

MONEYLETTER HOTLINE 4/16/02

Earnings Better Than Expected

Today was super-Tuesday for earnings, and the reports did not disappoint. In Friday's Hotline we remarked that poor earnings reports from GE and IBM had the market worried. Today, good reports from the likes of GM, Texas Instruments, Sprint, and Novellus sent the markets soaring. The news from technology was generally good. Sprint reassured investors that there was life in the telecom sector. Novellus did the same thing for the chip sector, and Intel followed up tonight after the market closed.

The economic news from the manufacturing sector also said that life was returning to that sector. It is undoubtedly the sharp slowing of inventory cutting that did it, as industrial production showed a smart increase for March. Also capacity utilization rose noticeably. It was all the market needed to hear. Stocks had already shot out of the box on Texas Instruments' early report when the other earnings came through. The issue now is whether the market can build on today's action. We believe it can. We thought that the earnings reports would be modestly positive, and so far they have been better than that.

There is no change in our recommended allocations.

Fund Recommendations – For domestic stock funds, there are two new buys: CRM Small Cap Value and Neuberger Berman Fasciano. There are three new holds: TCW Galileo Value Opportunity, Berger Mid Cap Value and Wasatch Small Cap Growth. For international stock funds, there is one new hold: Fidelity Europe.

The Economy – The new consumer price index confirmed that inflation is not a problem. There was a fairly large drop in housing starts last month. Some of this is simply due to weather and statistical adjustment. But some reflects the increase in mortgage rates over the past few months. It may be that housing is topping out after its welcome surge. Store sales so far this month remain soft.

The Stock Market – Today's rally simply makes up for the losses of the past two weeks. We believe the rally will carry further as more earnings reports are issued. We see higher prices as we move through this year.

The Bond Market – Alan Greenspan speaks to Congress about the economy on Wednesday. We believe he will not suggest a near-term increase in interest rates. Based on the earnings news, we expect long-term rates to move slightly higher in the very near-term. But overall we see stable rates over the next 2-3 months.

MONEYLETTER HOTLINE 4/12/02

Market Uneasy As Profits Reports Near

The market continues to churn. So far what little we have had of the earnings season has been a disappointment. GE's earnings were not in themselves a disappointment, but the comments by the GE execs were extremely cautious and did not offer much to the bulls. Some other comments this week have had the same effect. Next week the earnings season swings into full gear and the market will feed off that. We still expect that the bottom line will be mildly positive.

The economic news today was not as strong as expected, most noticeably retail sales. Sales were weaker than expected and the last two months were revised down slightly. All in all sales last quarter dropped slightly from the prior quarter. But considering that last year's final quarter was rocketed up by the auto boom, that is better than expected.

There is continued apprehension on Wall Street about the consumer and retail sales. We think the apprehension is overdone. Oil prices fell sharply the past two days, pushed down today by the events in Venezuela. We believe the jump in oil prices over recent months has contributed to the market's unease. Lower prices will help.

There is no change in our recommended allocations.

Fund Recommendations – For domestic stock funds, there are two new buys: ICM/Isabelle Small Cap Value and Royce Opportunity. There is one new hold: Aegis Value. There are no changes for international stock funds.

We recognize that there have been a fair number of changes in our fund recommendations the last few weeks. This reflects the effect of the long rally since September 11 on individual funds' outlooks.

The Economy – Producer prices jumped sharply last month due mainly to oil. Core prices, without oil and food, rose only slightly. Inflation is not an issue. Economic growth last quarter was less strong than the recent optimistic estimates. This is of no great consequence. The recovery is still in the developing stage. We expect solid growth ahead.

The Stock Market – The technicians tell us that the stock market is oversold and that a short-term rally is to be expected. We agree. However, we believe the market will effectively move sideways through the earnings season. After that, as the focus shifts forward will the trend move up. We see higher prices as we move through this year.

The Bond Market – In view of oil and the economic news, the bond market has inched ahead. Yields have moved down, as they should. We don't look for much change in the near-term.

Domestic Stock Funds — data as of 4/12/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 CGM Focus	B	4.8%	56.5%	61.0%	51 Fidelity Small Cap Ind.(1.5%)	H	1.8	16.2	27.0
2 Oakmark Small Cap	B	6.0	36.1	43.6	52 Thompson Plumb Growth	H	-2.7	17.2	27.0
3 Boston Ptnrs Smlcap Val	B	8.0	32.7	47.1	53 Aegis Value Fund	H	1.9	13.0	30.1
4 Wasatch Small Cap Value(closed)	B	4.8	31.1	48.2	54 Westport Small Cap R	H	1.5	18.0	17.6
5 Buffalo Small Cap (closed)	B	3.4	31.3	45.3	55 Vanguard Explorer+	H	1.3	18.9	15.2
6 Wasatch Core Growth+(closed)	B	2.9	30.3	47.7	56 PBHG Small Cap Value	H	1.8	18.6	13.7
7 Royce Opportunity+	B	6.6	34.4	30.7	57 Clipper Fund	H	2.0	14.7	17.9
8 Vanguard Small-Cap Value Index	B	6.0	33.9	31.7	58 MSI Small Cap Value(closed)	H	1.9	17.7	10.4
9 ICM/Isabelle Small Cap Value	B	8.9	34.0	26.7	59 Vanguard Extended Market	H	1.1	16.6	12.1
10 Berwyn Fund	B	7.3	27.6	42.4	60 Dreyfus New Leaders	S	1.7	15.6	13.8
11 Baron Small Cap	B	7.6	31.1	31.9	61 Vontobel U.S. Value	H	3.8	11.5	20.4
12 Royce Low Priced Stock	B	2.5	30.9	36.0	62 Federated Kaufmann Fund+	S	2.8	11.9	15.4
13 T. Rowe Price Small-Cap Value	B	5.5	28.0	36.5	63 Fidelity New Millennium(3%)	H	-1.8	17.5	8.1
14 CRM Small Cap Value Inv	B	4.3	27.3	37.3	64 T.Rowe Price Mid Cap Growth	H	0.1	13.5	15.0
15 Eclipse Small Cap Value	H	7.7	27.1	28.4	65 Strong Multicap Value	H	1.7	14.8	7.3
16 Heartland Value	B	4.9	27.2	31.4	66 Babson Value	S	1.7	13.4	10.6
17 CRM Mid Cap Value Ins	B	2.8	27.5	30.6	67 Homestead Value	S	0.3	12.5	14.1
18 Pennsylvania Mutual+(1%)	B	3.8	25.8	30.9	68 Liberty-SteinRoe Capital Oppor-	S	-0.9	16.0	6.2
19 Neuberger Berman Fasciano Inv	B	4.8	26.9	25.7	69 Strong Discovery+	S	0.1	13.1	11.5
20 Ariel Fund	H	7.0	24.0	27.1	70 RS Diversified Growth	S	-2.5	15.9	8.4
21 Meridian Fund	H	2.9	24.4	30.2	71 Harbor Value	S	-0.7	13.3	10.6
22 Royce Total Return	H	3.7	25.1	26.6	72 Oakmark Select(closed)	S	-0.3	9.1	20.5
23 Yacktman Fund	H	3.3	24.3	28.8	73 Oakmark Fund	S	-0.8	11.7	14.2
24 Fidelity Low Priced Stock(3%)	B	3.4	22.5	32.5	74 Dodge & Cox Stock	S	-1.0	12.6	12.0
25 T.Rowe Price Mid Cap Value	B	1.9	24.5	28.1	75 T. Rowe Price Cap Appreciation	S	0.7	10.7	14.0
26 Neuberger Berman Genesis	H	5.0	23.5	24.7	76 American Century Value	S	-2.6	11.5	15.8
27 Bogle Small Cap Growth(closed)	H	4.0	21.3	31.1	77 Gabelli Asset	S	0.9	12.6	7.2
28 Baron Growth	H	4.0	20.5	31.6	78 MSI Mid Cap Value	S	-1.1	13.8	6.6
29 RS Partners	H	6.2	22.4	23.1	79 MSI Value Portfolio	S	0.0	12.1	8.8
30 T. Rowe Price Small Cap Stock	H	2.9	23.2	24.9	80 Strong Advisor Common Stock	S	-2.6	14.7	5.9
31 Boston Partners Mid Cap Value	H	2.9	23.3	24.8	81 Fidelity Convertible Securities	S	-0.6	12.4	8.3
32 Ariel Appreciation	B	1.9	23.3	25.4	82 Neuberger Berman Focus+	H	-3.0	15.6	3.3
33 Loomis Sayles Small Cap Value	B	2.2	22.4	27.3	83 Artisan Midcap+(closed)	S	-1.0	12.9	6.9
34 Legg Mason Special Investment	B	-1.0	28.7	15.9	84 WPG Tudor	S	2.5	10.7	6.5
35 Muhlenkamp Fund	B	1.5	24.4	22.7	85 American Century Equity Income	S	-1.1	9.3	15.4
36 Royce Premier	H	3.4	21.4	26.1	86 Mutual Qualified(1%)CIZ	S	1.5	9.8	10.2
37 Safeco Growth Opportunities+	H	4.9	19.1	28.7	87 Janus Special Situation	S	0.1	14.5	-1.2
38 Longleaf Partners	H	1.4	24.0	21.3	88 Marsico Focus	S	1.0	12.3	2.6
39 TCW Galileo Value Opportunity	H	-2.2	22.4	30.7	89 Galaxy Small Co. Equity(3.75%)	S	-0.5	11.5	4.7
40 Vanguard SmallCap Index+	H	4.2	22.9	18.3	90 Fidelity Fifty+	S	2.3	9.8	4.8
41 Longleaf Partners Smallcap	H	4.4	21.9	20.4	91 Fidelity OTC Portfolio+	S	-3.1	13.5	3.5
42 T. Rowe Price New Horizons	H	-0.8	22.4	25.4	92 Marsico Growth & Income	S	1.0	12.3	0.3
43 Baron Asset	H	3.4	22.5	15.5	93 Needham Growth Fund	S	-2.6	10.2	10.5
44 Berger Mid Cap Value	H	-0.1	21.3	23.2	94 Bonnel Growth Fund	S	3.9	10.3	-0.2
45 Vanguard Mid-Cap Index+	H	1.9	21.1	20.2	95 Tweedy, Browne American	S	0.8	9.6	5.9
46 Legg Mason Opportunity Trust	H	0.7	26.7	7.4	96 Selected Special Shares	S	0.1	12.7	-0.9
47 Dreyfus Mid Cap Index	H	1.8	20.9	19.6	97 Dreyfus Premier Aggressive	S	0.6	11.7	0.4
48 Fidelity Value	H	2.1	20.5	18.6	98 Fidelity Independence(ret.only)	S	0.3	11.2	2.0
49 Janus Venture (closed)	H	3.1	20.1	17.1	99 T. Rowe Price New Era	H	-1.1	10.9	4.6
50 Wasatch Small Cap Growth+	H	-0.2	16.1	31.8	100 Salomon Brothers Capital	S	-0.9	9.7	7.1

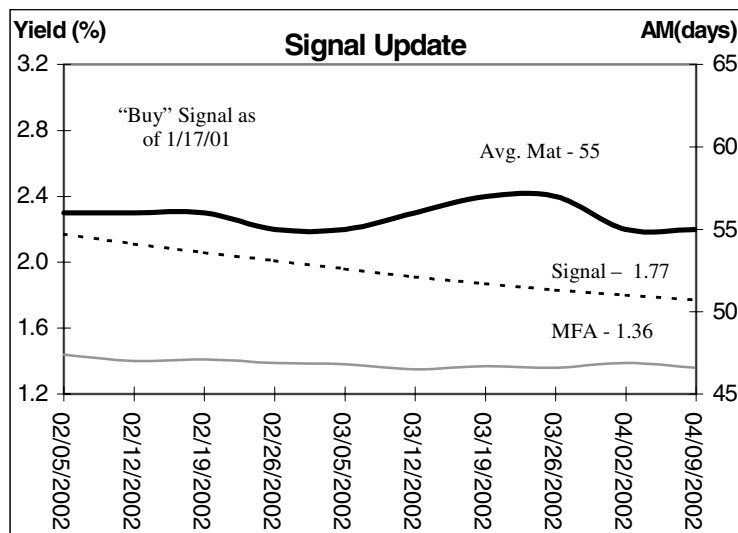
DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 4/12/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 William Blair Growth	S	-1.6	11.3	3.8	151 Neuberger Berman Manhattan	S	-3.0	6.2	-4.9
102 Mutual Beacon(1%)CIZ	S	0.9	8.2	7.5	152 USAA Aggressive Growth	S	-2.1	4.6	-2.5
103 Dreyfus-Founders Discovery	S	-0.7	9.5	6.4	153 Gintel Fund	S	7.0	3.3	-13.6
104 Nicholas II	S	-0.3	7.7	9.4	154 Dreyfus Growth Opportunity	S	-2.7	4.4	-2.0
105 Neuberger Berman Partners	S	-2.8	11.0	4.7	155 Domini Social Equity Fund +	S	-2.8	4.3	-1.6
106 Mutual Shares(1%)CIZ	S	0.9	8.0	6.5	156 Janus Growth & Income	S	-1.1	3.9	-3.2
107 T. Rowe Price Equity-Income	S	-1.5	8.4	8.0	157 UMB Scout Stock	S	-3.3	4.3	-1.3
108 Vanguard Windsor	S	-2.3	10.0	4.3	158 USAA Growth & Income	S	-3.1	4.1	-1.2
109 Fidelity Contrafund(3%)	S	1.5	7.2	4.4	159 Vanguard Capital Opportunity	S	-4.7	7.9	-8.1
110 Fidelity Capital Appreciation	S	-2.0	9.6	3.7	160 American Century Growth+	S	-3.2	4.7	-2.6
111 CS Warburg Pincus Emerging	S	-2.4	8.8	5.2	161 T. Rowe Price New America	S	-3.4	4.4	-1.6
112 Salomon Brothers Opportunity	S	0.0	7.9	2.5	162 TCW Galileo Aggressive	S	-8.9	9.5	-6.2
113 Galaxy Equity Value(3.75%)	S	-2.8	8.8	4.0	163 Dreyfus Growth & Income	S	-3.8	4.6	-1.7
114 T. Rowe Price Dividend Growth	S	-1.0	6.9	4.7	164 Fidelity Trend	S	-3.3	4.1	-1.3
115 American Century Heritage	S	0.9	8.0	-2.2	165 Fidelity Dividend Growth	S	-4.4	3.7	0.6
116 Strong Opportunity+	S	-4.5	10.7	-1.4	166 Preferred Growth	S	-3.5	5.2	-5.6
117 Sound Shore	S	0.5	5.6	3.8	167 Salomon Brothers Investors	S	-3.2	3.8	-2.4
118 Nicholas Fund	S	0.0	6.9	-0.1	168 American Century Equity Growth	S	-3.2	3.5	-1.7
119 Fidelity Equity-Income	S	-2.6	7.4	2.1	169 Vanguard Growth Index +	S	-4.8	3.1	1.5
120 Vanguard PRIMECAP(\$25,000)	S	-3.4	10.2	-4.4	170 Preferred Value	S	-2.1	2.6	-1.2
121 Oberweis Emerging Growth+	S	-0.6	3.7	7.4	171 Fidelity Fund	S	-3.6	2.8	0.3
122 CS Warburg Pincus Value	S	-0.7	6.3	1.2	172 Scudder Capital Growth AARP	S	-6.1	5.5	-3.3
123 Fidelity Mid-Cap Stock+	S	-2.9	10.4	-6.1	173 American Century Vista	S	0.6	2.3	-5.4
124 Fidelity Equity-Income II	S	-2.7	7.3	0.7	174 Janus Fund	S	-2.8	6.3	-10.6
125 Vanguard Windsor II	S	-0.9	5.6	2.2	175 Harbor Capital Appreciation+	S	-3.6	4.8	-5.8
126 American Century Ultra+	S	-2.6	6.3	2.3	176 Fidelity Growth & Income(3%)	S	-2.7	1.7	0.7
127 Vanguard Equity-Income	S	-1.8	4.9	4.6	177 Vanguard 500 Index	S	-3.7	3.4	-2.3
128 Columbia Special+	S	-0.8	7.2	-3.3	178 Fidelity Spartan 500 Index	S	-3.7	3.4	-2.3
129 INVESCO Equity Income	S	-2.0	7.3	-1.9	179 MSI Midcap Growth	S	-0.1	4.3	-10.1
130 INVESCO Value Equity	S	-3.0	6.3	1.7	180 Dreyfus Appreciation	S	-3.3	2.0	0.3
131 INVESCO Small Company	S	-2.8	5.6	2.9	181 Babson Growth+	S	-3.8	4.3	-5.2
132 Neuberger Berman Guardian	S	-2.9	5.5	2.7	182 Galaxy Equity Growth(3.75%)	S	-2.5	3.8	-6.2
133 Weitz Value Fund	S	-1.1	4.8	1.4	183 Fidelity Stock Selector	S	-3.4	2.9	-2.8
134 T. Rowe Price Growth Stock	S	-2.2	4.5	3.3	184 Scudder Growth & Income	S	-3.3	3.1	-3.4
135 Scudder Large Co Value	S	-1.6	5.6	-0.7	185 Liberty-SteinRoe Balanced	S	-1.5	1.7	-2.8
136 Fidelity Disciplined Equity	S	-1.4	5.4	-0.7	186 USAA Growth	S	-5.1	4.9	-5.4
137 Selected American Shares	S	-1.1	5.5	-1.8	187 Gabelli Growth	S	-4.5	6.4	-10.5
138 American Century Income &	S	-2.8	5.2	1.3	188 Vanguard Value Index	S	-2.6	3.2	-6.2
139 Loomis Sayles Value	S	-2.5	5.4	0.1	189 Fidelity Blue Chip Growth	S	-4.2	2.8	-4.0
140 WPG Large Cap Growth	S	-2.7	6.5	-2.4	190 Fidelity Magellan(3%)	S	-3.9	1.9	-3.2
141 Dreyfus Fund	S	-3.5	6.1	-0.4	191 SIT Small Cap Growth+	S	-2.0	3.2	-9.4
142 Vanguard Convertible Securities	S	0.8	2.8	0.9	192 RS Emerging Growth(closed)	S	-5.5	4.7	-8.2
143 T. Rowe Price Growth & Income	S	-2.2	3.9	2.5	193 Scudder Development+	S	-6.1	6.4	-11.7
144 Vanguard Growth & Income	S	-2.4	4.8	-0.1	194 Columbia Common Stock	S	-4.2	2.6	-6.5
145 Montgomery Small Cap	S	0.5	4.1	-3.0	195 RS Aggressive Growth+	S	-8.3	4.3	-5.2
146 Vanguard/Morgan Growth+	S	-2.5	5.6	-2.4	196 Legg Mason Value	S	-2.1	1.6	-9.7
147 Turner Midcap Growth+	S	-4.1	7.3	-4.7	197 American Century Select+	S	-2.8	0.5	-6.2
148 INVESCO Dynamics+	S	-4.6	9.4	-9.3	198 Harbor Growth	S	-9.9	6.2	-10.4
149 Schwab 1000 Fund	S	-3.1	4.9	-0.8	199 Vanguard Growth Equity	S	-4.1	1.4	-8.2
150 Northeast Investors Growth	S	-3.6	5.7	-1.9	200 Fidelity Growth Company+	S	-5.6	1.9	-7.3

International Stock Funds — data as of 4/12/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Fidelity SE Asia(3%&1.5%r<90d)	B	0.1%	42.9%	17.7%	36 American Century Global	S	0.5	4.0	-10.0
2 Fidelity Emerging Mkts(3%&1.5%	B	2.4	40.1	20.1	37 T. Rowe Price European	S	-1.5	3.7	-7.5
3 Oakmark Global (2%r)	B	2.4	33.6	34.3	38 Columbia International Stock	S	-0.5	3.3	-8.3
4 Montgomery Emerging Mkts	B	2.8	38.2	19.3	39 Scudder Global	S	-1.9	2.5	-5.8
5 Matthews Pacific Tiger	B	1.0	36.7	21.4	40 Vanguard European Stock Index	H	-0.7	3.0	-10.3
6 T. Rowe Price New Asia	B	0.7	39.1	13.1	41 Janus Worldwide(closed)	S	-3.0	4.3	-10.2
7 Vanguard Emerging Mkts Stock	B	1.4	34.8	18.4	42 Fidelity Overseas	S	-3.3	4.8	-12.5
8 T. Rowe Price Latin America	H	3.6	34.1	13.9	43 Galaxy International Equity	S	-2.3	4.4	-15.5
9 Scudder Pacific Opportunity	B	-0.2	35.4	13.8	44 Vontobel International Equity	S	1.8	0.6	-13.9
10 Oakmark Intl Small Cap	B	2.2	29.0	21.6	45 Strong International Stock	S	-0.8	0.6	-11.5
11 Fidelity Latin Amer.(3%&1.5%	H	2.6	32.8	11.3	46 Schwab International Index	S	-1.4	1.3	-12.8
12 Scudder Latin America	H	2.7	30.9	12.7	47 Payden European Aggressive	S	-2.7	5.5	-21.9
13 Oakmark International	B	2.7	28.0	15.0	48 T. Rowe Price Intl Discovery	S	0.1	0.6	-14.4
14 Fidelity Aggressive Intl.	H	0.2	24.9	10.2	49 Loomis Sayles International	S	-1.7	-0.4	-10.3
15 Tweedy, Browne Global Value	H	1.9	13.9	4.7	50 Babson-Stewart Ivory Intl	S	-0.7	1.3	-17.1
16 Preferred International	H	1.3	15.0	1.1	51 Scudder Greater Europe	S	-0.8	-0.7	-12.4
17 Harbor International	H	0.6	13.6	2.6	52 Scudder International	S	-0.9	0.0	-15.0
18 Fidelity Europe(3%&1%r<90d)	H	-1.9	13.6	-1.7	53 American Century Intl Growth	S	-0.3	-1.1	-14.8
19 CS Warburg, Pincus Intl Equity	H	0.7	12.2	-2.5	54 Aetna Intl Growth(Advisor1%)	S	-2.5	-1.5	-14.2
20 USAA International	H	0.4	10.5	0.9	55 Vanguard Pacific Stock Index	S	-2.8	-2.6	-21.7
21 Fidelity Worldwide	H	-2.5	9.8	3.4	56 INVESCO European	S	-3.5	-2.4	-22.3
22 Fidelity International G & I	H	-0.5	10.8	-2.7	57 Japan Fund (Scudder)	S	-4.0	-2.6	-23.7
23 Longleaf Partners International	H	1.2	6.8	4.5	58 SIT International Growth	S	-3.2	-5.9	-24.5
24 Julius Baer Intl. Equity A	H	1.2	9.2	-2.0	60 Fidelity Japan(3%&1.5%r<90d)	S	-4.3	-4.1	-29.2
25 Fidelity Pacific Basin(3%&1.5%	H	-2.1	13.5	-7.7	Domestic Stock Funds (Cont.)				
26 CS Warburg Pincus Japan Growth	H	-3.8	21.3	-25.3	201 RS Value+Growth+	S	-2.1	2.2	-13.8
27 USAA World Growth	S	-1.2	8.7	1.1	202 Strong Growth	S	-1.8	1.8	-13.6
28 Artisan International	S	1.4	7.6	-2.3	203 Safeco Equity	S	-4.7	-0.5	-3.8
29 Investec China & Hong Kong	H	-2.6	11.1	-5.8	204 Dreyfus Premier Third Century	S	-2.4	1.1	-11.2
30 Fidelity Diversified International	S	0.0	7.3	-2.0	205 PBHG Growth+	S	1.3	-1.1	-11.8
31 Scudder Global Discovery(closed)	S	-1.2	8.8	-6.1	206 PBHG Emerging Growth(closed)	S	-2.1	0.4	-10.6
32 Vanguard International Growth	S	0.3	7.6	-10.7	207 Strong Advisor Midcap Growth+	S	-4.7	3.1	-14.5
33 T. Rowe Price Intl Stock	S	-1.5	6.7	-7.9	208 SIT Mid Cap Growth+	S	-5.5	3.7	-15.3
34 Janus Overseas(closed)	S	-2.3	7.7	-10.0	209 Columbia Growth+	S	-5.1	0.3	-8.9
35 Gabelli Intl. Growth	H	1.3	3.9	-7.5	210 TCW Galileo Small Cap Growth+	S	-7.6	2.8	-11.9



The Signal - For the week ended April 9 iMoneyNet Inc.'s Money Fund Report Averages/All Taxable 7-day yield (MFA) decreased by three basis points to 1.36% and the MONEYLETTER Signal dipped by three basis points to 1.77%. The average maturity remained at 55 days.

The MFA is below the Signal number and the current status is “in” the market. Signal investors should be 100% in aggressive domestic stock funds.

Signal Portfolio Funds: Royce Penn Mutual, Fidelity Fifty, Wasatch Small Cap Growth, Potomac Small Cap Plus.

Next Issue will be Wednesday, April 24, 2002 by Midnight (ET).