

# MONEYLETTER *Plus*

June 19, 2002

Volume 6, Issue 25

Hotline # (410) 528-1804

**MONEYLETTER HOTLINE 6/18/02**

**MONEYLETTER HOTLINE 6/14/02**

## **Trimming Back, For Now**

## **Hotline**

We are trimming our recommended allocation to domestic equities for all asset allocation portfolios. Our recommendation is purely driven by the market's action these past six weeks. Our intermediate-term view of the economic and market outlook is essentially unchanged. We see the economy in the opening phase of a recovery that will gather strength as the months roll on. We see profits improving along with the economy and we expect substantially increased profits over the twelve months ahead. But the market right now is paying no attention to the outlook. The bears have taken over and selling is begetting selling.

We don't know how long this mini-bear market will last. It may last only another week or another month. Consequently, we are making this precautionary move. For Venturesome investors we are cutting the domestic stock fund allocation from 100% to 70%. We recommend that the funds raised be switched into a money fund, with a new 30% allocation. For Moderate investors, the new domestic stock fund allocation is 55% from 75%. The new money fund allocation is 20%. For Conservative investors, the new domestic stock fund allocation is 50% from 60%. The money fund allocation is raised to 25%.

Here are the changes for the model portfolios.  
Moneyletter Venturesome: Sell TCW Galileo Value Opportunity; Sell Royce Low Priced Stock. Switch the funds into Schwab Money Fund for convenient deployment later.  
Moneyletter Moderate: Sell TCW Galileo Value Opportunity; Sell \$3,000 of Royce Low-Priced Stock. Switch funds into Schwab Money Fund.  
Moneyletter Conservative: Sell TCW Galileo Value Opportunity. Switch funds to Schwab Money Fund.

Fidelity Venturesome: Sell Equity-Income; Sell \$7,000 Small Cap. Independence; Sell \$4,500 Value; Sell \$5,000 Low Priced Stock. Switch funds into Fidelity Cash Reserves.  
Fidelity Moderate: Sell \$7,000 of Small Cap Independence; \$7,000 of Value; \$4,000 of Fidelity Fifty; \$6,000 of Low Priced Stock. Switch funds into Fidelity Cash Reserves.  
Fidelity Conservative: Sell \$5,000 of Small Cap Independence; Sell \$5,000 of Value. Switch funds into Fidelity Cash Reserves.

Vanguard Venturesome: Sell Capital Opportunity; Sell \$9,000 Windsor. Switch funds into Vanguard Prime Money Fund/Retail.  
Vanguard Moderate: Sell Capital Opportunity. Switch funds into Vanguard Prime Money Fund/Retail.  
Vanguard Conservative: Sell \$7,000 of Capital Opportunity. Switch funds into Vanguard Prime Money Fund/Retail.

## **Repeat of Advice Shown at Left**

## Domestic Stock Funds — data as of 6/14/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Yacktman Fund	B	-1.0%	10.8%	22.8%	51 Marsico Focus	H	-5.0	2.9	-5.8
2 CGM Focus	B	-12.1	11.7	36.8	52 Third Avenue Value	H	-7.0	1.5	0.6
3 Baron Small Cap	B	-2.9	15.3	13.6	53 Royce Premier	H	-7.8	1.3	2.5
4 Eclipse Small Cap Value	B	-4.9	15.2	12.2	54 Mutual Qualified(1%)CIZ	H	-6.3	2.7	-3.6
5 Wasatch Small Cap Value(closed)	B	-6.7	13.5	13.6	55 Mutual Beacon(1%)CIZ	H	-6.0	2.6	-3.9
6 Fidelity Low Priced Stock(closed)	B	-4.4	9.9	17.6	56 Westport Small Cap R	H	-5.7	0.9	-0.5
7 T. Rowe Price Small-Cap Value	B	-7.2	12.8	13.2	57 American Century Value	H	-6.2	-0.3	2.4
8 Aegis Value Fund	B	-1.9	6.9	15.3	58 Mutual Shares(1%)CIZ	H	-5.6	2.2	-4.5
9 Ariel Fund	B	-5.9	9.4	13.6	59 Oakmark Select(closed)	H	-7.2	0.3	2.5
10 Berwyn Fund	B	-7.4	10.6	12.3	60 Royce Low Priced Stock	H	-9.2	0.8	3.9
11 Fidelity Fifty+	B	-3.5	13.4	-2.3	61 Oakmark Fund	H	-7.5	1.1	-0.5
12 ICM/Isabelle Small Cap Value	B	-6.6	14.1	-1.0	62 Bogle Small Cap Growth(closed)	H	-8.7	1.0	1.5
13 Neuberger Berman Fasciano Inv	B	-6.8	9.6	8.3	63 T. Rowe Price Small Cap Stock	H	-9.1	1.1	1.1
14 T.Rowe Price Mid Cap Value	B	-6.8	8.1	11.6	64 Dreyfus New Leaders	S	-6.5	1.7	-5.0
15 Longleaf Partners Smallcap	B	-6.5	9.6	5.3	65 Vanguard Mid-Cap Index+	H	-9.2	1.3	-1.6
16 Royce Total Return	B	-7.0	8.1	8.3	66 T. Rowe Price Equity-Income	S	-6.7	0.2	-3.0
17 Neuberger Berman Genesis	B	-7.2	7.8	8.6	67 Fidelity Independence(ret.only)	S	-5.0	0.7	-7.6
18 Vontobel U.S. Value	B	-5.5	8.2	4.7	68 Dreyfus Mid Cap Index	S	-9.3	1.0	-2.2
19 Oakmark Small Cap	B	-9.1	8.4	8.7	69 Tweedy, Browne American	S	-6.7	0.5	-5.2
20 Boston Ptnrs Smlcap Val	B	-7.2	6.1	10.4	70 Salomon Brothers Opportunity	S	-5.4	0.2	-7.7
21 T. Rowe Price New Era	H	-5.8	10.9	-3.6	71 Muhlenkamp Fund	S	-11.1	1.7	-3.1
22 Wasatch Core Growth+(closed)	B	-7.7	8.1	5.5	72 Strong Discovery+	S	-6.5	-0.2	-6.0
23 Baron Growth	B	-5.4	5.0	10.0	73 Marsico Growth & Income	S	-6.0	0.6	-8.9
24 RS Partners	B	-5.8	7.2	4.0	74 Sound Shore	S	-6.8	-0.6	-4.9
25 Royce Penn Mutual+(1%)	B	-6.6	6.3	7.4	75 Federated Kaufmann Fund+	S	-6.0	-2.2	-4.2
26 Ariel Appreciation	B	-6.6	5.5	9.1	76 Strong Multi-Cap Value	S	-10.2	0.5	-7.2
27 T. Rowe Price Cap Appreciation	H	-4.1	5.7	4.0	77 Liberty-SteinRoe Capital Oppor-	S	-6.3	-0.9	-10.2
28 Clipper Fund	H	-4.7	4.3	8.1	78 Harbor Value	S	-8.8	-1.8	-4.2
29 Fidelity Value	H	-6.6	6.9	4.4	79 Vanguard Equity-Income	S	-7.0	-2.2	-6.5
30 Heartland Value	B	-6.3	5.8	5.6	80 Vanguard Windsor II	S	-7.0	-1.1	-9.5
31 CRM Small Cap Value Inv	B	-8.1	6.0	7.7	81 Vanguard SmallCap Index+	S	-10.1	-1.9	-5.3
32 Vanguard Small-Cap Value Index	B	-10.6	7.1	7.9	82 Loomis Sayles Value	S	-7.7	-1.8	-9.4
33 Loomis Sayles Small Cap Value	B	-7.2	4.8	8.2	83 American Century Heritage	S	-8.0	0.5	-15.2
34 Strong Mid Cap Disciplined	H	-7.0	3.8	6.7	84 Gabelli Asset	S	-8.4	-2.0	-8.6
35 Babson Value	H	-6.2	6.6	-1.5	85 Liberty-SteinRoe Balanced	S	-4.6	-4.2	-9.2
36 Longleaf Partners	H	-6.4	5.0	1.8	86 MSI Small Cap Value(closed)	S	-8.2	-2.1	-8.9
37 Third Avenue Small-Cap Value	H	-5.5	4.0	2.8	87 Fidelity Equity-Income	S	-7.5	-2.5	-9.8
38 CRM Mid Cap Value Ins	B	-7.8	3.4	7.0	88 Legg Mason Special Investment	S	-9.2	-3.0	-7.5
39 Royce Opportunity+	B	-10.2	6.5	2.0	89 American Century Vista	S	-5.0	-1.9	-16.8
40 Boston Partners Mid Cap Value	H	-7.3	4.5	1.9	90 MSI Value Portfolio	S	-8.6	-3.7	-7.5
41 American Century Equity Income	H	-4.8	1.7	4.9	91 Vanguard Convertible Securities	S	-4.4	-5.6	-9.1
42 Fidelity Small Cap Ind.(1.5%	H	-7.9	1.1	11.0	92 Scudder Large Co Value	S	-6.9	-2.6	-13.2
43 State Street Mid-Cap Value	H	-8.1	3.2	5.5	93 Thompson Plumb Growth	S	-9.4	-6.0	-1.4
44 Meridian Fund	H	-6.9	0.8	7.8	94 T.Rowe Price Mid Cap Growth	S	-8.0	-4.7	-6.9
45 Berger Mid Cap Value	H	-7.2	2.3	3.1	95 Fidelity Equity-Income II	S	-7.1	-4.1	-9.8
46 Fidelity Contrafund(3%)	H	-4.4	3.1	-3.6	96 Selected Special Shares	S	-8.8	-2.6	-11.8
47 Dodge & Cox Stock	H	-5.3	1.7	0.2	97 Vanguard Extended Market	S	-8.8	-3.6	-9.4
48 Baron Asset	H	-5.7	2.3	-0.9	98 Dreyfus Appreciation	S	-6.6	-4.5	-11.3
49 Bonnel Growth Fund	H	-5.8	3.0	-3.6	99 Fidelity Convertible Securities	S	-6.3	-5.7	-9.1
50 Homestead Value	H	-6.6	1.9	-0.7	100 T. Rowe Price Dividend Growth	S	-7.6	-5.2	-9.0

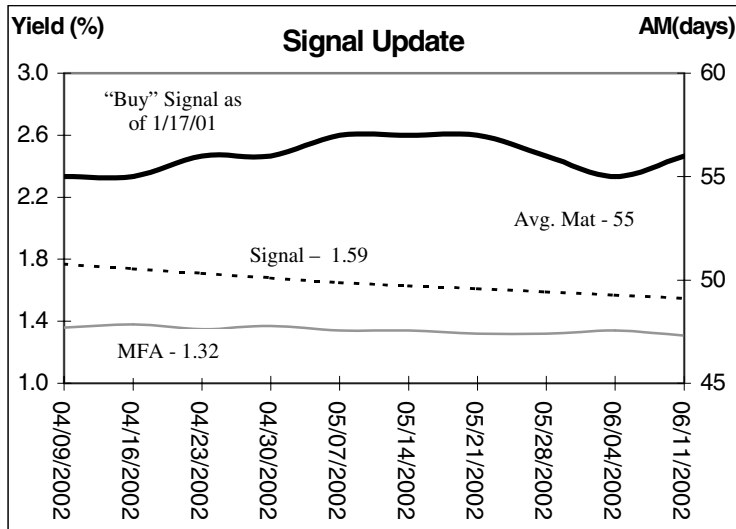
**DOMESTIC STOCK FUNDS**  
Continued on next page

## Domestic Stock Funds continued — data as of 6/14/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 Buffalo Small Cap (closed)	S	-15.0	-5.5	2.7	151 Scudder Growth & Income	S	-8.6	-10.4	-16.5
102 CS Warburg Pincus Value	S	-8.3	-3.9	-11.6	152 T. Rowe Price Growth Stock	S	-8.3	-11.2	-15.4
103 Fidelity Disciplined Equity	S	-6.8	-4.7	-12.4	153 Strong Opportunity+	S	-10.9	-9.9	-15.4
104 Fidelity Growth & Income(3%)	S	-5.7	-6.1	-11.3	154 Fidelity Magellan(3%)	S	-7.8	-10.8	-17.8
105 Preferred Value	S	-6.8	-5.4	-12.3	155 MSI Mid Cap Value	S	-9.9	-10.4	-15.5
106 INVESCO Value Equity	S	-7.4	-5.4	-11.5	156 Northeast Investors Growth	S	-8.7	-10.2	-18.0
107 Selected American Shares	S	-7.5	-5.0	-12.5	157 T. Rowe Price New Horizons	S	-11.6	-11.2	-12.9
108 Wasatch Small Cap Growth+	S	-9.8	-9.1	0.5	158 Columbia Common Stock	S	-8.4	-10.8	-20.2
109 Janus Venture (closed)	S	-10.1	-4.0	-12.0	159 Vanguard/Morgan Growth+	S	-7.9	-11.5	-19.1
110 Neuberger Berman Partners	S	-8.9	-5.3	-10.7	160 Vanguard PRIMECAP(\$25,000)	S	-9.4	-11.5	-17.5
111 INVESCO Core Equity	S	-7.2	-5.3	-13.8	161 Vanguard Growth Index +	S	-8.4	-13.1	-15.7
112 TCW Galileo Value Opportunity	S	-13.1	-7.2	-0.5	162 CS Warburg Pincus Emerging	S	-8.3	-12.4	-17.6
113 UMB Scout Stock	S	-6.8	-6.9	-10.8	163 Oberweis Emerging Growth+	S	-8.6	-12.3	-19.7
114 Nicholas Fund	S	-7.3	-6.1	-12.7	164 Legg Mason Opportunity Trust	S	-14.5	-8.2	-21.5
115 Nicholas II	S	-7.5	-7.4	-9.5	165 Gintel Fund	S	-11.6	-6.4	-30.7
116 American Century Income &	S	-7.1	-6.6	-12.9	166 Legg Mason Value	S	-9.7	-10.6	-23.1
117 Weitz Value Fund	S	-8.4	-6.4	-13.4	167 William Blair Growth	S	-12.2	-12.2	-16.1
118 Neuberger Berman Guardian	S	-8.9	-7.0	-11.3	168 Babson Growth+	S	-8.6	-12.7	-20.6
119 Janus Growth & Income	S	-6.6	-6.9	-15.7	169 Fidelity Blue Chip Growth	S	-8.7	-13.0	-20.1
120 American Century Ultra+	S	-7.3	-7.2	-14.2	170 RS Value+Growth+	S	-8.6	-12.3	-22.3
121 Columbia Special+	S	-6.0	-7.6	-15.1	171 Strong Growth	S	-8.3	-12.2	-23.4
122 Fidelity New Millennium(3%)	S	-8.3	-8.2	-10.4	172 WPG Large Cap Growth	S	-10.6	-12.5	-19.3
123 Vanguard Windsor	S	-8.8	-8.3	-10.0	173 Safeco Growth Opportunities+	S	-12.2	-13.6	-14.6
124 American Century Equity Growth	S	-6.5	-7.7	-15.0	174 Needham Growth Fund	S	-11.8	-13.7	-15.3
125 Dreyfus Fund	S	-7.9	-7.9	-13.0	175 Galaxy Equity Growth(3.75%)	S	-9.9	-12.8	-21.5
126 Vanguard Explorer+	S	-10.8	-7.7	-9.4	176 Montgomery Growth	S	-8.6	-13.2	-22.6
127 Galaxy Equity Value(3.75%)	S	-8.9	-7.9	-12.3	177 Fidelity Mid-Cap Stock+	S	-11.2	-12.7	-20.1
128 Vanguard Value Index	S	-7.8	-6.6	-17.6	178 Safeco Equity	S	-9.7	-14.3	-19.5
129 Strong Advisor Common Stock	S	-10.4	-7.5	-11.6	179 American Century Growth+	S	-9.8	-14.3	-19.5
130 Dreyfus Growth Opportunity	S	-7.5	-8.6	-14.0	180 SIT Small Cap Growth+	S	-10.9	-12.6	-22.3
131 Salomon Brothers Capital(closed)	S	-9.4	-7.4	-14.3	181 Liberty-SteinRoe Growth Stock	S	-7.5	-14.0	-24.5
132 Fidelity Capital Appreciation	S	-9.0	-7.7	-14.6	182 Fidelity OTC Portfolio+	S	-9.8	-14.9	-19.6
133 Salomon Brothers Investors	S	-10.3	-7.5	-13.5	183 Dreyfus-Founders Discovery	S	-11.6	-13.1	-21.6
134 Artisan Midcap+(closed)	S	-8.8	-9.0	-12.3	184 Janus Fund	S	-8.7	-12.8	-27.7
135 Schwab 1000 Fund	S	-8.0	-8.5	-15.1	185 Neuberger Berman Focus+	S	-15.5	-12.3	-19.0
136 Vanguard Growth & Income	S	-7.5	-9.0	-15.1	186 Strong Growth 20+	S	-6.5	-14.4	-27.6
137 Fidelity Dividend Growth	S	-7.6	-9.5	-13.9	187 Janus Twenty(closed)	S	-5.2	-15.7	-26.2
138 Fidelity Fund	S	-6.9	-9.2	-17.5	188 Strong Large Cap Growth	S	-7.4	-15.3	-24.0
139 USAA Growth & Income	S	-8.7	-9.2	-14.8	189 Dreyfus Premier Third Century	S	-9.4	-14.4	-24.0
140 Dreyfus Premier Aggressive	S	-8.9	-6.9	-20.6	190 T. Rowe Price New America	S	-8.7	-16.0	-21.3
141 Domini Social Equity Fund +	S	-8.5	-9.5	-14.8	191 INVESCO Small Company	S	-10.2	-14.9	-23.5
142 Fidelity Trend	S	-7.5	-9.7	-16.7	192 Montgomery Small Cap	S	-11.3	-13.6	-25.3
143 T. Rowe Price Growth & Income	S	-9.3	-10.1	-13.2	193 USAA Aggressive Growth	S	-10.4	-13.7	-26.8
144 PBHG Small Cap Value	S	-11.0	-9.9	-11.3	194 Preferred Growth	S	-10.9	-15.2	-23.1
145 <b>Vanguard 500 Index</b>	<b>S</b>	<b>-8.1</b>	<b>-9.7</b>	<b>-16.4</b>	195 WPG Tudor	S	-11.4	-15.4	-22.3
146 Fidelity Spartan 500 Index	S	-8.1	-9.7	-16.4	196 Harbor Capital Appreciation+	S	-10.7	-15.6	-22.7
147 Dreyfus Growth & Income	S	-8.3	-9.9	-16.6	197 Janus Enterprise+	S	-7.6	-15.0	-31.1
148 Janus Special Situation	S	-11.2	-6.7	-20.2	198 Neuberger Berman Manhattan	S	-11.1	-15.6	-25.7
149 Fidelity Stock Selector	S	-7.5	-10.7	-16.0	199 Vanguard Capital Opportunity	S	-10.7	-16.9	-22.9
150 American Century Select+	S	-7.7	-9.8	-18.1	200 MSI Midcap Growth	S	-11.4	-14.8	-28.0

## International Stock Funds — data as of 6/14/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Matthews Asia Growth&Income	H	-0.3%	15.4%	20.3%	36 Scudder Global	S	-5.8	-2.8	-13.6
2 Oakmark Intl Small Cap(closed)	B	-2.8	15.4	16.0	37 Schwab International Index	S	-6.5	-2.4	-15.1
3 Matthews Pacific Tiger	B	-0.9	15.4	12.1	38 Scudder International	S	-6.2	-2.5	-17.3
4 Fidelity SE Asia(3%&1.5%r<90d)	B	-3.2	13.8	10.3	39 Fidelity Overseas	S	-6.0	-3.5	-15.3
5 T. Rowe Price New Asia	B	-0.9	12.6	7.5	40 Scudder Global Discovery	S	-7.0	-2.2	-17.7
6 Scudder Pacific Opportunity	B	-1.5	11.2	6.8	41 T. Rowe Price Intl Discovery	S	-3.3	-3.4	-20.6
7 Fidelity Emerging Mkts(3%&1.5%	B	-4.3	11.4	5.9	42 Scudder Latin America	S	-9.6	-2.5	-13.4
8 Oakmark International	B	-3.9	12.6	-0.1	43 CS Warburg Pincus Japan	S	-4.7	-1.0	-24.8
9 Oakmark Global (2%r)	B	-7.1	8.9	9.6	44 American Century Intl Growth	S	-5.7	-3.6	-16.8
10 Vanguard Emerging Mkts Stock	B	-5.0	8.8	2.6	45 USAA World Growth	S	-7.2	-4.9	-12.3
11 Montgomery Emerging Mkts	B	-5.2	8.0	0.3	46 Loomis Sayles International	S	-6.2	-3.8	-16.7
12 Fidelity Aggressive Intl.	B	-5.3	6.1	3.7	47 Galaxy International Equity	S	-6.2	-3.6	-17.8
13 Preferred International	B	-3.9	7.4	-2.6	48 T. Rowe Price Intl Stock	S	-8.2	-4.2	-14.8
14 Julius Baer Intl. Equity A	B	-3.9	6.6	-1.2	49 Vanguard European Stock Index	S	-8.4	-5.0	-13.5
15 Longleaf Partners International	B	-1.7	5.4	-1.5	50 Fidelity Latin Amer.(3%&1.5%	S	-9.3	-4.0	-14.9
16 Harbor International	B	-4.8	6.5	-1.5	51 Strong International Stock	S	-6.5	-5.7	-18.5
17 Fidelity Pacific Basin(3%&1.5%	B	-1.9	7.0	-7.9	52 Babson-Stewart Ivory Intl	S	-7.4	-4.7	-19.9
18 Japan Fund (Scudder)	H	0.8	7.2	-18.5	53 T. Rowe Price European	S	-9.5	-6.5	-14.4
19 Matthews Japan Fund	H	4.4	5.4	-20.5	54 Scudder Greater Europe	S	-9.5	-6.3	-19.7
20 Vanguard Pacific Stock Index	H	-1.1	6.6	-15.6	55 Janus Overseas(closed)	S	-7.6	-7.5	-20.5
21 Tweedy, Browne Global Value	H	-5.1	4.7	-5.0	56 Fidelity Europe(3%&1%r<90d)	S	-10.7	-9.8	-15.0
22 Fidelity Diversified International	H	-4.0	3.1	-4.0	57 Janus Worldwide(closed)	S	-7.6	-9.5	-23.0
23 Fidelity International G & I	H	-4.5	3.7	-5.7	58 SIT International Growth	S	-9.3	-14.2	-29.7
24 USAA International	H	-5.8	1.3	-6.3	59 INVESCO European	S	-10.2	-17.2	-32.2
25 Fidelity Japan(3%&1.5%<90d)	H	-1.3	4.5	-22.4	60 Payden European Aggressive	S	-13.9	-19.9	-36.1
26 Vontobel International Equity	H	-3.6	1.7	-12.9					
27 Investec China & Hong Kong	H	-5.9	2.7	-14.0	201 PBHG Growth+	S	-10.2	-15.1	-29.6
28 Artisan International	H	-6.6	-0.3	-9.9	202 RS Aggressive Growth+	S	-10.5	-16.5	-25.9
29 T. Rowe Price Japan	S	-2.5	2.5	-23.0	203 Scudder Large Company Growth	S	-10.2	-17.3	-25.7
30 Columbia International Stock	S	-4.8	-0.8	-12.3	204 Vanguard Growth Equity	S	-10.0	-17.5	-25.5
31 Gabelli Intl. Growth	S	-6.0	-0.6	-14.6	205 Scudder Capital Growth AARP	S	-11.1	-17.0	-25.4
32 American Century Global Growth	S	-5.3	-1.5	-13.8	206 Galaxy Small Co. Equity(3.75%)	S	-13.4	-17.6	-21.5
33 T. Rowe Price Latin America	S	-9.3	0.1	-14.0	207 Turner Midcap Growth+	S	-11.7	-17.5	-27.1
34 Vanguard International Growth	S	-6.8	-2.4	-12.6	208 Columbia Growth+	S	-9.7	-19.2	-26.6
35 Fidelity Worldwide	S	-6.5	-4.2	-8.6	209 Janus Mercury+	S	-9.1	-18.6	-30.6



**The Signal** - For the week ended June 11 iMoneyNet Inc.'s Money Fund Report Averages/All Taxable 7-day yield (MFA) dropped by three basis points to 1.31% and the MONEYLETTER Signal dipped by two basis points to 1.55%. The average maturity decreased by one day to 56 days.

Wasatch Small Cap Growth is a sell. We have switched the fund into Royce Opportunity.

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

**Next Issue will be Wednesday, June 26, 2002 by Midnight (ET).**