

MONEYLETTER HOTLINE 5/7/02

Fed Holds Line

The Federal Reserve Board gave the U.S. economy and equity markets a shot in the arm by leaving the benchmark overnight borrowing rate at its 40-year low. This non-action by the Fed should give consumers incentive to continue spending, and business investment in new equipment, plants etc. should also increase. Both are crucial ingredients to help along the budding economic recovery.

The Dow Jones Industrial Average rose for the first day in four days, with the S&P 500 and NASDAQ off slightly. United Technologies Corp. helped lead the Dow higher after saying it will meet profit forecasts. But a cloud of uncertainty regarding the sustainability of the recovery remains. The Fed stated today, "Economic activity has been receiving considerable upward impetus from a marked swing in inventory investment. Nonetheless, the degree of the strengthening in final demand over coming quarters, an essential element in sustained economic expansion, is still uncertain."

We expect that the economic numbers will show continued progress and the markets will eventually follow suit.

There is no change in our recommended allocations.

Fund Recommendations – There are no fund changes this week. To repeat last week's recommendations, for domestic stock funds there is one new buy: RS Partners. There is one new sell: Thompson Plumb Growth. For international stock funds, there is one new buy: Fidelity Aggressive International. There is one new sell: Vanguard European Stock Index.

Vanguard European is in the Vanguard Conservative Model Portfolio. We will switch the fund into Vanguard International Growth.

The Economy – Stocks were boosted early this morning after the government said non-farm productivity jumped 8.6 percent in the first quarter while unit labor costs declined 5.4 percent. This was considerably above expectations, on both ends.

The Stock Market – The S&P 500 has dropped 8.1 percent this year and trades for 20.5 times estimated profits. Earlier in the year, the S&P 500 traded for almost 26 times earnings. As long as the consumer remains strong, we expect higher stock prices as we move into the summer months.

MONEYLETTER HOTLINE 5/3/02

Forced to Dump Wasatch

We are changing our treatment of some closed funds that are in our model portfolios. Recently Wasatch imposed a stricter close on some of its funds that were already closed to new investors. The new rules prohibit anyone, including current shareholders, from purchasing any new shares of certain specified Wasatch funds. Two of the funds, which cannot be bought by anyone, are Wasatch Core Growth and Wasatch Small Cap Value.

We have decided that in the cases of this strict close we will remove the funds from our model portfolios and replace them with funds open to new investors. Accordingly we are removing Wasatch Core Growth from the Moneyletter Venturesome, Moderate and Conservative model portfolios. We will replace the fund with Baron Small Cap. In the case of Wasatch Small Cap Value, we will replace the fund in the Moneyletter Venturesome and Conservative model portfolios with Royce Opportunity. Please recognize that this is definitely not a sell recommendation concerning the Wasatch funds. Their performance is outstanding. Were it not for the strict closure we would by no means be replacing the funds. If you own the funds, please continue to follow our advice, which right now is a Buy as they stand almost at the very top of our list. For the less tightly closed funds in our portfolios, we will continue to retain them and provide suggested alternative funds.

Turning to the market, the bears continue to run the show. Even taken at face value, the employment numbers confirmed that the recovery continues. And the recovery is showing up throughout the economy. Yes the unemployment rate rose more than expected, but the underlying numbers are very erratic. This was by no means a negative report. But today that made no difference. We believe the underlying trend will prevail and higher prices will result.

Fund Recommendations – For domestic stock funds, there is one new buy: RS Partners. There is one new sell: Thompson Plumb Growth. For international stock funds, there is one new buy: Fidelity Aggressive International. There is one new sell: Vanguard European Stock Index.

Vanguard European is in the Vanguard Conservative Model Portfolio. We will switch the fund into Vanguard International Growth.

The Economy – While growth is slowing this quarter after last quarter's outsize gains, today's numbers are consistent with healthy above-average growth this quarter. Wall Street's disappointment with the numbers will prove temporary.

The Stock Market – Even as the Dow and the S&P tumbled, there were more gainers than losers on the Stock Exchange. The averages are doing worse than the average stock.

Domestic Stock Funds — data as of 5/3/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 CGM Focus	B	15.0%	52.8%	67.2%	51 TCW Galileo Value Opportunity	H	-1.0	14.3	14.9
2 Wasatch Small Cap Value(closed)	B	3.9	36.3	31.0	52 T. Rowe Price New Era	S	1.7	16.5	4.3
3 Vanguard Small-Cap Value Index	B	6.3	33.4	25.7	53 Clipper Fund	H	0.6	12.9	14.0
4 Wasatch Core Growth+(closed)	B	2.5	36.2	23.0	54 Legg Mason Opportunity Trust	H	-2.3	23.8	-10.4
5 Baron Small Cap	B	6.3	34.4	17.1	55 Dreyfus New Leaders	H	2.5	16.1	1.5
6 T. Rowe Price Small-Cap Value	B	6.1	28.0	28.6	56 Bonnel Growth Fund	H	6.4	13.1	2.3
7 Eclipse Small Cap Value	B	8.5	28.5	22.6	57 Strong Multi-Cap Value	H	1.3	16.8	1.1
8 Oakmark Small Cap	B	1.6	29.7	27.3	58 Babson Value	S	1.5	15.0	3.8
9 ICM/Isabelle Small Cap Value	B	3.2	33.4	14.1	59 Homestead Value	H	2.1	13.1	6.8
10 Royce Opportunity+	B	3.6	31.0	19.5	60 Oakmark Select(closed)	H	1.3	10.9	13.0
11 Boston Ptnrs Smlcap Val	B	4.5	25.4	31.3	61 Wasatch Small Cap Growth+	H	0.3	10.7	12.4
12 Berwyn Fund	B	3.0	26.8	27.7	62 T. Rowe Price Cap Appreciation	H	0.8	10.6	11.1
13 CRM Small Cap Value Inv	B	4.7	26.2	23.0	63 Safeco Growth Opportunities+	H	0.2	12.0	8.5
14 Fidelity Low Priced Stock(3%)	B	4.8	22.6	27.4	64 Oakmark Fund	S	0.3	11.9	8.3
15 Neuberger Berman Fasciano Inv	B	3.8	26.0	18.3	65 American Century Equity Income	S	0.3	9.8	11.6
16 Royce Total Return	B	3.9	24.4	20.3	66 MSI Small Cap Value(closed)	H	1.1	13.9	-0.1
17 Buffalo Small Cap (closed)	B	2.4	23.3	24.8	67 Mutual Qualified(1%)CIZ	S	1.5	11.5	4.8
18 Royce Low Priced Stock	B	1.4	24.7	22.4	68 Janus Venture (closed)	H	1.2	15.1	-4.3
19 Yacktman Fund	B	3.1	22.6	25.0	69 Federated Kaufmann Fund+	S	1.2	10.6	6.6
20 Royce Penn Mutual+(1%)	B	2.8	23.5	22.5	70 Dodge & Cox Stock	S	-0.6	11.9	5.3
21 Ariel Fund	H	4.3	21.5	23.5	71 American Century Value	S	-0.7	9.8	10.6
22 T.Rowe Price Mid Cap Value	B	1.7	23.2	22.1	72 Vanguard Explorer+	H	0.0	13.1	0.8
23 Baron Growth	H	4.3	22.5	18.8	73 Harbor Value	S	-0.1	11.5	4.4
24 Heartland Value	B	2.8	22.8	19.9	74 Tweedy, Browne American	S	2.2	10.0	3.8
25 Longleaf Partners Smallcap	H	3.9	23.2	16.9	75 Vanguard Extended Market	S	0.8	13.2	-2.5
26 Neuberger Berman Genesis	H	4.3	21.9	18.5	76 Marsico Focus	S	3.4	12.0	-3.8
27 CRM Mid Cap Value Ins	B	2.2	22.1	18.5	77 Gabelli Asset	S	0.5	12.2	-0.3
28 Muhlenkamp Fund	B	3.4	24.5	8.0	78 Mutual Beacon(1%)CIZ	S	1.7	9.9	3.2
29 Fidelity Small Cap Ind.(1.5%	H	4.8	16.3	26.2	79 PBHG Small Cap Value	H	-0.4	11.5	1.7
30 Loomis Sayles Small Cap Value	B	3.0	19.6	20.6	80 Mutual Shares(1%)CIZ	S	1.5	10.0	2.1
31 Ariel Appreciation	B	0.7	19.9	19.2	81 MSI Value Portfolio	S	0.1	10.7	1.8
32 Meridian Fund	H	4.3	18.0	16.9	82 Liberty-SteinRoe Capital Oppor-	S	1.0	14.2	-9.6
33 RS Partners	B	3.2	20.0	13.4	83 Fidelity Contrafund(3%)	S	2.1	8.6	0.8
34 Strong Mid Cap Disciplined	H	-2.0	20.6	19.6	84 T. Rowe Price Equity-Income	S	0.0	8.6	3.6
35 Fidelity Value	H	2.4	20.2	14.1	85 Marsico Growth & Income	S	2.4	11.1	-6.4
36 Longleaf Partners	H	1.2	21.6	12.4	86 Selected Special Shares	S	-1.0	12.0	-6.8
37 T. Rowe Price Small Cap Stock	H	3.2	19.2	14.7	87 Sound Shore	S	-0.2	8.1	2.0
38 Bogle Small Cap Growth(closed)	H	4.2	17.4	13.5	88 T.Rowe Price Mid Cap Growth	S	-0.9	9.2	-1.0
39 Royce Premier	H	1.7	17.9	15.6	89 Salomon Brothers Opportunity	S	0.3	8.2	-0.3
40 Aegis Value Fund	H	2.2	14.7	22.1	90 T. Rowe Price New Horizons	H	-1.5	10.5	-3.8
41 Vanguard SmallCap Index+	H	3.3	19.0	7.7	91 American Century Heritage	S	2.1	10.0	-7.9
42 Boston Partners Mid Cap Value	H	0.0	17.7	13.9	92 Thompson Plumb Growth	S	-5.2	8.1	7.7
43 Berger Mid Cap Value	H	0.7	17.6	12.7	93 Fidelity Convertible Securities	S	-0.4	8.8	-2.6
44 Baron Asset	H	1.9	19.8	0.5	94 Strong Advisor Common Stock	S	-2.5	10.9	-4.8
45 Vontobel U.S. Value	H	3.7	12.4	16.4	95 Fidelity Independence(ret.only)	S	1.0	11.4	-12.7
46 Legg Mason Special Investment	B	-2.4	23.6	-3.6	96 Vanguard Windsor II	S	-0.1	7.4	-2.2
47 Vanguard Mid-Cap Index+	H	1.3	16.9	7.0	97 Strong Discovery+	S	-1.0	7.8	-2.0
48 Fidelity Fifty+	H	3.7	16.0	4.8	98 Weitz Value Fund	S	-0.5	8.4	-4.4
49 Dreyfus Mid Cap Index	H	1.3	16.7	6.3	99 Fidelity New Millennium(3%)	S	-0.6	9.7	-8.1
50 Westport Small Cap R	H	1.4	15.6	8.8	100 Neuberger Berman Partners	S	-1.1	7.7	-4.2

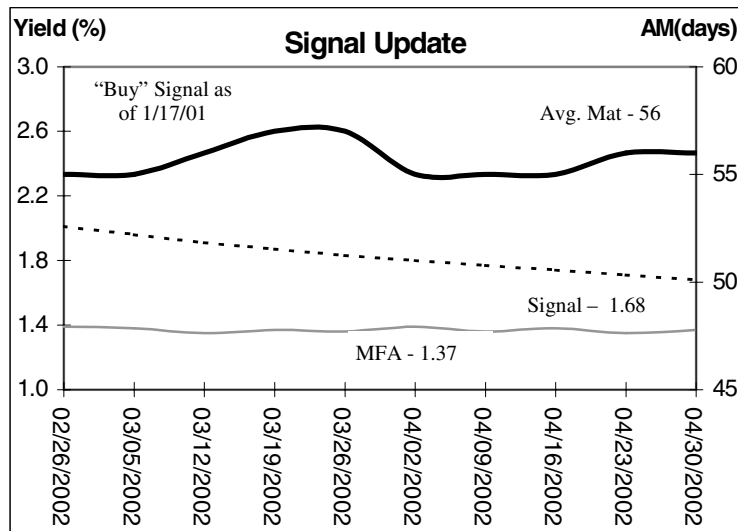
DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 5/3/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 Vanguard Equity-Income	S	-1.5	5.8	0.2	151 Fidelity Dividend Growth	S	-5.2	1.0	-7.9
102 Loomis Sayles Value	S	-0.5	6.4	-4.6	152 Dreyfus Appreciation	S	-3.7	0.1	-7.9
103 Fidelity Equity-Income	S	-1.8	6.8	-4.0	153 INVESCO Small Company	S	0.1	1.5	-17.9
104 Nicholas II	S	-0.8	6.1	-5.0	154 USAA Growth & Income	S	-3.7	0.7	-10.8
105 Vanguard Windsor	S	-2.8	6.2	-2.5	155 Vanguard PRIMECAP(\$25,000)	S	-5.4	3.4	-15.2
106 CS Warburg Pincus Value	S	-0.2	4.4	-4.1	156 Schwab 1000 Fund	S	-3.9	1.0	-11.9
107 Selected American Shares	S	0.0	5.5	-8.5	157 Dreyfus Growth Opportunity	S	-3.3	0.1	-11.4
108 Dreyfus Premier Aggressive	S	0.1	7.0	-14.3	158 Domini Social Equity Fund +	S	-3.4	0.2	-12.1
109 Fidelity Equity-Income II	S	-2.1	5.0	-6.7	159 Janus Growth & Income	S	-3.0	0.7	-14.1
110 MSI Mid Cap Value	S	-3.6	6.0	-7.5	160 American Century Equity Growth	S	-3.3	0.0	-12.3
111 Scudder Large Co Value	S	-1.6	5.7	-9.6	161 Vanguard Growth & Income	S	-4.0	-0.1	-11.7
112 Galaxy Equity Value(3.75%)	S	-2.6	5.1	-6.8	162 Fidelity Trend	S	-3.9	0.1	-12.8
113 T. Rowe Price Dividend Growth	S	-2.9	3.4	-3.1	163 Northeast Investors Growth	S	-4.8	0.4	-13.8
114 Nicholas Fund	S	-1.6	4.9	-9.0	164 T. Rowe Price Growth Stock	S	-4.8	-0.7	-11.6
115 American Century Vista	S	2.7	4.0	-13.3	165 Dreyfus Growth & Income	S	-4.8	-0.5	-12.9
116 Salomon Brothers Investors	S	-1.6	4.6	-8.6	166 Fidelity Spartan 500 Index	S	-4.6	-0.7	-13.0
117 Salomon Brothers Capital(closed)	S	-2.4	3.7	-5.9	167 Vanguard 500 Index	S	-4.6	-0.7	-13.0
118 Galaxy Small Co. Equity(3.75%)	S	-1.4	3.7	-7.4	168 Fidelity Fund	S	-3.7	-0.9	-14.7
119 William Blair Growth	S	-4.2	6.3	-10.3	169 Vanguard/Morgan Growth+	S	-4.5	-0.1	-17.1
120 Fidelity Capital Appreciation	S	-2.2	6.2	-13.3	170 Scudder Growth & Income	S	-4.3	-1.7	-13.5
121 Neuberger Berman Guardian	S	-2.2	3.5	-6.7	171 Fidelity Stock Selector	S	-4.8	-1.8	-12.7
122 Strong Opportunity+	S	-3.6	5.5	-9.8	172 RS Value+Growth+	S	-2.1	-0.7	-20.9
123 RS Diversified Growth	S	-3.6	5.0	-9.1	173 Galaxy Equity Growth(3.75%)	S	-4.6	-1.0	-16.6
124 Montgomery Small Cap	S	1.9	3.3	-13.8	174 WPG Large Cap Growth	S	-5.6	-1.3	-14.8
125 Oberweis Emerging Growth+	S	1.5	2.6	-11.4	175 Fidelity Magellan(3%)	S	-4.6	-2.3	-14.4
126 Janus Special Situation	S	-4.1	7.3	-15.2	176 USAA Aggressive Growth	S	-2.8	-0.2	-22.5
127 Needham Growth Fund	S	-3.9	3.5	-6.1	177 American Century Select+	S	-3.8	-3.0	-15.7
128 WPG Tudor	S	-0.2	3.8	-12.5	178 Vanguard Capital Opportunity	S	-6.3	-0.5	-18.5
129 Artisan Midcap+(closed)	S	-3.3	3.5	-7.6	179 MSI Midcap Growth	S	-1.7	-1.4	-23.7
130 Fidelity Disciplined Equity	S	-1.8	3.2	-9.6	180 Columbia Common Stock	S	-4.6	-2.4	-17.1
131 Dreyfus-Founders Discovery	S	-0.5	3.9	-13.2	181 Fidelity OTC Portfolio+	S	-6.1	-1.0	-19.0
132 Preferred Value	S	-1.7	2.3	-7.4	182 Neuberger Berman Manhattan	S	-3.2	-1.7	-21.9
133 Neuberger Berman Focus+	S	-4.1	6.3	-14.4	183 RS Aggressive Growth+	S	-6.5	2.3	-28.3
134 American Century Ultra+	S	-1.5	2.7	-9.4	184 Vanguard Growth Index +	S	-6.5	-4.1	-12.7
135 Gintel Fund	S	0.8	8.4	-27.1	185 Turner Midcap Growth+	S	-5.4	-0.1	-24.4
136 Vanguard Convertible Securities	S	0.7	-0.4	-6.0	186 American Century Growth+	S	-5.5	-3.3	-16.2
137 INVESCO Equity Income	S	-3.2	3.6	-10.3	187 Babson Growth+	S	-6.2	-1.8	-19.4
138 CS Warburg Pincus Emerging	S	0.4	3.0	-14.8	188 Strong Growth	S	-3.0	-2.5	-22.6
139 INVESCO Value Equity	S	-4.2	2.6	-7.7	189 Fidelity Blue Chip Growth	S	-5.6	-3.7	-16.8
140 American Century Income &	S	-3.3	2.4	-9.2	190 PBHG Growth+	S	0.6	-2.9	-28.2
141 Legg Mason Value	S	0.3	3.3	-18.2	191 Preferred Growth	S	-5.7	-3.0	-19.9
142 Columbia Special+	S	-1.2	2.5	-14.2	192 Safeco Equity	S	-6.2	-5.2	-13.9
143 UMB Scout Stock	S	-3.3	0.7	-7.4	193 Janus Fund	S	-5.3	-0.6	-26.9
144 Fidelity Mid-Cap Stock+	S	-3.6	2.3	-11.2	194 Harbor Capital Appreciation+	S	-5.7	-3.5	-19.7
145 T. Rowe Price Growth & Income	S	-3.9	1.0	-8.0	195 Montgomery Growth	S	-4.7	-4.7	-19.2
146 Vanguard Value Index	S	-2.7	2.5	-13.8	196 Dreyfus Premier Third Century	S	-4.1	-3.9	-23.0
147 Liberty-SteinRoe Balanced	S	-2.0	-0.2	-8.8	197 INVESCO Dynamics+	S	-6.4	-0.4	-29.1
148 SIT Small Cap Growth+	S	1.8	2.4	-20.9	198 T. Rowe Price New America	S	-6.3	-3.9	-20.5
149 Fidelity Growth & Income(3%)	S	-3.3	-0.3	-7.3	199 Strong Growth 20+	S	-1.9	-3.5	-30.6
150 Dreyfus Fund	S	-4.1	1.3	-10.3	200 Scudder Capital Growth AARP	S	-6.7	-4.6	-21.9

International Stock Funds — data as of 5/3/02

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	1.3%	40.6%	12.2%	36 Scudder Global	S	-0.9	4.1	-10.0
2 Matthews Pacific Tiger	B	4.8	37.0	10.5	37 T. Rowe Price European	S	-1.4	4.3	-10.2
3 Oakmark Intl Small Cap	B	4.5	31.4	20.9	38 Schwab International Index	S	0.7	4.3	-14.8
4 Fidelity Emerging Mkts(3%&1.5%	B	1.1	35.1	10.6	39 T. Rowe Price Intl Stock	S	-1.1	5.0	-14.1
5 T. Rowe Price New Asia	B	1.6	35.0	5.6	40 CS Warburg Pincus Japan	S	-2.1	12.5	-31.8
6 Oakmark Global (2%r)	B	1.3	26.9	21.4	41 Vanguard Pacific Stock Index	S	4.4	4.2	-21.0
7 Scudder Pacific Opportunity	B	0.0	32.5	6.4	42 USAA World Growth	S	-2.3	3.9	-11.3
8 Oakmark International	B	3.3	27.6	9.3	43 American Century Intl Growth	S	1.0	3.0	-14.8
9 Montgomery Emerging Mkts	B	-0.5	30.4	6.5	44 Galaxy International Equity	S	-1.1	5.1	-18.4
10 Vanguard Emerging Mkts Stock	B	-0.8	28.6	7.2	45 Strong International Stock	S	0.4	3.0	-15.7
11 Investec China & Hong Kong	H	11.1	27.0	-10.5	46 Scudder International	S	0.3	3.2	-16.8
12 Fidelity Aggressive Intl.	B	2.0	23.2	5.5	47 Janus Overseas(closed)	S	-2.9	5.3	-18.8
13 T. Rowe Price Latin America	H	-0.6	24.4	3.3	48 Scudder Greater Europe	S	-1.0	2.0	-14.6
14 Scudder Latin America	H	-1.1	22.3	3.6	49 Fidelity Japan(3%&1.5%<90d)	S	7.5	2.0	-28.1
15 Fidelity Latin Amer.(3%&1.5%	H	-1.8	23.0	0.8	50 Babson-Stewart Ivory Intl	S	0.1	3.2	-20.0
16 Preferred International	B	2.8	18.3	-0.4	51 Loomis Sayles International	S	-0.9	0.4	-12.6
17 Harbor International	H	1.5	15.9	1.9	52 Japan Fund (Scudder)	S	4.9	1.8	-26.1
18 Tweedy, Browne Global Value	H	1.3	13.8	2.3	53 Matthews Japan Fund	S	7.0	-0.9	-29.6
19 Julius Baer Intl. Equity A	H	3.0	11.9	-1.5	54 T. Rowe Price Intl Discovery	S	1.0	-1.9	-18.8
20 Fidelity Pacific Basin(3%&1.5%	H	3.1	15.4	-10.5	55 Janus Worldwide(closed)	S	-4.4	0.3	-20.8
21 Fidelity International G & I	H	2.3	13.0	-4.8	56 Aetna Intl Growth(Advisor1%)	S	-2.5	-2.6	-23.9
22 Fidelity Diversified International	H	3.0	10.7	-0.4	57 Payden European Aggressive	S	-4.4	-0.4	-32.1
23 Artisan International	H	2.4	9.3	-4.8	58 SIT International Growth	S	-3.2	-6.6	-30.4
24 USAA International	H	0.6	9.7	-5.0	59 INVESCO European	S	-5.7	-6.1	-30.1
25 Longleaf Partners International	S	0.9	5.0	2.8	—————Domestic Stock Funds (Cont.)				
26 Fidelity Worldwide	H	-1.2	7.0	-2.7	201 Liberty-SteinRoe Growth Stock	S	-4.7	-4.9	-25.8
27 Vanguard International Growth	S	0.2	8.7	-11.0	202 Strong Large Cap Growth	S	-5.4	-5.8	-22.9
28 Vontobel International Equity	S	5.6	6.5	-14.2	203 SIT Mid Cap Growth+	S	-5.3	-5.3	-28.4
29 American Century Global Growth	S	1.7	7.0	-12.6	204 Harbor Growth	S	-6.3	-3.7	-31.2
30 Columbia International Stock	S	1.4	6.2	-10.5	205 Janus Enterprise+	S	-1.7	-6.5	-31.4
31 Scudder Global Discovery(closed)	S	0.9	8.0	-14.6	206 Gabelli Growth	S	-8.9	-5.2	-26.0
32 Gabelli Intl. Growth	S	1.6	5.1	-11.8	207 Scudder Large Company Growth	S	-7.1	-7.6	-22.9
33 Fidelity Europe(3%&1%r<90d)	H	-4.1	7.1	-8.9	208 Vanguard Growth Equity	S	-7.3	-6.6	-25.4
34 Fidelity Overseas	S	0.3	6.0	-14.8	209 Scudder Development+	S	-6.9	-4.5	-31.3
35 Vanguard European Stock Index	S	-0.5	4.5	-10.2	210 Columbia Growth+	S	-6.5	-8.3	-24.5



The Signal - For the week ended April 30 iMoneyNet Inc.'s Money Fund Report Averages/All Taxable 7-day yield (MFA) increased by two basis points to 1.37% and the MONEYLETTER Signal dipped by three basis points to 1.68%. The average maturity increased one day by 56 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 15, 2002 by Midnight (ET).