

MONEYLETTER HOTLINE 4/23/02

Telecom Drag

The latest earnings reports (and accompanying comments) have done little this week so far to turn around the market's cranky mood. It is not that overall the reports are bad. In fact, over half of the S&P 500 companies have reported and 61% have reported earnings greater than expected, while only 14% have disappointed. But there have been some major league disappointments, especially in the telecom sector and that has thrown a pall this week over the entire tech sector.

Today Verizon sounded anything but confident about a promising near-term outlook. The message being given is still caution and that is not what the market wanted to hear. We expected the message to be more upbeat. We did not think the earnings reports themselves would be special. However, we do think this quarter's earnings, due in July, will be a big improvement. So far, corporations are not telling us that. This does raise a caution flag.

But at the same time the economic data is consistent with an improving economy and profits. We continue to see the market in a sideways pattern over the short-term as the uncertainty about the strength of the recovery persists.

There is no change in our recommended allocations.

Fund Recommendations – For domestic stock funds, there are three new buys: Eclipse Small Cap Value, Yacktman Fund and Royce Total Return.

The Economy – This week's retail sales surveys show sales picked up smartly last week and April overall is now looking positive compared to March. These weekly numbers weakened some weeks ago and suggested that perhaps the sector was fading fast. This week's numbers are reassuring. We look for steady gains from the consumer.

The Stock Market – Small-cap and mid-cap stocks have held up relatively well during the selling of the past two days. The Southeast Asia markets have been acting well recently, ignoring the ups and downs of our market. They continue attractive.

The Bond Market – With no economic data the last two days, the bond market has hardly moved. Market-moving data starts coming out next week. We see no action before then.

MONEYLETTER HOTLINE 4/19/02

Weak Sisters

After Tuesday's big jump in the averages we thought the odds were better than ever that the rally would have some follow-through. It did not. On the other hand, the opposite did not occur. While the Dow did lose all of its gains in the next two days, that was not true of either the S&P 500 or the Nasdaq.

What did happen is that the earnings reports which followed Tuesday, while still positive in the aggregate, had some important weak sisters among them, particularly in the tech sector. For example Nokia and Microsoft guided expectations down. Under the circumstances it was hard to continue any rally. Alan Greenspan added to the cautious mood, though his overall message was positive. The economy is recovering he told us, but we don't yet know how solid the recovery is.

His caution is understandable, we are in a period of uncertainty. Greenspan said that it would take 3-4 months before we have the answer. That is a fair assessment. We think the odds strongly favor that by that time we will have evidence that a solid recovery is underway. For the short-term we look for a sideways market.

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 Philadelphia Fed report on manufacturing activity, a good bellwether, showed manufacturing continuing to grow. This follows Tuesday's strong industrial production report. The table is set for business spending to pick up, and we believe it will shortly. Growth also will continue to pick up.

The Stock Market – While the broad averages are going nowhere, underneath the market is acting reasonably well. The advance/decline line for the Stock Exchange continues to trend up. Inflows into funds last month were the second best in history. This bodes well for continued market gains.

The Bond Market – We have been expecting no immediate action from the Fed, and Greenspan made clear that is the outlook. We see nothing from the Fed until September at the earliest.

Domestic Stock Funds — data as of 4/19/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 CGM Focus	B	7.3%	56.9%	62.7%	51 Westport Small Cap R	H	1.1	19.4	13.5
2 Wasatch Core Growth+(closed)	B	1.6	37.7	29.1	52 Dreyfus New Leaders	H	2.5	20.1	4.7
3 Boston Ptnrs Smlcap Val	B	6.8	30.1	38.6	53 Strong Multicap Value	H	2.9	20.4	2.2
4 Royce Opportunity+	B	6.3	35.2	26.4	54 MSI Small Cap Value(closed)	H	1.9	19.3	6.2
5 Vanguard Small-Cap Value Index	B	4.8	34.7	27.9	55 Vanguard Explorer+	H	1.0	19.3	6.4
6 Oakmark Small Cap	B	3.0	33.7	33.0	56 Clipper Fund	H	1.1	15.3	15.9
7 Wasatch Small Cap Value(closed)	B	0.9	34.1	35.0	57 PBHG Small Cap Value	H	0.7	18.4	8.0
8 Baron Small Cap	B	5.1	35.2	21.5	58 Vontobel U.S. Value	H	3.0	13.2	16.4
9 ICM/Isabelle Small Cap Value	B	5.1	36.2	18.7	59 Baron Asset	H	-0.9	20.7	3.4
10 Berwyn Fund	B	5.6	28.9	34.1	60 T. Rowe Price New Horizons	H	-0.2	19.6	3.5
11 Buffalo Small Cap (closed)	B	1.3	30.2	31.2	61 Thompson Plumb Growth	H	-2.8	15.7	15.1
12 Royce Low Priced Stock	B	2.0	30.4	29.5	62 Fidelity Fifty+	H	3.5	15.9	4.5
13 CRM Small Cap Value Inv	B	3.8	28.7	29.7	63 Federated Kaufmann Fund+	S	2.3	14.0	9.8
14 T. Rowe Price Small-Cap Value	B	4.6	26.4	33.8	64 T. Rowe Price New Era	H	0.1	17.2	4.4
15 Heartland Value	B	4.2	27.8	27.3	65 Babson Value	S	1.0	16.1	5.5
16 Eclipse Small Cap Value	B	6.3	28.0	23.6	66 Vanguard Extended Market	H	0.7	17.5	2.1
17 CRM Mid Cap Value Ins	B	3.2	27.8	23.1	67 Homestead Value	S	0.7	14.6	8.3
18 Pennsylvania Mutual+(1%)	B	3.1	25.7	26.9	68 T. Rowe Price Cap Appreciation	S	1.2	12.0	13.3
19 Fidelity Low Priced Stock(3%)	B	3.3	23.9	29.7	69 Harbor Value	S	-0.8	15.1	7.8
20 RS Partners	H	6.1	25.7	18.9	70 Neuberger Berman Focus+	S	-0.1	20.3	-6.2
21 Legg Mason Special Investment	B	1.1	33.8	5.8	71 American Century Value	S	-2.4	13.8	13.2
22 Neuberger Berman Fasciano Inv	B	2.5	26.4	21.0	72 American Century Equity Income	S	-1.0	12.5	13.3
23 Yacktman Fund	B	2.2	23.4	27.9	73 MSI Value Portfolio	S	-0.3	15.6	3.9
24 T.Rowe Price Mid Cap Value	B	1.1	25.8	23.7	74 Oakmark Fund	S	-1.2	13.6	10.2
25 Royce Total Return	B	2.8	25.0	22.7	75 T.Rowe Price Mid Cap Growth	S	-0.5	15.5	3.6
26 Neuberger Berman Genesis	H	3.6	24.6	21.3	76 Dodge & Cox Stock	S	-1.6	14.4	7.7
27 Fidelity Small Cap Ind.(1.5%)	H	3.1	21.7	28.2	77 Mutual Qualified(1%)CIZ	S	1.8	12.3	7.0
28 Legg Mason Opportunity Trust	H	3.8	32.2	0.1	78 Gabelli Asset	S	-0.1	15.0	2.7
29 Boston Partners Mid Cap Value	H	2.0	24.9	20.1	79 RS Diversified Growth	S	-0.7	15.7	1.1
30 TCW Galileo Value Opportunity	H	-0.9	25.3	22.1	80 Strong Advisor Common Stock	S	-2.3	17.4	-0.9
31 Muhlenkamp Fund	B	1.7	26.8	12.9	81 Liberty-SteinRoe Capital Oppor-	S	-0.6	18.8	-6.9
32 Ariel Fund	H	3.7	20.7	24.2	82 Oakmark Select(closed)	S	-1.1	11.1	12.9
33 Loomis Sayles Small Cap Value	B	1.2	22.5	23.3	83 Tweedy, Browne American	S	0.5	12.3	6.3
34 Ariel Appreciation	B	-0.2	23.3	22.4	84 Fidelity New Millennium(3%)	S	-0.1	15.7	-2.3
35 Baron Growth	H	1.8	21.8	22.0	85 MSI Mid Cap Value	S	-1.9	15.7	0.0
36 Longleaf Partners Smallcap	H	3.2	22.7	17.1	86 Marsico Focus	S	1.0	14.2	-3.1
37 Royce Premier	H	2.4	21.6	20.4	87 Mutual Beacon(1%)CIZ	S	1.6	10.6	4.7
38 Aegis Value Fund	H	1.9	18.2	29.1	88 Bonnel Growth Fund	S	2.3	11.8	0.2
39 T. Rowe Price Small Cap Stock	H	2.2	21.9	19.1	89 Strong Discovery+	S	-1.3	12.8	3.1
40 Meridian Fund	H	2.7	21.3	19.0	90 Mutual Shares(1%)CIZ	S	1.5	10.7	3.9
41 Bogle Small Cap Growth(closed)	H	3.8	20.8	18.2	91 Fidelity Convertible Securities	S	-0.2	12.5	1.1
42 Fidelity Value	H	1.1	22.2	16.1	92 Galaxy Small Co. Equity(3.75%)	S	-0.1	12.7	-0.1
43 Vanguard Mid-Cap Index+	H	1.4	23.1	11.7	93 WPG Tudor	S	2.9	12.7	-5.7
44 Vanguard SmallCap Index+	H	2.7	22.2	11.8	94 Neuberger Berman Partners	S	-1.8	13.1	-0.1
45 Safeco Growth Opportunities+	H	3.9	19.7	16.2	95 T. Rowe Price Equity-Income	S	-1.7	10.9	5.1
46 Berger Mid Cap Value	H	0.2	21.7	16.5	96 Marsico Growth & Income	S	0.6	13.7	-5.6
47 Longleaf Partners	H	0.7	21.7	15.2	97 Sound Shore	S	0.3	10.3	3.5
48 Dreyfus Mid Cap Index	H	1.3	22.8	11.1	98 Vanguard Windsor	S	-2.7	12.7	1.2
49 Janus Venture (closed)	H	4.1	23.0	3.1	99 Selected Special Shares	S	-0.5	13.6	-4.5
50 Wasatch Small Cap Growth+	H	0.4	18.0	18.4	100 Needham Growth Fund	S	-0.8	11.8	0.4

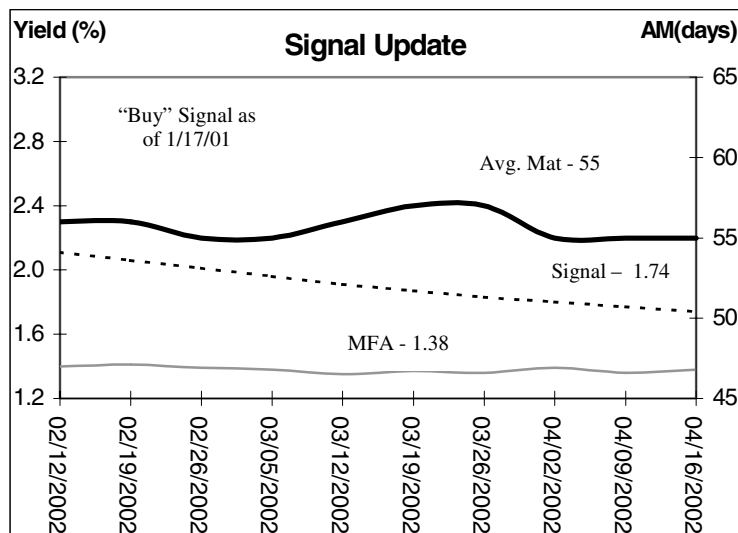
DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 4/19/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 Artisan Midcap+(closed)	S	-2.4	13.1	-1.5	151 Janus Growth & Income	S	-1.7	6.3	-10.3
102 Salomon Brothers Opportunity	S	-0.6	10.4	1.3	152 Vanguard Value Index	S	-2.4	7.0	-10.9
103 Fidelity Contrafund(3%)	S	0.7	9.2	1.8	153 Vanguard Growth & Income	S	-2.8	5.8	-7.9
104 Strong Opportunity+	S	-2.6	13.5	-5.7	154 Fidelity Dividend Growth	S	-4.9	5.5	-4.2
105 William Blair Growth	S	-2.7	13.7	-6.0	155 Dreyfus Growth Opportunity	S	-3.0	6.0	-8.3
106 Janus Special Situation	S	-1.8	14.3	-9.3	156 Gintel Fund	S	5.8	5.2	-19.7
107 Dreyfus Premier Aggressive	S	0.0	13.2	-9.4	157 Northeast Investors Growth	S	-4.7	7.3	-9.7
108 Galaxy Equity Value(3.75%)	S	-3.2	11.9	-2.1	158 Vanguard Convertible Securities	S	0.3	2.2	-4.4
109 Vanguard Equity-Income	S	-1.6	8.6	2.9	159 Vanguard/Morgan Growth+	S	-2.9	6.9	-11.8
110 Fidelity Independence(ret.only)	S	0.2	13.0	-11.2	160 Turner Midcap Growth+	S	-2.4	8.7	-17.2
111 Fidelity Equity-Income	S	-2.8	10.6	-1.2	161 American Century Equity Growth	S	-3.4	5.3	-9.2
112 Salomon Brothers Capital(closed)	S	-0.3	8.7	-0.3	162 Dreyfus Appreciation	S	-3.6	3.5	-4.3
113 Nicholas II	S	-0.5	9.2	-2.0	163 Fidelity Spartan 500 Index	S	-3.8	5.5	-9.2
114 Weitz Value Fund	S	-1.8	9.3	-0.6	164 Vanguard 500 Index	S	-3.8	5.5	-9.2
115 Vanguard Windsor II	S	-1.3	8.7	-0.1	165 Fidelity Growth & Income(3%)	S	-3.6	3.3	-4.4
116 CS Warburg Pincus Value	S	-1.2	8.9	-0.9	166 INVESCO Dynamics+	S	-4.1	11.5	-24.3
117 American Century Heritage	S	-0.1	10.3	-6.3	167 Liberty-SteinRoe Balanced	S	-1.6	2.7	-6.4
118 Dreyfus-Founders Discovery	S	-0.3	10.6	-7.2	168 Neuberger Berman Manhattan	S	-2.8	7.7	-17.3
119 Fidelity OTC Portfolio+	S	-2.4	14.0	-12.7	169 Fidelity Trend	S	-3.8	5.1	-9.8
120 T. Rowe Price Dividend Growth	S	-2.2	8.4	0.2	170 Fidelity Stock Selector	S	-4.0	4.5	-8.0
121 Fidelity Mid-Cap Stock+	S	-2.3	10.8	-6.0	171 American Century Vista	S	-0.3	3.5	-11.3
122 Neuberger Berman Guardian	S	-1.6	8.8	-2.8	172 Scudder Growth & Income	S	-4.0	4.8	-10.3
123 Salomon Brothers Investors	S	-1.0	9.6	-5.8	173 SIT Small Cap Growth+	S	0.3	6.0	-20.2
124 Montgomery Small Cap	S	1.7	8.2	-7.9	174 American Century Growth+	S	-3.9	5.0	-11.7
125 Loomis Sayles Value	S	-1.9	8.4	-3.4	175 Galaxy Equity Growth(3.75%)	S	-3.2	5.0	-12.9
126 Fidelity Equity-Income II	S	-2.9	9.1	-4.4	176 T. Rowe Price New America	S	-3.4	5.5	-14.3
127 Selected American Shares	S	-0.3	8.0	-5.6	177 Legg Mason Value	S	-1.6	4.7	-15.5
128 Fidelity Capital Appreciation	S	-2.4	11.0	-10.8	178 Vanguard Growth Index +	S	-5.2	3.6	-7.8
129 Scudder Large Co Value	S	-2.3	9.2	-7.1	179 MSI Midcap Growth	S	-0.6	5.1	-18.7
130 Columbia Special+	S	-0.5	9.2	-9.9	180 Fidelity Magellan(3%)	S	-4.2	3.6	-10.4
131 CS Warburg Pincus Emerging	S	-0.8	9.8	-11.0	181 USAA Aggressive Growth	S	-2.4	5.8	-18.7
132 INVESCO Equity Income	S	-3.0	9.1	-6.4	182 Preferred Growth	S	-4.3	5.3	-14.8
133 Oberweis Emerging Growth+	S	0.7	5.9	-4.1	183 Janus Fund	S	-4.2	8.3	-22.6
134 INVESCO Value Equity	S	-4.0	8.2	-3.7	184 Harbor Capital Appreciation+	S	-4.3	4.9	-15.0
135 Vanguard PRIMECAP(\$25,000)	S	-3.2	11.1	-12.1	185 Fidelity Fund	S	-4.2	3.7	-12.6
136 Nicholas Fund	S	-1.0	7.7	-7.6	186 Harbor Growth	S	-5.7	8.3	-22.2
137 T. Rowe Price Growth & Income	S	-2.6	6.6	-3.9	187 Columbia Common Stock	S	-4.6	3.8	-13.4
138 Dreyfus Fund	S	-3.5	8.1	-6.3	188 Fidelity Blue Chip Growth	S	-4.7	3.5	-12.8
139 Fidelity Disciplined Equity	S	-1.9	7.2	-6.7	189 Gabelli Growth	S	-5.8	7.0	-20.4
140 American Century Income &	S	-3.1	7.6	-5.9	190 Babson Growth+	S	-4.7	4.8	-16.5
141 UMB Scout Stock	S	-3.4	6.9	-4.8	191 RS Aggressive Growth+	S	-6.4	7.1	-20.4
142 Vanguard Capital Opportunity	S	-3.0	9.5	-12.8	192 American Century Select+	S	-3.4	2.0	-12.2
143 USAA Growth & Income	S	-2.9	7.0	-7.9	193 TCW Galileo Aggressive	S	-7.2	10.3	-27.9
144 WPG Large Cap Growth	S	-3.1	7.6	-9.7	194 RS Value+Growth+	S	-2.6	3.3	-19.2
145 T. Rowe Price Growth Stock	S	-2.9	6.3	-6.7	195 Safeco Equity	S	-4.8	0.8	-9.7
146 American Century Ultra+	S	-3.1	6.5	-7.5	196 Strong Growth	S	-1.9	3.1	-19.8
147 Schwab 1000 Fund	S	-3.4	6.8	-8.1	197 Scudder Capital Growth AARP	S	-5.3	4.2	-17.7
148 Preferred Value	S	-2.3	5.0	-5.5	198 Scudder Development+	S	-5.7	7.0	-25.6
149 Dreyfus Growth & Income	S	-3.5	6.8	-8.4	199 RS Emerging Growth(closed)	S	-3.7	3.4	-20.2
150 Domini Social Equity Fund +	S	-2.9	6.5	-8.8	200 USAA Growth	S	-5.7	4.3	-20.8

International Stock Funds — data as of 4/19/02

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	4.1%	48.7%	15.5%	36 Scudder Global Discovery	S	-1.5	9.4	-12.6
2 Oakmark Global (2%r)	B	4.1	36.7	32.3	37 Janus Overseas(closed)	S	-2.2	10.5	-15.3
3 Fidelity Emerging Mkts(3%&1.5%	B	4.6	41.2	15.2	38 Gabelli Intl. Growth	S	1.2	5.5	-8.8
4 T. Rowe Price New Asia	B	4.9	42.3	8.5	39 Galaxy International Equity	S	-0.9	8.7	-16.0
5 Matthews Pacific Tiger	B	2.7	39.9	13.0	40 Scudder Global	S	-1.3	6.0	-8.8
6 Montgomery Emerging Mkts	B	4.8	38.5	10.5	41 Fidelity Overseas	S	-1.7	8.3	-14.4
7 Scudder Pacific Opportunity	B	3.9	38.5	9.0	42 Schwab International Index	S	-0.3	6.4	-13.8
8 Vanguard Emerging Mkts Stock	B	4.3	35.2	13.1	43 Scudder Greater Europe	S	-0.3	6.1	-14.3
9 Oakmark Intl Small Cap	B	3.9	31.1	22.4	44 Vontobel International Equity	S	2.4	4.7	-16.1
10 Oakmark International	B	2.3	29.1	14.0	45 Babson-Stewart Ivory Intl	S	0.8	6.1	-17.9
11 T. Rowe Price Latin America	H	0.6	30.7	9.9	46 CS Warburg Pincus Japan	H	-2.1	11.2	-26.9
12 Fidelity Latin Amer.(3%&1.5%	H	-0.5	29.2	7.2	47 American Century Intl Growth	S	0.5	4.6	-14.8
13 Scudder Latin America	H	-0.5	27.6	9.4	48 Strong International Stock	S	0.1	4.7	-15.0
14 Fidelity Aggressive Intl.	H	1.1	27.0	5.9	49 Scudder International	S	0.6	4.9	-16.2
15 Preferred International	H	1.6	18.5	0.2	50 Loomis Sayles International	S	-0.7	3.4	-11.4
16 Investec China & Hong Kong	H	2.7	23.5	-14.0	51 Janus Worldwide(closed)	S	-3.7	6.3	-17.1
17 Harbor International	H	0.7	17.5	1.7	52 Payden European Aggressive	S	-2.6	7.5	-28.9
18 Tweedy, Browne Global Value	H	1.8	13.8	4.7	53 Vanguard Pacific Stock Index	S	-0.4	0.5	-19.6
19 Fidelity International G & I	H	1.0	14.6	-4.2	54 T. Rowe Price Intl Discovery	S	0.2	-1.2	-17.2
20 Fidelity Pacific Basin(3%&1.5%	H	1.0	15.4	-6.8	55 Aetna Intl Growth(Advisor1%)	S	-1.8	0.3	-22.4
21 Fidelity Europe(3%&1%r<90d)	H	-1.2	16.1	-6.1	56 INVESCO European	S	-4.0	1.1	-26.7
22 Julius Baer Intl. Equity A	H	1.3	12.8	-2.8	57 Japan Fund (Scudder)	S	-0.4	-2.5	-23.8
23 USAA International	H	1.4	13.0	-3.8	58 Fidelity Japan(3%&1.5%<90d)	S	0.2	-2.7	-27.1
24 Fidelity Diversified International	H	1.1	10.8	-1.5	60 SIT International Growth	S	-2.7	-2.0	-28.4
25 CS Warburg, Pincus Intl Equity	H	1.1	11.9	-6.7	61 Matthews Japan Fund	S	0.7	-7.4	-26.9
26 Artisan International	S	1.2	10.7	-4.7	62 T. Rowe Price Japan	S	0.0	-8.9	-28.5
27 Fidelity Worldwide	H	-2.2	10.9	-0.7	—————Domestic Stock Funds (Cont.) —————				
28 Vanguard International Growth	S	1.1	12.2	-9.9	201 Dreyfus Premier Third Century	S	-3.7	2.4	-20.6
29 Longleaf Partners International	H	-0.5	5.3	4.0	202 Fidelity Growth Company+	S	-5.5	2.3	-18.1
30 T. Rowe Price European	S	-0.2	9.9	-9.5	203 PBHG Growth+	S	1.8	0.9	-25.7
31 T. Rowe Price Intl Stock	S	0.2	9.7	-12.2	204 Montgomery Growth	S	-4.0	0.6	-16.5
32 USAA World Growth	S	-1.1	9.1	-9.2	205 Scudder Large Company Growth	S	-5.7	1.3	-17.4
33 American Century Global Growth	S	0.9	8.7	-11.4	206 Strong Large Cap Growth	S	-4.6	1.5	-19.4
34 Vanguard European Stock Index	H	-0.3	8.7	-10.0	207 Vanguard Growth Equity	S	-4.6	1.8	-20.4
35 Columbia International Stock	S	-0.2	7.4	-9.5	208 Strong Advisor Midcap Growth+	S	-5.3	3.6	-24.5



The Signal - For the week ended April 16 iMoneyNet Inc.'s Money Fund Report Averages/All Taxable 7-day yield (MFA) increased by two basis points to 1.38% and the MONEYLETTER Signal dipped by three basis points to 1.74%. 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, May 1, 2002 by Midnight (ET).