

The (Not-So-Little) Market That Could

by Walter S. Frank, Chief Investment Officer

There is a fair amount of astonishment contained in recent financial commentary over the apparent contradiction that the market (the Dow and the S&P) is hitting highs at the very time the big economic numbers (GDP, employment) are weak. In grasping for an answer, merger and acquisition activity, red-hot right now, is offered as the leading cause of the market's strength.

No question, merger and acquisition activity is an important factor supporting the bulls as they push up market prices day after day. After all, as one large company after another (Alcan, Dow Jones) is acquired or bid for at premiums to their market prices, it suggests that, if not the entire market, at least the large caps are well undervalued.

We think there is more at play, though, in the market's performance this year than mergers and acquisitions, important as that action is. What is at play is that there is a strong, sub-surface growth current running through the global economy. This current is positively affecting economic and market results everywhere. The consequence is that bullishness finds itself rewarded many times more often than not, over any intermediate-term. The current we are talking about is, of course, the growth of China and India.

We are not talking about a stock investor's Nirvana. That is why we qualified our talk about bullish outcomes by adding "over the intermediate-term." Markets can and do run ahead of the fundamentals. When they do, corrections follow. The point is, though, that with the growth current running it is difficult to see the corrections ripen into a full-fledged bear market. They run their course, and then growth takes over again.

Back in the U.S.A

World growth is indeed making its appearance here during this earnings season. Using the analysts' estimates (and the slowing of the domestic economy), we expected

weak earnings last quarter. In the event, it appears that we (and everyone else) will be taken by surprise by moderately good first-quarter earnings. What happened?

There is more than one explanation. One that looms large for us is the fact that almost half the revenue of S&P 500 companies—taken as a unit—comes from abroad. Growth abroad compensated in part for weakness here.

As for the U.S. economy, we are in one of those glass half full/empty situations. GDP and the April employment report were weak. The latest monthly surveys of activity in manufacturing and services both showed good (and improving) new orders. Business investment new orders also went distinctly positive in March. We believe activity is heading for improvement over the quarters ahead.

From a short-term perspective the U.S. market is looking temporarily stretched. Some profit-taking here would not be a surprise. The fundamentals, though, continue to point to higher prices. There is no change in our recommended allocations.

Fund changes

New recommendations: the Hotline of Wednesday, May 2nd recommended the sale of FBR Small Cap in the **MONEYLETTER Conservative Portfolio** to be replaced by Janus Research. Details in the next issue.

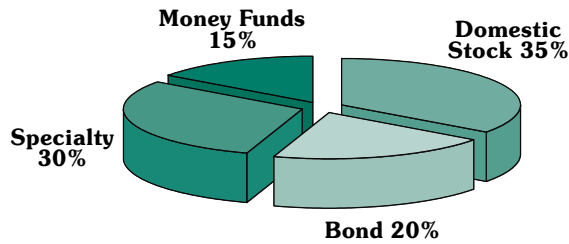
Actions taken: The Hotline of Wednesday, April 11 recommended the sale of Fidelity Europe Capital Appreciation in the **Fidelity Venturesome** and **Moderate** portfolios, and the purchase of Fidelity International Small Cap Opportunities as a replacement. Here are the details as of April 12: **Fidelity Venturesome**—Sold 858 shares of Europe Capital Appreciation @ \$29.22 per share. Purchased 1,459 shares of Small Cap Opportunities @ \$17.18 per share. **Fidelity Moderate**—Sold 837 shares of Europe Capital Appreciation. Purchased 1,423 shares of International Small Cap Opp. The Hotline of Wednesday, April 18 recommended the sale of Weitz Hickory in the **MONEYLETTER Conservative Portfolio** to be replaced by Kinetics Paradigm. Here are the details as of April 19: sold 516 shares of Hickory @ \$40.75 per share. Purchased 769 shares of Paradigm @ \$27.36 per share. The April 20th **MONEYLETTER** informed you of a rebalancing we were going to make. Here are the switches we made as of April 23rd: **Fidelity Venturesome**—Sold 82 shares of Fidelity Southeast Asia (\$30.50) and purchased 91 shares of Fidelity Convertible Securities (\$27.38). Sold 82 more shares of Southeast Asia, purchased 70 shares of Fidelity Value Strategies (\$35.65). **Vanguard Venturesome**—Sold 219 shares of Vanguard Capital Value (\$13.69), purchased 154 shares of Vanguard Windsor (\$19.49). **MONEYLETTER Moderate**—Sold 323 shares of T. Rowe Price New Asia (\$15.50), purchased 342 shares of Loomis Sayles Bond, Retail (\$14.60). \$

Market Trends

| | Trailing 12-Mo Trend | Forward 6-Mo Estimate |
|---------------------------------|-------------------------|--------------------------|
| Economy | Higher | Higher |
| Interest Rates (10-yr Treasury) | Lower | Flat |
| Dollar | Flat | Flat/Lower |
| Inflation | Lower | Flat/Lower |
| Dow | Higher | Higher |
| NASDAQ | Higher | Higher |
| Europe | Higher | Higher |
| Japan (Nikkei) | Higher | Higher |
| Hong Kong (Hang Seng) | Higher | Higher |

CONSERVATIVE

Seeks steady long-term growth of capital with limited short-term volatility

**MONEYLETTER Conservative**

| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|------------------------------|-----------|------------------|--------|-------------|------------------|
| Schwab MMF | Yield YTD | 1.5% | 22,418 | \$1.00 | \$22,418 |
| Fidelity Intl Real Estate | 12/18/06 | 8.0 | 935 | 17.32 | 16,197 |
| Loomis Sayles Bond Retail | 03/17/04 | 30.9 | 2,066 | 14.65 | 30,269 |
| Gateway Fund | 11/27/02 | 40.0 | 634 | 27.92 | 17,705 |
| Wells Fargo Adv C&B MC Value | 10/05/06 | 14.7 | 1,026 | 23.55 | 24,152 |
| FBR Small Cap | 01/25/07 | 0.8 | 257 | 55.91 | 14,353 |
| Kinetics Paradigm | 04/19/07 | -0.6 | 769 | 27.19 | 20,896 |
| T. Rowe Price New Era | 10/19/06 | 18.1 | 336 | 51.33 | 17,240 |
| TOTAL VALUE | | | | | \$163,230 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|------|------|-------|------|
| 1.9% | 7.0% | 6.1% | 34.8% | 4.1% |

Fidelity Conservative

| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|---------------------------------|-----------|------------------|--------|-------------|------------------|
| Fidelity Cash Reserves | Yield YTD | 1.6% | 16,695 | \$1.00 | \$16,695 |
| Fidelity Intl Real Estate | 12/18/06 | 8.0 | 784 | 17.32 | 13,575 |
| Fidelity Strategic Income | 03/17/04 | 23.7 | 1,989 | 10.72 | 21,321 |
| Fidelity Balanced | 11/27/02 | 81.5 | 912 | 20.57 | 18,766 |
| Fidelity Large Cap Value | 08/03/06 | 16.5 | 1,147 | 15.70 | 18,003 |
| Fidelity Small Cap Independence | 02/15/07 | 3.4 | 650 | 22.94 | 14,920 |
| Fidelity Value | 02/08/07 | 3.7 | 211 | 87.95 | 18,597 |
| Fidelity Natural Resources | 01/11/06 | 27.0 | 467 | 31.51 | 14,703 |
| TOTAL VALUE | | | | | \$136,580 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|------|------|-------|------|
| 2.8% | 8.7% | 8.9% | 38.4% | 5.8% |

Vanguard Conservative

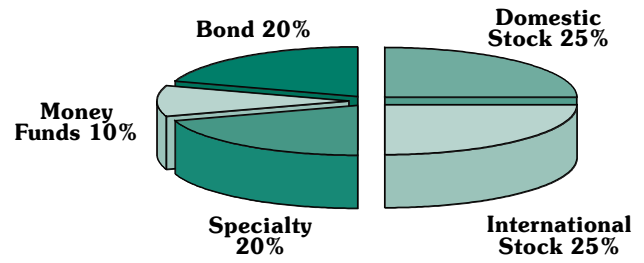
| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|-----------------------------|-----------|------------------|--------|-------------|------------------|
| Vanguard Prime MMF/Investor | Yield YTD | 1.7% | 18,256 | \$1.00 | \$18,256 |
| Vanguard European ETF | 12/18/06 | 10.8 | 214 | 75.00 | 16,019 |
| Vanguard GNMA | 03/17/04 | 12.5 | 1,907 | 10.21 | 19,467 |
| Vanguard Balanced Index | 11/27/02 | 54.2 | 619 | 22.08 | 13,665 |
| Vanguard Windsor | 02/08/07 | 1.7 | 1,200 | 19.47 | 23,356 |
| Vanguard Capital Value | 01/25/07 | 5.6 | 1,343 | 13.64 | 18,313 |
| Vanguard Mid-Cap Index | 03/29/07 | 3.7 | 454 | 21.43 | 9,728 |
| Vanguard Energy ETF | 10/19/06 | 15.9 | 145 | 92.89 | 13,427 |
| TOTAL VALUE | | | | | \$132,231 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|------|------|-------|------|
| 3.0% | 7.5% | 9.8% | 33.9% | 4.7% |

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 | 1.5% | 19,888 | \$1.00 | \$19,888 |
| Fidelity Intl Real Estate | 12/18/06 | 8.0 | 1,205 | 17.32 | 20,869 |
| Loomis Sayles Bond Retail | 03/17/04 | 30.9 | 2,199 | 14.65 | 32,215 |
| T. Rowe Price New Asia | 02/01/07 | 7.1 | 1,933 | 15.32 | 29,614 |
| Metzler/Payden Europe Emg Mkts | 03/29/07 | 3.5 | 557 | 34.70 | 19,335 |
| Janus Contrarian | 01/25/07 | 9.0 | 1,100 | 19.11 | 21,019 |
| Legg Mason Opportunity Trust | 02/15/07 | 0.6 | 1,216 | 20.65 | 25,104 |
| T. Rowe Price New Era | 10/19/06 | 18.1 | 353 | 51.33 | 18,131 |
| TOTAL VALUE | | | | | \$186,175 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|-------|------|-------|------|
| 3.9% | 11.3% | 8.5% | 55.6% | 5.9% |

Fidelity Moderate

| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|---------------------------------------|-----------|------------------|--------|-------------|------------------|
| Fidelity Cash Reserves | Yield YTD | 1.6% | 15,837 | \$1.00 | \$15,837 |
| Fidelity Intl Real Estate | 12/18/06 | 8.0 | 958 | 17.32 | 16,584 |
| Fidelity Strategic Income | 03/17/04 | 23.7 | 2,913 | 10.72 | 31,229 |
| Fidelity SE Asia | 10/05/06 | 27.9 | 765 | 30.16 | 23,077 |
| Fidelity Intl Small Cap Opportunities | 04/12/07 | 1.0 | 1,423 | 17.35 | 24,687 |
| Fidelity Value Strategies | 02/08/07 | 5.1 | 738 | 35.49 | 26,175 |
| Fidelity Small Cap Independence | 02/15/07 | 3.4 | 699 | 22.94 | 16,030 |
| Fidelity Natural Resources | 01/11/06 | 27.0 | 581 | 31.51 | 18,302 |
| TOTAL VALUE | | | | | \$171,921 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|-------|------|-------|------|
| 3.1% | 11.9% | 7.6% | 53.0% | 6.6% |

Vanguard Moderate

| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|-----------------------------|-----------|------------------|--------|-------------|------------------|
| Vanguard Prime MMF/Investor | Yield YTD | 1.7% | 15,130 | \$1.00 | \$15,130 |
| Vanguard REIT ETF | 12/18/06 | 4.4 | 192 | 79.25 | 15,203 |
| Vanguard FI Hi-Yld Corp | 01/17/01 | 48.4 | 4,118 | 6.29 | 25,900 |
| Vanguard European ETF | 09/28/06 | 21.9 | 336 | 75.00 | 25,185 |
| Vanguard Emerging Mkts Stk | 12/28/06 | 6.5 | 676 | 25.85 | 17,467 |
| Vanguard Windsor | 02/08/07 | 1.7 | 659 | 19.47 | 12,822 |
| Vanguard Capital Value | 02/08/07 | 1.4 | 1,919 | 13.64 | 26,171 |
| Vanguard Energy ETF | 10/19/06 | 15.9 | 162 | 92.89 | 15,023 |
| TOTAL VALUE | | | | | \$152,901 |

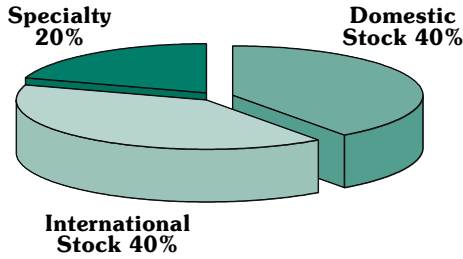
TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|------|------|-------|------|
| 3.1% | 9.9% | 7.3% | 43.2% | 5.2% |

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show allocations at press time.

VENTURESOME

Seeks maximum long-term growth by accepting greater short-term volatility



MONEYLETTER Venturesome

| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|--------------------------------|----------|------------------|--------|-------------|------------------|
| Fidelity Intl Real Estate | 12/18/06 | 8.0% | 966 | \$17.32 | \$16,723 |
| Janus Overseas | 05/24/06 | 39.6 | 668 | 49.88 | 33,333 |
| Metzler/Payden Europe Emg Mkts | 08/17/06 | 24.0 | 536 | 34.70 | 18,595 |
| T. Rowe Price Latin America | 03/29/07 | 4.3 | 674 | 41.40 | 27,892 |
| Janus Contrarian | 01/25/07 | 9.0 | 1,575 | 19.11 | 30,106 |
| Wells Fargo Adv C&B MC Value | 10/05/06 | 14.7 | 749 | 23.55 | 17,646 |
| Legg Mason Opportunity Trust | 02/15/07 | 0.6 | 1,132 | 20.65 | 23,369 |
| T. Rowe Price New Era | 10/19/06 | 18.1 | 344 | 51.33 | 17,641 |
| TOTAL VALUE | | | | | \$185,305 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|-------|------|-------|------|
| 4.2% | 14.4% | 9.1% | 63.1% | 7.2% |

Fidelity Venturesome

| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|---------------------------------------|----------|------------------|--------|-------------|------------------|
| Fidelity Intl Real Estate | 12/18/06 | 8.0% | 991 | \$17.32 | \$17,160 |
| Fidelity SE Asia | 10/05/06 | 27.9 | 1,096 | 30.16 | 33,055 |
| Fidelity Latin America | 08/17/06 | 29.4 | 399 | 48.61 | 19,406 |
| Fidelity Intl Small Cap Opportunities | 04/12/07 | 1.0 | 1,459 | 17.35 | 25,321 |
| Fidelity Convertible Securities | 03/22/07 | 2.8 | 788 | 27.29 | 21,501 |
| Fidelity Small Cap Independence | 02/15/07 | 3.4 | 1,174 | 22.94 | 26,929 |
| Fidelity Value Strategies | 02/08/07 | 5.1 | 756 | 35.49 | 26,813 |
| Fidelity Natural Resources | 01/11/06 | 27.0 | 615 | 31.51 | 19,393 |
| TOTAL VALUE | | | | | \$189,578 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|-------|-------|-------|------|
| 4.2% | 15.0% | 10.4% | 61.1% | 8.2% |

Vanguard Venturesome

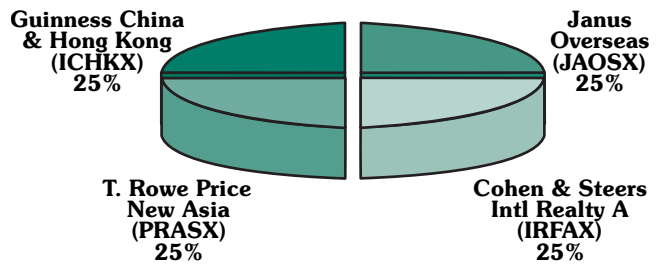
| Fund Name | Buy Date | Return Since Buy | Shares | Share Price | Current Value |
|-------------------------------|----------|------------------|--------|-------------|------------------|
| Vanguard REIT ETF | 12/18/06 | 4.4 | 177 | 79.25 | 14,063 |
| Vanguard Emerging Mkts Stk | 12/28/06 | 6.5 | 982 | 25.85 | 25,386 |
| Vanguard European ETF | 08/17/06 | 24.4 | 369 | 75.00 | 27,649 |
| Vanguard International Growth | 09/28/06 | 18.6 | 569 | 25.69 | 14,622 |
| Vanguard Capital Value | 02/08/07 | 1.4 | 1,817 | 13.64 | 24,785 |
| Vanguard Mid-Cap Index | 03/29/07 | 3.7 | 1,044 | 21.43 | 22,367 |
| Vanguard Windsor | 02/08/07 | 1.7 | 737 | 19.47 | 14,357 |
| Vanguard Energy ETF | 10/19/06 | 15.9 | 168 | 92.89 | 15,586 |
| TOTAL VALUE | | | | | \$158,815 |

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|-------|------|-------|------|
| 4.0% | 14.2% | 8.0% | 51.7% | 6.0% |

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 | 10.1% | 1,129 | \$49.88 | \$56,317 |
| Cohen & Steers International Realty | 02/01/07 | 3.0 | 2,994 | 19.76 | 59,156 |
| T. Rowe Price New Asia | 01/11/07 | 11.1 | 3,654 | 15.32 | 55,984 |
| Guinness Atkinson China & HK | 07/27/06 | 33.7 | 1,890 | 28.68 | 54,209 |
| TOTAL VALUE | | | | | \$225,666 |

Inception: 9/30/02

TOTAL RETURNS (as of 4/30/07)

| 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|------|-------|------|-------|------|
| 3.7% | 17.1% | 5.1% | 84.0% | 8.3% |

MONEYLETTER Select Commentary

For the third straight month there have been no fund exchanges recommended for the Select Model Portfolio. While the period has included a bout of aggressive profit-taking and significant selling pressure, a strong earnings season and a resurgence in manufacturing have allowed the markets to retrace their losses and push soundly ahead.

In April, with the exception of the Cohen & Steers International Realty, which was virtually flat, the remaining positions were hitting on all cylinders. Leading the way, T. Rowe Price New Asia (PRASX) advanced 6.69% for the month. Janus Overseas (JAOSX) added 4.61%, while Guinness Atkinson China & Hong Kong returned 3.88%. \$

Please note: The recommendations presented for the Select Portfolio are based strictly upon "technical" data rather than fundamental analysis. As such, the positions and trades shown here should NOT be considered for investors following our Asset Allocation Portfolios (i.e. Conservative, Moderate or Venturesome).

Total Returns—April 30, 2007

| | 1-mo | 6-mo | 1-yr | 3-yr | YTD |
|-----------------------|------|------|-------|-------|------|
| S&P 500 | 4.5% | 8.6% | 15.3% | 41.5% | 5.2% |
| Asset Allocation | 2.6 | 7.3 | 11.3 | 34.3 | 4.4 |
| Funds (Avg) 597 Funds | | | | | |

Domestic Stock Funds

| RANK | 05/04 2007 | 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 | 3 | 30 | JSVAX | Janus Contrarian | LC | * | B | B | 7.4% | 26.2% | 29.1% | \$19.66 | 12.0 | 1.43 | FSA | |
| 2 | 1 | 255 | TWHIX | American Century Heritage | MCGro | * | B | B | 5.2 | 28.1 | 16.3 | 18.56 | 13.9 | 1.56 | FSA | |
| 3 | 37 | 50 | HDPMX | Hodges Fund (2%r<90d) | MC | * | H | H | 9.5 | 21.9 | 18.1 | 28.56 | 14.1 | 1.73 | FSA | |
| 4 | 7 | 110 | FLVFX | Fidelity Leveraged Co (\$10k, 1.5%r<90d) | MC | * | B | B | 6.7 | 22.4 | 19.1 | 33.69 | 13.4 | 1.38 | Fa | |
| 5 | 4 | — | KSCOX | Kinetics Small Cap Opportunities | MC | * | B | B | 3.8 | 21.4 | 25.0 | 30.29 | 11.1 | 1.29 | Fsa | |
| 6 | 11 | 54 | BPMCX | Robeco Boston Partners Mid Cap Value | MCVal | B | B | B | 5.2 | 19.8 | 23.5 | 11.70 | 10.1 | 1.31 | FSA | |
| 7 | 8 | 83 | FSLSX | Fidelity Value Strategies | MC | * | B | B | 4.8 | 19.9 | 21.0 | 36.15 | 14.7 | 1.91 | Fa | |
| 8 | 15 | 150 | RWVFX | Royce Value (1%r<180d) | SC | B | B | B | 6.7 | 20.4 | 15.9 | 12.51 | 13.5 | 1.54 | FSA | |
| 9 | 27 | 209 | JAMRX | Janus Research | LCGro | (B) | (B) | (B) | 4.9 | 19.3 | 20.1 | 28.55 | 9.8 | 1.26 | FSA | |
| 10 | 5 | 116 | AVALX | Aegis Value Fund (\$10k) | SCVal | B | B | B | 2.6 | 20.7 | 19.7 | 15.98 | 10.3 | 0.98 | a | |
| 11 | 22 | 146 | LMOPX | Legg Mason Opportunity Trust (1%r) | MCGro | * | B | B | 5.9 | 20.6 | 15.0 | 21.14 | 18.9 | 2.37 | — | |
| 12 | 84 | 239 | LMASX | Legg Mason Special Investment Trust | MC | * | H | H | 6.7 | 20.1 | 15.2 | 44.13 | 14.4 | 1.76 | a | |
| 13 | 12 | 7 | CHITX | Aston/Optimum MidCap N | MC | * | B | B | 5.1 | 17.7 | 23.1 | 29.77 | 12.4 | 1.47 | FSA | |
| 14 | 56 | 131 | POGSX | Pin Oak Aggressive Stock | LCGro | * | H | H | 7.2 | 18.8 | 15.3 | 24.83 | 18.4 | 2.12 | FSA | |
| 15 | 48 | 21 | MAVFX | Matrix Advisors Value (1%r<60d) | LC | (B) | (B) | (B) | 7.4 | 15.7 | 22.5 | 63.24 | 9.7 | 1.28 | FSA | |
| 16 | 14 | 40 | VCVLX | Vanguard Capital Value | LCVal | B | B | B | 4.5 | 18.0 | 19.0 | 13.96 | 10.0 | 1.33 | fsa | |
| 17 | 25 | 205 | WPSRX | Westport Select Cap R (closed) | MC | H | H | H | 3.9 | 18.4 | 18.5 | 27.50 | 8.9 | 1.05 | FSA | |
| 18 | 13 | 312 | TWCVX | American Century Vista | MCGro | * | H | H | 4.9 | 22.3 | 6.7 | 19.58 | 14.2 | 1.56 | FSA | |
| 19 | — | — | HRVIX | Heartland Value Plus | SCVal | H | H | H | 3.4 | 18.8 | 16.7 | 30.17 | 12.0 | 1.26 | FSW | |
| 20 | 55 | 19 | TRMCX | T. Rowe Price Mid Cap Value (closed) | MCVal | H | H | H | 5.1 | 15.9 | 21.2 | 27.74 | 8.6 | 1.18 | fsa | |
| 21 | 24 | 231 | RIMSX | Rainier Small/Mid Cap Equity (closed) | MCGro | * | H | H | 5.1 | 19.6 | 11.6 | 41.85 | 14.8 | 1.77 | FSA | |
| 22 | 45 | 129 | JAENX | Janus Enterprise | MCGro | * | (B) | (B) | 4.9 | 17.2 | 17.7 | 53.12 | 11.2 | 1.46 | FSA | |
| 23 | 6 | 3 | LLSCX | Longleaf Partners Smallcap (closed) | SCVal | B | B | B | 2.3 | 14.9 | 27.1 | 33.42 | 9.2 | 1.12 | fa | |
| 24 | 9 | 11 | JAVTX | Janus Venture (closed) | SCGro | * | B | B | 4.3 | 18.2 | 15.5 | 68.52 | 15.9 | 1.91 | FSA | |
| 25 | 52 | 214 | NPRTX | Neuberger Berman Partners | LC | * | H | H | 6.4 | 17.2 | 14.5 | 33.98 | 11.8 | 1.35 | fSa | |
| 26 | 64 | 159 | PWP | PowerShares Dynamic MC Value | MCVal | H | H | H | 4.3 | 16.3 | 19.9 | 20.55 | — | — | — | |
| 27 | 19 | 69 | JORNX | Janus Orion | MCGro | * | H | H | 5.2 | 17.1 | 16.2 | 10.98 | 12.1 | 1.54 | FSA | |
| 28 | 47 | 117 | FDVLX | Fidelity Value | MCVal | H | H | H | 4.7 | 16.6 | 17.7 | 89.58 | 9.6 | 1.27 | Fsa | |
| 29 | 28 | 38 | IWS | Russell MidCap Value (fS) | MCVal | H | H | H | 3.5 | 15.8 | 20.8 | 160.30 | 8.8 | 1.15 | — | |
| 30 | 110 | 31 | BPTRX | Baron Partners | MCGro | * | H | H | 3.3 | 17.6 | 16.5 | 24.10 | 13.3 | 1.46 | FSA | |
| 31 | 131 | 201 | ARTMX | Artisan Midcap (closed) | MCGro | * | H | H | 7.0 | 16.6 | 13.0 | 34.09 | 12.0 | 1.48 | FSA | |
| 32 | 33 | 92 | CRMMX | CRM Mid Cap Value Inv (closed) | MC | H | H | H | 4.0 | 16.5 | 17.8 | 32.82 | 8.8 | 1.13 | FSA | |
| 33 | 96 | 268 | RYPRX | Royce Premier (closed, 1%r<180d) | SC | H | H | H | 5.3 | 18.5 | 10.6 | 19.98 | 12.1 | 1.23 | fSa | |
| 34 | 42 | 133 | OBSWX | Old Mutual Small Cap (2%r<10d) | SC | H | H | H | 4.8 | 16.6 | 16.0 | 29.58 | 12.1 | 1.52 | FSA | |
| 35 | 20 | 34 | GABAX | Gabelli Asset (2%r<7d) | MC | B | B | B | 4.1 | 15.1 | 20.8 | 52.04 | 8.3 | 1.08 | FSA | |
| 36 | 18 | 230 | FDSGX | Fidelity Small Cap Ind. (1.5%r<90d) | SCGro | * | B | B | 4.8 | 18.3 | 11.3 | 23.36 | 13.2 | 1.53 | Fsa | |
| 37 | 44 | 88 | ARTQX | Artisan Mid Cap Value (closed) | MCVal | B | B | B | 4.2 | 15.8 | 18.3 | 22.37 | 10.0 | 1.11 | FSA | |
| 38 | 106 | 67 | VWNFX | Vanguard Windsor II (\$10k) | LCVal | H | H | H | 5.6 | 14.1 | 20.4 | 37.78 | 6.2 | 0.79 | fSa | |
| 39 | 21 | 155 | NMANX | Neuberger Berman Manhattan | MCGro | * | H | H | 3.3 | 17.9 | 14.2 | 10.13 | 13.0 | 1.62 | fSa | |
| 40 | 72 | 222 | WMCVX | Wasatch Small Cap Value (closed, 2%r<60d) | SC | * | H | H | 5.1 | 16.9 | 13.6 | 5.58 | 12.2 | 1.41 | FSA | |
| 41 | 16 | 37 | WNNPX | Kinetics Paradigm (2%r<30d) | MC | B | B | B | 3.0 | 16.0 | 18.9 | 27.76 | 9.9 | 1.08 | Fsa | |
| 42 | 46 | — | EMM | DJ Wilshire Mid Cap (str) | MC | H | H | H | 4.0 | 17.0 | 14.6 | 62.38 | — | — | — | |
| 43 | 148 | 130 | MXIX | Marsico 21st Century (2%r<30d) | LCGro | * | H | H | 5.1 | 16.1 | 14.6 | 16.43 | 12.4 | 1.52 | FSA | |
| 44 | 76 | 235 | FMCSX | Fidelity M-C Stock (closed, .75%r<30d) | MCGro | * | H | H | 4.8 | 17.4 | 11.7 | 33.10 | 12.9 | 1.60 | Fsa | |
| 45 | 192 | 157 | CAAPX | Ariel Appreciation | MC | H | H | H | 5.9 | 14.1 | 17.8 | 52.67 | 8.0 | 1.03 | FSA | |
| 46 | 10 | 68 | USCGX | USAA Capital Growth | LC | * | B | B | 3.2 | 16.2 | 16.6 | 9.36 | 13.3 | 1.63 | A | |
| 47 | 95 | 168 | FDEGX | Fidelity Aggressive Growth (1.5%r<90d) | MCGro | * | H | H | 6.5 | 15.9 | 12.4 | 21.47 | 12.9 | 1.57 | Fsa | |
| 48 | 43 | 64 | JKI | Morningstar Mid Value (fS) | MCVal | H | H | H | 3.3 | 15.3 | 18.7 | 93.21 | — | — | — | |
| 49 | 87 | 4 | PWV | PowerShares Dyn LC Value | LCVal | H | H | H | 5.0 | 12.8 | 22.3 | 21.07 | — | — | — | |
| 50 | 236 | 246 | RPMGX | T. Rowe Price Mid Cap Growth (closed) | MCGro | H | H | H | 6.4 | 16.2 | 11.2 | 59.85 | 10.2 | 1.23 | fSa | |
| 51 | 17 | 138 | RYPVX | Royce Value Plus (1%r<180d) | SCGro | * | B | B | 3.7 | 17.1 | 13.0 | 15.57 | 14.1 | 1.58 | FSA | |
| 52 | 65 | 97 | ICSLX | ICSL Select Equity | LCVal | H | H | H | 4.9 | 14.5 | 17.6 | 44.96 | 7.7 | 0.95 | fSa | |
| 53 | 125 | 42 | PRFDX | T. Rowe Price Equity-Income | LCVal | H | H | H | 5.7 | 13.2 | 19.7 | 31.49 | 6.4 | 0.87 | fSa | |
| 54 | 34 | 228 | FCVFX | Fidelity Convertible Securities | Convrnt | H | H | H | 4.4 | 15.8 | 15.0 | 27.88 | 8.5 | 1.26 | Fsa | |
| 55 | 30 | 152 | KAUFX | Federated Kaufmann Fund (0.2%r) | MCGro | * | (H) | (H) | 4.4 | 16.4 | 13.5 | 6.21 | 12.1 | 1.58 | Fsa | |
| 56 | 113 | 76 | BIGRX | American Century Income & Growth | LCVal | H | H | H | 5.6 | 13.0 | 19.9 | 35.11 | 7.9 | 1.11 | FSA | |
| 57 | 63 | 108 | IWR | Russell MidCap (fS) | MC | * | H | H | 4.1 | 15.4 | 16.4 | 109.80 | 9.8 | 1.30 | — | |
| 58 | 120 | 143 | HOVLX | Homestead Value (2%r<30d) | LCVal | H | H | H | 5.5 | 13.9 | 17.6 | 39.38 | 6.7 | 0.82 | sA | |
| 59 | 36 | 2 | VASVX | Vanguard Selected Value (\$25k, 1%r<1yr) | MCVal | (H) | (H) | (H) | 2.6 | 13.6 | 22.8 | 22.76 | 8.0 | 0.98 | fSa | |
| 60 | 187 | 107 | PRGFX | T. Rowe Price Growth Stock | LCGro | H | H | H | 5.6 | 13.5 | 17.9 | 34.16 | 8.5 | 1.14 | fSa | |
| 61 | 147 | 62 | TGIGX | TCW Dividend Focused N | LCVal | H | H | H | 5.7 | 13.0 | 19.0 | 14.37 | 7.9 | 1.05 | FSA | |
| 62 | 93 | 171 | FDEGX | Fidelity Disciplined Equity | LC | H | H | H | 4.8 | 14.1 | 17.4 | 31.78 | 8.3 | 1.11 | Fsa | |
| 63 | 39 | 249 | PWJ | PowerShares Dynamic Mid Cap Growth | MCGro | H | H | H | 3.0 | 17.0 | 12.8 | 21.43 | — | — | — | |
| 64 | 81 | 163 | VO | Vanguard MidCap ETF | MC | * | H | H | 4.1 | 15.6 | 14.6 | 80.05 | 11.2 | 1.45 | — | |
| 65 | 190 | 24 | PVLDX | Allianz OCC Value D (2%r<7d) | LCVal | H | H | H | 5.7 | 12.9 | 18.8 | 18.44 | 8.5 | 1.13 | FSA | |
| 66 | 68 | 170 | VIMSX | Vanguard Mid-Cap Index | MC | * | H | H | 4.1 | 15.5 | 14.4 | 21.83 | 10.7 | 1.41 | fSa | |
| 67 | 105 | 206 | FAIRX | Fairholme Fund (2%r<60d) | MC | H | H | H | 5.0 | 14.1 | 16.5 | 31.49 | 8.4 | 0.71 | fSa | |
| 68 | 219 | 287 | ARGFX | Ariel Fund | MC | H | H | H | 4.8 | 16.0 | 12.1 | 56.84 | 9.2 | 1.12 | 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 | 05/04 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 | |
| 69 | 149 | 58 | OAKMX | Oakmark Fund (2%r<90d) | LC | H | H | H | 5.6 | 12.5 | 19.3 | 49.09 | 6.2 | 0.79 | FSA | |
| 70 | 29 | 311 | BRAIX | Bridgeway Aggressive Investors 2 | MCGro | * | H | H | 5.0 | 19.0 | 3.8 | 19.46 | 19.6 | 2.19 | fsa | |
| 71 | 99 | 127 | JKG | Morningstar Mid Core (iS) | MC | H | H | H | 4.2 | 14.8 | 15.4 | 89.96 | — | — | — | |
| 72 | 90 | 259 | JKH | Morningstar Mid Growth (iS) | MCGro | H | H | H | 4.8 | 16.8 | 9.7 | 94.43 | — | — | — | |
| 73 | 107 | 17 | VIVAX | Vanguard Value Index | LCVal | H | H | H | 4.8 | 12.5 | 20.3 | 28.23 | 6.8 | 0.89 | fsa | |
| 74 | 128 | 44 | FEQIX | Fidelity Equity-Income | LCVal | S | S | S | 5.3 | 12.8 | 18.6 | 61.79 | 7.1 | 0.99 | Fsa | |
| 75 | 108 | 15 | VTV | Vanguard Value ETF | LCVal | H | H | H | 4.7 | 12.4 | 20.4 | 72.35 | 6.8 | 0.89 | — | |
| 76 | 129 | 45 | IVE | S&P 500 Value (iS) | LCVal | S | S | S | 5.0 | 13.1 | 18.3 | 82.14 | 6.8 | 0.95 | — | |
| 77 | 53 | 1 | LSVRX | Loomis Sayles Value Retail | LCVal | (S) | (S) | (S) | 4.1 | 12.7 | 20.4 | 23.27 | — | — | FA | |
| 78 | 109 | 136 | FVDFX | Fidelity Value Discovery | MC | S | S | S | 5.1 | 14.3 | 14.9 | 19.24 | 10.0 | 1.22 | Fsa | |
| 79 | 78 | 5 | JKF | Morningstar Large Value (iS) | LCVal | S | S | S | 4.5 | 11.8 | 22.0 | 88.40 | — | — | — | |
| 80 | 54 | 166 | FLPSX | Fidelity L P Stock (closed, 1.5%r<90d) | MC | * | S | S | 4.0 | 15.4 | 13.9 | 46.97 | 10.6 | 1.35 | Fsa | |
| 81 | 2 | 318 | CGMFX | CGM Focus | LC | * | * | (H) | 0.4 | 20.5 | 6.4 | 39.38 | 20.3 | 1.26 | sa | |
| 82 | 127 | 12 | ELV | DJ Wilshire Large Cap Value (stfr) | LCVal | S | S | S | 4.8 | 12.2 | 20.4 | 88.35 | 6.1 | 0.81 | — | |
| 83 | 66 | 207 | NBNGX | Sit Mid Cap Growth (2%r<30d) | MCGro | * | H | H | 4.0 | 15.9 | 12.0 | 15.42 | 12.5 | 1.42 | FSA | |
| 89 | 26 | 9 | CBMDX | Wells Fargo Adv C&B Mid Cap Value | MC | * | (H) | (H) | 2.8 | 13.6 | 19.0 | 23.92 | 10.8 | 1.36 | FSA | |
| 92 | 86 | 36 | VWNDX | Vanguard Windsor | LCVal | H | H | H | 4.6 | 13.4 | 16.8 | 19.90 | 8.2 | 1.14 | Fsa | |
| 96 | 88 | 114 | FSLVX | Fidelity Large Cap Value | LCVal | H | S | S | 4.1 | 13.2 | 17.8 | 15.92 | 7.5 | 0.95 | Fsa | |
| 132 | 94 | 27 | FBRVX | FBR Small Cap (1%r<90d) | MCGro | * | (S) | (S) | 1.4 | 14.5 | 14.6 | 56.27 | 12.2 | 1.33 | FSA | |
| 225 | 57 | 20 | ATASX | Aston/TAMRO SmallCap N | SC | * | (S) | (S) | 1.6 | 13.6 | 10.2 | 20.62 | 14.0 | 1.71 | FSA | |
| 261 | 40 | 10 | HRTVX | Heartland Value (2%r<10d) | SCVal | * | (S) | (S) | 2.6 | 10.6 | 10.8 | 53.62 | 13.7 | 1.63 | FSA | |
| 301 | 41 | 8 | IZVYX | Ironwood Isabelle Small Company Stock | SCVal | * | (S) | (S) | 1.8 | 8.6 | 10.1 | 14.28 | 16.9 | 1.94 | FSA | |

Dow Jones
NASDAQ
S&P 500

5.9%
4.6
4.6

10.7%
10.4
10.4

16.0%
10.7
14.7

indexes do not
include dividends

International Stock Funds

| | | | | | | | | | | | | | | | |
|-----------|-----------|-----------|--------------|--|----------------|---|------------|------------|------------|-------------|-------------|--------------|-------------|---|------------|
| 1 | 2 | 15 | ILF | S&P 40 Latin America (iS) | LatinA | * | * | B | 7.1% | 30.2% | 29.2% | \$197.90 | 22.1 | — | — |
| 2 | 3 | 5 | PGJ | PowerShares Golden Dragon USX | Pacific | * | H | H | 4.1 | 30.2 | 27.3 | 22.04 | — | — | — |
| 3 | 19 | 31 | PRASX | T. Rowe Price New Asia (2%r<90d) | Pacific | * | (B) | (B) | 8.8 | 26.8 | 28.0 | 15.90 | 15.9 | — | fsa |
| 4 | 1 | 2 | PRLAX | T. Rowe Price Latin America (2%r<90d) | LatinA | * | * | B | 5.7 | 28.0 | 29.0 | 43.20 | 23.0 | — | — |
| 5 | 5 | 34 | ICHKX | Guinness Atkinson China & HK (2%r<90d) | Pacific | * | B | B | 4.7 | 27.3 | 28.0 | 29.93 | 15.4 | — | FSA |
| 6 | 6 | 86 | AIQIX | Amer Century Intl Opp (closed, 2%r<180d) | Int'l | * | B | B | 4.4 | 31.6 | 16.1 | 10.56 | 15.3 | — | — |
| 7 | 7 | 16 | SLAFX | DWS Latin Amer Equity S (2%r<15d) | LatinA | * | * | B | 6.0 | 27.0 | 24.7 | 65.74 | 23.5 | — | sa |
| 8 | 9 | 17 | FSEAX | Fidelity SE Asia (1.5%r<90d) | Pacific | * | B | B | 5.3 | 25.9 | 27.7 | 31.14 | 16.4 | — | Fsa |
| 9 | 12 | 10 | FLATX | Fidelity Latin America (1.5%r<90d) | LatinA | * | * | B | 6.2 | 26.1 | 24.9 | 50.62 | 22.3 | — | Fsa |
| 10 | 4 | 23 | EPP | MSCI Pacific Ex-Japan (iS) | Pacific | * | B | B | 3.8 | 24.8 | 29.9 | 143.70 | 12.3 | — | — |
| 11 | 25 | 3 | EZU | MSCI EMU (iS) | Europe | * | (B) | (B) | 6.0 | 22.7 | 29.1 | 117.20 | 11.0 | — | — |
| 12 | 8 | — | TWMIX | American Century Emg Mkts (2%r<180d) | EmerMkt | * | B | B | 4.1 | 24.7 | 26.6 | 10.01 | 18.3 | — | FSA |
| 13 | 14 | 85 | WAIGX | Wasatch Intl Growth (closed, 2%r<60d) | Int'l | * | (H) | (H) | 3.9 | 28.0 | 18.1 | 23.88 | 11.9 | — | FSA |
| 14 | — | — | QFFOX | Quant Emerging Mkt Ord | EmerMkt | * | (B) | (B) | 6.5 | 24.9 | 20.2 | 25.54 | 19.8 | — | Fsw |
| 15 | 45 | 4 | FEZ | DJ Euro Stoxx 50 (stfr) | Europe | * | H | H | 6.9 | 20.3 | 27.4 | 60.79 | 10.9 | — | — |
| 16 | 26 | 12 | PRESX | T. Rowe Price European (2%r<90d) | Europe | * | H | H | 4.8 | 21.8 | 25.4 | 22.58 | 10.7 | — | fsa |
| 17 | 35 | 6 | VGK | Vanguard European ETF | Europe | * | H | H | 6.0 | 20.0 | 27.1 | 76.40 | — | — | — |
| 18 | 17 | 1 | JAOSX | Janus Overseas (2%r<90d) | Int'l | * | (H) | (H) | 5.0 | 20.6 | 26.8 | 51.31 | 16.0 | — | FSA |
| 19 | 36 | 7 | VEURX | Vanguard European Stock Index (2%r<60d) | Europe | * | H | H | 5.5 | 19.7 | 26.7 | 40.41 | 9.7 | — | fsa |
| 20 | 15 | 38 | FEMKX | Fidelity Emerging Markets (1.5%r<90d) | EmerMkt | * | H | H | 5.5 | 23.3 | 17.8 | 27.28 | 19.4 | — | Fsa |
| 21 | 18 | 30 | FFINX | Forward International Equity (2%r<180d) | Int'l | * | (H) | (H) | 3.5 | 22.2 | 23.1 | 20.27 | 11.9 | — | FSA |
| 22 | 13 | 18 | ADRE | Emerging Markets 50 ADR (BLDRS) | EmerMkt | * | H | H | 4.1 | 22.6 | 20.3 | 42.26 | 19.0 | — | — |
| 23 | 43 | 9 | IEV | S&P 350 Europe Plus (iS) | Europe | * | H | H | 5.8 | 19.1 | 26.0 | 116.90 | 9.5 | — | — |
| 24 | 16 | 11 | DREGX | Driehaus Emerg Mkts Gr (closed, 2%r<60d) | EmerMkt | * | H | H | 5.2 | 21.2 | 19.6 | 43.25 | 18.7 | — | FSA |
| 25 | 11 | 8 | MPYMX | Metzler/Payden Europe Emg Mkts (2%r<30d) | Europe | * | H | H | 3.9 | 21.7 | 20.2 | 35.39 | 21.0 | — | FSA |
| 26 | 37 | 41 | BJBIX | Julius Baer Intl Eq A (closed, 2%r<90d) | Int'l | * | H | H | 4.9 | 20.9 | 20.7 | 47.17 | 12.0 | — | FSA |
| 27 | 34 | 63 | QFVOX | Quant Foreign Value | Int'l | * | H | H | 3.4 | 22.0 | 19.8 | 24.12 | 11.7 | — | FSA |
| 28 | 20 | — | GEMFX | US Global Inv Gbl Emerg Mkts (2%r<180d) | EmerMkt | * | H | H | 4.8 | 22.8 | 15.8 | 16.05 | — | — | FSA |
| 29 | 21 | 51 | SSEMIX | SSgA Emerging Markets | EmerMkt | * | H | H | 5.0 | 22.1 | 16.8 | 25.88 | 18.6 | — | FA |
| 30 | 23 | 40 | PRMSX | T. Rowe Price Emerg Mkts Stock (2%r<90d) | Int'l | * | (S) | (S) | 5.6 | 21.0 | 18.5 | 35.21 | 18.4 | — | fsa |
| 31 | 22 | 35 | EEM | MSCI Emerging Markets (iS) | EmerMkt | * | H | H | 4.0 | 22.6 | 16.6 | 124.70 | 18.4 | — | — |
| 32 | 39 | 19 | ICSEX | ICON Europe | Europe | * | S | S | 5.5 | 20.5 | 18.5 | 23.46 | 14.0 | — | FSA |
| 33 | 32 | 49 | VVO | Vanguard Emerging Mkts (VIPER) | EmerMkt | * | H | H | 5.2 | 21.6 | 16.1 | 85.19 | — | — | — |
| 34 | 41 | 33 | HINX | Harbor International Inv (2%r<60d) | Int'l | * | S | S | 5.0 | 19.9 | 20.2 | 67.92 | 11.4 | — | FSA |
| 35 | 40 | 28 | FECAIX | Fidelity Europe Capital App (1%r<30d) | Europe | * | S | S | 4.4 | 20.5 | 19.3 | 30.27 | 12.9 | — | Fsa |
| 36 | 27 | 59 | VEIEX | Vanguard Emerging Mkts Stk Index (.5%r) | EmerMkt | * | H | H | 5.1 | 21.3 | 16.1 | 26.70 | 17.9 | — | sa |
| 37 | 29 | 14 | OAKEX | Oakmark Intl Small Cap (closed, 2%r<90d) | Int'l | * | (S) | (S) | 2.3 | 19.9 | 23.6 | 25.15 | 9.8 | — | FSA |
| 38 | 82 | 43 | JAWWX | Janus Worldwide (2%r<90d) | Global | * | S | S | 5.8 | 17.9 | 22.8 | 55.91 | 8.1 | — | FSA |
| 39 | 24 | 84 | FSCOX | Fidelity Intl Small Cap Opp | Int'l | * | H | H | 2.8 | 24.0 | 11.6 | 17.59 | — | — | Fsa |
| 40 | 46 | 13 | SCOPX | DWS Pacific Opp Equity S (2%r<15d) | Pacific | * | S | S | 5.5 | 18.8 | 20.3 | 23.09 | 14.2 | — | S |
| 41 | 57 | 22 | ADRU | Europe 100 ADR (BLDRS) | Europe | * | S | S | 6.0 | 17.1 | 22.6 | 32.83 | 9.8 | — | — |
| 42 | 42 | 74 | PRIDX | T. Rowe Price Intl Discovery (2%r<90d) | Int'l | * | S | S | 4.5 | 20.5 | 16.4 | 52.93 | 12.3 | — | fsa |
| 51 | 10 | 82 | EUROX | US Global Eastern Europe (2%r<180d) | Europe | * | (S) | (S) | 2.8 | 22.6 | 9.6 | 49.16 | 24.4 | — | FSA |
| 54 | 28 | 61 | PISRXX | Forward Intl Small Companies (2%r<180d) | Int'l | * | (S) | (S) | 2.3 | 19.8 | 16.5 | 20.90 | 13.2 | — | FSA |
| 68 | 63 | 54 | VWIGX | Vanguard International Growth (2%r<60d) | Int'l | * | H | H | 4.8 | 16.9 | 17.9 | 26.23 | 10.2 | — | fsa |

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

| RANK | 05/04 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/wf |
|------------|------------|------------|----------|---------------|---|----------------|--------------|----------|-------------|--------------|-------------|-------------|-----------------|--------------|-------------|------------|
| | | | | | | | | | | 1 mo. | 6 mo. | 12 mo. | | Std. Dev. | Beta | |
| 1 | 2 | — | — | EGLRX | Alpine Intl Real Estate (.75%r<60d) | RealEs | B | B | B | 2.9% | 27.0% | 31.5% | \$46.01 | 11.70 | 1.23 | FSA |
| 2 | 3 | 8 | — | FSUTX | Fidelity Utilities Growth (.75%r<30d) | Utility | * | * | * | 4.3 | 22.3 | 40.0 | 64.39 | 7.42 | 0.50 | Fsa |
| 3 | 7 | 15 | — | VPU | Vanguard Utilities ETF | Utility | * | * | * | 4.0 | 20.4 | 37.9 | 88.24 | 8.89 | 0.29 | — |
| 4 | 9 | 19 | — | XLU | Utilities (SPDR) | Utility | * | * | * | 3.9 | 20.0 | 37.9 | 42.09 | 9.15 | 0.17 | — |
| 5 | 5 | — | — | IRFAX | Cohen & Steers Intl Realty A (1%r<180d) | RealEs | B | B | B | 2.4 | 21.9 | 33.2 | 20.35 | — | — | fSa |
| 6 | 12 | 18 | — | IDU | DJ US Utilities | Utility | * | * | * | 3.8 | 19.5 | 36.5 | 102.50 | 8.92 | 0.27 | — |
| 7 | 10 | 126 | — | FSNGX | Fidelity Natural Gas (.75%r<30d) | NatfRes | * | * | * | 7.2 | 25.0 | 14.3 | 44.19 | 22.80 | 1.01 | Fsa |
| 8 | 6 | 56 | — | RYBIX | Rydex Basic Materials | NatfRes | * | * | * | 3.4 | 24.1 | 20.9 | 44.56 | 15.30 | 1.66 | FSA |
| 9 | 16 | 16 | — | RYUIX | Rydex Utilities | Utility | * | * | * | 3.7 | 18.5 | 34.3 | 33.61 | 8.60 | 0.42 | Fsa |
| 10 | 26 | 13 | — | PRMTX | T. Rowe Price Media & Telecommunications | Comm | * | * | * | 6.4 | 20.0 | 26.1 | 48.34 | 12.60 | 1.59 | fSa |
| 11 | 4 | 120 | — | FNARX | Fidelity Natural Resources (.75%r<30d) | NatfRes | B | B | B | 6.0 | 24.9 | 13.1 | 32.29 | 20.20 | 1.14 | Fsa |
| 12 | 15 | 30 | — | ICTUX | ICON Telecommunications & Utilities | Comm | * | * | * | 4.4 | 20.9 | 25.1 | 8.85 | 10.40 | 1.00 | FSA |
| 13 | 13 | 72 | — | VAW | Vanguard Materials ETF | NatfRes | * | * | * | 3.3 | 23.1 | 19.4 | 81.70 | 14.30 | 1.50 | — |
| 14 | 8 | — | — | FIRES | Fidelity Intl Real Estate (1.5%r<90d) | RealEs | B | B | B | 1.1 | 20.3 | 29.3 | 17.65 | — | — | Fsa |
| 15 | 14 | 11 | — | IXP | S&P Global Telecommunication (iS) | Comm | * | * | * | 3.5 | 17.1 | 33.2 | 69.31 | 9.29 | 0.88 | — |
| 16 | 1 | 84 | — | VGPMX | Vanguard Precious Metal (closed,1%r<1yr) | PrecMet | * | * | * | 5.9 | 22.6 | 15.7 | 32.64 | 23.10 | 1.86 | fSa |
| 17 | 37 | 20 | — | NZ | DJ US Telecom (iS) | Comm | * | * | * | 4.2 | 16.4 | 31.2 | 32.79 | 8.97 | 0.71 | — |
| 18 | 39 | 27 | — | CGMRX | CGM Realty | RealEs | * | * | * | 4.4 | 18.8 | 23.0 | 29.96 | 18.30 | 1.64 | sa |
| 19 | 18 | 125 | — | FSDPX | Fidelity Select Materials (.75%r<30d) | NatfRes | * | * | * | 3.5 | 22.6 | 14.9 | 53.84 | 15.30 | 1.40 | Fsa |
| 20 | 30 | 100 | — | ICBMX | ICON Selects | Cycls | * | * | * | 4.6 | 23.0 | 10.3 | 13.40 | 17.90 | 1.78 | FSA |
| 21 | 25 | 129 | — | FSENX | Fidelity Energy (.75%r<30d) | NatfRes | * | * | * | 6.9 | 21.4 | 9.8 | 55.90 | 20.50 | 0.96 | Fsa |
| 22 | 23 | 110 | — | PRNEX | T. Rowe Price New Era | NatfRes | B | B | B | 6.7 | 20.0 | 11.9 | 52.78 | 16.90 | 1.29 | fSa |
| 23 | 38 | 12 | — | VOX | Vanguard Telecom Service ETF | Comm | * | * | * | 3.5 | 14.6 | 29.2 | 80.05 | — | — | — |
| 24 | 17 | 107 | — | IYM | DJ US Basic Materials (iS) | Cycls | * | * | * | 3.5 | 20.6 | 14.1 | 67.75 | 14.40 | 1.43 | — |
| 25 | 20 | 145 | — | FSEX | Fidelity Energy Services (.75%r<30d) | NatfRes | * | * | * | 7.7 | 22.4 | 2.8 | 77.98 | 23.20 | 1.09 | Fsa |
| 26 | 21 | 82 | — | XLB | Materials (SPDR) | Cycls | * | * | * | 2.3 | 19.8 | 17.4 | 39.40 | 13.30 | 1.37 | — |
| 27 | 41 | 29 | — | FSTCX | Fidelity Telecomm (.75%r<30d) | Comm | * | * | * | 3.9 | 16.3 | 23.7 | 53.83 | 11.70 | 1.30 | Fsa |
| 28 | 19 | 127 | — | PSPFX | U.S.Global Inv Global Res (.25%r<30d) | NatfRes | B | B | B | 8.1 | 20.7 | 6.0 | 16.94 | 24.30 | 1.50 | FSA |
| 29 | 55 | 91 | — | FSPFX | Fidelity Paper & Forest (.75%r<30d) | NatfRes | * | * | * | 2.5 | 19.7 | 16.5 | 35.53 | 15.50 | 1.58 | Fsa |
| 30 | 24 | 140 | — | RYVIX | Rydex Energy Services | NatfRes | * | * | * | 7.4 | 21.3 | 3.5 | 51.94 | 23.20 | 1.20 | Fsa |
| 31 | 100 | 38 | — | PJP | PowerShares Dynamic Pharmaceuticals | Health | * | * | * | 8.2 | 12.9 | 21.3 | 19.88 | — | — | — |
| 32 | 65 | 67 | — | PRHSX | T. Rowe Price Health Sciences | Health | * | * | * | 4.7 | 14.5 | 22.0 | 28.92 | 11.50 | 1.03 | fSa |
| 33 | 35 | 147 | — | RSNRX | RS Global Natural Res (4.75% load) | NatfRes | S | S | S | 7.3 | 18.9 | 7.1 | 36.31 | 19.60 | 1.27 | fSa |
| 34 | 29 | 53 | — | IYE | DJ US Energy (iS) | NatfRes | * | * | * | 5.7 | 15.9 | 15.6 | 112.70 | 19.30 | 0.96 | — |
| 35 | 82 | 151 | — | FSHCX | Fidelity Select Medical Del (.75%r<30d) | Health | * | * | * | 0.6 | 17.1 | 20.1 | 52.29 | 14.50 | 0.99 | Fsa |
| 36 | 42 | 54 | — | FSCX | Fidelity Chemicals (.75%r<30d) | Cycls | * | * | * | 2.8 | 17.2 | 16.4 | 73.60 | 12.70 | 1.22 | Fsa |
| 37 | 59 | 95 | — | PBJ | PowerShares Dyn Food & Beverage | Consmr | * | * | * | 3.6 | 15.7 | 18.6 | 17.98 | — | — | — |
| 38 | 28 | 144 | — | ICENX | ICON Energy | NatfRes | * | * | * | 7.3 | 19.8 | 2.1 | 36.45 | 23.00 | 1.20 | FSA |
| 39 | 27 | 74 | — | VDE | Vanguard Energy ETF | NatfRes | B | B | B | 5.7 | 16.3 | 13.2 | 94.86 | — | — | Fsa |
| 40 | 56 | 25 | — | FSAVX | Fidelity Automotive (.75%r<30d) | Cycls | * | * | * | 5.1 | 15.1 | 16.9 | 43.05 | 12.70 | 1.32 | Fsa |
| 41 | 112 | 99 | — | XLV | Health Care (SPDR) | Health | * | * | * | 6.8 | 11.8 | 22.1 | 36.70 | 8.91 | 0.61 | — |
| 42 | 53 | 39 | — | FDFAX | Fidelity Select Cons Staples (.75%r<30d) | Consmr | * | * | * | 2.8 | 14.1 | 22.1 | 61.64 | 6.93 | 0.70 | Fsa |
| 43 | 31 | 66 | — | FBSOX | Fidelity Select IT Services (.75%r<30d) | Tech | * | * | * | 2.9 | 16.4 | 16.2 | 17.90 | 11.00 | 1.18 | Fsa |
| 44 | 115 | 111 | — | FPHAX | Fidelity Pharmaceuticals (.75%r<30d) | Health | * | * | * | 9.1 | 12.6 | 16.3 | 11.94 | 10.40 | 0.85 | Fsa |
| 45 | 97 | 32 | — | FSLBX | Fidelity Brokerage (.75%r<30d) | FinServ | * | * | * | 6.1 | 13.9 | 16.9 | 77.17 | 14.80 | 1.63 | Fsa |
| 46 | 33 | 112 | — | IGE | GS Natural Resources (iS) | NatfRes | B | B | B | 5.8 | 16.5 | 10.3 | 113.40 | 18.80 | 1.06 | — |
| 47 | 63 | 65 | — | FSDAX | Fidelity Defense & Aero (.75%r<30d) | Cycls | * | * | * | 2.5 | 17.3 | 12.8 | 84.53 | 10.50 | 1.00 | Fsa |
| 48 | 77 | 58 | — | RYMIX | Rydex Telecommunications | Comm | * | * | * | 4.7 | 14.6 | 14.6 | 20.18 | 13.30 | 1.57 | Fsa |
| 49 | 34 | 96 | — | VGENX | Vanguard Energy (\$25k,1%r<1yr) | NatfRes | B | B | B | 6.1 | 16.1 | 8.8 | 70.54 | 18.90 | 1.00 | fSa |
| 50 | 32 | 78 | — | XLE | Energy (SPDR) | NatfRes | * | * | * | 5.4 | 15.0 | 12.6 | 64.65 | 19.90 | 0.96 | — |
| 51 | 111 | 102 | — | IYH | DJ US Healthcare (iS) | Health | * | * | * | 6.1 | 11.0 | 20.4 | 72.32 | 8.47 | 0.63 | — |
| 52 | 104 | 119 | — | FSCGX | Fidelity Industrial Equip (.75%r<30d) | Cycls | * | * | * | 6.3 | 15.9 | 8.0 | 33.44 | 12.00 | 1.42 | Fsa |
| 53 | 36 | 113 | — | RYEIX | Rydex Energy | NatfRes | * | * | * | 6.1 | 15.5 | 8.8 | 25.06 | 19.90 | 0.95 | Fsa |
| 54 | 106 | 101 | — | VHT | Vanguard Health Care ETF | Health | * | * | * | 5.7 | 11.3 | 20.0 | 62.33 | 8.58 | 0.68 | — |
| 55 | 102 | 105 | — | VGHCX | Vanguard Health (closed,1%r<1yr) | Health | * | * | * | 5.5 | 11.6 | 19.6 | 157.40 | 7.17 | 0.58 | fSa |
| 56 | 120 | 143 | — | ICTRX | ICON Industrials | Cycls | * | * | * | 7.1 | 17.6 | 1.3 | 9.96 | 14.10 | 1.40 | FSA |
| 57 | 86 | 52 | — | PRSCX | T. Rowe Price Science & Tech | Tech | * | * | * | 5.2 | 14.5 | 12.0 | 22.88 | 15.80 | 1.77 | fSa |
| 58 | 99 | 122 | — | RYHIX | Rydex Health Care | Health | * | * | * | 4.8 | 12.2 | 18.1 | 16.34 | 8.27 | 0.78 | Fsa |
| 59 | 105 | 94 | — | PRISX | T. Rowe Price Financial Services | FinServ | * | * | * | 5.6 | 13.3 | 13.2 | 22.82 | 8.71 | 1.00 | fSa |
| 60 | 75 | 85 | — | PBS | PowerShares Dyn Media | Comm | * | * | * | 4.5 | 12.5 | 16.4 | 16.89 | — | — | — |
| 61 | 107 | 97 | — | VIS | Vanguard Industrials (VIPER) | Cycls | * | * | * | 5.9 | 14.3 | 9.5 | 71.28 | — | — | — |
| 62 | 136 | 136 | — | FSPHX | Fidelity Health Care (.75%r<30d) | Health | * | * | * | 5.2 | 11.2 | 17.7 | 131.90 | 8.58 | 0.68 | Fsa |
| 63 | 89 | 60 | — | PXQ | PowerShares Dyn Networking | Tech | * | * | * | 4.0 | 15.6 | 8.0 | 18.96 | — | — | — |
| 64 | 130 | 118 | — | FCYIX | Fidelity Select Industrials (.75%r<30d) | Cycls | * | * | * | 6.6 | 14.1 | 7.3 | 21.54 | 11.20 | 1.33 | Fa |
| 65 | 49 | 73 | — | IXC | S&P Global Energy (iS) | NatfRes | * | * | * | 6.2 | 12.8 | 10.8 | 119.60 | 17.90 | 0.93 | — |
| 66 | 51 | 9 | — | IYR | DJ US Real Estate (iS) | RealEs | * | * | * | -0.9 | 10.6 | 26.6 | 85.65 | 17.00 | 1.35 | — |
| 67 | 128 | 133 | — | FSELX | Fidelity Electronics (.75%r<30d) | Tech | * | * | * | 7.6 | 15.7 | 0.9 | 49.01 | 22.30 | 2.37 | Fsa |
| 88 | 90 | 93 | — | FBALX | Fidelity Balanced | Hybrid | B | * | * | 3.5 | 11.1 | 12.7 | 20.85 | 7.17 | 1.18 | Fsa |
| 121 | 110 | 88 | — | VBINX | Vanguard Balanced Index | Hybrid | B | * | * | 2.9 | 8.3 | 12.7 | 22.31 | 4.85 | 0.78 | fSa |
| 145 | 118 | 116 | — | GATEX | Gateway Fund | Altern | B | * | * | 1.1 | 5.3 | 9.4 | 27.99 | 2.81 | 0.34 | Fsa |

Hotline Now On Website

Responding to subscriber demand, *MONEYLETTER* has added a copy of the weekly telephone Hotline message to our website. Links to the recent Hotline scripts are now adjacent to the current and previous *MONEYLETTER* issues. As with the issues, the recent Hotlines are Username/Password protected, requiring a current paid subscription to *MONEYLETTER* for access.

"We want to make our advice as user-friendly as possible," said *MONEYLETTER* publisher Brian Kelly. "We pack a lot of content into a three minute telephone message, and this change will allow our subscribers convenient access to that content." The Hotline will be posted each Thursday by midnight. It will also remain available in the pages of our weekly online newsletter *MONEYLETTER Plus*.

Early feedback has been extremely positive. Perhaps M.C. from Sumas, WA sums up the comments best. "Thank you so much for the internet Hotline, this is so helpful. I was one of the customers who requested this service, and it is wonderful for me. I travel a lot and this saves me finding a phone at some difficult time or place. Many thanks."

To access the *MONEYLETTER* Hotline, please follow these simple steps:

- a. Go to www.moneyletter.com
- b. Click "Member Login"
- c. Choose *MONEYLETTER*
- d. In the "Username" field type your *MONEYLETTER* Account Number. Your Account Number is located on your mailing label, above your name, and begins with an upper case "A" followed by seven digits (ex. A0123456). If you don't have your Account Number, call us toll-free 800-890-9670 or email service@moneyletter.com
- e. In the "Password" field, type your five-digit Zip Code

Links to the recent Hotline scripts are in the right column, just below the Member Login button.

You'll need the Adobe Acrobat Reader (Version 6 or 7) to view the file. If you don't already have it, you can download Adobe from our site. Depending on modem speed and Internet traffic, it may take a little while to load. \$

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100% U.S. TREASURY FUNDS

| | 7-Day | 30-Day | 1-Year |
|-------------------------------------|-------|--------|--------|
| Gabelli US Treasury MMF | 5.07% | 5.12% | 4.99% |
| Vanguard Treasury MMF | 4.95 | 4.96 | 4.77 |
| Fidelity US Treasury MMF | 4.77 | 4.78 | 4.64 |
| Amer Century Capital Presv Fund/Inv | 4.71 | 4.75 | 4.59 |
| T. Rowe Price US Treasury MF | 4.64 | 4.66 | 4.49 |
| JPMorgan 100% US Treas MMF/Morgan | 4.61 | 4.63 | 4.46 |
| HSBC Investor US Treas MM/CI D | 4.56 | 4.61 | 4.38 |
| Schwab US Treasury Money Fund | 4.54 | 4.57 | 4.40 |
| Wells Fargo Adv 100% Treas MMF/CI A | 4.53 | 4.55 | 4.35 |
| RMK Select Treas MMF/CI A | 4.50 | 4.51 | 4.43 |

GENERAL PURPOSE TAXABLE FUNDS

| | 7-Day | 30-Day | 1-Year |
|-----------------------------------|-------|--------|--------|
| Vanguard Prime MMF/Investor | 5.23% | 5.22% | 5.11% |
| McMorgan Principal Preservation | 5.22 | 5.22 | 5.10 |
| Transamerica Premier Cash Res/Inv | 5.22 | 5.21 | 5.12 |
| Harbor Money Market Fund | 5.20 | 5.23 | 5.05 |
| MFS Money Market Fund | 5.20 | 5.21 | 5.05 |
| PayPal Money Market Fund | 5.17 | 5.17 | 5.05 |
| TCW Money Market Fund | 5.14 | 5.14 | 4.99 |
| Fidelity Money Market Fund | 5.12 | 5.11 | 5.01 |
| Fidelity Cash Reserves | 5.10 | 5.10 | 4.97 |
| DWS MM Prime Ser/DWS MMF | 5.09 | 5.11 | 4.94 |
| Managers Money Market Fund | 5.09 | 5.11 | 0.00 |

TAX-FREE GENERAL PURPOSE FUNDS

| | 7-Day | 30-Day | 1-Year |
|----------------------------------|-------|--------|--------|
| Alpine Municipal MMF/Investor | 3.88% | 3.73% | 3.56% |
| Vanguard Tax-Exempt MMF | 3.85 | 3.72 | 3.52 |
| Fidelity AMT Tax-Free Money Fund | 3.66 | 3.51 | 3.33 |
| T-E Portfolio/Managed Shares | 3.58 | 3.45 | 3.20 |
| Marshall Tax Free MMF/Class Y | 3.57 | 3.42 | 3.24 |
| Fidelity Municipal MMF | 3.56 | 3.42 | 3.25 |
| USAA Tax Exempt MMF | 3.55 | 3.37 | 3.19 |
| Amer Century T-F MMF/Inv Class | 3.53 | 3.37 | 3.21 |
| Dreyfus BASIC Muni MMF | 3.53 | 3.40 | 3.23 |
| T. Rowe Price Summit Muni MMF | 3.52 | 3.38 | 3.17 |

TAX-FREE STATE-SPECIFIC FUNDS

| | 7-Day | 30-Day | 1-Year |
|----------------------------|-------|--------|--------|
| Vanguard PA Tax-Exempt MMF | 3.86% | 3.72% | 3.51% |
| Vanguard OH Tax-Exempt MMF | 3.83 | 3.69 | 3.50 |
| Vanguard NY Tax-Exempt MMF | 3.81 | 3.67 | 3.48 |
| Vanguard NJ Tax-Exempt MMF | 3.80 | 3.66 | 3.45 |
| Vanguard CA Tax-Exempt MMF | 3.75 | 3.60 | 3.42 |
| Fidelity MA AMT T-F MMF | 3.67 | 3.49 | 3.24 |
| Fidelity CA AMT T-F MMF | 3.64 | 3.49 | 3.28 |
| Fidelity NY AMT T-F MMF | 3.64 | 3.50 | 3.23 |
| Fidelity NJ AMT T-F MMF | 3.63 | 3.49 | 3.29 |
| Fidelity FL Municipal MMF | 3.52 | 3.35 | 3.20 |

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 5/1/07. 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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Heartland Value Plus: Value with a Dividend Twist

Many value investors pay lip service to legendary value investor Benjamin Graham by only loosely basing their investment strategies on his teachings. But Heartland Advisors states that they are “dedicated to the principles of value investing as developed by Benjamin Graham,” and they truly mean it. Heartland employs a 10-point investment selection process that focuses on three main areas: fundamentals, managing risk, and catalyst.

Fundamentals

Heartland notes that Benjamin Graham stressed a company's *intrinsic value*, opting to ignore the “noise” on Wall Street. Heartland does the same. Its portfolio managers focus on two main components: financial and managerial strength. They prefer companies with no long-term debt, which allows firms to employ cash flow to grow the business, rather than pay interest on that debt. High cash flow is also preferred.

In accordance with Graham, Heartland believes that earnings drive stock prices, and hence, they stress that companies show improving earnings and upward earnings revisions. They assess how a company has performed in various economic environments, believing it is more important to judge what it has done in the past than what it promises to do in the future. Heartland speaks to multiple levels of management, as well as competitors, customers, and suppliers. It is a priority that management “think like shareholders” and own a substantial portion of the firm. Do they have a good vision for the firm and the talent and resources to carry it out?

Managing risk

Once an intrinsic value is reached, it's time to determine if it's selling at a bargain value. That bargain price provides what Graham termed a “margin of safety,” meaning there is less downside when the market turns sour. Manager D. Rodney Hathaway notes that the team looks for stocks with low expectations. Often, these are either out-of-favor on Wall Street (“under a cloud”) or not on Wall Street's radar screen (“overlooked”). Heartland Value Plus (HRVIX) looks at smaller-capitalization firms (\$300 million to \$2 billion in market cap), and within those parameters, stocks considered under a cloud tend to be larger, and those that are overlooked tend to be smaller. Stocks in the former group have often been subject to a Wall Street overreaction to bad news (and sometimes the subject of analyst sell recommendations), while Heartland analysts and portfolio managers often uncover hidden gems within the latter.

Catalyst

It's all well and good to find deeply discounted stocks with good fundamentals. But what is to say that investors will

recognize the attractiveness? Sometimes, deeply discounted stocks remain that way for a long time. What is the key to finding a catalyst that will cause Wall Street to stand up and take notice, propelling the stock upward? Heartland managers scour the landscape for that catalyst—be it a new product, potential corporate sale/merger, management change, or a new strategy. Only when all three factors—fundamentals, price, and catalyst—are favorable will the managers buy.

Top Ten Sectors and Holdings (% Total Net Assets)

| | | | |
|-----------------|------|--------------------------|-----|
| Industrials | 24.5 | Mentor Graphics | 4.4 |
| IT | 20.2 | Genco Shipping & Trading | 4.0 |
| Consumer Discr. | 13.4 | Biovail Corp. | 3.9 |
| Materials | 11.5 | Unum Group | 3.5 |
| Financials | 10.5 | Perot Systems | 3.4 |

As of March 31, 2007

Dividends and capitalization

Unlike the well-known Heartland Value (which focuses on smaller companies overall) Value Plus looks for stocks that pay a dividend. Hathaway has stated, “If a company pays a dividend, that implies it's stable and has good cash flows.” He also noted that several recent studies have shown that companies tend to boost dividends when they are on the cusp of increased profits growth. Plus, the dividend reduces downside risk, and hence, potential volatility.

Heartland Value Plus is concentrated, with only about 50 holdings, and turnover is low. Compared to other small cap value funds in the Morningstar universe, the fund is more heavily weighted in information technology, consumer discretionary, and health care (10% of assets). In technology, the managers look for low beta firms with solid balance sheets. Meanwhile, although stocks of some consumer discretionary firms have been hurt by economic uncertainty, Hathaway's (and Heartland's) belief that a recession is not on the horizon (rather, a mid-cycle slowdown), leads to the fund's position in consumer stocks. Stein Mart, a discount retailer of brand-name goods, is among the fund's winners this year, with a 14% gain through May 4, along with energy firm Tidewater and insurer Unum Group (both up 33%). The fund's strategy has generally stood the test of time. For the year-to-date, its 13.2% return puts it at the top of its Morningstar category. \$

Heartland Value Plus (HRVIX)

Heartland Advisors

789 North Water Street, Milwaukee, WI 53202

(800) 432-7856 • Minimum Investment: \$1,000; IRA \$500

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