelity AZ Municipal MMF	3.19	3.21	2.87
Lehman Bros NY Muni MF/Inv	3.17	3.13	0.00
Fidelity CA Municipal MMF	3.16	3.20	2.82

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 10/24/06. 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

Thanksgiving Offer
6 Months of *MONEYLETTER Plus* ... Just \$29
(800) 890-9670

ATTENTION SUBSCRIBERS

Next Issue: Volume 27, No. 22

Mails: November 17, 2006

Internet: November 15, 2006, 12:00pm (ET)

T. Rowe Price New Era: Natural Resources With a Twist

In the volatile natural resources mutual fund segment, T. Rowe Price New Era stands out—for its lesser volatility. According to Morningstar, the fund “holds the lowest volatility levels in the category for the trailing five- and ten-year periods.” In a nutshell, that lesser volatility is a direct result of the fund’s strategy, which is more broad-based than most others in the natural resources sector, and also its tendency to concentrate on the larger names in the natural resources area.

Strategy

The fund’s objective is to invest in firms that own or develop natural resources and other basic commodities, as well as in selected “non-resource” growth companies. To that end, about 2/3 of the fund’s assets will be invested in “natural resource companies where earnings and tangible assets could benefit from accelerating inflation.” Historically, the fund has kept its energy exposure at no more than 60% of assets, but now, management may allow that stake to get as high as 80%. Recently, the fund had 64% of assets in energy and 28% in industrial materials, proportions that are below and above the category average, respectively. It also had small stakes in financial services, business services, utilities, and consumer goods and services.

Fund manager Charles Ober is one of the more seasoned natural resources fund managers. He has headed the fund since 1997, and prior to that was an analyst on the fund since 1980. He heads a team of three analysts who search for attractive firms selling below their estimates of private market values. His approach might be termed moderate—he takes a long-term approach, and fund turnover is low. Ober and his team also tend to favor industry leaders with strong balance sheets—such firms are better able to weather the inevitable downcycles in the business (again, helping to minimize volatility). About 3/4 of fund assets are invested in large- or mega-cap companies, with the remainder primarily in mid-cap issues. Foreign stocks account for less than 1/3 of assets.

Top Ten Holdings (27.7% of Total Net Assets)

Baker Hughes	ExxonMobil
Cameron International	Murphy Oil
Canadian Natural Resources	Royal Dutch Shell
ConocoPhillips	Schlumberger
Diamond Offshore Drilling	Total SA

As of September 30, 2006

Performance

Of course, that tempered volatility has two impacts. On the positive side, it helps the fund weather the storms of natural resources cycles. On the flip side, the fund may not soar as high as some others when the sector is red hot. That’s exactly what happened last year, when New Era’s 30% total return outpaced only 30% of its peers.

Thus far in 2006, which has been marked by recent volatility, the fund is holding its own. Its nearly 12% gain through October 27 outpaces 35% of its peers. Through the first half of the year, energy stocks and metals companies propelled the fund ahead—total return for the six months through June 30 was 13.4%. The third quarter was a different story. Oil, natural gas, and commodities prices declined, and the prices of energy and materials stocks followed suit. The fund lost 7.2%—but that was better than the Lipper Natural Resources Funds Index’s drop of 8.7%.

Positioning

Despite recent volatility, Ober maintains, “We’re basically in a good, long, positive cycle for both energy and basic materials.” In fact, he ventured a prediction earlier this year that the bull market in energy and materials still has two or three years ahead of it. The bullish long-term picture may be a familiar one. The global economy is in a long-term growth pattern, which implies increasing demand, especially from developing nations, notably China. And the supply of resources is not keeping pace with demand. Near term, however, he does suggest, “We’ve probably seen the highs in commodity prices for this cycle.” Volatility along the way, however, should result in buying opportunities.

Currently, Ober is positive on energy services. Schlumberger has been a long-time favorite. This firm provides multinational oil companies with drilling, seismic, engineering, and other services. Ober contends the firm has been ahead of the curve, and approves that management is focusing on oilfield services, and has built ties with the world’s governments. He also is positive on French energy giant Total. The firm’s management earns kudos from Ober, who says the firm has been “opportunistic,” and a steady investor in the future. \$

T. Rowe Price New Era (PRNEX)

T. Rowe Price Investment Services

P.O. Box 17630, Baltimore, MD 21297-1630

(800) 225-5132 • Minimum Investment: \$2,500, \$1,000 IRA

MONEYLETTER® (ISSN:1526-5110) is published twice each month for \$150 per year (24 issues) by PRI Financial Publishing Inc., 479 Washington St., P.O. Box 6020, Holliston, MA 01746-6020. First Class Postage paid at Holliston, MA and at additional mailing offices. POSTMASTER: send address changes to MONEYLETTER, 479 Washington St., P.O. Box 6020, Holliston, MA 01746-6020. President: Bruce W. Hardy. Chief Investment Officer/Chief Economist: Walter Frank. Contributing Editor: Cynthia Andrade. Publisher: Brian W. Kelly. Address all subscription and editorial inquiries to PRI Financial Publishing Inc., 479 Washington St., P.O. Box 6020, Holliston, MA 01746-6020, (800) 890-9670. Paid advertising which appears in or accompanies this publication does not constitute an endorsement of products or services offered. Employees and staff of MONEYLETTER may from time to time maintain positions in recommended securities. PRI Financial Publishing Inc. is affiliated with PRI Financial Advisors Inc. (formerly Principal Resource Inc.), a registered investment advisor. Walter Frank also serves as an independent economic consultant to PRI Financial Advisors. MONEYLETTER is not produced as a solicitation for PRI Financial Advisors. Views presented are the opinion of the Chief Investment Officer/Chief Economist and contributing editors, and should not be treated as fact. MONEYLETTER does not purport to provide legal, tax or individual investment advice. While carefully screened, the accuracy of the statistical data in MONEYLETTER cannot be guaranteed. Readers should carefully review investment prospectuses before investing. MONEYLETTER provides a weekly Hotline: call (410) 528-1804. Back copies \$5 each. Reproduction in whole or in part by any means is strictly forbidden without written permission. © Copyright 2006 PRI Financial Publishing Inc.