

A Gift Horse

by Walter S. Frank, Chief Investment Officer

Early February saw a bushelful of data presented to the markets, most notable being the GDP report for the fourth quarter of 2006, and the employment report for January. The immediate reaction was a chant of Goldilocks reverberating throughout Wall Street.

First, the GDP report came in on the strong side. This (for the time being, at least) quieted those who sounded the alarm about the damage housing's slump would inflict on the rest of the economy. Indeed, housing slumped last quarter, by almost 20% on an annualized basis, but the economy did not skip a beat.

At the same time, the economy's strength should have turned the bond market into a nervous wreck. It did not. The bond market had taken note of the economy's strength earlier and hardly reacted to the GDP numbers. Moreover, the overall response of the bond market, as the economy's late-2006 strength became apparent, has been moderate. The 10-year Treasury is still below 5.0%.

Second, the January employment report, incorporating newly revised data going back one year, pointed in the opposite direction, to weakness, from that of the GDP report. That, too, was OK with the market. A labor market with some slack was a goal of the Fed's tightening, and January's rise in the unemployment rate was a step in that direction. At the same time both reports presented reassuring news on the inflation front. This was particularly true for the employment report, which showed that wage gains have slowed some over the past six months.

Goldilocks is here. The question now is has she moved in, or is she just visiting? Our *guess* is that despite a long visit, she will be gone by year-end. The economy is going through a soft period this first half, as an inventory correction (housing, autos) runs its course. The economy appears to be dealing successfully with the correction. If that continues, we should see a pickup in activity later in the year that could well cause the Fed to act. But we would not bet the farm on that outcome.

Profits

The profit slowdown that has concerned us for some months is here. So far it does not seem to have discouraged the markets. The reason why, we believe, is explained by a little exercise carried out by Byrini Associates in their monthly newsletter (February, 2007) *Reminiscences*. As they point out, the S&P is currently trading at 16.7 times trailing earnings of \$86. If earnings grow to \$96 this year, as expected, 16.7 times that equals 1,603, or a gain of 10.8%. Not bad for an aging bull market.

Whether \$96 is attainable is an open question. What we do know is that analysts have not lowered their 2007

estimates lately in response to the latest round of earnings. The market is still selling at a reasonable price. We continue to look for moderate gains in the domestic market.

Fund changes

New Advice: The Hotline of Wednesday, February 7th recommended the sale of Fidelity Dividend Growth (FDGFX) in all three Fidelity family model portfolios. In the **Venturesome** and **Moderate** Portfolios, Fidelity Value Strategies (FSLSX) will replace Dividend Growth. In the **Conservative** Portfolio, the replacement will be Fidelity Value (FDVLX). The same Hotline also recommended the sale of Vanguard Value ETF (VTV) in all three Vanguard family model portfolios. In the **Venturesome** and **Moderate** Portfolios we will replace Value ETF with Vanguard Capital Value (VCVLX). In the **Conservative** Portfolio the replacement will be Vanguard Windsor (VWNDX). The Hotline also recommended the sale of Vanguard Value in the **Vanguard Venturesome** and **Moderate** Portfolios. We will replace Value in both portfolios with Vanguard Windsor.

Note: Powershares Golden Dragon, at the top of our international list is now rated Hold, rather than Buy. We made the change because of the turmoil in the Chinese market this past week. We prefer to stand aside for the moment, as the authorities settle their approach to the red-hot Chinese stock market.

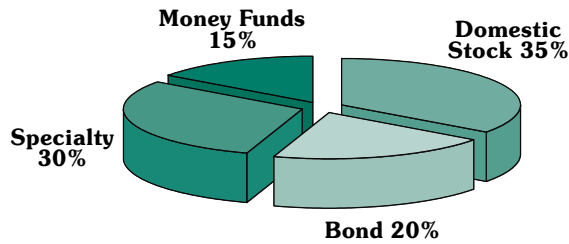
The Hotline of Wednesday, January 31, reported the closing of Driehaus Emerging Markets to new investors. The fund was in the **MONEYLETTER Moderate** portfolio. Following our practice we removed the fund from the portfolio and replaced it with T. Rowe Price New Asia (PRASX).

Change reports: The Hotline of Wednesday, January 24th recommended the sale of Vanguard Equity-Income in the **Vanguard Conservative** Portfolio and the purchase of Vanguard Capital Value. Here are the details, as of Thursday January, 25th: Sold 684 shares of Equity-Income (VEIPX) @ \$25.35 per share. Purchased 1,343 shares of Capital Value (VCVLX) @ \$12.52 per share. The same Hotline recommended the sale of Morningstar Large Value in all three **MONEYLETTER** model portfolios. In the **Venturesome** and **Moderate** Portfolios, the replacement was Janus Contrarian. For the **Conservative** Portfolio, the replacement was FBR Small Cap Value. Here are the details as of Thursday, January 25th: **Venturesome**—Sold 332 shares of Large Value (JKF) @ \$83.24 per share. Purchased 1,575 shares of Janus Contrarian (JSVAX) @ \$17.54 per share. **Moderate**—Sold 232 shares of Large Value, purchased 1,100 shares of Contrarian. **Conservative**—Sold 171 shares of Large Value, purchased 257 shares of FBR Small Cap (FBRVX) @ \$55.46 per share. \$

There were no changes to the Market Trends box this issue.

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	0.4%	22,169	\$1.00	\$22,169
Fidelity Intl Real Estate	12/18/06	3.4	935	16.59	15,514
Loomis Sayles Bond Retail	03/17/04	25.9	2,043	14.25	29,109
Gateway Fund	11/27/02	36.8	631	27.43	17,300
Wells Fargo Adv C&B MC Value	10/05/06	10.1	1,026	22.60	23,177
FBR Small Cap	01/25/07	0.9	257	55.97	14,368
PowerShares Dyn LC Value ETF	10/05/06	7.4	1,039	19.94	20,714
T. Rowe Price New Era	10/19/06	5.7	336	45.93	15,427
TOTAL VALUE					\$157,778

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
0.6%	6.4%	5.6%	28.5%	0.6%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.4%	16,495	\$1.00	\$16,495
Fidelity Intl Real Estate	12/18/06	3.4	784	16.59	13,003
Fidelity Strategic Income	03/17/04	20.7	1,967	10.60	20,851
Fidelity Balanced	11/27/02	73.5	908	19.75	17,938
Fidelity Large Cap Value	08/03/06	10.5	1,124	15.19	17,077
Fidelity Equity-Income	07/27/06	15.0	239	59.33	14,174
Fidelity Dividend Growth	10/12/06	5.2	556	32.09	17,838
Fidelity Natural Resources	01/11/06	11.8	457	28.32	12,951
TOTAL VALUE					\$130,327

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
0.9%	7.5%	6.7%	30.8%	0.9%

Vanguard Conservative

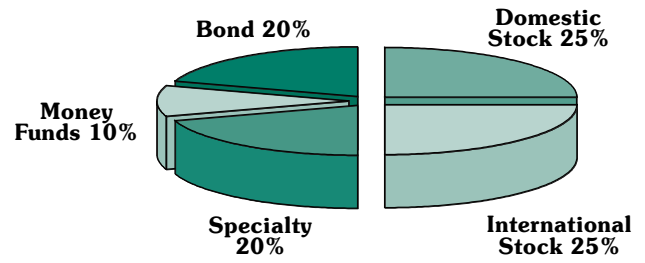
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	0.4%	18,031	\$1.00	\$18,031
Vanguard European ETF	12/18/06	2.3	214	69.23	14,786
Vanguard GNMA	03/17/04	10.5	1,882	10.16	19,123
Vanguard Balanced Index	11/27/02	49.8	615	21.59	13,276
Vanguard Value ETF	06/14/06	20.4	331	68.76	22,747
Vanguard Capital Value	01/25/07	1.2	1,343	13.08	17,561
Vanguard Dividend Growth	08/03/06	13.2	643	14.74	9,475
Vanguard Energy ETF	10/19/06	4.9	145	84.08	12,153
TOTAL VALUE					\$127,152

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
0.7%	7.4%	7.1%	26.0%	0.7%

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	0.4%	19,663	\$1.00	\$19,663
Fidelity Intl Real Estate	12/18/06	3.4	1,205	16.59	19,989
Loomis Sayles Bond Retail	03/17/04	25.9	1,835	14.25	26,155
Driehaus Emerging Mkts Growth	05/24/06	24.6	821	38.77	31,843
ICON Europe	08/10/06	18.2	857	21.41	18,354
Janus Contrarian	01/25/07	0.7	1,100	17.67	19,435
PowerShares Dyn LC Value ETF	08/10/06	13.9	1,225	19.94	24,432
T. Rowe Price New Era	10/19/06	5.7	353	45.93	16,223
TOTAL VALUE					\$176,094

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
0.2%	10.4%	8.5%	44.3%	0.2%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.4%	15,646	\$1.00	\$15,646
Fidelity Intl Real Estate	12/18/06	3.4	958	16.59	15,885
Fidelity Strategic Income	03/17/04	20.7	2,881	10.60	30,540
Fidelity SE Asia	10/05/06	15.2	765	27.18	20,797
Fidelity Europe Capital App	06/07/06	19.0	837	27.64	23,123
Fidelity Dividend Growth	09/21/06	8.3	772	32.09	24,776
Fidelity Equity-Income	07/27/06	15.0	257	59.33	15,229
Fidelity Natural Resources	01/11/06	11.8	569	28.32	16,121
TOTAL VALUE					\$162,117

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
0.5%	9.5%	4.8%	42.8%	0.5%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	0.4%	14,943	\$1.00	\$14,943
Vanguard REIT ETF	12/18/06	9.7	191	83.76	15,974
Vanguard FI Hi-Yld Corp	01/17/01	44.2	4,047	6.22	25,172
Vanguard European ETF	09/28/06	12.5	336	69.23	23,247
Vanguard Emerging Mkts Stk	12/28/06	-0.6	676	24.13	16,305
Vanguard Value Index	07/27/06	14.2	466	26.83	12,491
Vanguard Value ETF	06/14/06	20.4	372	68.76	25,554
Vanguard Energy ETF	10/19/06	4.9	162	84.08	13,598
TOTAL VALUE					\$147,284

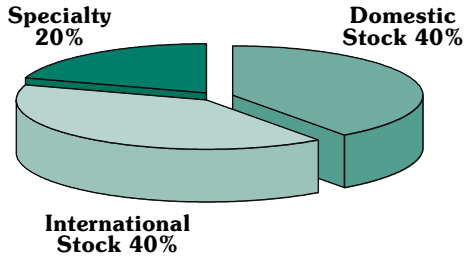
TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.3%	10.0%	7.1%	34.5%	1.3%

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
Fidelity Intl Real Estate	12/18/06	3.4%	966	\$16.59	\$16,018
Janus Overseas	05/24/06	30.6	668	46.67	31,188
Metzler/Payden Europe Emg Mkts	08/17/06	16.2	536	32.52	17,426
ICON Europe	06/07/06	20.9	1,226	21.41	26,255
Janus Contrarian	01/25/07	0.7	1,575	17.67	27,837
Wells Fargo Adv C&B MC Value	10/05/06	10.1	749	22.60	16,934
PowerShares Dyn LC Value ETF	08/10/06	13.9	1,141	19.94	22,743
T. Rowe Price New Era	10/19/06	5.7	344	45.93	15,785
TOTAL VALUE					\$174,186

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
0.7%	14.4%	8.6%	51.1%	0.7%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Intl Real Estate	12/18/06	3.4%	991	\$16.59	\$16,437
Fidelity SE Asia	10/05/06	15.2	1,260	27.18	34,245
Fidelity Latin America	08/17/06	20.5	399	45.29	18,081
Fidelity Europe Capital App	06/07/06	19.0	858	27.64	23,717
Fidelity OTC Portfolio	11/22/06	-0.7	671	42.26	28,354
Fidelity Equity-Income	09/21/06	10.4	431	59.33	25,584
Fidelity Dividend Growth	10/12/06	5.2	411	32.09	13,196
Fidelity Natural Resources	01/11/06	11.8	603	28.32	17,083
TOTAL VALUE					\$176,697

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
0.9%	12.2%	7.0%	47.5%	0.9%

Vanguard Venturesome

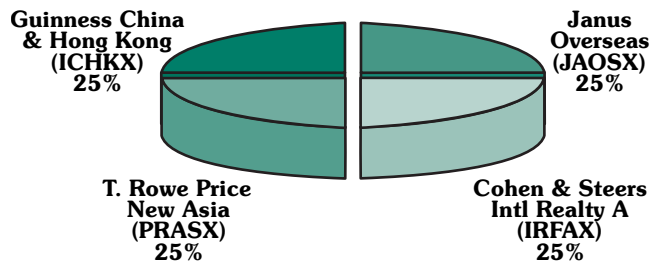
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	0.4%	60	\$1.00	\$60
Vanguard REIT ETF	12/18/06	9.7	176	83.76	14,777
Vanguard Emerging Mkts Stk	12/28/06	-0.6	982	24.13	23,697
Vanguard European ETF	08/17/06	14.8	369	69.23	25,522
Vanguard International Growth	09/28/06	11.4	569	24.14	13,740
Vanguard Value ETF	06/14/06	20.4	394	68.76	27,119
Vanguard Dividend Growth	08/10/06	13.5	1,478	14.74	21,785
Vanguard Value Index	07/27/06	14.2	410	26.83	11,007
Vanguard Energy ETF	10/19/06	4.9	168	84.08	14,108
TOTAL VALUE					\$151,815

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.4%	12.1%	7.6%	40.0%	1.4%

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
Janus Overseas	12/04/06	3.0%	1,129	\$46.67	\$52,693
Driehaus Emerging Mkts Growth	05/17/06	15.0	1,461	38.77	56,645
T. Rowe Price New Asia	01/11/07	3.2	3,654	14.23	52,001
Guinness Atkinson China & HK	07/27/06	25.4	1,890	26.90	50,844
TOTAL VALUE					\$212,183

Inception: 9/30/02

TOTAL RETURNS (as of 1/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.8%	14.5%	1.6%	63.9%	1.8%

MONEYLETTER Select Commentary

The Hotline of Wednesday, January 10 recommended the sale of Cohen & Steers Realty Majors ETF (ICF) to be exchanged for shares of T. Rowe Price New Asia (PRASX). The recommended trades were executed at the market close January 11, 2007. Details: Sold 488 shares of (ICF) @ \$19.95 per share. Purchased 3,654 shares of (PRASX) @ \$13.79 per share.

The Hotline of Wednesday, January 31, 2007 indicated that Driehaus Emerging Markets Growth has closed. As is our practice the closed fund will be replaced by Cohen & Steers International Realty A (IRFAX). The replacement trade was executed at the market close February 1, 2007. Details: Sold 1,461 shares of (DREGX) @ \$39.30 per share. Purchased 2,994 shares of (IRFAX) @ \$19.18 per share. \$

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—January 31, 2007

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	1.5%	13.7%	14.4%	34.2%	1.5%
Asset Allocation	1.2	10.2	10.0	29.5	1.2
Funds (Avg) 225 Funds					

Domestic Stock Funds

RANK	02/07	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/wtf
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	7	111		FBRVX	FBR Small Cap (1%r<90d)	SCGro	B	B	B	5.6%	27.7%	28.1%	\$56.85	12.4	1.11	FSA
2	2	26		JSVAX	Janus Contrarian	LC	*	B	B	6.7	26.8	26.9	17.95	13.6	1.29	SA
3	69	340		LMOPX	Legg Mason Opportunity Trust (1%r)	MCGro	*	(B)	(B)	6.7	30.8	15.6	20.20	20.6	1.90	—
4	48	35		BPTRX	Baron Partners	MCGro	(B)	(B)	(B)	7.4	26.1	25.8	24.00	13.3	1.15	FSA
5	26	279		JAVTX	Janus Venture (closed)	SCGro	*	B	B	3.9	28.4	18.0	64.87	16.7	1.55	FSA
6	4	84		WEHIX	Weitz Hickory	MC	*	B	B	3.3	23.3	23.9	41.27	9.7	0.99	fSA
7	16	226		VCVLX	Vanguard Capital Value	LCVal	B	B	B	4.5	22.7	22.3	13.25	10.1	1.19	fSA
8	9	254		CHITX	Aston/Optimum MidCap N	MC	*	B	B	3.5	23.8	16.7	27.98	15.4	1.54	FSA
9	19	65		ATASX	Aston/TAMRO SmallCap N	SC	*	B	B	3.6	22.3	20.3	20.25	15.8	1.52	FSA
10	6	37		CBMDX	Wells Fargo Adv C&B Mid Cap Value	MC	*	B	B	2.6	21.6	22.9	22.81	11.9	1.32	FSA
11	1	46		LLSCX	Longleaf Partners Smallcap (closed)	SCVal	B	B	B	2.8	21.4	22.0	30.95	9.4	1.01	fa
12	5	60		WVALX	Weitz Value Fund	LCVal	B	B	B	2.8	20.6	23.7	41.37	7.2	0.69	FSA
13	15	43		VASVX	Vanguard Selected Value (\$25k,1%r<1yr)	MVal	B	B	B	3.9	19.7	22.4	21.91	8.6	0.97	fSA
14	79	83		MXXIX	Marsico 21st Century (2%r<30d)	LC	*	(B)	(B)	5.5	19.7	19.9	16.07	14.2	1.36	FSA
15	164	277		BGRFX	Baron Growth (closed)	SCGro	H	H	H	4.8	21.7	15.0	52.26	11.3	0.97	FSA
16	178	327		BSCFX	Baron Small Cap (closed)	SCGro	H	H	H	5.2	22.7	10.6	24.02	13.2	1.06	FSA
17	119	274		KAUFK	Federated Kaufmann Fund (0.2%r)	MCGro	*	H	H	4.4	21.6	14.1	5.91	13.6	1.35	FSA
18	10	20		WWNPX	Kinetics Paradigm (2%r<30d)	MC	B	B	B	3.3	18.6	23.1	26.65	10.8	1.05	FSA
19	152	96		BARAX	Baron Asset	MCGro	H	H	H	5.6	18.8	19.4	63.12	10.9	1.00	FSA
20	176	197		NMANX	Neuberger Berman Manhattan	MCGro	*	H	H	6.9	19.6	14.5	9.65	13.8	1.28	fSA
21	105	168		FSLSX	Fidelity Value Strategies	MC	*	H	H	5.2	19.6	16.7	33.28	18.5	1.80	F
22	92	88		MNSCX	WellsFargo Adv Small Cap Growth (closed)	SCGro	*	H	H	4.2	19.7	17.8	13.60	17.1	1.53	fS
23	115	218		JAENX	Janus Enterprise	MCGro	H	H	H	5.6	20.3	13.7	50.12	11.6	1.14	FSA
24	57	257		AVALX	Aeglis Value Fund (\$10k)	SCVal	H	H	H	5.7	19.8	14.8	15.23	11.6	1.01	fa
25	30	181		BPMCX	Robeco Boston Partners Mid Cap Value	MVal	H	H	H	3.3	20.2	17.4	10.78	11.7	1.20	FSA
26	3	186		MAVFX	Matrix Advisors Value (1%r<60d)	LC	*	B	B	2.0	21.2	16.6	58.64	13.2	1.43	FSA
27	88	61		JORNX	Janus Orion	MCGro	*	H	H	5.0	19.0	17.5	10.35	13.3	1.37	FSA
28	25	139		OAKMX	Oakmark Fund (2%r<90d)	LCVal	H	H	H	3.1	18.4	21.2	47.35	8.2	0.84	FSA
29	41	49		GABAX	Gabelli Asset (2%r<7d)	MC	H	H	H	4.0	17.3	21.9	49.25	10.2	1.09	FSA
30	151	196		JAMRX	Janus Research	LCGro	*	H	H	5.5	20.2	12.2	26.32	10.4	1.09	FSA
31	63	217		IZYX	Ironwood Isabelle Small Company Stock	SCVal	H	H	H	1.8	21.2	14.9	13.69	17.1	1.60	FSA
32	222	170		TWHIX	American Century Heritage	MCGro	*	H	H	5.8	18.8	14.5	16.71	13.4	1.31	FSA
33	60	275		FOCPX	Fidelity OTC Portfolio	LCGro	*	H	H	2.4	23.2	8.7	42.34	14.3	1.37	Fsa
34	157	206		JKG	Morningstar Mid Core (fS)	MC	H	H	H	4.7	19.4	14.8	86.14	—	—	—
35	65	52		IWS	Russell MidCap Value (fS)	MVal	H	H	H	4.4	17.2	20.7	152.80	10.0	1.18	—
36	13	28		PVLDX	Allianz OCC Value D (2%r<7d)	LCVal	H	H	H	2.3	17.7	21.4	17.89	9.8	1.17	fSA
37	14	150		VWNDX	Vanguard Windsor	LCVal	B	B	B	2.3	18.2	19.6	19.07	8.8	1.09	fSA
38	34	101		LLPFX	Longleaf Partners (closed)	LC	(B)	(B)	(B)	2.9	17.0	21.3	35.87	9.9	0.95	fa
39	72	91		JKI	Morningstar Mid Value (fS)	MVal	H	H	H	4.2	16.6	20.0	89.51	—	—	—
40	78	260		BUFSX	Buffalo Small Cap (2%r<180d)	SCGro	*	H	H	4.1	20.0	11.3	28.04	16.0	1.48	FSA
41	20	47		TRMCX	T. Rowe Price Mid Cap Value (closed)	MVal	H	H	H	2.7	17.6	19.3	26.11	9.8	1.22	fSA
42	39	70		HRTVX	Hearlford Value (2%r<10d)	SCVal	*	H	H	1.3	18.5	19.0	51.89	16.9	1.57	FSA
43	12	5		LSVRX	Loomis Sayles Value Retail	LCVal	B	B	B	2.5	15.9	23.6	22.29	7.4	0.90	FA
44	177	178		FIDYX	AIM Dynamics Inv (closed)	MCGro	*	H	H	5.0	18.0	14.5	22.28	13.1	1.26	FSA
45	89	294		CAAPX	Ariel Appreciation	MC	H	H	H	4.0	18.8	14.0	50.25	10.0	1.06	FSA
46	220	339		POGSX	Pin Oak Aggressive Stock	LCGro	*	H	H	1.8	25.5	0.5	22.23	20.6	1.87	FSA
47	134	195		ARTQX	Artisan Mid Cap Value (closed)	MVal	H	H	H	4.5	18.0	15.0	21.08	11.0	1.00	FSA
48	101	233		OBSWX	Old Mutual Small Cap (2%r<10d)	SC	H	H	H	3.0	18.3	15.4	27.64	14.0	1.39	FSA
49	23	109		NOIEX	Northern Income Equity	Convrt	H	H	H	3.1	16.8	18.9	13.29	6.4	0.81	FSA
50	80	71		MERDX	Meridian Fund (2%r<60d)	MCGro	*	H	H	5.1	16.5	16.7	41.25	13.8	1.36	fa
51	140	147		IWR	Russell MidCap (fS)	MC	*	H	H	4.7	17.3	15.1	104.50	10.8	1.27	—
52	131	328		LMASX	Legg Mason Special Investment Trust	MC	*	H	H	3.4	21.3	6.9	40.23	16.3	1.54	a
53	155	267		MFOCX	Marsico Focus (2%r<30d)	LCGro	H	H	H	5.1	18.2	11.7	20.27	10.6	1.04	FSA
54	107	136		JKL	Morningstar Small Value (fS)	SCVal	H	H	H	3.1	17.4	16.5	85.14	—	—	—
55	64	140		VHCOX	Vanguard Cap Opp (closed,\$25k,1%r<1yr)	MCGro	*	H	H	1.7	19.8	12.6	37.31	13.8	1.53	fSA
56	21	4		USCGX	USAA Capital Growth	SCGro	*	H	H	2.6	16.4	19.4	8.80	15.0	1.52	fSA
57	120	145		FDVLX	Fidelity Value	MVal	H	H	H	4.3	17.1	15.0	84.04	11.1	1.16	Fsa
58	262	234		WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SC	*	H	H	5.8	16.2	14.8	5.30	14.0	1.47	FSA
59	281	280		TGSCX	TCW Galileo Small Cap Growth	MCGro	*	H	H	5.0	18.6	9.8	21.13	18.6	1.71	fSA
60	147	146		PWP	PowerShares Dynamic MC Value	MVal	H	H	H	4.2	16.1	17.2	19.33	—	—	—
61	102	265		OAKLX	Oakmark Select (2%r<90d)	LCVal	H	H	H	2.7	17.9	14.7	34.38	8.9	0.82	FSA
62	214	190		VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	5.3	16.7	13.5	24.90	12.4	1.39	fSA
63	188	159		VIMSX	Vanguard Mid-Cap Index	MC	H	H	H	4.9	16.7	14.0	20.74	11.2	1.31	fSA
64	50	64		TGIGX	TCW Dividend Focused N	LCVal	H	H	H	2.8	15.9	19.0	13.68	9.7	1.03	FSA
65	193	198		VEXMX	Vanguard Extended Market Index	MC	*	H	H	4.6	17.2	13.1	40.45	12.1	1.38	fSA
66	186	160		VO	Vanguard MidCap ETF	MC	H	H	H	4.7	16.7	14.1	76.03	—	—	—
67	189	199		VXF	Vanguard Extended Mkt ETF	MC	*	H	H	4.6	17.1	13.3	106.70	12.1	1.38	—
68	135	89		JKJ	Morningstar Small Core (fS)	SC	H	H	H	2.9	17.0	15.6	88.90	—	—	—

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	02/07	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wif
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	93	56	CRMMX	CRM Mid Cap Value Inv (closed)	MC	H	H	H	3.4	15.7	18.0	30.43	10.0	1.04	FSA	
70	226	122	FMLIX	Fidelity New Millennium (closed)	MCGro	*	H	H	4.1	17.3	12.8	30.09	15.8	1.46	Fsa	
71	87	54	IWN	Russell 2000 Value (iS)	SCVal	*	H	H	2.5	16.3	17.9	82.03	13.6	1.50	—	
72	205	215	FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SCGro	H	H	H	3.6	18.6	10.5	21.80	12.6	1.08	Fsa	
73	18	10	ELV	DJ WI US LargeCap Value (stFr)	LCVal	H	H	H	2.1	14.9	21.7	85.09	7.4	0.86	—	
74	162	183	WBG SX	William Blair Growth (1%r<60d)	LCGro	S	S	S	3.4	17.2	14.0	11.81	8.8	1.00	FSA	
75	196	283	FDEGX	Fidelity Aggressive Growth (1.5%r<90d)	MCGro	*	H	H	3.3	20.4	6.1	20.02	12.2	1.11	Fsa	
76	22	53	TWVLX	American Century Value (closed)	LCVal	H	H	H	1.7	16.0	19.2	7.72	7.3	0.88	FSA	
77	240	229	STDIX	Wells Fargo Advantage Discovery	MCGro	*	S	S	5.1	17.1	11.3	23.10	15.7	1.40	FSA	
78	116	137	RSP	Rydex S&P Equal Weight	LC	*	S	S	3.4	16.4	15.3	48.96	10.6	1.31	—	
79	160	258	BUF MX	Buffalo Mid Cap (2%r<60d)	MCGro	*	S	S	4.8	18.2	8.7	15.73	14.5	1.39	FSA	
80	98	287	ONEQ	Fidelity NDQ Composite	LCGro	*	H	H	2.4	19.5	9.0	97.36	—	—	—	
81	47	27	IVE	S&P 500 Value (iS)	LCVal	H	H	H	2.5	14.7	20.8	78.82	8.6	1.07	—	
82	73	102	BIGRX	American Century Income & Growth	LCVal	S	S	S	2.6	15.9	17.6	34.17	9.5	1.06	FSA	
83	146	87	DSV	DJ WI US SmallCap Value (stFr)	SCVal	*	S	S	3.4	16.0	16.1	73.21	13.5	1.53	—	
93	38	22	FEQIX	Fidelity Equity-Income	LCVal	H	H	H	2.3	14.9	19.5	59.88	8.4	1.04	Fsa	
96	8	2	PWV	PowerShares Dyn LC Value	LCVal	(H)	(H)	(H)	1.3	14.0	22.8	20.02	—	—	—	
97	27	8	VTV	Vanguard Value ETF	LCVal	(S)	(S)	(S)	1.9	14.1	21.7	69.51	—	—	—	
103	24	9	VIVAX	Vanguard Value Index	LCVal	(S)	(S)	(S)	1.9	14.0	21.6	27.09	8.2	1.00	fsc	
137	31	23	VDIGX	Vanguard Dividend Growth	LCVal	(H)	(H)	(H)	1.9	13.9	19.4	14.84	7.1	0.87	fsc	
191	54	94	FDGFX	Fidelity Dividend Growth	LC	(S)	(S)	(S)	2.0	14.0	15.4	32.30	9.2	0.98	Fsa	
205	148	18	FSLVX	Fidelity Large Cap Value	LCVal	H	S	S	2.7	12.2	17.3	15.37	—	1.00	Fa	

Dow Jones
NASDAQ
S&P 500

1.5%
2.5
2.1

13.0%
19.1
13.3

16.6%
8.5
14.0

indexes do not
include dividends

International Stock Funds

1	1	98	PGJ	PowerShares Golden Dragon USX	Pacific	*	(H)	(H)	0.1%	35.5%	36.8%	\$20.98	—	—	—
2	7	93	PRASX	T. Rowe Price New Asia (2%r<90d)	Pacific Int'l	*	B	B	2.0	34.4	31.1	14.21	15.5	—	fs
3	2	1	JAOSX	Janus Overseas (2%r<90d)	Int'l	*	B	B	2.1	30.5	34.3	46.30	15.1	—	FSA
4	5	2	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	*	B	3.7	29.5	33.9	37.74	20.5	—	fsc
5	14	32	ILF	S&P 40 Latin America (iS)	LatinA	*	*	(B)	3.9	28.5	28.1	169.90	19.2	—	—
6	—	—	TWMIX	American Century Emerging Markets	EmerMkt	*	H	H	2.5	28.1	31.0	8.99	18.3	—	FSA
7	9	3	FLATX	Fidelity Latin America (1.5%r<90d)	LatinA	*	*	B	3.1	27.5	29.4	44.73	22.1	—	Fsa
8	23	54	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	*	(B)	(B)	4.4	26.1	28.0	21.83	12.6	—	SA
9	12	29	SALFX	DWS Latin Amer Equity S (closed,2%r<30d)	LatinA	*	H	H	3.3	26.9	26.5	57.52	21.1	—	SA
10	8	31	SCOPX	DWS Pacific Opp Eq. S (closed,2%r<30d)	Pacific	*	B	B	2.0	25.7	30.0	21.51	14.8	—	SA
11	6	19	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific Int'l	*	B	B	0.9	26.0	28.5	27.50	16.9	—	Fsa
12	17	61	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	*	B	B	2.8	23.9	30.1	22.89	10.8	—	FSA
13	4	100	ICHIX	Guinness Atkinson China & HK (2%r<90d)	Pacific Int'l	*	B	B	1.2	24.8	27.9	26.48	16.9	—	FSA
14	3	75	TREMX	T. Rowe Price Emg Europe & Med (2%r<90d)	Europe	*	B	B	2.1	27.1	20.0	32.44	19.4	—	fa
15	11	4	DREGX	Driehaus Emerg Mkts Gr (closed,2%r<60d)	Int'l	*	B	B	1.1	24.7	27.2	39.09	17.9	—	FSA
16	13	41	ADRE	Emerging Mkts 50 ADR (BLDRS)	EmerMkt	*	(B)	(B)	1.7	24.7	26.2	38.93	17.9	—	—
17	49	101	AIPIX	Amer Cent Intl Opp (closed,2%r<180d)	Int'l	*	(B)	(B)	5.3	24.5	21.3	9.21	14.9	—	—
18	25	70	EPP	MSCI Pacific Ex-Japan (iS)	Pacific	*	(B)	(B)	2.4	23.4	28.2	125.20	11.8	—	—
19	10	84	PRMSX	T. Rowe Price Emerging Mkts Stk	Int'l	*	B	B	1.2	27.2	20.0	32.41	16.5	—	fsc
20	21	—	FFINX	Forward International Equity (2%r<180d)	Int'l	*	(B)	(B)	3.8	22.7	27.1	18.23	12.2	—	FSA
21	26	86	MPTX	Matthews Pacific Tiger (closed,2%r<90d)	Pacific	*	(B)	(B)	2.3	24.6	24.4	23.71	15.1	—	FSA
22	75	—	FSCOX	Fidelity Intl Small Cap Opp	Int'l	*	(B)	(B)	4.9	23.4	19.5	15.79	—	—	Fsw
23	18	73	PRESX	T. Rowe Price European (2%r<90d)	Europe	*	(H)	(H)	2.8	21.7	26.0	20.21	10.7	—	fsc
24	43	46	PISRX	Forward Intl Small Companies (2%r<180d)	Int'l	*	H	H	3.3	21.7	24.2	18.96	13.6	—	FSA
25	47	82	PRGSX	T. Rowe Price Global Stock (2%r<90d)	Global	*	H	H	4.4	22.2	20.3	22.64	9.8	—	fsc
26	15	8	MPYMX	Metzler/Payden Europe Emg Mkts (2%r<30d)	Europe	*	H	H	2.2	18.9	31.8	32.42	21.4	—	FSA
27	20	13	EZU	MSCI EMU (iS)	Europe	*	H	H	1.6	19.5	30.0	103.50	12.1	—	—
28	51	102	JAWWX	Janus Worldwide (2%r<90d)	Int'l	*	H	H	3.1	23.0	18.6	50.46	9.2	—	FSA
29	30	25	FECAX	Fidelity Europe Capital App (1%r<30d)	Europe	*	H	H	2.3	18.9	27.7	27.29	13.7	—	Fsa
30	71	97	SGSCX	DWS Gbl Opportunities S (closed,2%r<30d)	Int'l	*	H	H	3.7	21.7	18.3	42.51	12.2	—	FSA
31	27	37	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	*	H	H	1.0	22.4	20.6	24.39	17.8	—	Fsa
32	22	6	ICSEX	ICON Europe	Europe	*	H	H	2.3	17.7	29.4	21.04	13.9	—	FSA
33	16	52	HLEMX	Harding Loevner Emerg Mkt (2%r<90d)	Int'l	*	H	H	0.9	22.7	18.4	44.76	16.1	—	FSA
34	28	15	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	*	H	H	2.4	17.6	28.7	36.04	10.6	—	fsc
35	42	79	VVO	Vanguard Emerging Mkts (VIPER)	EmerMkt	*	H	H	1.1	21.9	19.7	77.39	—	—	—
36	37	77	EEM	MSCI Emerging Markets (iS)	EmerMkt	*	S	S	1.0	22.1	19.2	114.20	17.1	—	—
37	44	60	QFVOX	Quant Foreign Value (1%r<30d)	Int'l	*	H	H	2.2	19.2	24.6	21.90	12.2	—	FSA
38	29	14	VGK	Vanguard European ETF	Europe	*	H	H	2.1	17.6	28.5	68.16	—	—	—
39	24	83	SSEM X	SSgA Emerging Markets	Int'l	*	S	S	1.0	21.7	19.9	23.43	17.1	—	FA
40	53	40	PRIDX	T. Rowe Price Intl Discovery (2%r<90d)	Int'l	*	H	H	2.6	19.8	22.1	47.48	12.9	—	fsc
41	45	47	SCOBX	DWS Global Thematic S (closed,2%r<30d)	Global	*	S	S	2.4	19.2	24.0	33.19	11.1	—	FSA
42	33	39	BJBIX	Julius Baer Intl Eq A (closed,2%r<90d)	Int'l	*	H	H	2.8	18.6	24.6	42.23	11.9	—	FS
43	35	74	VEIEX	Vanguard Emerging Mkts Stk Index (.5%r)	Int'l	*	H	H	1.2	21.7	19.0	24.27	16.7	—	fsc
44	38	91	DRFMX	Dreyfus Premier Emerging Market (1%r)	Int'l	*	S	S	1.4	21.7	18.9	21.09	14.9	—	fsc
62	55	21	VWIGX	Vanguard International Growth (2%r<60d)	Int'l	*	H	H	2.4	15.4	21.6	23.86	10.7	—	fsc

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

RANK	02/02 2007	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	10	12	ICF	Cohen & Steers Realty Majors (iS)	RealEs	*	*	*	10.8%	29.1%	41.8%	\$111.10	16.60	0.92	—	
2	11	13	CSRSX	Cohen & Steers Realty (\$10k, 1%r<180d)	RealEs	*	*	*	10.0	27.8	41.3	98.37	15.60	0.91	FSA	
3	12	28	IYR	DJ US Real Estate (iS)	RealEs	*	*	*	10.4	28.0	38.7	92.00	16.00	0.98	—	
4	24	29	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	9.6	27.9	37.3	39.85	15.20	0.89	Fsa	
5	3	—	EGLRX	Alpine Intl Real Estate (1%r<60d)	RealEs	B	B	B	5.1	31.6	34.6	42.79	11.60	1.16	FSA	
6	16	21	VNQ	Vanguard REIT ETF	RealEs	*	*	*	9.4	26.8	38.0	84.24	—	—	—	
7	20	16	RWR	DJ Wilshire REIT (stfr)	RealEs	*	*	*	9.7	26.3	38.3	96.36	16.10	0.92	—	
8	15	20	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	9.3	26.7	37.7	27.97	15.70	0.91	fsc	
9	2	—	IRFAX	Cohen & Steers Intl Realty A (1%r<180d)	RealEs	B	B	B	5.4	26.7	42.0	19.47	—	—	S	
10	18	11	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	8.7	25.2	38.9	27.53	15.30	0.85	fsc	
11	5	40	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	5.5	29.1	29.7	45.56	12.50	1.46	fsc	
12	1	—	FIREX	Fidelity Intl Real Estate (1.5%r<90d)	RealEs	B	B	B	2.7	27.7	37.3	17.01	—	—	Fsa	
13	51	23	CGMRX	CGM Realty	RealEs	*	*	*	10.4	22.9	30.9	29.86	21.40	1.58	sa	
14	21	26	CSEIX	Cohen & Steers Realty Income (1%r<180d)	RealEs	*	*	*	7.3	22.4	31.3	18.06	14.30	0.88	fsc	
15	4	59	IXP	S&P Global Telecommunication (iS)	Tech	*	*	*	2.8	22.7	37.0	65.10	10.20	0.94	—	
16	6	30	VOX	Vanguard Telecom Service ETF	Utility	*	*	*	4.6	22.2	35.4	76.89	—	—	—	
17	54	74	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	7.7	23.6	26.6	52.22	13.60	1.14	Fsa	
18	9	56	FTICX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	6.2	23.0	28.2	51.56	14.10	1.45	Fsa	
19	19	—	PXQ	PowerShares Dyn Networking	Tech	*	*	*	3.4	31.1	8.3	18.13	—	—	—	
20	27	132	RYLIX	Rydex Leisure (\$25k)	Consmr	*	*	*	3.4	26.5	19.4	36.95	11.90	1.22	Fsa	
21	53	99	FSAVX	Fidelity Automotive (.75%r<30d)	Cycls	*	*	*	6.0	23.9	20.4	40.94	14.20	1.36	Fsa	
22	76	78	RYBIX	Rydex Basic Materials (\$25k)	Cycls	*	*	*	6.3	23.1	21.1	40.54	16.10	1.66	Fsa	
23	29	121	VCR	Vanguard Consumer Discr ETF	Consmr	*	*	*	3.8	24.8	19.0	63.12	—	—	—	
24	83	79	VAW	Vanguard Materials ETF	NatRes	*	*	*	6.2	22.3	20.9	74.91	—	—	—	
25	41	25	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	6.3	19.4	28.0	41.04	15.10	0.88	fsc	
26	107	144	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycls	*	*	*	7.2	25.6	10.8	47.78	16.40	1.60	Fsa	
27	7	27	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	2.7	23.0	23.9	67.34	15.50	1.35	Fsa	
28	25	107	XLY	Consumer Discretionary (SPDR)	Consmr	*	*	*	3.5	23.9	20.2	39.71	11.80	1.31	—	
29	75	104	FDLSX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	3.9	23.7	19.1	82.27	11.20	1.17	Fsa	
30	73	82	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	5.4	22.5	17.8	55.33	13.30	1.18	Fsa	
31	8	45	IYZ	DJ US Telecom (iS)	Tech	*	*	*	4.0	17.5	32.1	30.84	11.00	0.88	—	
32	14	47	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	4.7	22.7	17.8	77.59	14.70	1.45	Fsa	
33	67	106	FSCCHX	Fidelity Chemicals (.75%r<30d)	Cycls	*	*	*	4.9	22.2	18.6	70.06	15.40	1.28	Fsa	
34	50	131	RYIIX	Rydex Internet (\$25k)	Tech	*	*	*	2.5	27.0	7.7	41.78	20.70	2.10	Fa	
35	28	126	FDCPX	Fidelity Computers (.75%r<30d)	Tech	*	*	*	2.4	26.3	8.3	40.42	21.20	2.19	Fsa	
36	92	67	XLB	Materials (SPDR)	Cycls	*	*	*	5.2	19.6	20.2	36.63	15.40	1.47	—	
37	26	—	PBS	PowerShares Dyn Media	Utility	*	*	*	3.2	22.0	16.1	16.68	—	—	—	
38	47	115	ICY	DJ US Consumer Cyclical (iS)	Cycls	*	*	*	4.0	21.1	16.4	70.08	11.00	1.15	—	
39	56	—	PEJ	PowerShares Dyn Leisure & Ent	Consmr	*	*	*	1.5	23.4	13.3	18.23	—	—	—	
40	57	86	FSPFX	Fidelity Paper & Forest (.75%r<30d)	Cycls	*	*	*	4.4	20.5	15.9	33.92	16.60	1.51	Fsa	
41	58	128	PRSCX	T. Rowe Price Science & Tech	Tech	*	*	*	2.8	24.9	7.3	21.54	15.40	1.66	fsc	
42	94	146	RYTVX	Royce Technology Value (2%r<180d)	Tech	*	*	*	5.6	23.5	6.2	6.77	22.20	2.04	FSA	
43	34	105	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	3.0	21.3	15.4	49.29	14.10	1.40	Fsa	
44	116	149	EUEYX	Alpine U.S. Real Estate Equity CIY	RealEs	*	*	*	4.8	24.3	4.8	39.54	20.70	1.70	FSA	
45	82	—	PSJ	PowerShares Dyn Software	Tech	*	*	*	4.5	21.1	12.8	20.09	—	—	—	
46	142	93	IYT	DJ Transportation Average (iS)	Cycls	*	*	*	9.8	15.9	17.6	89.76	—	—	—	
47	13	64	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	3.2	17.7	22.4	8.00	11.00	0.94	FSA	
48	33	83	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycls	*	*	*	4.6	17.5	20.9	85.30	12.00	1.15	Fsa	
49	35	90	RYMIX	Rydex Telecommunications (\$25k)	Utility	*	*	*	2.7	20.0	16.1	18.95	15.00	1.55	Fsa	
50	91	112	RYRIX	Rydex Retailing (\$25k)	Consmr	*	*	*	4.7	20.6	11.4	14.61	15.10	1.28	Fsa	
51	114	73	IYM	DJ US Basic Materials (iS)	Cycls	*	*	*	5.7	17.6	17.3	62.45	15.90	1.50	—	
52	77	117	ICCCX	ICON Consumer Discretionary	Consmr	*	*	*	4.9	19.0	14.8	13.56	16.20	1.54	FSA	
53	137	124	RYPIX	Rydex Transportation (\$25k)	Cycls	*	*	*	8.8	16.8	13.6	30.29	14.20	1.21	Fsa	
54	72	101	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	5.1	18.2	15.2	27.54	9.78	1.06	Fsa	
55	136	111	FSRFX	Fidelity Transportation (.75%r<30d)	Cycls	*	*	*	8.2	16.9	13.4	54.20	13.80	1.28	Fsa	
56	32	110	XLK	Technology (SPDR)	Tech	*	*	*	2.1	21.1	11.7	23.75	13.20	1.48	—	
57	40	120	IGM	GS Technology (iS)	Tech	*	*	*	1.6	23.0	7.7	52.23	16.90	1.84	—	
58	42	109	IYW	DJ US Technology (iS)	Tech	*	*	*	1.6	21.8	8.3	55.33	16.10	1.71	—	
59	48	116	VGIT	Vanguard Information Tec ETF	Tech	*	*	*	1.7	21.8	7.3	53.41	—	—	—	
106	103	77	FBALX	Fidelity Balanced	Hybrid	B	*	*	2.3	10.8	10.4	19.88	7.99	1.18	Fsa	
107	90	85	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	1.6	10.3	11.1	21.71	5.24	0.78	fsc	
120	101	70	GATEX	Gateway Fund	Altern	B	*	*	1.6	6.5	10.3	27.48	2.80	0.30	FSA	
131	148	24	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	B	B	B	2.8	4.0	6.4	28.64	20.00	1.23	Fa	
132	143	31	PRNEX	T. Rowe Price New Era	NatRes	B	B	B	0.9	3.4	7.3	46.43	16.90	1.29	fsc	
137	140	17	VDE	Vanguard Energy ETF	NatRes	B	B	B	0.2	1.2	7.5	85.19	—	—	—	
142	145	22	IGE	GS Natural Resources (iS)	NatRes	B	B	B	0.2	-0.2	5.1	101.80	19.40	1.26	—	
143	141	14	VGEXX	Vanguard Energy (\$25k, 1%r<1yr)	NatRes	B	B	B	-0.8	-0.2	5.8	64.14	18.70	1.07	fsc	
144	154	42	RSNRX	RS Global Natural Res (\$5k, 4.75% load)	NatRes	S	S	S	3.1	-0.1	-0.6	31.80	19.70	1.29	fsc	
150	149	5	PSPFX	U.S. Global Inv Global Res (.25%r<30d)	NatRes	B	B	B	-1.6	-2.3	4.8	14.61	24.40	1.70	FSA	
152	153	129	PBW	PowerShares WilderH Clean Energy	NatRes	B	B	B	2.3	0.6	-11.3	17.71	—	—	—	

MONEYLETTER'S Top 10 Funds for 2006—Part I

Below are the first five of *MONEYLETTER'S* Top 10 Funds for 2006, chosen by Chief Economist and Chief Investment Officer Walter Frank. These funds were chosen based on a combination of calendar year performance and contribution to our model portfolios in 2006. As a result, even though there is an obvious slant to international funds due to their outstanding one-year performance, we have included four domestic funds in the list.

Details of funds six through 10 will appear in the next issue.

#1 Metzler/Payden European Emerging Markets (MPYMX)

Fund Type: European

Manager: Markus Brueck (since 12/02)

2006 Return: +46.3%

ML Rank as of 12/31/06: #9 out of 102 International Funds

Best Quarter (since inception 12/02): +29.2% (3Q 2005)

Worst Quarter (since 12/02): -6.4% (2Q 2004)

What \$10,000 Grew To in Five Years: n/a

Minimum Investment: \$5,000

Phone: (888) 376-3834

#2 Fidelity International Real Estate (FIREX)

Fund Type: Real Estate

Manager: Steven Buller (since 1/07)

2006 Return: +42.9%

ML Rank 12/31/06: #1 of 158 Specialty Funds

Best Quarter (since inception 9/04): +18.9% (4Q 2006)

Worst Quarter (since 9/04): -4.0% (1Q 2005)

What \$10,000 Grew To in Five Years: n/a

Minimum Investment: \$2,500

Phone: (800) 544-9797

#3 ICON Europe (ICSEX)

Fund Type: European

Manager: Scott Snyder (since 11/05)

2006 Return: +44.0%

ML Rank 12/31/06: #30 of 102 International Funds

Best Quarter (since 1/00): +23.7% (2Q 2003)

Worst Quarter (since 1/00): -20.9% (3Q 2002)

What \$10,000 Grew To in Five Years: \$27,021

Minimum Investment: \$1,000

Phone: (800) 764-0442

#4 Driehaus Emerging Markets Growth (DREGX)

Fund Type: International

Manager: Emery Brewer (since 12/97), Daniel Rea (since 4/06)

2006 Return: +41.2%

ML Rank 12/31/06: #15 of 102 International Funds

Best Quarter (since 1/00): +27.7% (2Q 2003)

Worst Quarter (since 1/00): -19.8% (3Q 2001)

What \$10,000 Grew To in Five Years: \$37,247

Minimum Investment: closed

Phone: (800) 560-6111

#5 T. Rowe Price New Asia (PRASX)

Fund Type: Pacific

Manager: Frances Dydasco (since 11/96)

2006 Return: +36.1%

ML Rank 12/31/06: #4 of 102 International Funds

Best Quarter (since 1/00): +30.7% (4Q 2001)

Worst Quarter (since 1/00): -23.8 (3Q 2001)

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF	5.05%	5.05%	4.77%
Vanguard Treasury MMF	4.93	4.91	4.55
Fidelity US Treasury MMF	4.79	4.77	4.42
Amer Century Capital Presv Fund/Inv	4.73	4.72	4.36
The US Treasury Trust/CI S	4.61	4.56	4.29
HSBC Investor US Treas MM/CI D	4.60	4.58	4.12
T. Rowe Price US Treasury MF	4.60	4.67	4.26
JPMorgan 100% US Treas MMF/Morgan	4.56	4.55	4.24
RMK Select Treas MMF/CI A	4.52	4.52	4.21
Schwab US Treasury Money Fund	4.52	4.51	4.18

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
Vanguard Prime MMF/Investor	5.23%	5.23%	4.88%
Transamerica Premier Cash Res/Inv	5.22	5.22	4.91
McMorgan Principal Preservation	5.21	5.19	4.87
TIAA-CREF Money Market Fund	5.20	5.20	4.88
Van Kampen Reserve Fund/CI A	5.19	4.57	4.15
Harbor Money Market Fund	5.18	5.17	4.83
Fidelity Money Market Fund	5.17	5.14	4.79
PayPal Money Market Fund	5.17	5.16	4.88
TCW Money Market Fund	5.15	5.14	4.77
SSgA MMF/CI A	5.12	5.09	4.76

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	3.62%	3.63%	3.43%
Vanguard Tax-Exempt MMF	3.59	3.59	3.37
Fidelity AMT Tax-Free Money Fund	3.42	3.38	3.20
DWS Tax-Exempt Money Fund	3.34	3.35	3.11
Dreyfus BASIC Muni MMF	3.32	3.31	3.09
Fidelity Municipal MMF	3.31	3.30	3.12
Marshall Tax Free MMF/Class Y	3.29	3.29	3.11
Fidelity Tax Free Money Market	3.27	3.26	3.08
T-E Portfolio/Managed Shares	3.27	3.27	3.06
Amer Century T-F MMF/Inv Class	3.26	3.25	3.08

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard PA Tax-Exempt MMF	3.59%	3.59%	3.37%
Vanguard OH Tax-Exempt MMF	3.58	3.57	3.36
Vanguard NY Tax-Exempt MMF	3.56	3.55	3.33
Vanguard NJ Tax-Exempt MMF	3.54	3.54	3.31
Vanguard CA Tax-Exempt MMF	3.48	3.47	3.29
Fidelity NJ AMT Tax-Free MMF	3.32	3.32	3.16
Dreyfus BASIC NJ Muni MMF	3.31	3.29	3.06
Fidelity CA AMT Tax-Free MMF	3.31	3.29	3.16
Fidelity MA AMT Tax-Free MMF	3.28	3.27	3.10
Fidelity NY AMT Tax-Free MMF	3.28	3.28	3.10

(PRASX continued)

What \$10,000 Grew To in Five Years: \$28,374

Minimum Investment: \$2,500

Phone: (800) 638-5660

Sneak Preview: #6 Fidelity Europe Capital Appreciation, #7 FBR Small Cap, #8 Kinetics Paradigm, #9 Morningstar Large Value (ETF), #10 PowerShares Dynamic Large Cap (ETF) \$

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American Century Emerging Markets: Going for the Momentum

The emerging markets took investors on quite a ride in 2006. The MSCI Emerging Markets Index, which includes 27 developing countries, finished the year up nearly 33%. That performance occurred in the face of high energy prices, rising interest rates in a number of nations, and ongoing instability in the Middle East. Within that gain was a sharp correction in the spring that Gregg Greenberg of TheStreet.com TV termed “gut-wrenching.”

One winner in the emerging markets category in 2006 was American Century Emerging Markets, whose 42.6% advance put it near the top of Morningstar’s diversified emerging markets category. Still, the volatility inherent in this area is evident in the fund’s quarterly performances: up 15.9% in the first quarter, followed by a second quarter decline of 3.8%, and gains of 7.4% and nearly 19% in the following two periods.

A momentum fund

The American Century Emerging Markets fund takes its investment cues from most of American Century’s growth funds—it searches for firms with accelerating revenues and earnings and growing cash flow. Management does not peg the fund’s holdings to any particular index: portfolio composition is driven by stock selection. The fund tends to be well-diversified by sector (though, of course, some are more heavily weighted than others), and holds about 100 different stocks, none of which are significantly overweighted. The managers try to keep it diversified geographically as well, though it will not mimic the MSCI Emerging Markets weightings. It can have notable country bets.

Fund manager Michael Donnelly has been at the helm since the beginning (September 1997). He is aided by assistant manager Patricia Ribeiro and a team of five analysts who cover different geographic regions. In a recent interview with TheStreet.com TV, Donnelly stated, “We like to make sure we know the stocks. We’re very company-focused. We have analysts who know their regions, who are culturally disposed to the countries in which they grew up. We meet with a lot of managements all around the world, and I think we tend to understand the stocks better than the average analyst. That’s how we pick our stocks.”

The focus

Donnelly has stated that he is particularly positive on prospects in Russia and China. However, Hungary is one

area he has avoided for nearly two years. A budget deficit in Hungary that was much higher than originally disclosed has made it unlikely that the nation will join the European Union by 2010 as had been planned. This has led to anti-government protests, which Donnelly believes the situation will worsen. However, he is more positive on other Eastern European nations such as Poland and Ukraine. He has stated that the latter reminds him of where Russia was ten years ago, with “much potential to be an efficient market.”

Top Five Sectors and Countries (% Total Net Assets)

Financials	14.1	South Korea	12.8
Information Technology	13.3	Taiwan	12.7
Consumer Discretionary	12.8	Brazil	12.4
Consumer Staples	12.5	Russia	9.8
Materials	12.0	China	7.1

As of November 30, 2006

Meanwhile, Russia and China are two of the fund’s main overweights, according to Donnelly. In the TheStreet.com TV interview, he explained, “We like China. The trade account is doing very well. Russia is prospering from the hydrocarbon boom. When oil prices are bad for the US... they are good for Russia.” Two of Donnelly’s favorite stocks in Russia are Gazprom, the world’s largest hydrocarbon producer, and Novatek, “sort of a mini Gazprom.” He also favors Pyaterochka, the largest food retailer in Russia. “In a nutshell, Putin is closing down the open markets so you have to go to the food store to buy your vegetables, and the firm will prosper from that.”

Meanwhile, Donnelly says, “China is going to be a long-term story and even a medium-term story...They are trying to grow their domestic economy and that’s going to be a dynamic for awhile.” Donnelly says the team is looking at retail stocks, and also stocks such as China Mobile, which they like because mobile penetration is lower than in the West. Donnelly wraps up: “Capitalism has taken root in these former Communist countries, and the Russian entrepreneurs, and the Chinese entrepreneurs, they know that they can grow their economies.” \$

American Century Emerging Markets (TWMIX)
American Century Investments
4500 Main Street, Kansas City, MO 64111
(800) 345-3533 • Minimum Investment: \$2,500
2% redemption within 180 days

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