

Slipping Gears

by Walter S. Frank, Chief Investment Officer

Investors are nervous, and well they should be. We share their nervousness. The string of economic numbers issued over the past 3-4 weeks presents the picture of an economy that is just crawling along. At the same time, the inflation numbers are moving in the wrong direction. They are not running away, mind you, but they are not showing any payoff for the slower growth we have experienced. The word “stagflation” is now gaining currency. When it was first bandied about months ago we dismissed it as alarmist. We still do not embrace it, but there is some basis for its use.

It is important to take a global view at this time. It is easy to wring one’s hands about the market outlook, if one just contemplates the U.S. market. As we discussed in the last issue, earnings forecasts for U.S. companies have fallen and are down in the single-digit range, the low single-digits at that for the first half. We would also think that, looking further out, there are currently question marks all over the medium-term earnings forecasts.

What is true for the U.S., though, is not true for Europe, China, and India, nor for many emerging market countries. Growth continues for the global economy. Earnings estimates are not being slashed. It is important to recognize this as the growth and profit outlook here darkens over the immediate months ahead. The U.S. is now the odd man out.

Maintaining perspective

It is easy right now to talk one’s self into a bearish position. Indeed, the medium-term outlook for the U.S. market is not particularly appetizing. The slowdown in overall earnings growth is not just a temporary blip but has fundamental causes; slower productivity growth for one. It is hard to see a meaningful acceleration in earnings growth at a minimum over the year ahead.

The earnings slowdown, as subscribers know, has not come as a surprise to us. Indeed, it is a theme that we have returned to more than once for some time. We hope as you look at our recommended allocations that you see we have done more than talk.

We have reduced the domestic growth stock allocation for Venturesome investors to 40%. The other 60% of the portfolio is either allocated to international growth funds or in specialty funds such as commodity or real estate funds that are not closely tied to the domestic growth outlook. The Moderate Portfolio’s allocation is even less tied to the domestic economy for performance. The Conservative Portfolio has only 35% of its assets tied to domestic growth funds (and the less volatile ones at that).

None of this correction-proofs the portfolios from a tsunami-inducing correction here (and one or two first-rate fund managers are expecting just that). But we believe that

foreign markets, after the usual knee-jerk reaction to a sizeable correction here, will perform relatively well over the medium-term as global investors move in to acquire bargains. As we have said elsewhere, this time it is different. This time the growth engine for the world is not the United States, but China and India. We really are living in a new era.

We should add that our outlook for the market is less dramatic than the “big correction” scenario. We see a rocky market ahead, but one where the trend is up, though only moderately so. We do not think the Fed will help by lowering rates, but the possibility exists. It is not a great outlook, and, as we have said before, you can do better abroad.

Fund changes

The Hotline of Wednesday, March 21st recommended the sale of Fidelity OTC in the **Fidelity Venturesome Model Portfolio**. For the model the proceeds were to be split, with \$10,000 going to Fidelity Value Strategies already in the portfolio and the balance going to Fidelity Convertible Securities. Here are the details as of Thursday, March 22nd. Sold 671 shares of OTC Portfolio @ \$42.47 per share. Purchased 293 shares of Value Strategies @ \$34.18 per share and 693 shares of Convertible Securities @ \$26.67 per share.

New advice: the Hotline of Wednesday, March 28th recommended the sale of ICON Europe in the **MONEYLETTER Venturesome** and **Moderate** portfolios. For the Venturesome Portfolio the model was switched into T. Rowe Price Latin America. For the Moderate Portfolio, the switch was into Metzler/Payden Europe Emerging Markets. The same Hotline also recommended the sale of Vanguard Dividend Growth in the Vanguard Venturesome and Conservative Model Portfolios. Dividend Growth was switched into Vanguard Mid-Cap Index in both portfolios. Here are the details of the switches made as of Thursday, March 29th. **MONEYLETTER Venturesome**—Sold 1,226 shares of ICON Europe @ \$21.80 per share. Purchased 674 shares Price Latin America @ \$39.68 per share. **MONEYLETTER Moderate**—Sold 857 shares of ICON Europe. Purchased 557 shares of Metzler/Payden Emerging Europe @ \$33.54 per share. **Vanguard Venturesome**—Sold 1,478 shares of Vanguard Dividend Growth @ \$14.59 per share. Purchased 1,044 shares of Vanguard Mid-Cap Index @ \$20.66 per share. **Vanguard Conservative**—Sold 643 shares of Dividend Growth. Purchased 454 shares of Mid-Cap Index. \$

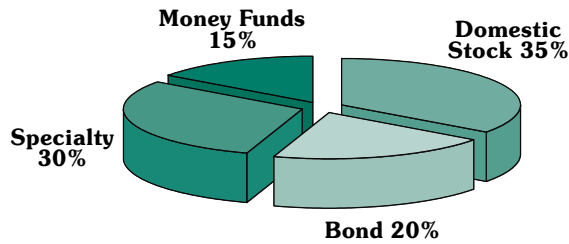
HOTLINE

(410) 528-1804

Call for Updates Every
Wednesday at 7:00pm (ET)

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	1.2%	22,341	\$1.00	\$22,341
Fidelity Intl Real Estate	12/18/06	8.1	935	17.34	16,216
Loomis Sayles Bond Retail	03/17/04	28.3	2,066	14.36	29,670
Gateway Fund	11/27/02	38.1	634	27.55	17,470
Wells Fargo Adv C&B MC Value	10/05/06	12.0	1,026	22.99	23,577
FBR Small Cap	01/25/07	-1.3	257	54.73	14,050
Weitz Hickory	02/15/07	-3.2	516	39.69	20,479
T. Rowe Price New Era	10/19/06	11.7	336	48.57	16,313
TOTAL VALUE					\$160,116

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.0%	7.2%	5.9%	28.5%	2.1%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	1.2%	16,628	\$1.00	\$16,628
Fidelity Intl Real Estate	12/18/06	8.1	784	17.34	13,591
Fidelity Strategic Income	03/17/04	21.8	1,980	10.65	21,089
Fidelity Balanced	11/27/02	76.0	908	20.03	18,192
Fidelity Large Cap Value	08/03/06	12.0	1,147	15.09	17,303
Fidelity Small Cap Independence	02/15/07	-0.5	650	22.08	14,360
Fidelity Value	02/08/07	-0.4	211	84.45	17,857
Fidelity Natural Resources	01/11/06	19.9	457	30.37	13,888
TOTAL VALUE					\$132,908

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.5%	8.3%	7.5%	31.4%	2.9%

Vanguard Conservative

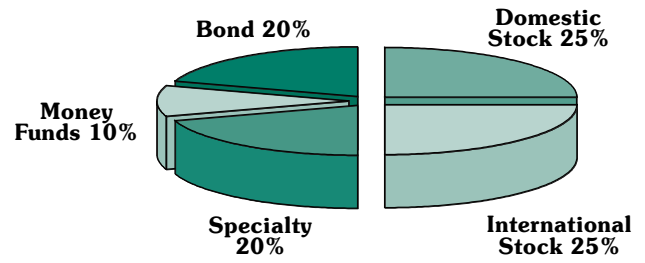
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	1.2%	18,183	\$1.00	\$18,183
Vanguard European ETF	12/18/06	4.8	214	70.92	15,147
Vanguard GNMA	03/17/04	12.0	1,898	10.21	19,383
Vanguard Balanced Index	11/27/02	50.3	619	21.52	13,318
Vanguard Windsor	02/08/07	-2.1	1,200	18.75	22,492
Vanguard Capital Value	01/25/07	2.0	1,343	13.18	17,695
Vanguard Mid-Cap Index	03/29/07	0.1	454	20.67	9,383
Vanguard Energy ETF	10/19/06	10.0	145	88.16	12,743
TOTAL VALUE					\$128,344

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.4%	6.5%	7.7%	25.4%	1.6%

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	1.2%	19,813	\$1.00	\$19,813
Fidelity Intl Real Estate	12/18/06	8.1	1,205	17.34	20,893
Loomis Sayles Bond Retail	03/17/04	28.3	1,856	14.36	26,659
T. Rowe Price New Asia	02/01/07	0.4	2,256	14.36	32,391
Metzler/Payden Europe Emg Mkts	03/29/07	0.1	557	33.58	18,711
Janus Contrarian	01/25/07	2.5	1,100	17.97	19,765
Legg Mason Opportunity Trust	02/15/07	-4.3	1,216	19.64	23,877
T. Rowe Price New Era	10/19/06	11.7	353	48.57	17,156
TOTAL VALUE					\$179,265

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.7%	10.3%	8.4%	43.4%	2.0%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	1.2%	15,773	\$1.00	\$15,773
Fidelity Intl Real Estate	12/18/06	8.1	958	17.34	16,604
Fidelity Strategic Income	03/17/04	21.8	2,900	10.65	30,890
Fidelity SE Asia	10/05/06	21.4	765	28.64	21,914
Fidelity Europe Capital App	06/07/06	22.7	837	28.51	23,851
Fidelity Value Strategies	02/08/07	0.6	738	33.97	25,054
Fidelity Small Cap Independence	02/15/07	-0.5	699	22.08	15,429
Fidelity Natural Resources	01/11/06	19.9	569	30.37	17,288
TOTAL VALUE					\$166,803

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
2.2%	11.2%	6.9%	43.9%	3.4%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime MMF/Investor	Yield YTD	1.2%	15,067	\$1.00	\$15,067
Vanguard REIT ETF	12/18/06	4.6	192	79.35	15,222
Vanguard FI Hi-Yld Corp	01/17/01	46.6	4,094	6.25	25,585
Vanguard European ETF	09/28/06	15.2	336	70.92	23,814
Vanguard Emerging Mkts Stk	12/28/06	2.1	676	24.80	16,758
Vanguard Windsor	02/08/07	-2.1	659	18.75	12,348
Vanguard Capital Value	02/08/07	-2.0	1,919	13.18	25,289
Vanguard Energy ETF	10/19/06	10.0	162	88.16	14,258
TOTAL VALUE					\$148,341

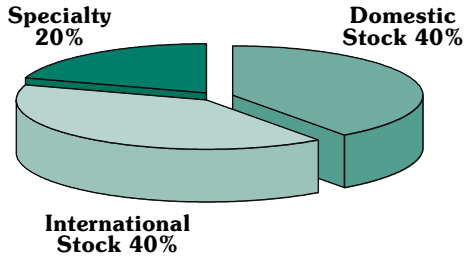
TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
1.6%	9.3%	7.0%	33.2%	2.1%

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	8.1%	966	\$17.34	\$16,743
Janus Overseas	05/24/06	33.4	668	47.68	31,863
Metzler/Payden Europe Emg Mkts	08/17/06	20.0	536	33.58	17,994
T. Rowe Price Latin America	03/29/07	0.0	674	39.68	26,733
Janus Contrarian	01/25/07	2.5	1,575	17.97	28,310
Wells Fargo Adv C&B MC Value	10/05/06	12.0	749	22.99	17,227
Legg Mason Opportunity Trust	02/15/07	-4.3	1,132	19.64	22,226
T. Rowe Price New Era	10/19/06	11.7	344	48.57	16,693
TOTAL VALUE					\$177,789

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
2.5%	14.4%	9.0%	49.8%	2.8%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Intl Real Estate	12/18/06	8.1%	991	\$17.34	\$17,180
Fidelity SE Asia	10/05/06	21.4	1,260	28.64	36,084
Fidelity Latin America	08/17/06	22.5	399	46.03	18,376
Fidelity Europe Capital App	06/07/06	22.7	858	28.51	24,463
Fidelity Convertible Securities	03/22/07	-0.6	693	26.52	18,391
Fidelity Small Cap Independence	02/15/07	-0.5	1,174	22.08	25,920
Fidelity Value Strategies	02/08/07	0.6	685	33.97	23,283
Fidelity Natural Resources	01/11/06	19.9	603	30.37	18,319
TOTAL VALUE					\$182,016

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
3.1%	14.5%	9.2%	49.9%	3.9%

Vanguard Venturesome

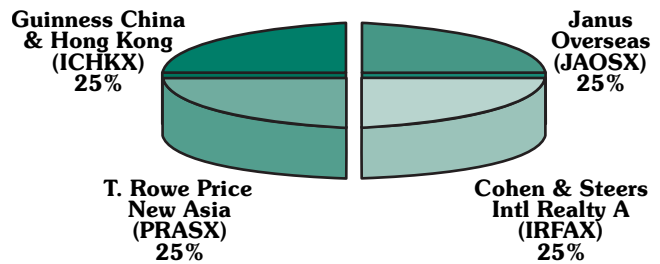
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard REIT ETF	12/18/06	4.6	177	79.35	14,081
Vanguard Emerging Mkts Stk	12/28/06	2.1	982	24.80	24,355
Vanguard European ETF	08/17/06	17.6	369	70.92	26,145
Vanguard International Growth	09/28/06	13.3	569	24.55	13,973
Vanguard Capital Value	02/08/07	-2.0	2,036	13.18	26,837
Vanguard Mid-Cap Index	03/29/07	0.1	1,044	20.67	21,574
Vanguard Windsor	02/08/07	-2.1	583	18.75	10,940
Vanguard Energy ETF	10/19/06	10.0	168	88.16	14,793
TOTAL VALUE					\$152,698

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	11.2%	7.3%	38.0%	1.9%

SELECT

Seeks maximum long-term growth by assertively upgrading fund positions



MONEYLETTER Select

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Janus Overseas	12/04/06	5.2%	1,129	\$47.68	\$53,833
Cohen & Steers Intl Realty	02/01/07	3.0	2,994	19.75	59,126
T. Rowe Price New Asia	01/11/07	4.1	3,654	14.36	52,476
Guinness Atkinson China & HK	07/27/06	28.7	1,890	27.61	52,186
TOTAL VALUE					\$217,621

Inception: 9/30/02

TOTAL RETURNS (as of 3/31/07)

1-mo	6-mo	1-yr	3-yr	YTD
2.9%	18.8%	5.9%	65.0%	4.5%

MONEYLETTER Select Commentary

No fund exchanges were recommended in the past month. We are pleased to report that following a series of “gloomy Tuesdays” in March that impacted virtually all global market segments, our international positions have retraced ground lost to post modest gains YTD.

Factors which contributed to the aggressive profit-taking in China have abated somewhat, offering greater stability. However, increased market volatility is likely to stick with us for some time as housing and energy news continues to drive investment markets over the near-term. \$

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—March 31, 2007

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	1.2%	7.4%	11.8%	33.3%	0.7%
Asset Allocation	0.9	6.9	9.5	27.6	1.7
Funds (Avg) 542 Funds					

Domestic Stock Funds

RANK	03/30 2007	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/wif
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	3	—		KSCOX	Kinetics Small Cap Opps	MC	*	B	B	2.7%	20.9%	19.8%	\$28.83	11.1	1.29	Fsw
2	28	297		TWHIX	American Century Heritage	MCGro	*	B	B	4.6	22.3	12.5	17.18	13.9	1.56	FSA
3	5	110		JSVAX	Janus Contrarian	LC	*	B	B	2.0	19.9	20.4	17.97	12.0	1.43	FSA
4	2	191		AVALX	Aegis Value Fund (\$10k)	SCVal	B	B	B	-0.8	20.8	19.7	15.47	10.3	0.98	fa
5	4	2		LLSCX	Longleaf Partners Smallcap (closed)	SCVal	B	B	B	2.4	17.0	24.1	32.34	9.2	1.12	fa
6	307	323		CGMFX	CGM Focus	LC	*	*	(B)	7.5	17.1	14.0	37.95	20.3	1.26	sa
7	8	236		JAVTX	Janus Venture (closed)	SCGro	*	B	B	1.0	20.2	11.2	65.37	15.9	1.91	FSA
8	13	128		FLSLX	Fidelity Value Strategies	MC	*	B	B	1.7	17.1	16.1	33.97	14.7	1.91	Fa
9	50	132		FIVCX	Fidelity Leveraged Co (\$10k, 1.5%r<90d)	MC	*	(B)	(B)	2.5	16.1	14.9	31.04	13.4	1.38	Fa
10	7	72		CHTIX	Aston/Optimum MidCap N	MC	*	B	B	-0.1	16.5	17.8	27.95	12.4	1.47	FSA
11	9	100		VCVLX	Vanguard Capital Value	LCVal	B	B	(B)	0.2	16.3	17.0	13.18	10.0	1.33	fSa
12	62	65		USCGX	USAA Capital Growth	LC	*	(B)	(B)	2.8	14.8	16.9	8.90	13.3	1.63	A
13	19	144		WWNPX	Kinetics Paradigm (2%r<30d)	MC	B	B	B	1.8	15.5	16.4	26.55	9.9	1.08	FsA
14	10	120		BPMCX	Robeco Boston Partners Mid Cap Value	MCVal	B	B	B	1.1	16.0	16.0	10.93	10.1	1.31	FSA
15	29	40		GABAX	Gabelli Asset (2%r<7d)	MC	(B)	(B)	(B)	2.0	13.7	18.1	49.29	8.3	1.08	FSA
16	54	196		WPSRX	Westport Select Cap R (closed)	MC	H	H	H	3.8	14.5	13.4	26.25	8.9	1.05	FSA
17	56	264		RYVFX	Royce Value (1%r<180d)	SC	H	H	H	1.9	17.3	8.1	11.56	13.5	1.54	FSA
18	18	10		VASVX	Vanguard Selected Value (\$25k, 1%r<1yr)	MCVal	B	B	B	1.5	12.3	20.7	21.94	8.0	0.98	fSa
19	32	290		FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SCGro	*	B	B	1.2	17.3	8.6	22.08	13.2	1.53	Fsa
20	23	34		IWS	Russell MidCap Value (fS)	MCVal	H	H	H	1.2	13.8	17.1	153.20	8.8	1.15	—
21	80	230		RYVPX	Royce Value Plus (1%r<180d)	SCGro	*	H	H	2.3	16.4	9.0	14.85	14.1	1.58	FSA
22	11	6		CBMDX	Wells Fargo Adv C&B Mid Cap Value	MC	*	B	B	2.0	13.2	17.0	22.99	10.8	1.36	FSA
23	30	150		MNSCX	WellsFargo Adv Small Cap Growth	SCGro	*	B	B	1.2	16.5	9.6	13.68	15.9	1.83	fSa
24	251	321		TWCVX	American Century Vista	MCGro	*	H	H	4.1	16.2	5.8	18.25	14.2	1.56	FSA
25	6	292		LMOFX	Legg Mason Opportunity Trust (1%r)	MCGro	*	B	B	-1.4	18.6	6.6	19.64	18.9	2.37	—
26	26	105		CRMMX	CRM Mid Cap Value Inv (closed)	MC	H	H	H	1.6	13.8	14.3	30.99	8.8	1.13	FSA
27	58	235		NMANX	Neuberger Berman Manhattan	MCGro	*	H	H	2.2	15.2	9.6	9.61	13.0	1.62	fSa
28	48	213		JAMRX	Janus Research	LCGro	*	H	H	2.6	13.7	12.1	26.73	9.8	1.26	FSA
29	96	225		RIMSX	Rainier Small/Mid Cap Equity (closed)	MCGro	*	H	H	2.5	15.6	7.5	39.16	14.8	1.77	FSA
30	33	162		OBWSX	Old Mutual Small Cap (2%r<10d)	SC	H	H	H	1.7	14.5	11.4	27.91	12.1	1.52	FSA
31	27	98		ATASX	Aston/TAMRO SmallCap N	SC	*	B	B	1.5	15.0	10.4	20.15	14.0	1.71	FSA
32	25	46		JKI	Morningstar Mid Value (fS)	MCVal	H	H	H	0.9	13.1	15.7	89.02	—	—	—
33	21	37		PWP	PowerShares Dynamic MC Value	MCVal	H	H	H	1.4	12.7	15.8	19.48	—	—	—
34	55	153		HDPMX	Hodges Fund (2%r<90d)	MC	*	H	H	1.8	14.4	9.4	26.97	14.1	1.73	FSA
35	57	111		JORNX	Janus Orion	MCGro	*	H	H	1.4	14.1	10.9	10.23	12.1	1.54	FSA
36	49	143		IJJ	S&P 400 MidCap Value (fS)	MCVal	*	H	H	1.2	14.0	11.0	83.53	10.6	1.38	—
37	170	216		STDIX	Wells Fargo Advantage Discovery	MCGro	*	H	H	2.2	14.3	8.7	23.30	14.9	1.82	FSA
38	167	231		RYLPX	Royce Low Priced Stock (closed, 1%r<180d)	SC	*	H	H	2.0	14.7	7.7	17.63	13.8	1.45	fSa
39	63	211		FCVSX	Fidelity Convertible Securities	Convrt	H	H	H	1.2	13.2	12.8	26.52	8.5	1.26	Fsa
40	22	60		NOIEX	Northern Income Equity	Convrt	H	H	H	0.9	11.5	17.3	13.26	6.4	0.92	FSA
41	117	247		KAUFX	Federated Kaufmann Fund (0.2%r)	MCGro	*	H	H	2.1	14.3	8.4	5.87	12.1	1.58	fSa
42	75	165		IZZYX	Ironwood Isabelle Small Company Stock	SCVal	*	H	H	1.7	15.4	6.1	13.79	16.9	1.94	FSA
43	17	139		ARTQX	Artisan Mid Cap Value (closed)	MCVal	B	B	B	0.4	13.0	13.5	21.16	10.0	1.11	FSA
44	15	30		TRMCX	T. Rowe Price Mid Cap Value (closed)	MCVal	H	H	H	0.0	11.9	16.7	26.14	8.6	1.18	fSa
45	130	164		JAVLX	Janus Twenty (closed)	LCGro	*	H	H	2.0	12.5	11.9	56.05	11.1	1.25	FSA
46	31	148		HRTVX	Heartland Value (2%r<10d)	SCVal	*	H	H	-0.4	14.4	10.2	51.61	13.7	1.63	FSA
47	67	4		LSVRX	Loomis Sayles Value Retail	LCVal	H	H	H	2.0	9.8	17.9	22.05	—	—	FA
48	134	233		FFTYX	Fidelity Fifty	LCGro	*	H	H	2.6	13.1	8.8	24.25	11.5	1.46	Fsa
49	41	183		BPSCX	Robeco Boston Ptnrs SCV (closed, 1%r<1yr)	SCVal	H	H	H	1.4	13.4	9.8	21.93	11.4	1.39	FSA
50	65	188		FLPSX	Fidelity L P Stock (closed, 1.5%r<90d)	MC	*	H	H	1.6	12.6	11.2	44.67	10.6	1.35	Fsa
51	40	94		JMCVX	Janus Mid Cap Value	MCVal	H	H	H	0.7	12.1	13.6	24.73	8.3	1.10	FSA
52	34	116		FDVLX	Fidelity Value	MCVal	H	H	H	0.6	12.3	13.1	84.45	9.6	1.27	Fsa
53	141	89		ICSLX	ICAP Select Equity	LCVal	H	H	H	2.6	10.3	14.6	42.19	7.7	0.95	fSa
54	73	166		VXF	Vanguard Extended Market ETF	MC	*	H	H	1.0	13.5	8.8	106.40	11.4	1.48	—
55	154	121		PWY	PowerShares Dynamic Small Cap Value	SCVal	H	H	H	2.9	11.9	9.8	18.32	—	—	—
56	174	3		JKF	Morningstar Large Value (fS)	LCVal	H	H	H	2.2	8.5	19.3	83.79	—	—	—
57	77	54		DSV	DJ Wilshire SmallCap Value (stTr)	SCVal	*	H	H	1.3	12.3	11.0	72.80	12.3	1.56	—
58	71	189		FIDYX	AIM Dynamics Inv (closed)	MCGro	*	H	H	1.0	13.0	9.7	22.15	12.0	1.52	Fsa
59	1	12		FBRVX	FBR Small Cap (1%r<90d)	MCGro	*	(H)	(H)	-2.2	13.6	12.9	54.73	12.2	1.33	FSA
60	20	13		WWALX	Weitz Value Fund	LCVal	H	H	H	0.3	10.1	18.0	40.09	6.9	0.69	FSA
61	45	140		IWR	Russell MidCap (fS)	MC	*	H	H	0.8	12.3	11.4	104.00	9.8	1.30	—
62	—	—		EMM	DJ Wilshire Mid Cap (stTr)	MC	H	H	H	0.4	13.5	9.1	58.86	—	—	—
63	44	234		BGRFX	Baron Growth	SCGro	*	H	H	1.0	14.1	6.7	51.26	11.9	1.33	FSA
64	78	190		VSEQX	Vanguard Strategic Equity (\$10k)	MC	H	H	H	1.1	13.1	9.0	24.79	12.1	1.56	fSa
65	76	169		VEXMX	Vanguard Extended Market Index	MC	*	H	H	1.2	13.3	8.5	40.31	11.4	1.48	fSa
66	72	245		PWJ	PowerShares Dynamic Mid Cap Growth	MCGro	H	H	H	2.0	12.5	9.1	20.33	—	—	—
67	106	192		MDY	S&P 400 MidCap (SPDR)	MC	*	H	H	1.3	13.2	8.2	154.60	10.4	1.35	—
68	133	182		FAIRX	Fairholme Fund (2%r<60d)	MC	H	H	H	2.3	10.9	12.5	29.72	8.4	0.71	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	03/30 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/wff
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	105	185	IJH	S&P 400 MidCap (iS)	MC	*	H	H	1.3	13.1	8.3	84.60	10.4	1.36	—	
70	61	155	VO	Vanguard MidCap ETF	MC	H	H	H	1.0	12.4	10.4	75.89	11.2	1.45	—	
71	42	55	VWNDX	Vanguard Windsor	LCVal	H	H	H	0.6	10.9	14.6	18.75	8.2	1.14	fsa	
72	64	16	DVY	DJ Select Dividend Index (iS)	LCVal	S	S	S	1.4	9.2	17.8	71.45	6.5	0.74	—	
73	156	41	FSLVX	Fidelity Large Cap Value	LCVal	H	S	S	2.5	10.1	13.8	15.09	7.5	0.95	Fsa	
74	35	170	WMCVX	Wasatch Small Cap Value (closed, 2%r<60d)	SC	*	H	H	0.8	13.5	7.6	5.23	12.2	1.41	FSA	
75	52	171	JAENX	Janus Enterprise	MCGro	H	H	H	1.1	12.4	9.9	49.68	11.2	1.46	FSA	
76	173	243	NPRTX	Neuberger Berman Partners	LC	*	H	H	0.9	12.8	9.2	31.45	11.8	1.35	fSa	
77	14	5	WEHIX	Weitz Hickory	MC	H	H	H	-0.5	10.6	16.6	39.69	8.9	0.95	fSa	
78	59	158	VIMSX	Vanguard Mid-Cap Index	MC	H	H	H	0.9	12.2	10.4	20.67	10.7	1.41	fSa	
79	69	123	LSCRX	Loomis Sayles Small Cap Value Ret	SC	S	S	S	1.6	12.3	9.3	27.43	10.9	1.35	FSA	
80	103	206	PESPX	Dreyfus Mid Cap Index (1%r<180d)	MC	S	S	S	1.3	12.9	7.9	30.91	10.4	1.36	FSA	
81	137	57	NYC	NYSE Composite (iS)	LC	S	S	S	1.5	10.1	14.4	84.61	—	—	—	
82	296	326	BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	H	H	4.0	14.3	-0.1	18.04	19.6	2.19	fSa	
83	68	193	RYPNX	Royce Opportunity (1%r<180d)	SCVal	*	S	S	1.5	13.2	6.4	13.63	15.1	1.88	fSa	
84	101	8	VTV	Vanguard Value ETF	LCVal	S	S	S	1.7	8.8	16.9	68.39	6.8	0.89	—	
85	112	1	PWV	PowerShares Dyn LC Value	LCVal	S	S	S	1.4	8.5	18.1	19.81	—	—	—	
86	166	258	VBK	Vanguard Small Cap Growth ETF	SCGro	*	S	S	1.9	14.0	3.7	68.47	14.0	1.74	—	
89	12	266	LMASX	Legg Mason Special Investment Trust	MC	*	S	S	-0.5	14.6	5.5	40.81	14.4	1.76	a	
98	37	239	BSCFX	Baron Small Cap	SCGro	*	S	S	0.7	14.1	4.3	23.71	13.0	1.38	FSA	
126	24	23	LLPFX	Longleaf Partners (closed)	LC	S	S	S	0.4	10.0	12.4	35.63	8.6	0.95	fa	
173	179	31	VDIGX	Vanguard Dividend Growth	LCVal	S	S	S	0.8	7.2	13.6	14.57	6.3	0.83	fSa	

Dow Jones
NASDAQ
S&P 500

0.7%
0.2
1.0

5.8%
7.2
6.4

11.2%
3.5
9.7

indexes do not
include dividends

International Stock Funds

1	17	1	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	*	B	6.0%	28.2%	36.0%	\$39.68	23.0	—	—
2	45	3	ILF	S&P 40 Latin America (iS)	LatinA	*	*	B	6.9	27.9	29.7	178.40	22.1	—	—
3	9	43	EPP	MSCI Pacific Ex-Japan (iS)	Pacific	*	B	B	5.0	26.2	33.6	134.40	12.3	—	—
4	10	98	AIOIX	Amer Century Intl Opp (closed, 2%r<180d)	Int'l	*	B	B	6.5	29.4	19.4	9.92	15.3	—	—
5	39	4	SLAFX	DWS Latin Amer Equity S (2%r<15d)	LatinA	*	H	H	5.6	26.4	27.6	60.06	23.5	—	Sa
6	3	—	TWMIX	American Century Emg Mkts (2%r<180d)	EmerMkt	*	B	B	4.0	25.6	29.9	9.38	18.3	—	FSA
7	33	13	MPYMX	Metzler/Payden Europe Emg Mkts (2%r<30d)	Europe	*	H	H	5.7	23.1	32.0	33.58	21.0	—	FSA
8	1	80	ICHKX	Guinness Atkinson China & HK (2%r<90d)	Pacific	*	H	H	3.8	26.2	26.0	27.61	15.4	—	FSA
9	2	26	PGJ	PowerShares Golden Dragon USX	Pacific	*	H	H	0.8	27.7	25.6	20.60	—	—	—
10	96	90	EUROX	US Global Eastern Europe (2%r<180d)	Europe	*	H	H	7.1	26.2	19.1	47.19	24.4	—	FSA
11	56	2	FLATX	Fidelity Latin America (1.5%r<90d)	LatinA	*	*	H	5.2	23.3	26.2	46.03	22.3	—	fSa
12	7	30	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	B	B	3.5	22.7	29.3	28.64	16.4	—	fSa
13	16	92	WAIGX	Wasatch Intl Growth (closed, 2%r<60d)	Int'l	*	H	H	4.9	23.5	20.7	22.50	11.9	—	FSA
14	34	11	ADRE	Emerging Markets 50 ADR (BLDRS)	EmerMkt	*	H	H	4.1	22.4	24.7	39.41	19.0	—	—
15	11	33	FFINX	Forward International Equity (2%r<180d)	Int'l	*	B	B	3.6	21.7	26.4	19.32	11.9	—	FSA
16	76	52	EEM	MSCI Emerging Markets (iS)	EmerMkt	*	H	H	6.2	22.1	19.3	116.50	18.4	—	—
17	49	42	FEMKX	Fidelity Emerging Markets (1.5%r<90d)	EmerMkt	*	H	H	5.1	22.0	20.8	25.28	19.4	—	fSa
18	19	12	DREGX	Driehaus Emerg Mkts Gr (closed, 2%r<60d)	EmerMkt	*	H	H	3.3	21.1	25.7	40.24	18.7	—	FSA
19	6	5	JAOSX	Janus Overseas (2%r<90d)	Int'l	*	H	H	2.5	21.2	26.5	47.68	16.0	—	FSA
20	4	65	PRASX	T. Rowe Price New Asia (2%r<90d)	Pacific	*	H	H	2.8	22.4	22.4	14.36	15.9	—	fSa
21	37	—	GEMFX	US Global Inv Gbl Emerg Mkts (2%r<180d)	EmerMkt	*	H	H	2.9	22.3	20.2	14.99	—	—	FSA
22	47	75	SSEM	SSgA Emerging Markets	EmerMkt	*	H	H	4.3	21.3	19.9	24.08	18.6	—	FA
23	13	87	FSCOX	Fidelity Intl Small Cap Opp	Int'l	*	H	H	2.9	23.5	16.2	16.90	—	—	fSa
24	15	74	PISRX	Forward Intl Small Companies (2%r<180d)	Int'l	*	H	H	3.9	20.8	21.2	20.09	13.2	—	FSA
25	38	51	PRMSX	T. Rowe Price Emerg Mkts Stock (2%r<90d)	Int'l	*	H	H	3.5	21.4	20.0	32.85	18.4	—	fSa
26	20	44	PREAX	T. Rowe Price European (2%r<90d)	Europe	*	H	H	4.1	18.9	25.0	21.21	10.7	—	fSa
27	5	15	OAKEX	Oakmark Intl Small Cap (closed, 2%r<90d)	Int'l	*	H	H	3.1	18.4	27.6	24.22	9.8	—	FSA
28	23	41	BJBIX	Julius Baer Intl Eq A (closed, 2%r<90d)	Int'l	*	H	H	3.8	19.1	22.5	44.35	12.0	—	FSA
29	12	77	ARTJX	Artisan Intl Small Cap (closed, 2%r<90d)	Int'l	*	H	H	2.2	20.9	20.2	22.77	13.7	—	FSA
30	8	56	QFVOX	Quant Foreign Value	Int'l	*	H	H	2.5	19.9	22.1	23.07	11.7	—	FSA
31	27	7	EZU	MSCI EMU (iS)	Europe	*	H	H	4.2	17.1	26.5	108.30	11.0	—	—
32	54	96	DRIDX	Driehaus Intl Discovery (\$10k, 2%r<60d)	Int'l	*	S	S	5.2	21.9	12.1	42.44	15.9	—	FSA
33	79	49	VVO	Vanguard Emerging Mkts (VIPER)	EmerMkt	*	H	H	4.4	19.5	19.3	78.87	—	—	—
34	58	57	VEIEX	Vanguard Emerging Mkts Stk Index (.5%r)	EmerMkt	*	H	H	4.1	19.8	18.9	24.80	17.9	—	sa
35	32	28	TREMX	T. Rowe Price Emg Europe & Med (2%r<90d)	EmerMkt	*	S	S	1.6	19.4	22.6	32.94	21.0	—	fa
36	31	10	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	*	H	H	3.9	15.8	25.7	37.52	9.7	—	fSa
37	15	9	VGK	Vanguard European ETF	Europe	*	H	H	3.7	15.4	25.6	70.92	—	—	—
38	14	50	FECAX	Fidelity Europe Capital App (1%r<30d)	Europe	*	H	H	3.3	17.0	21.8	28.51	12.9	—	fSa
39	24	47	DODFX	Dodge & Cox Intl Stock	Int'l	*	S	S	2.8	17.0	22.3	45.85	10.5	—	fSa
40	40	19	OAKIX	Oakmark International (2%r<90d)	Int'l	*	S	S	4.6	15.0	24.4	26.70	8.4	—	FSA
41	18	82	PRIDX	T. Rowe Price Intl Discovery (2%r<90d)	Int'l	*	S	S	3.3	18.3	18.1	50.14	12.3	—	fSa
42	36	17	ICSEX	ICON Europe	Europe	*	S	S	3.4	16.4	22.1	21.85	14.0	—	FSA
43	50	34	HIINX	Harbor International Inv (2%r<60d)	Int'l	*	S	S	3.3	17.1	20.3	63.43	11.4	—	FSA
44	52	8	IEV	S&P 350 Europe Plus (iS)	Europe	*	S	S	3.4	14.4	24.4	108.30	9.5	—	—
71	74	39	VWIGX	Vanguard International Growth (2%r<60d)	Int'l	*	H	H	2.5	13.7	17.9	24.55	10.2	—	fSa

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

RANK	03/30 2007	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type				TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wf
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
							Conservative	Moderate	Venturesome							
1	1	—	—	EGLRX	Alpine Intl Real Estate (1%r<60d)	RealEs	B	B	B	3.1%	27.7%	29.4%	\$43.88	11.70	1.23	FSA
2	2	—	—	IRFAX	Cohen & Steers Intl Realty A (1%r<180d)	RealEs	B	B	B	2.8	23.8	33.6	19.75	—	—	fSa
3	3	—	—	FIREX	Fidelity Intl Real Estate (1.5%r<90d)	RealEs	B	B	B	2.9	24.5	30.8	17.34	—	—	Fsa
4	24	21	—	VPU	Vanguard Utilities ETF	Utility	*	*	*	4.4	19.4	33.1	83.33	8.89	0.29	—
5	5	15	—	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	4.5	19.8	31.8	60.89	7.42	0.50	Fsa
6	65	42	—	VGPXM	Vanguard Precious Metal (closed, 1%r<1yr)	PrecMet	*	*	*	5.5	23.4	20.4	29.81	23.10	1.86	fSa
7	4	50	—	RYBIX	Rydex Basic Materials	NatfRes	*	*	*	2.2	25.2	20.9	42.25	15.30	1.66	Fsa
8	21	17	—	XLU	Utilities (SPDR)	Utility	*	*	*	3.8	18.5	32.8	39.70	9.15	0.17	—
9	27	26	—	IDU	DJ US Utilities	Utility	*	*	*	4.3	18.6	31.9	97.11	8.92	0.27	—
10	7	63	—	VAW	Vanguard Materials ETF	NatfRes	*	*	*	1.9	23.8	19.9	77.76	14.30	1.50	—
11	32	30	—	RYUIX	Rydex Utilities	Utility	*	*	*	4.2	18.3	29.6	31.88	8.60	0.42	Fsa
12	31	35	—	ICTUX	ICON Telecommunications & Utilities	Comm	*	*	*	4.8	19.4	24.7	8.35	10.40	1.00	FSA
13	19	60	—	XLB	Materials (SPDR)	Cycl	*	*	*	1.7	21.7	20.6	38.05	13.30	1.37	—
14	84	134	—	FNARX	Fidelity Natural Resources (.75%r<30d)	NatfRes	B	B	B	5.6	21.8	12.6	30.37	20.20	1.14	Fsa
15	9	13	—	IXP	S&P Global Telecommunication (iS)	Comm	*	*	*	1.7	16.6	30.6	65.69	9.29	0.88	—
16	26	95	—	FSDPX	Fidelity Select Materials (.75%r<30d)	NatfRes	*	*	*	1.6	21.9	17.2	51.74	15.30	1.40	Fsa
17	30	78	—	NYM	DJ US Basic Materials (iS)	Cycl	*	*	*	1.9	21.7	17.1	64.25	14.40	1.43	—
18	37	116	—	ICBMX	ICON Materials	Cycl	*	*	*	2.0	21.7	12.2	12.60	17.90	1.78	FSA
19	121	148	—	FSNGX	Fidelity Natural Gas (.75%r<30d)	NatfRes	*	*	*	5.7	20.1	9.4	41.87	22.80	1.01	Fsa
20	10	32	—	PRMTX	T. Rowe Price Media & Telecommunications	Comm	*	*	*	1.4	17.1	23.3	44.86	12.60	1.59	fSa
21	103	120	—	PRNEX	T. Rowe Price New Era	NatfRes	B	B	B	5.1	17.4	12.6	48.57	16.90	1.29	fSa
22	23	48	—	FSCHX	Fidelity Chemicals (.75%r<30d)	Cycl	*	*	*	1.2	17.0	17.5	71.45	12.70	1.22	Fsa
23	25	14	—	YZ	DJ US Telecom (iS)	Comm	*	*	*	2.2	13.6	22.9	31.12	8.97	0.71	—
24	12	11	—	VOX	Vanguard Telecom Service ETF	Comm	*	*	*	1.2	13.6	24.1	76.68	—	—	—
25	139	146	—	RYVIX	Rydex Energy Services	NatfRes	*	*	*	8.3	16.5	5.4	47.47	23.20	1.20	Fsa
26	124	117	—	VDE	Vanguard Energy ETF	NatfRes	B	B	B	6.3	14.4	13.4	88.16	—	—	—
27	148	154	—	FSESX	Fidelity Energy Services (.75%r<30d)	NatfRes	*	*	*	8.4	16.5	3.6	72.46	23.20	1.09	Fsa
28	125	109	—	IYE	DJ US Energy (iS)	NatfRes	*	*	*	6.2	13.2	14.6	104.40	19.30	0.96	—
29	140	145	—	FSENX	Fidelity Energy (.75%r<30d)	NatfRes	*	*	*	6.4	16.5	5.9	51.92	20.50	0.96	Fsa
30	133	122	—	XLE	Energy (SPDR)	NatfRes	*	*	*	6.3	13.5	12.3	60.28	19.90	0.96	—
31	33	27	—	FSTCX	Fidelity Telecomm (.75%r<30d)	Comm	*	*	*	1.4	13.8	17.9	51.60	11.70	1.30	Fsa
32	136	127	—	VGENX	Vanguard Energy (\$25k, 1%r<1yr)	NatfRes	B	B	B	5.9	14.1	10.4	65.41	18.90	1.00	fSa
33	152	153	—	ICENX	ICON Energy	NatfRes	*	*	*	7.5	15.7	3.3	33.39	23.00	1.20	FSA
34	141	155	—	PSPFX	U.S. Global Inv Global Res (.25%r<30d)	NatfRes	B	B	B	4.1	15.7	7.3	15.29	24.30	1.50	FSA
35	14	4	—	VNQ	Vanguard REIT ETF	RealEs	*	*	*	-2.0	13.2	22.3	79.35	—	—	—
36	131	129	—	IGE	GS Natural Resources (iS)	NatfRes	B	B	B	4.8	13.6	10.8	105.00	18.80	1.06	—
37	20	77	—	FSPFX	Fidelity Paper & Forest (.75%r<30d)	NatfRes	*	*	*	-1.2	16.7	11.5	34.13	15.50	1.58	Fsa
38	8	1	—	ICF	Cohen & Steers Realty Majors (iS)	RealEs	*	*	*	-3.1	13.2	22.9	103.20	18.00	1.36	—
39	142	133	—	RYEIX	Rydex Energy	NatfRes	*	*	*	5.9	13.4	8.9	23.19	19.90	0.95	Fsa
40	6	7	—	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	-2.8	13.5	21.3	37.69	16.20	1.29	Fsa
41	130	98	—	SCGD	DWS Gold & Precious Metals S (2%r<15d)	PrecMet	*	*	*	0.6	15.7	10.3	20.84	30.30	2.20	sa
42	18	6	—	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	-2.4	12.8	21.7	26.30	16.80	1.28	fSa
43	17	55	—	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycl	*	*	*	-1.1	16.1	11.1	50.18	13.70	1.37	Fsa
44	36	71	—	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycl	*	*	*	1.0	15.0	10.7	85.31	10.50	1.00	Fsa
45	54	47	—	DFDAX	Fidelity Select Cons Staples (.75%r<30d)	Consmr	*	*	*	3.2	10.0	20.0	59.97	6.93	0.70	Fsa
46	15	3	—	RWR	DJ Wilshire REIT (stfr)	RealEs	*	*	*	-2.1	12.6	21.1	90.45	17.30	1.31	—
47	60	80	—	PBJ	PowerShares Dyn Food & Beverage	Consmr	*	*	*	3.3	12.0	14.2	17.17	—	—	—
48	56	12	—	CGMRX	CGM Realty	RealEs	*	*	*	-0.1	13.2	16.0	27.91	18.30	1.64	sa
49	16	8	—	IYR	DJ US Real Estate (iS)	RealEs	*	*	*	-2.5	12.8	20.6	85.24	17.00	1.35	—
50	22	73	—	FSAVX	Fidelity Automotive (.75%r<30d)	Cycl	*	*	*	-0.3	14.7	12.1	40.12	12.70	1.32	Fsa
51	134	143	—	RSNRX	RS Global Natural Res (4.75% load)	NatfRes	S	S	S	2.8	14.7	7.0	33.05	19.60	1.27	fSa
52	13	2	—	CSRSX	Cohen & Steers Realty (\$10k, 1%r<180d)	RealEs	*	*	*	-3.2	12.2	21.6	90.93	16.80	1.28	FSA
53	41	22	—	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	1.8	10.6	17.8	66.64	15.80	1.60	Fsa
54	149	119	—	IXC	S&P Global Energy (iS)	NatfRes	*	*	*	5.8	10.4	11.3	111.50	17.90	0.93	—
55	29	25	—	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	1.4	11.3	13.9	55.74	12.90	1.31	Fsa
56	28	46	—	RYLIX	Rydex Leisure	Consmr	*	*	*	0.3	13.1	10.2	35.87	12.60	1.37	Fsa
57	11	5	—	TRREX	T. Rowe Price Real Estate (1%r<90d)	RealEs	*	*	*	-3.6	11.2	20.0	25.64	16.40	1.26	fSa
58	40	74	—	FDSLX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	0.9	13.6	7.2	80.33	12.40	1.34	Fsa
59	48	76	—	FBMPX	Fidelity Multimedia (.75%r<30d)	Comm	*	*	*	0.7	12.1	10.7	47.64	10.90	1.19	Fsa
60	63	128	—	FBSOX	Fidelity Select IT Services (.75%r<30d)	Tech	*	*	*	0.5	13.1	8.3	17.47	11.00	1.18	Fsa
61	34	38	—	VCR	Vanguard Consumer Discr ETF	Consmr	*	*	*	-0.3	11.1	12.8	61.10	11.60	1.40	—
62	67	40	—	PSJ	PowerShares Dyn Software	Tech	*	*	*	2.8	9.4	11.8	20.01	—	—	—
63	86	45	—	RYCIX	Rydex Consumer Products	Consmr	*	*	*	2.4	7.7	16.6	36.11	7.67	0.69	Fsa
64	154	142	—	RYPMX	Rydex Precious Metals	PrecMet	*	*	*	-0.3	14.3	3.1	56.21	32.70	2.20	Fsa
65	42	96	—	PBS	PowerShares Dyn Media	Comm	*	*	*	-1.1	11.9	10.1	16.09	—	—	—
66	94	103	—	IAU	Comex Gold Trust (iS)	PrecMet	*	*	*	-1.1	10.6	13.1	65.83	—	—	—
81	70	85	—	FBALX	Fidelity Balanced	Hybrid	B	*	*	0.9	8.5	10.2	20.03	7.17	1.18	Fsa
101	80	84	—	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	0.7	6.2	9.3	21.52	4.85	0.78	fSa
106	155	151	—	PBW	PowerShares WilderHill Clean Energy	NatfRes	B	B	B	2.0	12.5	-10.8	18.89	—	—	—
107	88	93	—	GATEX	Gateway Fund	Altern	B	*	*	1.2	4.9	9.3	27.55	2.81	0.34	Fsa

Use "Search" Tool in Adobe To Get Most of *Plus*

Q *It's tough to comb the pages of your newsletters for fund names. Sometimes a fund goes off the list and I don't know what happened.*

—R.J., Los Gatos, CA

A Let's take the second part first. *MONEYLETTER's* database currently contains 677 domestic stock, international stock, specialty, and bond funds. If we were to include data for the complete list in every issue, we would unfortunately be forced to cut back on other features that have proven valuable to subscribers, such as Walter Frank's analysis, fund manager interviews, the Mailbox, and fund family news.

A solution to both of your concerns can be found in the pages of *MONEYLETTER Plus*. Our weekly electronic supplement includes performance information and rankings for all the funds in the database, solving the "fund goes off the list" problem. In addition, you can find your fund easily by using the "Search" function in Adobe Acrobat. Simply look for the button on the toolbar that has binoculars on it.

To find a specific fund using Adobe Acrobat 6.0 or higher:

- 1) Click Search (click the binoculars, or click "Edit" then "Search.")
- 2) In the "What Word or Phrase..." box, type in your fund name. Choose "in the current PDF document" to limit your search to that issue of *Plus*.
- 3) Click Search. All instances of that fund name will appear, and you can easily select the one you want and go directly to your fund. This procedure also works for *MONEYLETTER* Adobe Acrobat files as well.

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Visit our website www.moneyletter.com for more details.

Q *The most recent Hotline suggested buying T. Rowe Price Latin America in the Venturesome Portfolio. According to T.D. Ameritrade, that fund is closed to new investors. What now?*

—I.F., Columbia, MD

A It's a good question, and one that highlights the subtle methods some funds use to manage their distribution. Actually, PRLAX is not closed (you can buy it directly from T. Rowe Price), but it is restricted to "subsequent purchases only" through the mutual fund platforms. T. Rowe Price wants you to go directly to them for this fund.

Your options are to contact T. Rowe Price directly (800-638-5660) for PRLAX, or a suitable alternative for TD Ameritrade mutual fund customers is S&P 40 Latin America (ILF), an ETF. \$

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF	5.08%	5.07%	4.93%
Vanguard Treasury MMF	4.97	4.96	4.71
Fidelity US Treasury MMF	4.82	4.83	4.58
Amer Century Capital Presv Fund/Inv	4.78	4.77	4.52
T. Rowe Price US Treasury MF	4.73	4.74	4.42
JPMorgan 100% US Treas MMF/Morgan	4.66	4.66	4.39
HSBC Investor US Treas MM/CI D	4.64	4.62	4.31
DBAB Cash Reserve Treas/Inv	4.63	4.58	4.19
Dreyfus 100% US Treas MMF	4.57	4.52	4.25
Merrill Lynch CMA Treas Fund RIC	4.57	4.56	4.24
Merrill Lynch US Treasury MF	4.57	4.59	4.29
Merrill Lynch WCMA Treas Fund CI 3	4.57	4.56	4.24
Merrill Lynch WCMA Treas Fund CI 4	4.57	4.56	4.24

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
Vanguard Prime MMF/Investor	5.23%	5.22%	5.04%
Transamerica Premier Cash Res/Inv	5.22	5.22	5.06
TIAA-CREF Money Market Fund	5.19	5.19	5.03
MFS Money Market Fund	5.18	5.17	4.98
McMorgan Principal Preservation	5.18	5.19	5.03
PayPal Money Market Fund	5.18	5.17	4.99
Harbor Money Market Fund	5.17	5.20	4.98
TCW Money Market Fund	5.15	5.14	4.92
Fidelity Money Market Fund	5.14	5.12	4.95
DWS MM Prime Ser/DWS MMF	5.11	5.09	4.88
Fidelity Cash Reserves	5.11	5.09	4.90

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	3.64%	3.59%	3.52%
Vanguard Tax-Exempt MMF	3.64	3.58	3.47
Fidelity AMT Tax-Free Money Fund	3.42	3.36	3.29
Fidelity Municipal MMF	3.36	3.29	3.21
T-E Portfolio/Managed Shares	3.36	3.29	3.15
Morgan Stanley ActiveAssets T-F Tr	3.33	3.26	3.11
Marshall Tax Free MMF/Class Y	3.32	3.27	3.20
Dreyfus BASIC Muni MMF	3.31	3.26	3.18
Fidelity Tax Free Money Market	3.31	3.26	3.17
Amer Century T-F MMF/Inv Class	3.29	3.24	3.16

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	3.62%	3.56%	3.45%
Vanguard PA Tax-Exempt MMF	3.62	3.57	3.46
Vanguard NJ Tax-Exempt MMF	3.60	3.55	3.41
Vanguard NY Tax-Exempt MMF	3.60	3.55	3.43
Vanguard CA Tax-Exempt MMF	3.54	3.48	3.37
Fidelity NJ AMT Tax-Free MMF	3.37	3.32	3.25
Dreyfus BASIC NJ Muni MMF	3.34	3.27	3.16
Dreyfus BASIC MA Muni MMF	3.33	3.23	3.08
Fidelity CA AMT Tax-Free MMF	3.32	3.27	3.24
Fidelity MA AMT Tax-Free MMF	3.31	3.25	3.19
Fidelity NY AMT Tax-Free MMF	3.31	3.26	3.19

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 3/27/07. 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 >\$50 million.

Source: *iMoneynet's Money Fund Report* (800) 343-5413

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Metzler/Payden European Leaders

Metzler/Payden European Leaders' top holdings tend to be names that are recognized well beyond their nations' borders. The top five are England's Vodafone Group, Banco Santander of Spain, Nestle, Royal Bank of Scotland, and BP. The fund concentrates on nations in Western Europe, and considers stocks within all market capitalization ranges. Still, the fund has nearly 90% of assets in large-capitalization stocks, with the remainder in mid-cap issues. Recently, the fund held 89 stocks in its portfolio, with 20% of assets in its top ten holdings.

Quality, valuation, and momentum

From their base in Frankfurt, Germany, the Metzler/Payden team uses a bottom-up, fundamental process to manage the European Leaders fund. Frank Heise, senior portfolio manager, explains that idea generation stems from both the team's qualitative research and from quantitative sector screening.

The quantitative screening is sector-specific, and incorporates groups of factors that are very important to each individual sector. "In the screening process, we have three main areas of criteria: quality, valuation, and momentum," says Heise, "with a number of parameters for each criteria." Those parameters and the weighting of those parameters "are based on broad backtesting and the opinion of the sector specialist. So we try to implement our future view into these parameters. We readjust the parameters and review the weighting of the parameters quarterly. Typically, there are some factors in specific sectors which dominate others."

Some of the parameters that comprise the quality criteria include return on equity, net margin, and return on invested capital. In considering valuation, parameters include price/earnings ratio, price-to-book value, and price-to-free cash flow. Momentum parameters include growth of earnings per share (EPS), revenue, and cash flow.

"With this information, we can rank the companies of our investment universe," states Heise. "The characteristics of top-ranked firms are different and specific within each sector. However, I would say in general they have above-average EPS growth, positive earnings revisions, high cash flow generation, and a lower price/earnings ratio."

In-depth review

Following the screening model, the management team conducts an in-depth review of top-ranked securities, which includes company visits and financial statement analysis. Heise says, "This review is characterized by typically qualitative aspects such as barriers to entry, industry concentra-

tion, competitive advantage, innovation, management track record and quality, and sustainability of the business model, as well as overall financial condition of the company."

Stocks that survive this screening process often fall into three categories: undervalued growth stories, cheap restructuring plays, or typical turnarounds, according to Heise. He mentions Hugo Boss as a company that meets their requirements. "It has a fantastic track record in profit growth and cost control, and it has a clear, focused strategy with niche products in niche markets."

Top Ten Sectors and Countries (% Total Net Assets)

Financials	28	United Kingdom	25
Consumer Staples	13	France	15
Energy	9	Germany	15
Information Technology	8	Switzerland	9
Telecommunications	8	Italy	8

As of January 31, 2007

The stock selection process drives country and sector weightings. However, Heise emphasizes that they do not make "aggressive sector or country bets. The actual sector weighting of the portfolio is more or less neutral." He notes that while the UK is the heaviest absolute country weighting, the nation is actually underweighted in the portfolio reflecting the relative unattractiveness of UK stocks compared to other top-rated areas.

Going into 2007, the portfolio was positioned with an overweight in banks with Eastern Europe exposure, which have higher growth expectations. The portfolio also favored telecommunication companies with broadband exposure, capital goods firms that should benefit from cyclical growth, and generic drug makers. The managers were bearish on larger energy firms.

Heise concludes, "In general we are optimistic on the European markets. We see the first fruits in Germany and France from political reforms and from the restructuring of the public sectors and budgets over the last few years. We see good consumer demand and high corporate investment in a relatively low inflation environment. There are signs that the economy is more robust than expected and that interest rates could increase faster than expected, but on the other side, we are at a low level relative to the rest of the world." \$

Metzler/Payden European Leaders (MPYGX)

Metzler/Payden Investment Advisors

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