

## Introducing International Real Estate

by Walter S. Frank, Chief Investment Officer

We are recommending a new 10% position in an international real estate fund, Fidelity International Real Estate Fund, for all **MONEYLETTER** and Fidelity family portfolios. In the case of the Vanguard family portfolios, with Vanguard not offering an international real estate fund, we are recommending the addition of a domestic real estate fund (Vanguard REIT Index ETF) to the Vanguard Venturesome and Moderate portfolios. As for the Vanguard Conservative portfolio, we intended to add some international exposure to all Conservative portfolios and are doing so in this case by recommending the purchase of a 10% position in Vanguard European ETF (Ticker: V GK).

The funds for the new purchase are coming from two sources. In the case of the Venturesome and Moderate portfolios, we are lowering the recommended money fund position by 10%. In the case of the Conservative portfolios we are recommending the elimination of the inflation-protected (Tips) funds.

Here are the changes in our recommended allocations. **Venturesome**—The specialty allocation goes to 20% (from 10%) and the money fund allocation goes to zero (from 10%). **Moderate**—The specialty allocation goes to 20% (from 10%) and the money fund allocation goes to 10% (from 20%). **Conservative**—For **MONEYLETTER** and Fidelity investors, the specialty allocation goes to 30% (from 20%), while the bond allocation goes to 20% (from 30%). For Vanguard investors, the bond allocation goes to 20% (from 30%).

**PLEASE NOTE: FIDELITY INTERNATIONAL REAL ESTATE WILL BE MAKING A CAPITAL GAINS DISTRIBUTION AS OF DECEMBER 15<sup>th</sup>. TO AVOID BUYING A TAX PAYMENT, POSTPONE TRADES UNTIL MONDAY, DECEMBER 18<sup>th</sup>.**

Here are the changes we will be making in the model portfolios as of Monday, December 18<sup>th</sup>. **MONEYLETTER**

### Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Lower	Flat
Dollar	Lower	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

**Venturesome**—Sell all Schwab MMF and purchase Fidelity International Real Estate (FIREX) with the proceeds. **MONEYLETTER Moderate**—Sell one-half of Schwab MMF and purchase Fidelity International Real Estate with the proceeds. **MONEYLETTER Conservative**—Sell all American Century Inflation-Adjusted Bond Fund. Invest \$15,000 of the proceeds in Fidelity International Real Estate. Invest the remainder in Loomis Sayles Bond Retail.

**Fidelity Venturesome**—Sell all Fidelity Cash Reserves. Invest the proceeds in Fidelity International Real Estate. **Fidelity Moderate**—Sell one-half of Fidelity Cash Reserves. Invest the proceeds in Fidelity International Real Estate. **Fidelity Conservative**—Sell all Fidelity Inflation-Protected Bond Fund. Invest the proceeds in Fidelity International Real Estate.

**Vanguard Venturesome**—Sell all Vanguard Prime Portfolio MMF. Purchase Vanguard REIT Index ETF (VNQ). **Vanguard Moderate**—Sell one-half of Vanguard Prime Portfolio MMF, and purchase Vanguard REIT Index ETF with the proceeds. **Vanguard Conservative**—Sell all Vanguard Inflation-Protected Bond Fund and invest the proceeds in Vanguard European ETF (V GK).

### International real estate

The profile of Fidelity International Real Estate on p. 8 will give you a flavor of both the fund and the international real estate market. International real estate funds are relatively new. We have kept one eye on them, attracted by the opportunity they offer to invest in the real estate of growing economies. We would expect real estate prices to advance as economies (and populations) grow and the demand for space grows along with them.

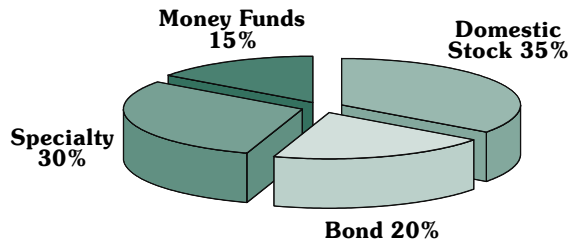
Further, we have been looking for the dollar to weaken under the pressure of our huge ongoing international trade deficit. We are not dollar bears. We do not see a collapse in the value of the buck, but over time we do see the value of our currency deteriorating in the effort to redress our deficit. A reliable international fixed income asset presents a good hedge against a deteriorating dollar. Real estate is one such asset.

Finally, real estate also presents an inflation hedge. This is one reason why, in the case of the Conservative portfolios, we were willing to swap the Tips funds for real estate funds. The inflation protection of real estate is not as airtight as that of the Tips funds. But over the next six months, with our economy slowing and inflation relatively low, the low yields of the Tips funds makes inflation protection expensive in terms of the returns foregone. If the inflation outlook changes, we are prepared to change our mind. Given the current outlook for growth abroad, a slowing U.S. economy and tame inflation, we think international real estate is an appealing asset for U.S. investors. \$

For more fund changes, see page 7.

**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 MMF	Yield YTD	4.0%	21,994	\$1.00	\$21,994
AmerCent Inflation Adj	02/12/03	19.4	2,382	10.85	25,845
Loomis Sayles Bond Retail	03/17/04	26.4	1,291	14.54	18,769
Gateway Fund	11/27/02	34.3	625	27.17	16,987
Wells Fargo Adv C&B MC Value	10/05/06	6.8	912	24.63	22,471
Morningstar Large Value (iS) ETF	08/03/06	7.3	170	82.15	13,955
PowerShares Dyn LC Value ETF	10/05/06	4.0	1,033	19.41	20,051
T. Rowe Price New Era	10/19/06	7.6	321	48.91	15,715
<b>TOTAL VALUE</b>					<b>\$155,787</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	3.7%	8.6%	33.1%	7.9%

**Fidelity Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	4.3%	16,358	\$1.00	\$16,358
Fidelity Inflation-Protected	09/15/04	8.4	1,156	11.06	12,780
Fidelity Strategic Income	03/17/04	20.5	1,944	10.74	20,883
Fidelity Balanced	11/27/02	70.6	894	19.73	17,639
Fidelity Large Cap Value	08/03/06	7.1	1,112	14.88	16,540
Fidelity Equity-Income	07/27/06	11.1	227	60.23	13,697
Fidelity Dividend Growth	10/12/06	2.0	545	31.71	17,290
Fidelity Natural Resources	01/11/06	13.2	452	29.01	13,112
<b>TOTAL VALUE</b>					<b>\$128,299</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	5.1%	10.8%	33.3%	9.4%

**Vanguard Conservative**

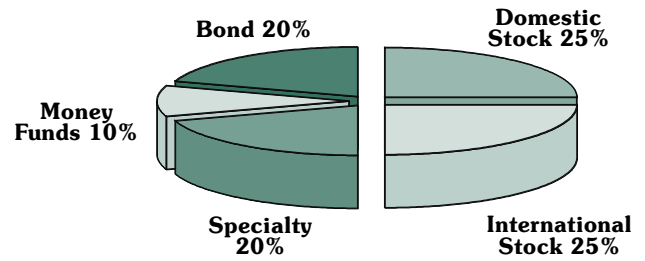
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	4.3%	17,898	\$1.00	\$17,898
Vanguard Inflation Protect	02/19/03	20.7	1,215	12.06	14,654
Vanguard GNMA	03/17/04	10.6	1,866	10.26	19,146
Vanguard Balanced Index	11/27/02	47.5	610	21.44	13,073
Vanguard Value ETF	06/14/06	16.5	328	67.06	22,019
Vanguard Equity Income	06/14/06	14.0	643	26.24	16,870
Vanguard Dividend Growth	08/03/06	9.1	637	14.34	9,137
Vanguard Energy ETF	10/19/06	9.4	143	88.59	12,668
<b>TOTAL VALUE</b>					<b>\$125,465</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
2.0%	6.3%	10.0%	29.1%	9.2%

**MODERATE**

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

**MONEYLETTER Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab MMF	Yield YTD	4.0%	38,804	\$1.00	\$38,804
Loomis Sayles Bond Retail	03/17/04	26.4	1,806	14.54	26,264
Driehaus Emerging Mkts Growth	05/24/06	20.0	804	38.17	30,675
ICON Europe	08/10/06	12.6	855	20.44	17,480
Morningstar Large Value (iS) ETF	08/03/06	7.3	230	82.15	18,910
PowerShares Dyn LC Value ETF	08/10/06	10.2	1,218	19.41	23,649
T. Rowe Price New Era	10/19/06	7.6	338	48.91	16,526
<b>TOTAL VALUE</b>					<b>\$172,308</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
3.0%	6.1%	15.6%	52.0%	13.4%

**Fidelity Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	4.3%	30,846	\$1.00	\$30,846
Fidelity Strategic Income	03/17/04	20.5	2,848	10.74	30,587
Fidelity SE Asia	10/05/06	10.9	723	27.67	20,009
Fidelity Europe Capital App	06/07/06	13.5	765	28.82	22,060
Fidelity Dividend Growth	09/21/06	4.9	757	31.71	24,015
Fidelity Equity-Income	07/27/06	11.1	244	60.23	14,717
Fidelity Natural Resources	01/11/06	13.2	563	29.01	16,322
<b>TOTAL VALUE</b>					<b>\$158,556</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
3.2%	5.0%	13.3%	48.6%	8.6%

**Vanguard Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	4.3%	29,313	\$1.00	\$29,313
Vanguard FI Hi-Yld Corp	01/17/01	42.1	3,998	6.20	24,787
Vanguard European ETF	09/28/06	7.4	328	67.90	22,239
Vanguard International Value	06/07/06	14.6	356	43.08	15,354
Vanguard Value Index	07/27/06	10.5	462	26.14	12,082
Vanguard Value ETF	06/14/06	16.5	369	67.06	24,736
Vanguard Energy ETF	10/19/06	9.4	160	88.59	14,174
<b>TOTAL VALUE</b>					<b>\$142,685</b>

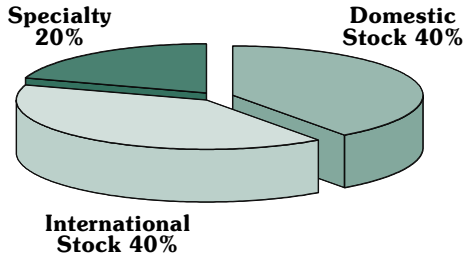
**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
2.6%	5.0%	11.4%	37.3%	9.0%

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 MMF	Yield YTD	2.1%	15,493	\$1.00	\$15,493
Janus Overseas	05/24/06	25.4	660	45.37	29,959
Metzler/Payden Europe Emg Mkts	08/17/06	10.6	511	32.45	16,584
ICON Europe	06/07/06	15.2	1,223	20.44	25,004
Morningstar Large Value (iS) ETF	08/03/06	7.3	330	82.15	27,085
Wells Fargo Adv C&B MC Value	10/05/06	6.8	667	24.63	16,419
PowerShares Dyn LC Value ETF	08/10/06	10.2	1,134	19.41	22,014
T. Rowe Price New Era	10/19/06	7.6	329	48.91	16,080
<b>TOTAL VALUE</b>					<b>\$168,638</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
4.1%	7.2%	17.2%	57.9%	14.1%

**Fidelity Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	2.1%	15,897	\$1.00	\$15,897
Fidelity SE Asia	10/05/06	10.9	1,191	27.67	32,948
Fidelity Latin America	08/17/06	11.8	387	43.34	16,768
Fidelity Europe Capital App	06/07/06	13.5	785	28.82	22,626
Fidelity OTC Portfolio	11/22/06	-1.5	671	41.94	28,139
Fidelity Equity-Income	09/21/06	6.7	410	60.23	24,723
Fidelity Dividend Growth	10/12/06	2.0	403	31.71	12,791
Fidelity Natural Resources	01/11/06	13.2	596	29.01	17,296
<b>TOTAL VALUE</b>					<b>\$171,188</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
3.8%	6.7%	15.4%	52.1%	10.6%

**Vanguard Venturesome**

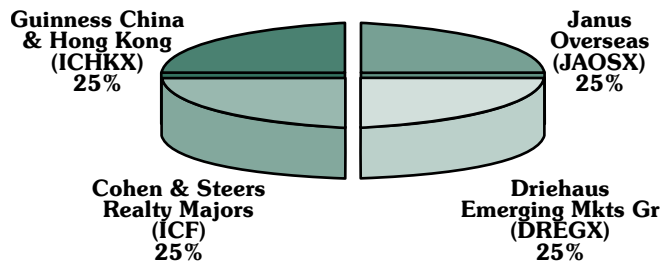
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	2.1%	13,473	\$1.00	\$13,473
Vanguard International Value	06/07/06	14.6	518	43.08	22,316
Vanguard European ETF	08/17/06	9.7	359	67.90	24,404
Vanguard International Growth	09/28/06	6.7	513	25.64	13,161
Vanguard Value ETF	06/14/06	16.5	392	67.06	26,274
Vanguard Dividend Growth	08/10/06	9.5	1,465	14.34	21,007
Vanguard Value Index	07/27/06	10.5	407	26.14	10,647
Vanguard Energy ETF	10/19/06	9.4	166	88.59	14,706
<b>TOTAL VALUE</b>					<b>\$145,988</b>

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
2.9%	5.4%	13.1%	41.7%	9.7%

**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
Schwab MMF	11/30/06	—	51,789	\$1.00	\$51,789
Driehaus Emerging Mkts Growth	05/17/06	11.5%	1,402	38.17	53,503
Cohen & Steers Realty Majors (iS)	09/14/06	12.7	488	103.62	50,530
Guinness Atkinson China & HK	07/27/06	16.2	1,889	24.74	46,743
<b>TOTAL VALUE</b>					<b>\$202,565</b>

Inception: 9/30/02

**TOTAL RETURNS (as of 11/30/06)**

1-mo	6-mo	1-yr	3-yr	YTD
5.1%	4.6%	13.2%	68.4%	9.9%

**MONEYLETTER Select Commentary**

The Hotline of Wednesday, November 29 recommended the sale of Vanguard Telecom Ser ETF (VOX) to be exchanged for shares of Janus Overseas (JAOSX). Because the trading settlement for the sale of (VOX) is T+3 the purchase of (JAOSX) was not entered until the close of trading December 4, 2006. For month-end reporting, the sales proceeds for (VOX) were recorded as Schwab Money Market Fund balances. The sale was executed at the market close November 30, 2006. Details: Sold 724 shares of (VOX) @ \$71.56 per share. Purchased 1,129 shares of (JAOSX) @ \$45.87 per share (12/04/06). At the market close November 2, 2006 the small cash balance purchased 3 shares of (ICHKX) @ \$23.36 per share.

The “slowdown” in the rate of economic growth domestically has resulted in a shift of emphasis to international markets and opportunities. At the present time three of the four model positions are international. \$

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—November 30, 2006**

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	1.8%	11.3%	14.2%	39.7%	14.1%
Asset Allocation	2.2	8.3	12.3	33.7	11.1
Funds (Avg) 225 Funds					

Domestic Stock Funds

RANK	12/01 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/wtf
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	32	26		JSVAX	Janus Contrarian	LC	*	H	H	5.3%	14.1%	23.5%	\$18.33	13.6	1.29	SA
2	1	131		LLSCX	Longleaf Partners Smallcap (closed)	SCVal	B	B	B	3.5	15.5	20.2	30.46	9.4	1.01	fa
3	34	3		WWNPX	Kinetics Paradigm (2%r<30d)	MC	H	H	H	6.0	10.9	25.9	25.47	10.8	1.05	Fsa
4	11	124		VASVX	Vanguard Selected Value (\$25k,1%r<1yr)	MCVal	B	B	B	4.1	14.6	18.3	22.23	8.6	0.97	fsc
5	2	—		LSVRX	Loomis Sayles Value Retail	LCVal	B	B	B	2.6	11.3	27.9	22.20	7.4	0.90	FA
6	106	162		JAVTX	Janus Venture (closed)	SCGro	*	(B)	(B)	6.8	11.1	21.6	69.03	16.7	1.55	FSA
7	3	104		WEHIX	Weitz Hickory	MC	*	(B)	(B)	3.4	13.5	18.7	39.37	9.7	0.99	fSA
8	50	231		PVLDX	Allianz OCC Value D (2%r<7d)	LCVal	(B)	(B)	(B)	4.1	14.1	15.7	18.50	9.8	1.17	FSA
<b>9</b>	<b>6</b>	<b>48</b>		<b>JKF</b>	<b>Morningstar Large Value (iS)</b>	<b>LCVal</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>2.4</b>	<b>13.2</b>	<b>20.6</b>	<b>82.09</b>	—	—	—
<b>10</b>	<b>7</b>	<b>37</b>		<b>PWW</b>	<b>PowerShares Dyn LC Value</b>	<b>LCVal</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>1.7</b>	<b>13.2</b>	<b>20.2</b>	<b>19.32</b>	—	—	—
11	139	24		ATASX	ABN AMRO/TAMRO Small Cap N	SC	*	(B)	(B)	5.8	9.4	23.0	20.45	15.8	1.52	FSA
12	65	149		USCGX	USAA Capital Growth	SCGro	*	H	H	3.9	10.5	22.0	9.50	15.0	1.52	fSA
13	103	156		VHCOX	Vanguard Cap Opp (closed,\$25k,1%r<1yr)	MCGro	*	(B)	(B)	5.2	10.9	17.9	38.89	13.8	1.53	fsc
14	4	17		IZZYX	Ironwood Isabelle Small Company Stock	SCVal	*	(B)	(B)	1.9	10.2	24.4	13.40	17.1	1.60	FSA
15	18	1		HRTVX	Heartland Value (2%r<10d)	SCVal	*	(B)	(B)	4.1	8.5	24.6	56.10	16.9	1.57	FSA
<b>16</b>	<b>16</b>	<b>56</b>		<b>VIVAX</b>	<b>Vanguard Value Index</b>	<b>LCVal</b>	<b>(H)</b>	<b>(H)</b>	<b>(H)</b>	<b>2.5</b>	<b>11.7</b>	<b>18.6</b>	<b>26.12</b>	<b>8.2</b>	<b>1.00</b>	<b>fsc</b>
<b>17</b>	<b>15</b>	<b>68</b>		<b>VTV</b>	<b>Vanguard Value ETF</b>	<b>LCVal</b>	<b>(H)</b>	<b>(H)</b>	<b>(H)</b>	<b>2.4</b>	<b>11.7</b>	<b>18.6</b>	<b>66.97</b>	—	—	—
18	21	77		IWD	Russell 1000 Value (iS)	LCVal	(H)	(H)	(H)	2.7	11.4	18.7	81.27	8.0	0.99	—
19	8	53		LLPFX	Longleaf Partners (closed)	LC	*	H	H	3.3	10.1	21.0	35.28	9.9	0.95	fa
<b>20</b>	<b>10</b>	<b>14</b>		<b>CBMDX</b>	<b>Wells Fargo Adv C&amp;B Mid Cap Value</b>	<b>MC</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>3.7</b>	<b>10.4</b>	<b>19.6</b>	<b>24.51</b>	<b>11.9</b>	<b>1.32</b>	<b>FSA</b>
21	13	100		ELV	DJ WI US LargeCap Value (stTr)	LCVal	B	B	B	2.3	12.0	17.5	81.76	7.4	0.86	—
22	33	36		TRMCX	T. Rowe Price Mid Cap Value (closed)	MCVal	H	H	H	3.8	10.8	18.0	27.52	9.8	1.22	fsc
23	104	5		HDPMX	Hodges Fund (2%r<90d)	MC	*	H	H	5.1	7.3	24.4	25.87	19.0	1.85	FSA
24	19	153		CHITX	ABN Amro Mid Cap	MC	*	(B)	(B)	4.9	10.2	17.6	28.27	15.4	1.54	FSA
25	24	71		IWW	Russell 3000 Value (iS)	LCVal	(H)	(H)	(H)	2.9	11.1	18.3	106.00	8.3	1.03	—
26	97	20		FBRVX	FBR Small Cap (closed,1%r<90d)	SCGro	H	H	H	4.8	8.8	20.9	51.49	12.4	1.11	FSA
27	156	13		BPTRX	Baron Partners	MCGro	H	H	H	6.0	9.0	18.3	22.14	13.3	1.15	FSA
28	40	35		IWS	Russell MidCap Value (iS)	MCVal	H	H	H	3.8	10.3	18.2	146.00	10.0	1.18	—
29	126	256		ARTQX	Artisan Mid Cap Value (closed)	MCVal	H	H	H	5.4	10.6	14.6	21.51	11.0	1.00	FSA
30	5	64		WVALX	Weitz Value Fund	LCVal	(H)	(H)	(H)	2.5	10.8	17.8	41.40	7.2	0.69	FSA
31	9	55		TWEIX	American Century Equity Income	LCVal	(H)	(H)	(H)	1.9	11.4	16.9	9.07	6.8	0.77	FSA
32	14	—		XLG	Rydex Russell Top 50	LC	(H)	(H)	(H)	2.1	12.8	13.3	105.80	—	—	—
33	117	29		SAOPX	Salomon Brothers Opportunity	MCVal	H	H	H	4.4	9.7	17.1	59.93	8.5	0.93	fa
34	82	174		VCVLX	Vanguard Capital Value	LCVal	H	H	H	4.5	9.4	17.2	13.56	10.1	1.19	fsc
35	153	91		FLVCX	Fidelity Leveraged Co (\$10k,1.5%r<90d)	MC	*	H	H	6.3	8.3	17.2	29.45	18.1	1.75	Fa
36	68	177		BPAVX	Robeco Boston Partners All Cap Value	MCVal	H	H	H	3.7	10.6	15.2	17.00	10.0	1.04	FA
37	76	58		JKI	Morningstar Mid Value (iS)	MCVal	H	H	H	4.0	10.0	16.3	85.43	—	—	—
38	93	148		BPMCX	Robeco Boston Partners Mid Cap Value	MCVal	H	H	H	4.8	10.3	14.0	14.21	11.7	1.20	FSA
39	17	117		TWVLX	American Century Value (closed)	LCVal	(H)	(H)	(H)	2.3	11.0	15.9	7.99	7.3	0.88	FSA
40	144	70		RYVFX	Royce Value (1%r<180d)	SC	H	H	H	7.0	7.4	17.5	11.30	13.1	1.18	FSA
41	23	61		GABAX	Gabelli Asset (2%r<7d)	MC	H	H	H	2.8	9.3	19.1	49.13	10.2	1.09	FSA
42	74	73		IWN	Russell 2000 Value (iS)	SCVal	*	H	H	4.0	8.8	18.3	79.28	13.6	1.50	—
43	112	41		JORNX	Janus Orion	MCGro	*	H	H	3.7	9.3	17.5	9.76	13.3	1.37	FSA
44	67	121		JMCVX	Janus Mid Cap Value	MCVal	H	H	H	4.3	10.0	14.9	25.70	10.2	1.06	FSA
45	49	141		VWNDX	Vanguard Windsor	LCVal	H	H	H	3.3	9.9	16.4	19.79	8.8	1.09	fsc
46	12	126		DVY	DJ Select Dividend Index (iS)	MCVal	(H)	(H)	(H)	1.7	11.3	15.2	69.83	—	—	—
47	185	146		KAUFX	Federated Kaufmann Fund (0.2%r)	MCGro	*	H	H	5.7	9.1	14.6	5.63	13.6	1.35	FSA
48	47	138		NOIEX	Northern Income Equity	Convrt	H	H	H	2.7	10.6	15.1	13.08	6.4	0.81	FSA
49	79	266		DGRIX	Dreyfus Growth & Income	LC	H	H	H	3.1	11.5	11.8	17.74	9.4	1.05	FSA
<b>50</b>	<b>28</b>	<b>99</b>		<b>VDIGX</b>	<b>Vanguard Dividend Growth</b>	<b>LCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>1.9</b>	<b>10.7</b>	<b>15.4</b>	<b>14.31</b>	<b>7.1</b>	<b>0.87</b>	<b>fsc</b>
51	96	62		DSV	DJ WI US SmallCap Value (stTr)	SCVal	*	H	H	4.3	8.9	16.4	70.60	13.5	1.53	—
52	118	66		VBR	Vanguard SmallCap Value ETF	SCVal	H	H	H	4.2	9.0	16.2	71.91	—	—	—
<b>53</b>	<b>157</b>	<b>320</b>		<b>FOCPX</b>	<b>Fidelity OTC Portfolio</b>	<b>LCGro</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>5.0</b>	<b>11.6</b>	<b>8.3</b>	<b>41.55</b>	<b>14.3</b>	<b>1.37</b>	<b>Fsa</b>
54	26	210		OEF	S&P 100 (iS)	LC	H	H	H	2.2	11.2	13.6	65.16	7.2	0.90	—
55	108	290		JAVLX	Janus Twenty (closed)	LCGro	H	H	H	4.4	11.2	10.0	54.74	10.9	0.99	FSA
<b>56</b>	<b>31</b>	<b>87</b>		<b>FEQIX</b>	<b>Fidelity Equity-Income</b>	<b>LCVal</b>	<b>(H)</b>	<b>(H)</b>	<b>(H)</b>	<b>2.2</b>	<b>9.9</b>	<b>16.2</b>	<b>60.13</b>	<b>8.4</b>	<b>1.04</b>	<b>Fsa</b>
57	36	252		BIGRX	American Century Income & Growth	LCVal	H	H	H	2.7	11.1	12.3	34.08	9.5	1.06	FSA
58	219	334		FDEGX	Fidelity Aggressive Growth (1.5%r<90d)	MCGro	*	H	H	6.4	9.7	10.1	19.56	12.2	1.11	Fsa
59	115	65		VISVX	Vanguard Small-Cap Value Index	SCVal	*	H	H	4.1	8.7	15.8	17.20	12.0	1.34	fsc
60	100	63		CRMMX	CRM Mid Cap Value Inv (closed)	MC	S	S	S	4.0	8.3	17.0	31.10	10.0	1.04	FSA
61	29	299		MAVFX	Matrix Advisors Value (1%r<60d)	LC	*	H	H	2.2	11.1	12.4	55.89	13.2	1.43	FSA
<b>62</b>	<b>25</b>	<b>52</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>9.8</b>	<b>16.4</b>	<b>26.21</b>	<b>7.6</b>	<b>0.91</b>	<b>fsc</b>
63	27	260		CFIMX	Clipper Fund	LCVal	(H)	(H)	(H)	2.4	10.8	12.9	94.10	8.8	0.83	Fsc
64	54	75		NYC	NYSE Composite (iS)	LC	(S)	(S)	(S)	2.5	8.9	17.3	82.04	—	—	—
65	227	292		NPRTX	Neuberger Berman Partners	LCVal	*	S	S	7.0	8.4	11.9	31.66	13.0	1.27	fsc
66	86	169		FSLSX	Fidelity Value Strategies	MC	*	S	S	4.3	8.5	15.4	35.72	18.5	1.80	F
67	30	105		PRFDX	T. Rowe Price Equity-Income	LCVal	S	S	S	2.2	9.8	15.4	29.75	8.9	0.98	fsc
68	45	57		IVE	S&P 500 Value (iS)	LCVal	(S)	(S)	(S)	2.2	9.3	16.2	75.26	8.6	1.07	—

**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	12/01 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	174	106	FLPSX	Fidelity L.P. Stock (closed, 1.5%r<90d)	MC	S	S	S	5.0	7.6	16.2	43.17	11.9	1.20	Fsa	
70	119	95	JKL	Morningstar Small Value (IS)	SCVal	H	H	H	4.0	8.3	15.6	82.06	—	—	—	
71	130	170	JKG	Morningstar Mid Core (IS)	MC	S	S	S	4.1	8.9	13.8	82.35	—	—	—	
72	143	189	PWY	PowerShares Dynamic SmCap Value	SCVal	H	H	H	4.9	8.8	12.7	17.92	—	—	—	
73	41	80	VWNFX	Vanguard Windsor II (\$10k)	LCVal	S	S	S	1.7	9.1	16.6	35.56	7.9	0.90	fsc	
74	124	33	JKJ	Morningstar Small Core (IS)	SC	H	H	H	4.2	7.2	17.4	86.00	—	—	—	
75	38	185	OAKMX	Oakmark Fund (2%r<90d)	LCVal	S	S	S	2.1	9.6	14.3	47.15	8.2	0.84	FSA	
76	142	39	AVALX	Aegis Value Fund (\$10k)	SCVal	S	S	S	5.6	6.2	17.6	19.35	11.6	1.01	fa	
77	39	238	DGAGX	Dreyfus Appreciation	LC	S	S	S	2.1	10.8	11.5	45.02	7.6	0.79	FSA	
78	114	32	FVDFX	Fidelity Value Discovery	MC	S	S	S	3.7	8.1	15.7	17.50	11.6	1.19	F	
79	137	7	RYPVX	Royce Value Plus (1%r<180d)	SCGro	*	S	S	5.9	5.4	19.1	14.23	16.9	1.54	FSA	
80	145	176	JAENX	Janus Enterprise	MCGro	H	H	H	4.7	9.0	11.8	47.39	11.6	1.14	FSA	
81	64	221	SPY	S&P 500 (SPDR)	LC	S	S	S	2.5	9.9	12.7	140.20	7.8	1.00	—	
82	110	154	CAMOX	Cambiar Opportunity	LC	S	S	S	3.6	8.4	14.6	20.30	11.0	1.17	FSA	
83	63	203	IVV	S&P 500 (IS)	LC	S	S	S	2.5	9.8	12.7	140.40	7.8	1.00	—	
84	132	101	IWR	Russell MidCap (IS)	MC	*	S	S	4.1	8.2	14.1	100.10	10.8	1.27	—	
<b>85</b>	<b>70</b>	<b>125</b>	<b>FLVX</b>	<b>Fidelity Large Cap Value</b>	<b>LCVal</b>	<b>H</b>	<b>S</b>	<b>S</b>	<b>2.1</b>	<b>9.2</b>	<b>14.4</b>	<b>14.87</b>	<b>—</b>	<b>1.00</b>	<b>Fa</b>	
86	56	12	SMCDX	Wells Fargo Advantage MC Disciplined	MCVal	S	S	S	3.1	7.8	16.4	24.00	7.7	0.80	FSA	
87	22	291	THPGX	Thompson Plumb Growth	LC	S	S	S	1.6	10.7	10.9	49.87	11.1	1.12	Fsa	
88	61	194	FSMKX	Fidelity Spartan 500 (\$10k)	LC	S	S	S	2.4	9.6	12.5	97.42	8.8	1.00	Fa	
89	128	110	MERDX	Meridian Fund (2%r<60d)	MCGro	*	H	H	3.3	7.9	15.5	42.49	13.8	1.36	fa	
<b>103</b>	<b>57</b>	<b>188</b>	<b>FDGFX</b>	<b>Fidelity Dividend Growth</b>	<b>LC</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>1.9</b>	<b>9.5</b>	<b>12.4</b>	<b>31.75</b>	<b>9.2</b>	<b>0.98</b>	<b>Fsa</b>	

Dow Jones  
NASDAQ  
S&P 500

1.8%  
3.4  
2.1

8.3%  
8.7  
8.6

11.7%  
6.4  
10.4

indexes do not  
include dividends

International Stock Funds

<b>1</b>	<b>1</b>	<b>2</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>6.4%</b>	<b>22.0%</b>	<b>49.7%</b>	<b>\$45.44</b>	<b>15.1</b>	<b>—</b>	<b>FSA</b>
<b>2</b>	<b>15</b>	<b>—</b>	<b>MPYMX</b>	<b>Metzler/Payden Europe Emg Mkts (2%r&lt;30d)</b>	<b>Europe</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>7.5</b>	<b>21.1</b>	<b>42.4</b>	<b>32.68</b>	<b>21.4</b>	<b>—</b>	<b>FSA</b>
3	25	88	PRASX	T. Rowe Price New Asia (2%r<90d)	Pacific	*	H	H	9.9	22.4	35.4	15.36	15.5	—	fs
4	2	5	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	*	B	4.7	21.1	39.4	35.62	20.5	—	fsc
<b>5</b>	<b>3</b>	<b>3</b>	<b>DREGX</b>	<b>Driehaus Emerging Mkts Gr (2%r&lt;60d)</b>	<b>Int'l</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>6.3</b>	<b>17.2</b>	<b>43.1</b>	<b>38.40</b>	<b>17.9</b>	<b>—</b>	<b>FSA</b>
6	12	19	SCOPX	DWS Pacific Opp Eq. S (closed, 2%r<30d)	Pacific	*	(B)	(B)	7.3	17.9	38.8	21.01	14.8	—	Sa
<b>7</b>	<b>6</b>	<b>29</b>	<b>FSEAX</b>	<b>Fidelity SE Asia (1.5%r&lt;90d)</b>	<b>Pacific</b>	<b>*</b>	<b>(B)</b>	<b>(B)</b>	<b>7.3</b>	<b>17.6</b>	<b>39.4</b>	<b>27.68</b>	<b>16.9</b>	<b>—</b>	<b>Fsa</b>
8	56	58	PGJ	PowerShares Golden Dragon USX	Pacific	*	(B)	(B)	10.8	17.6	34.0	18.65	—	—	—
<b>9</b>	<b>34</b>	<b>83</b>	<b>ICHKX</b>	<b>Guinness Atkinson China &amp; HK (2%r&lt;90d)</b>	<b>Pacific</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>7.2</b>	<b>18.8</b>	<b>33.0</b>	<b>24.94</b>	<b>16.9</b>	<b>—</b>	<b>FSA</b>
10	42	79	PRMSX	T. Rowe Price Emerging Mkts Stk	Int'l	*	H	H	7.1	19.0	30.5	32.26	16.5	—	fsc
11	28	78	ADRE	Emerging Mkts 50 ADR (BLDRS)	EmerMkt	*	H	H	6.9	18.6	31.7	36.59	17.9	—	—
12	33	72	TREMx	T. Rowe Price Emg Europe & Med (2%r<90d)	Europe	*	H	H	4.5	20.3	29.8	32.23	19.4	—	fa
13	32	24	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	*	H	H	6.6	16.1	36.6	23.61	17.8	—	Fsa
<b>14</b>	<b>4</b>	<b>17</b>	<b>FLATX</b>	<b>Fidelity Latin America (1.5%r&lt;90d)</b>	<b>LatinA</b>	<b>*</b>	<b>*</b>	<b>(B)</b>	<b>4.5</b>	<b>18.2</b>	<b>34.6</b>	<b>43.09</b>	<b>22.1</b>	<b>—</b>	<b>Fsa</b>
15	19	6	OAKEX	Oakmark Intl Small Cap (closed, 2%r<90d)	Int'l	*	H	H	4.9	16.1	36.6	26.00	10.8	—	FSA
16	14	68	ILF	S&P 40 Latin America (IS)	LatinA	*	*	(B)	4.6	19.1	28.5	161.10	19.2	—	—
17	46	81	HLEMX	Harding Loevner Emerg Mkt (2%r<90d)	Int'l	*	H	H	5.3	17.5	29.5	42.93	16.1	—	FSA
18	49	55	SSEMx	SSgA Emerging Markets	Int'l	*	H	H	6.7	15.1	33.1	22.51	17.1	—	FA
19	16	34	SLAFX	DWS Latin Amer Equity S (closed, 2%r<30d)	LatinA	*	H	H	4.2	17.2	31.2	60.50	21.1	—	Sa
20	59	66	VEIEX	Vanguard Emerging Mkts Stk Index (.5%r)	Int'l	*	H	H	7.1	15.7	30.0	23.69	16.7	—	fsc
<b>21</b>	<b>22</b>	<b>1</b>	<b>ICSEX</b>	<b>ICON Europe</b>	<b>Europe</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>5.2</b>	<b>10.9</b>	<b>44.4</b>	<b>20.50</b>	<b>13.9</b>	<b>—</b>	<b>FSA</b>
22	91	86	EUROX	US Global Eastern Europe (2%r<180d)	Europe	*	H	H	6.1	16.0	29.4	49.72	22.0	—	FSA
23	18	80	MAPTX	Matthews Pacific Tiger (closed, 2%r<90d)	Pacific	*	H	H	4.5	17.3	27.9	23.49	15.1	—	FSA
24	5	32	EZU	MSCI EMU (IS)	Europe	*	(H)	(H)	4.3	14.4	34.5	101.30	12.1	—	—
25	58	96	VVO	Vanguard Emerging Mkts (VIPER)	EmerMkt	*	H	H	6.7	14.7	28.8	75.22	—	—	—
26	51	16	ARTJX	Artisan Intl Small Cap (closed, 2%r<90d)	Int'l	*	H	H	5.8	11.9	36.4	25.16	12.6	—	SA
27	66	94	EEM	MSCI Emerging Markets (IS)	EmerMkt	*	H	H	6.6	14.4	28.1	109.40	17.1	—	—
28	8	20	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	*	(H)	(H)	3.6	13.8	32.7	35.91	10.6	—	fsc
29	36	64	PRESX	T. Rowe Price European (2%r<90d)	Europe	*	H	H	4.3	14.3	28.9	21.63	10.7	—	fsc
<b>30</b>	<b>40</b>	<b>12</b>	<b>FECAx</b>	<b>Fidelity Europe Capital App (1%r&lt;30d)</b>	<b>Europe</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>5.2</b>	<b>10.7</b>	<b>36.6</b>	<b>28.93</b>	<b>13.7</b>	<b>—</b>	<b>Fsa</b>
31	26	4	ARTKX	Artisan Intl Value (2%r<90d)	Int'l	*	H	H	4.0	12.2	34.7	28.89	10.6	—	FSA
32	65	61	DRFMX	Dreyfus Premier Emerging Market (1%r)	Int'l	*	S	S	5.7	13.3	28.6	26.52	14.9	—	fsc
33	41	31	BJBIX	Julius Baer Intl Eq A (closed, 2%r<90d)	Int'l	*	S	S	4.8	12.1	32.3	45.26	11.9	—	FS
<b>34</b>	<b>9</b>	<b>23</b>	<b>VGK</b>	<b>Vanguard European ETF</b>	<b>Europe</b>	<b>*</b>	<b>(H)</b>	<b>(H)</b>	<b>3.6</b>	<b>13.1</b>	<b>31.8</b>	<b>67.66</b>	<b>—</b>	<b>—</b>	<b>—</b>
35	10	35	IEV	S&P 350 Europe Plus (IS)	Europe	*	(S)	(S)	3.3	13.3	31.3	103.50	10.6	—	—
36	64	14	VINEX	Vanguard Intl Expl (closed, \$25k, 2%r<60d)	Int'l	*	S	S	5.3	10.8	33.2	22.61	11.4	—	fsc
37	17	15	SCOBX	DWS Global Thematic S (closed, 2%r<30d)	Global	*	S	S	3.8	12.5	30.7	38.54	11.1	—	FSA
38	7	67	FEZ	DJ Euro Stoxx 50 (stfr)	Europe	*	(H)	(H)	3.2	12.7	30.6	52.45	12.6	—	—
39	13	63	EPP	MSCI Pacific Ex-Japan (IS)	Pacific	*	S	S	3.1	14.0	26.8	123.20	11.8	—	—
40	57	70	PRGSX	T. Rowe Price Global Stock (2%r<90d)	Global	*	H	H	6.3	13.6	23.0	23.27	9.8	—	fsc
41	31	21	SCGEX	DWS Europe Equity S (closed, 2%r<30d)	Europe	*	S	S	3.6	10.4	33.8	38.27	11.3	—	FSA
45	20	—	EFV	MSCI EAFE Value (IS)	Int'l	*	(S)	(S)	2.7	11.5	28.6	70.29	—	—	—
46	29	10	OAKIX	Oakmark International (2%r<90d)	Int'l	*	(S)	(S)	3.1	10.6	29.7	28.59	9.0	—	FSA
<b>47</b>	<b>44</b>	<b>28</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>3.2</b>	<b>10.3</b>	<b>28.5</b>	<b>43.01</b>	<b>11.1</b>	<b>—</b>	<b>fsc</b>
<b>51</b>	<b>50</b>	<b>39</b>	<b>VWIGX</b>	<b>Vanguard International Growth (2%r&lt;60d)</b>	<b>Int'l</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>2.7</b>	<b>10.7</b>	<b>26.7</b>	<b>25.59</b>	<b>10.7</b>	<b>—</b>	<b>fsc</b>

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

RANK	12/01 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	
<b>1</b>	<b>1</b>	<b>11</b>	<b>ICF</b>	<b>Cohen &amp; Steers Realty Majors (iS)</b>	<b>RealEs</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>6.4%</b>	<b>28.1%</b>	<b>40.3%</b>	<b>\$103.40</b>	<b>16.60</b>	<b>0.92</b>	<b>—</b>	
2	4	8	CSRSX	Cohen & Steers Realty (\$10k, 1%r<180d)	RealEs	*	*	*	5.4	25.2	37.4	98.60	15.60	0.91	FSA	
3	2	17	RWR	DJ Wilshire REIT (stfr)	RealEs	*	*	*	5.4	25.3	37.1	91.21	16.10	0.92	—	
4	3	9	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	5.6	24.7	38.4	26.41	15.30	0.85	fsc	
5	—	—	FIREX	Fidelity Int'l Real Estate (1.5%r<90d)	RealEs	*	*	*	5.7	22.1	43.7	16.23	—	—	Fsa	
6	9	1	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	9.4	9.2	70.2	16.64	35.30	2.08	fsc	
7	6	16	VNQ	Vanguard REIT ETF	RealEs	*	*	*	5.4	25.3	35.6	79.84	—	—	—	
8	5	18	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	5.3	25.2	35.5	26.50	15.70	0.91	fsc	
9	8	25	IYR	DJ US Real Estate (iS)	RealEs	*	*	*	5.3	24.5	34.6	85.75	16.00	0.98	—	
10	7	19	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	5.1	24.2	35.2	38.06	15.20	0.89	Fsa	
11	13	32	CSEIX	Cohen & Steers Realty Income (1%r<180d)	RealEs	*	*	*	4.0	22.3	28.6	19.38	14.30	0.88	fsc	
12	22	14	SCGDIX	DWS Gold & Precious Metals S (closed)	NatRes	*	*	*	9.7	12.2	43.3	25.72	33.50	1.92	Sc	
13	19	37	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	3.8	20.9	26.8	41.77	15.10	0.88	fsc	
14	10	79	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	2.8	21.2	24.7	65.73	15.50	1.35	Fsa	
15	12	28	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	3.7	18.6	27.1	55.21	9.78	0.81	Fsa	
16	28	27	CGMRX	CGM Realty	RealEs	*	*	*	4.8	16.3	30.8	34.71	21.40	1.58	sc	
17	27	4	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	9.6	7.9	44.6	20.25	32.60	1.85	FSA	
18	30	36	RYPMX	Rydex Precious Metals (\$25k)	NatRes	*	*	*	10.7	10.6	33.3	58.40	33.10	1.78	Fsa	
19	23	46	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	5.7	15.8	26.4	42.29	12.50	1.46	fsc	
20	14	60	IXP	S&P Global Telecommunication (iS)	Tech	*	*	*	1.9	17.0	25.6	61.76	10.20	0.94	—	
21	42	12	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	9.9	9.7	30.8	38.43	29.60	1.63	Fsa	
22	11	24	VOX	Vanguard Telecom Service ETF	Utility	*	*	*	1.3	16.0	26.3	71.43	—	—	—	
23	61	75	IYE	DJ US Energy (iS)	NatRes	*	*	*	10.0	11.9	22.5	105.20	20.10	1.15	—	
24	17	55	VPU	Vanguard Utilities ETF	Utility	*	*	*	2.6	16.5	21.2	76.92	—	—	—	
25	21	2	VGPMX	Vang Precious Metal (closed, \$10k, 1%r<1yr)	NatRes	*	*	*	5.1	6.4	42.4	31.11	24.20	1.63	fsc	
26	20	80	RYUIX	Rydex Utilities (\$25k)	Utility	*	*	*	3.3	16.0	19.6	29.83	10.10	0.60	Fsa	
27	16	69	XLU	Utilities (SPDR)	Utility	*	*	*	2.0	16.1	20.4	36.72	11.20	0.46	—	
28	18	57	IDU	DJ US Utilities	Utility	*	*	*	2.4	15.9	20.1	89.82	10.60	0.52	—	
<b>29</b>	<b>82</b>	<b>63</b>	<b>VDE</b>	<b>Vanguard Energy ETF</b>	<b>NatRes</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>10.0</b>	<b>10.1</b>	<b>21.8</b>	<b>88.91</b>	<b>—</b>	<b>—</b>	<b>—</b>	
30	78	71	XLE	Energy (SPDR)	NatRes	*	*	*	10.1	9.8	20.3	60.72	20.50	1.14	—	
31	68	5	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycl	*	*	*	6.7	9.3	25.9	49.03	13.60	1.14	Fsa	
32	32	98	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	2.6	14.1	19.9	8.24	11.00	0.94	FSA	
33	60	144	IGV	GS Software (iS)	Tech	*	*	*	2.8	18.0	9.8	44.88	17.50	1.71	—	
34	15	31	IYZ	DJ US Telecom (iS)	Tech	*	*	*	0.0	13.4	22.2	28.47	11.00	0.88	—	
35	134	126	FSNGX	Fidelity Natural Gas (.75%r<30d)	Utility	*	*	*	13.3	8.1	13.3	42.97	23.10	1.17	Fsa	
36	79	68	IXC	S&P Global Energy (iS)	NatRes	*	*	*	7.4	8.7	19.7	113.90	18.70	1.10	—	
<b>37</b>	<b>120</b>	<b>29</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>11.3</b>	<b>4.9</b>	<b>22.2</b>	<b>29.16</b>	<b>20.00</b>	<b>1.23</b>	<b>Fa</b>	
38	106	10	PSPFX	U.S.Global Inv Global Res (.25%r<30d)	NatRes	B	B	B	10.2	2.4	28.6	17.78	24.40	1.70	FSA	
<b>39</b>	<b>100</b>	<b>53</b>	<b>IGE</b>	<b>GS Natural Resources (iS)</b>	<b>NatRes</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>9.3</b>	<b>6.4</b>	<b>19.7</b>	<b>105.00</b>	<b>19.40</b>	<b>1.26</b>	<b>—</b>	
40	48	62	RYBIX	Rydex Basic Materials (\$25k)	Cycl	*	*	*	5.0	8.5	20.5	37.97	16.10	1.66	Fsa	
41	111	52	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycl	*	*	*	5.6	8.4	19.7	85.07	12.00	1.15	Fsa	
42	31	45	IXG	S&P Global Financial (iS)	FinServ	*	*	*	1.3	9.7	21.0	87.16	9.32	0.99	—	
43	44	—	PJP	PowerShares Dyn Pharmaceuticals	Health	*	*	*	2.0	12.4	12.5	18.11	—	—	—	
44	99	38	VGENX	Vanguard Energy (\$25k, 1%r<1yr)	NatRes	B	B	B	8.0	5.0	22.0	67.94	18.70	1.07	fsc	
45	24	42	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	0.4	10.6	18.9	46.48	14.10	1.45	Fsa	
46	63	91	VAW	Vanguard Materials ETF	NatRes	*	*	*	5.1	8.0	18.2	70.73	—	—	—	
47	112	76	RYEIX	Rydex Energy (\$25k)	NatRes	*	*	*	9.5	6.0	16.5	23.69	20.40	1.16	Fsa	
48	57	96	XLB	Materials (SPDR)	Cycl	*	*	*	4.3	8.2	17.7	34.72	15.40	1.47	—	
49	56	88	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	2.0	10.2	15.9	77.54	14.70	1.45	Fsa	
50	29	102	XLY	Consumer Discretionary (SPDR)	Consmr	*	*	*	1.9	11.0	13.5	37.63	11.80	1.31	—	
<b>51</b>	<b>97</b>	<b>44</b>	<b>PRNEX</b>	<b>T. Rowe Price New Era</b>	<b>NatRes</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>8.2</b>	<b>4.5</b>	<b>20.1</b>	<b>48.99</b>	<b>16.90</b>	<b>1.29</b>	<b>fsc</b>	
52	62	92	RYLIX	Rydex Leisure (\$25k)	Consmr	*	*	*	3.7	8.9	15.9	34.81	11.90	1.22	Fsa	
53	132	51	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	11.3	4.1	15.7	53.32	20.70	1.07	Fsa	
54	34	61	FDFAIX	Fidelity Food & Agr (.75%r<30d)	Consmr	*	*	*	1.4	9.8	16.3	58.41	7.83	0.69	Fsa	
55	67	125	XLK	Technology (SPDR)	Tech	*	*	*	2.4	12.5	6.8	23.32	13.20	1.48	—	
56	54	110	VCR	Vanguard Consumer Discr ETF	Consmr	*	*	*	2.6	10.0	12.1	59.90	—	—	—	
57	122	142	PRSCX	T. Rowe Price Science & Tech	Tech	*	*	*	6.8	10.0	5.7	21.23	15.40	1.66	fsc	
58	43	21	GLD	DJ US Consumer NonCyclical (iS)	NatRes	*	*	*	4.5	2.5	27.8	64.12	—	—	—	
59	40	20	IAU	Comex Gold Trust (iS)	NatRes	*	*	*	4.5	2.3	27.9	64.15	—	—	—	
60	95	133	IYW	DJ US Technology (iS)	Tech	*	*	*	3.5	11.8	5.5	54.56	16.10	1.71	—	
61	123	141	FDCPX	Fidelity Computers (.75%r<30d)	Tech	*	*	*	5.8	10.2	5.8	39.48	21.20	2.19	Fsa	
62	33	106	IKK	DJ US Consumer NonCyclical (iS)	Consmr	*	*	*	1.5	10.3	11.8	58.99	9.76	0.92	—	
63	109	137	MTK	Morgan Stanley Technology (stfr)	Tech	*	*	*	4.1	10.9	5.3	56.38	18.60	2.02	—	
64	116	130	IXN	S&P Global Information Tech (iS)	Tech	*	*	*	3.4	10.6	6.7	57.90	14.80	1.61	—	
65	39	58	VFH	Vanguard Financials ETF	FinServ	*	*	*	1.5	8.9	13.9	63.40	—	—	—	
<b>78</b>	<b>85</b>	<b>74</b>	<b>FBALX</b>	<b>Fidelity Balanced</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>2.9</b>	<b>6.9</b>	<b>12.0</b>	<b>19.72</b>	<b>7.99</b>	<b>1.18</b>	<b>Fsa</b>	
<b>83</b>	<b>76</b>	<b>95</b>	<b>VBINX</b>	<b>Vanguard Balanced Index</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>2.2</b>	<b>7.9</b>	<b>10.1</b>	<b>21.42</b>	<b>5.24</b>	<b>0.78</b>	<b>fsc</b>	
<b>118</b>	<b>84</b>	<b>67</b>	<b>GATEX</b>	<b>Gateway Fund</b>	<b>Altern</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>0.8</b>	<b>5.2</b>	<b>9.3</b>	<b>27.14</b>	<b>2.80</b>	<b>0.30</b>	<b>Fsa</b>	
129	129	30	RSNFX	RS Global Natural Res (\$5k, 4.75% load)	NatRes	H	H	H	6.0	-1.7	14.1	36.69	19.70	1.29	fsc	
156	155	22	PBW	PowerShares WilderH Clean Energ	NatRes	B	B	B	2.4	-15.5	7.8	17.88	—	—	—	

## Vanguard Distributions Now Available

Vanguard recently announced its capital gains distributions projections, and for one of the funds in *MONEYLETTER*'s Vanguard Venturesome Portfolio, the magnitude is significant. Vanguard International Growth (VWIGX) is scheduled to make a distribution of about 8% of the fund's NAV to shareholders of record as of December 18, 2006. For those investors who may be thinking of purchasing the fund, you may want to wait until after the record date to avoid paying the capital gains tax on what amounts to a return of your principal. Keep in mind the announced amount of \$2.06 per share (\$1.59 Long Term and \$0.47 Short Term) could change slightly, as could the percentage of the NAV.

Other Vanguard funds of interest to *MONEYLETTER* readers: Capital Opportunity Fund (VHCOX, 4.7% of NAV as of 12/4/06); Energy Fund (VGENX, only 2%); PRIMECAP (VPMCX, 5.4%); U.S. Value (VUVLX, 2.7%); and Windsor Fund (VWNDX, 7.6%). For more information on estimated distributions and dates at Vanguard, visit [www.vanguard.com](http://www.vanguard.com).

## Emerging Market Index Undergoes Change

In August Vanguard re-tooled their Emerging Markets Index Fund (VEIEX) to include a broader list of world markets. Previously, the fund had utilized an in-house formula for selecting stocks that excluded many countries due to difficulties in trading. Some of the excluded markets over the years were significant, like Russia, India, and Taiwan. But now the fund is committed to tracking the MSCI Emerging Markets Index. *MONEYLETTER* sold this fund from our portfolios on June 6th of this year, but it may be worth keeping an eye on this fund going forward. \$

For more information on Vanguard funds,  
call (877) 662-7447

## More Fund Changes

The Hotline of Wednesday, November 15th recommended a trimming of the positions in Vanguard International Value in both the Vanguard Venturesome and Moderate portfolios. In both cases the funds raised were to be reinvested in Vanguard European ETF. Here are the details as of Thursday, November 16<sup>th</sup>: **Vanguard Venturesome**—Sold 237 shares (\$10,000) of International Value @ \$42.21 per share. Purchased 149 shares of European ETF. **Vanguard Moderate**—Sold 190 shares (\$8,000) of International Value. Purchased 120 shares of European ETF. The Hotline of Tuesday, November 21<sup>st</sup> recommended the sale of Fidelity Large Cap Value in the Fidelity Venturesome portfolio with the proceeds to be switched into Fidelity OTC Portfolio. Here are the details as of Wednesday, November 22<sup>nd</sup>: Sold 1,923 shares of Large Cap Value @ \$14.85 per share. Purchased 671 shares of OTC Portfolio @ \$42.56 per share.

## 100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF	5.11%	5.09%	4.48%
Vanguard Treasury MMF	4.91	4.89	4.34
Amer Century Capital Presv Fund/Inv	4.76	4.73	4.13
T. Rowe Price US Treasury MF	4.69	4.65	4.03
RMK Select Treas MMF/CI A	4.68	4.59	3.97
JPMorgan 100% US Treas MMF/Morgan	4.57	4.56	4.02
Schwab US Treasury Money Fund	4.54	4.53	3.95
Citi US Treasury Reserves	4.53	4.45	3.85
HSBC Investor US Treas MM/CI D	4.53	4.45	3.90
Wells Fargo Adv 100% Treas MMF/CI A	4.48	4.46	3.91

## GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
Transamerica Premier Cash Res/Inv	5.23%	5.22%	4.70%
Vanguard Prime MMF/Investor	5.22	5.21	4.67
TIAA-CREF Money Market Fund	5.21	5.19	4.66
Value Line Cash Fund	5.19	5.20	4.08
MFS Money Market Fund	5.18	5.18	4.63
Harbor Money Market Fund	5.17	5.17	4.60
PayPal Money Market Fund	5.16	5.16	4.71
TCW Money Market Fund	5.12	5.11	4.56
SSgA MMF/CI A	5.11	5.09	4.54
Amer Beacon MM Mileage Fund	5.10	5.10	4.37

## TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	3.66%	3.57%	3.33%
Vanguard Tax-Exempt MMF	3.59	3.53	3.26
Fidelity AMT Tax-Free Money Fund	3.41	3.34	3.10
Marshall Tax Free MMF/Class Y	3.40	3.30	3.00
DWS Tax-Exempt Money Fund	3.34	3.29	3.00
Dreyfus BASIC Muni MMF	3.32	3.26	2.98
Fidelity Municipal MMF	3.32	3.27	3.01
Fidelity Tax Free Money Market	3.30	3.23	2.97
T-E Portfolio/Managed Shares	3.30	3.25	2.95
Amer Century T-F MMF/Inv Class	3.29	3.24	2.97

**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 11/28/06. 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)

## Outlook

Lentz says, "The healthy business fundamentals at many real estate companies give these firms the ability to weather a less-than-favorable interest rate environment." He is also optimistic that new investment opportunities will be generated by the introduction of the REIT structure in Germany and the U.K. \$

Fidelity International Real Estate (FIREX)

Fidelity Investments

82 Devonshire Street, Mail Zone 1C, Boston, MA 02109  
(800) 544-8544 • Minimum Investment: \$2,500, \$2,500 IRA

## ATTENTION SUBSCRIBERS

Next Issue: Volume 27, No. 24

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Internet: December 20, 2006, 12:00pm (ET)

## Fidelity International Real Estate: A Player in an Expanding Market

Launched in September 2004, Fidelity International Real Estate was designed to capitalize on the growth in international real estate securities. Prior to launching the fund, Fidelity watched the international real estate market for many years, tracking its growth. At the end of 2003, only 10% of foreign real estate was securitized, though that was still an increase over a scant 4% in 1990. By 2007, that number is expected to reach 17%.

During the 2000s, the nations of France, Hong Kong, Japan, and Singapore enacted REIT laws. More recently, the United Kingdom and Germany have begun to consider approving REIT laws, and the REIT structure should be available in those countries in the not-too-distant future. Industry observers expect other European and Asian governments to enact REIT laws in time as well.

### The importance of an REIT

Why is the approval of the REIT structure important? It allows for the creation of new real estate securities for investment, and provides a more shareholder-oriented investment. Matthew Lentz, portfolio manager for Fidelity International Real Estate, recently explained the importance of the REIT structure. First, in organizing as a REIT, a real estate developer has increased disclosure requirements, especially regarding capital allocation policies. These increased disclosures, according to Lentz, have "helped to moderate the sharp swings in the supply of real estate that's being developed and brought to the market."

Lentz also notes that many publicly traded real estate firms that were previously organized as C-corporations are adopting REIT structures. As C-corporations, these firms were required to pay corporate income taxes. Hence, firm managers were making decisions, such as whether to buy or sell a property, based on tax considerations. As an REIT, these firms are now required to "distribute all profits to shareholders as dividends." That means that capital decisions, like selling a property, are driven by "considerations that will help the firm grow its dividends."

### Fund details

Matthew Lentz is the second manager of this young fund. He spent two and a half years as an analyst for Fidelity Real Estate Investment Portfolio before joining this fund, where he was an analyst for about a year and a half before assuming the helm in January of this year. He has

not altered the strategy used by his predecessor, Steven Butler, who also heads Fidelity Real Estate Investment Portfolio. Lentz looks for high-quality companies that are well positioned in the competitive marketplace. They should have good growth prospects, strong financial condition, and astute management team, plus, sell at reasonable prices. He is supported by analysts in London, Hong Kong, Tokyo, and Sydney.

According to Morningstar, only seven other real estate mutual funds have significant exposure to overseas markets, and some of those invest quite a bit in Canadian firms, which, in turn, often have significant U.S. holdings. This Fidelity offering concentrates in Europe, Asia, and Australia. It currently has less than 5% of assets in U.S. securities.

While the fund is well-diversified geographically, it is fairly concentrated in its individual holdings. More than 40% of assets are concentrated in its top ten holdings (that proportion has been higher), and in total, the portfolio holds only 30 stocks.

### Top Five Holdings & Countries (% Total Net Assets)

Westfield Group Stapled Unit	Australia	20.6
Mitsubishi Estate Co.	Japan	19.5
Immoeast Immobilien Anlagen	United Kingdom	15.0
Mitsui Fudosan Co.	Hong Kong	14.5
Kerry Properties	Austria	4.8

As of September 30, 2006

### Performance

In 2005, the fund's 14.9% total return placed it in the top decile of Morningstar's specialty real estate category. Thus far in 2006, however, it lags at the other end of the spectrum even with a better than 31% total return. In part, a higher cash position during part of this time hurt results, as there was a lag between when cash came into the fund and when the managers found attractive investments. Also, a position in Joint Corporation, a Japanese condominium developer, hurt results. Accounting irregularities at a different condo developer pulled the group down, prompting the manager to invest in Joint Corporation, given an attractive book value and land holdings. However, the stock did not recover and was sold, with proceeds invested in Tokyu Land Corporation, after that stock had declined substantially. Aiding results were stakes in Australian property developer Macquarie Goodman, and British Land Company (properties in the U.K. and Ireland).

(continued on page 7)

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