

MONEYLETTER HOTLINE 6/25/02

Awaiting Selling Climax

The bears continue to drive this market. Once they challenged the bulls and found soft resistance, the selling swelled today and another rotten day occurred.

The market has many cross-currents at work this week, and they also played a role. This is the last week of trading for the month, the quarter and the half-year. Many portfolio games are being played. This is also the time when the Russell 2000 index goes through its annual reshuffling as many companies are added and dropped. There is great deal of buying and selling of these issues. Some of the big moves we have seen from some small-cap funds are undoubtedly connected to the Russell 2000 alterations.

But essentially the selling today is a continuation of the bear market. Pessimism is climbing rapidly. It is reaching a point where we should get a rally shortly. Moreover, this profits warnings season continues to indicate that profits are improving. Today DuPont raised its profit expectations and was generally positive. The stock also rose. DuPont alone was not strong enough to avert the selling. But the reporting season is close at hand and we believe that the profit reports will provide the base for a second-half rally.

There is no change in our recommended allocations.

Fund Recommendations – For those who missed Friday's Hotline, we are combining last week's new recommendation with those of this week. For domestic stock funds, there are two new buys: Aegis Value and Fidelity Fifty. There are three new sells: Muhlenkamp Fund, Buffalo Small Cap and TCW Galileo Value Opportunity.

The Economy – Consumer confidence was down for this month, but not as much as expected. Given the market this is no surprise.

Meanwhile the weekly store sales surveys show this month well ahead of last month so far. Everything says the consumer is holding up. The economy is not the problem now, the market is. We expect further steady economic gains.

The Stock Market – The technical-minded would like to see one big washout day triggering a selling climax. They may get it. The speed of today's reversal does indicate that a powerful amount of short-selling is occurring, more than we appreciated. Ultimately these shorts have to buy in. Continued improvement in the fundamentals will force their hand. We look for higher prices over the rest of this year.

MONEYLETTER HOTLINE 6/21/02

Irrational, But Not Exuberant

This brutal week ended with another bout of selling. Today was triple-witching day so that for the last two days at least some of the trading was dictated by other than investment considerations. We'll have a better feel on Monday about the near-term expectations for the market.

Commentators are trying to put a rational spin on what has been happening. We think this is misguided. We are now in the phase of the selling, where selling begets selling. We have seen no good analysis of where the selling is coming from. It is too persistent and widespread to come only from the hedge fund short-sellers. We believe foreigners are selling as well as non-mutual fund institutions who may be reallocating abroad.

While the selling has been going on, good economic news continues to pile up. Most important for us were the Philadelphia Fed survey numbers which showed a huge increase in new orders. This survey is a good indicator of what we should expect from the national survey. The market is paying no attention now, but it will. We are building up the materials for a much better market ahead.

There is no change in our new recommended allocations

Fund Recommendations – For domestic stock funds, there are two new buys: Aegis Value and Fidelity Fifty. There are three new sells: Muhlenkamp Fund, Buffalo Small Cap and TCW Galileo Value Opportunity.

The Economy – Despite all the media talk about the flagging consumer, the weekly survey show strong sales so far in June. Auto sales also appear to be coming back this month. There is much fretting about the dollar. Keep in mind the dollar soared against the euro since the euro's introduction. The dollar has been overvalued. We look for a stronger economy in the second half.

The Stock Market – The small cap index eked out a gain today. This is where our domestic stock funds are concentrated. We look for small caps to lead the way when the market recovers.

Domestic Stock Funds — data as of 6/21/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Eclipse Small Cap Value	B	-0.4%	15.6%	16.9%	51 Royce Premier	H	-6.2	-1.0	2.9
2 CGM Focus	B	-5.8	12.9	30.5	52 Dodge & Cox Stock	H	-5.0	-0.5	-1.2
3 Yacktman Fund	B	-0.4	8.6	22.4	53 Bonnel Growth Fund	H	-4.8	0.1	-3.4
4 Baron Small Cap	B	-2.7	11.7	11.4	54 Dreyfus New Leaders	H	-5.3	0.6	-6.3
5 T. Rowe Price Small-Cap Value	B	-4.5	10.8	15.2	55 Royce Low Priced Stock	H	-9.0	-1.5	4.2
6 Berwyn Fund	B	-4.8	10.9	15.2	56 Third Avenue Value	H	-7.6	-0.5	-0.6
7 Fidelity Low Priced Stock(closed)	B	-3.3	8.2	17.3	57 American Century Value	H	-5.4	-2.7	1.4
8 Wasatch Small Cap Value(closed)	B	-5.1	10.7	12.8	58 Oakmark Select(closed)	H	-6.3	-2.1	0.6
9 Aegis Value Fund	B	-0.8	6.5	16.7	59 T. Rowe Price Small Cap Stock	H	-6.6	-2.2	1.1
10 ICM/Isabelle Small Cap Value	B	-2.0	12.9	1.9	60 Salomon Brothers Opportunity	H	-4.3	-0.5	-7.4
11 Fidelity Fifty+	B	-3.6	12.3	4.4	61 Mutual Qualified(1%)CIZ	H	-6.1	-0.2	-5.3
12 RS Partners	B	-3.2	10.7	6.1	62 Mutual Beacon(1%)CIZ	H	-6.1	-0.3	-5.8
13 Ariel Fund	B	-4.6	8.0	12.9	63 Mutual Shares(1%)CIZ	H	-5.5	-0.6	-6.3
14 Neuberger Berman Fasciano Inv	B	-5.1	7.0	8.9	64 Westport Small Cap R	H	-5.7	-2.6	-1.6
15 Longleaf Partners Smallcap	B	-5.6	8.8	5.1	65 T. Rowe Price Equity-Income	S	-5.8	-2.0	-4.3
16 Vanguard Small-Cap Value Index	B	-5.9	6.4	9.8	66 Tweedy, Browne American	S	-5.6	-1.3	-6.9
17 Vontobel U.S. Value	B	-3.3	6.6	5.2	67 Muhlenkamp Fund	S	-9.3	-0.5	-3.6
18 Royce Total Return	B	-4.6	6.1	8.2	68 Marsico Growth & Income	S	-4.3	-0.4	-11.5
19 Heartland Value	B	-3.5	5.2	8.2	69 Vanguard Mid-Cap Index+	H	-7.6	-1.7	-3.3
20 T. Rowe Price New Era	B	-4.1	8.3	0.6	70 Dreyfus Mid Cap Index	S	-7.6	-1.9	-3.8
21 Neuberger Berman Genesis	B	-5.0	5.4	9.2	71 Oakmark Fund	S	-7.4	-2.5	-2.7
22 T.Rowe Price Mid Cap Value	B	-6.2	5.3	10.3	72 Strong Discovery+	S	-5.2	-2.7	-7.1
23 Boston Ptnrs Smlcap Val	B	-4.6	3.7	11.1	73 American Century Vista	S	-1.9	-2.5	-16.1
24 T. Rowe Price Cap Appreciation	H	-4.0	4.5	4.4	74 Vanguard SmallCap Index+	S	-6.8	-4.0	-5.3
25 CRM Small Cap Value Inv	B	-5.5	3.7	8.3	75 Strong Multi-Cap Value	S	-9.0	-3.1	-6.1
26 Royce Penn Mutual+(1%)	B	-5.2	3.8	7.0	76 Vanguard Windsor II	S	-6.1	-3.2	-10.3
27 Fidelity Value	H	-5.1	4.8	4.1	77 Vanguard Convertible Securities	S	-3.4	-6.0	-8.0
28 Ariel Appreciation	B	-5.5	3.7	7.2	78 MSI Small Cap Value(closed)	S	-6.1	-4.0	-9.3
29 Wasatch Core Growth+(closed)	B	-6.1	4.4	3.7	79 Vanguard Equity-Income	S	-6.3	-4.7	-7.7
30 Baron Growth	B	-4.5	1.6	8.1	80 Liberty-SteinRoe Capital Oppor-	S	-5.0	-3.3	-13.1
31 Strong Mid Cap Disciplined	H	-4.0	1.3	8.0	81 Fidelity Independence(ret.only)	S	-7.0	-2.8	-11.9
32 Babson Value	H	-4.6	5.6	-2.3	82 American Century Heritage	S	-6.0	-1.8	-17.0
33 Oakmark Small Cap	B	-7.4	3.6	6.5	83 Federated Kaufmann Fund+	S	-6.1	-5.8	-7.4
34 Royce Opportunity+	B	-8.1	4.5	4.6	84 Sound Shore	S	-8.1	-4.8	-8.1
35 Loomis Sayles Small Cap Value	B	-5.4	1.8	7.2	85 Liberty-SteinRoe Balanced	S	-5.0	-6.3	-10.6
36 Clipper Fund	H	-5.0	1.4	7.2	86 Loomis Sayles Value	S	-7.4	-4.7	-11.5
37 CRM Mid Cap Value Ins	B	-5.8	1.0	8.0	87 Gabelli Asset	S	-8.2	-5.0	-9.6
38 Third Avenue Small-Cap Value	H	-5.1	1.8	2.8	88 Fidelity Convertible Securities	S	-5.5	-6.8	-9.7
39 American Century Equity Income	H	-3.4	-0.4	4.8	89 Fidelity Equity-Income	S	-7.2	-5.3	-11.3
40 Fidelity Small Cap Ind.(1.5%	H	-6.9	-0.6	10.3	90 Harbor Value	S	-10.0	-5.2	-7.9
41 Boston Partners Mid Cap Value	H	-5.9	2.1	2.1	91 Scudder Large Co Value	S	-6.7	-4.7	-14.6
42 Bogle Small Cap Growth(closed)	H	-5.6	1.1	3.4	92 Vanguard Extended Market	S	-7.5	-6.2	-10.0
43 State Street Mid-Cap Value	H	-7.3	1.0	4.3	93 Legg Mason Special Investment	S	-9.2	-4.8	-11.1
44 Meridian Fund	H	-5.3	-1.1	5.5	94 Selected Special Shares	S	-8.0	-4.9	-13.2
45 Longleaf Partners	H	-5.5	1.0	-0.4	95 Fidelity Equity-Income II	S	-6.5	-6.7	-11.7
46 Homestead Value	H	-4.3	0.6	-1.6	96 Buffalo Small Cap (closed)	S	-13.1	-8.0	1.1
47 Fidelity Contrafund(3%)	H	-3.4	0.9	-3.8	97 CS Warburg Pincus Value	S	-7.1	-6.7	-13.4
48 Baron Asset	H	-3.3	-0.4	-0.7	98 T. Rowe Price Dividend Growth	S	-6.9	-8.1	-10.7
49 Berger Mid Cap Value	H	-5.8	-0.6	2.0	99 MSI Value Portfolio	S	-9.5	-7.1	-9.7
50 Marsico Focus	H	-3.4	2.1	-8.7	100 Fidelity Disciplined Equity	S	-6.2	-7.6	-14.3

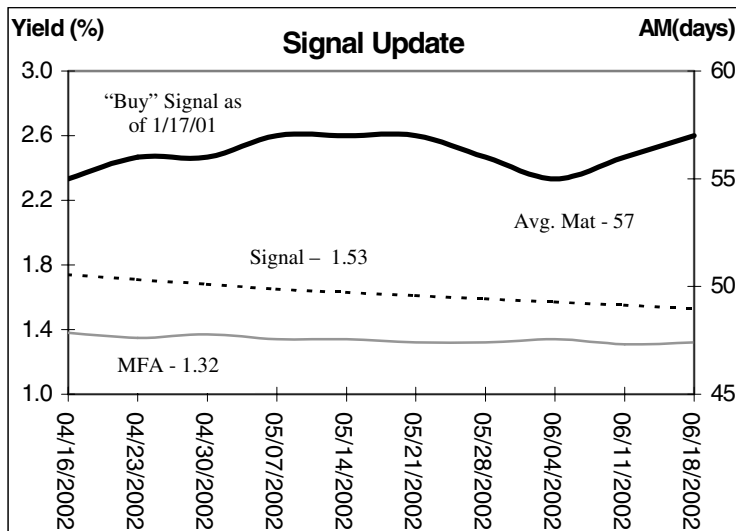
DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 6/21/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 T.Rowe Price Mid Cap Growth	S	-7.6	-8.7	-9.6	151 Scudder Growth & Income	S	-8.7	-13.9	-20.0
102 Selected American Shares	S	-6.7	-7.9	-13.1	152 T. Rowe Price New Horizons	S	-10.2	-15.2	-14.5
103 UMB Scout Stock	S	-6.5	-9.0	-10.7	153 Dreyfus Growth & Income	S	-9.1	-13.9	-19.5
104 Preferred Value	S	-6.8	-7.7	-14.3	154 Oberweis Emerging Growth+	S	-7.1	-15.5	-18.9
105 Fidelity Growth & Income(3%)	S	-5.5	-9.3	-13.9	155 CS Warburg Pincus Emerging	S	-8.1	-14.9	-19.6
106 INVESCO Value Equity	S	-7.3	-8.3	-14.0	156 WPG Tudor	S	-7.0	-15.5	-20.5
107 Neuberger Berman Partners	S	-8.7	-8.2	-12.6	157 Strong Opportunity+	S	-11.7	-13.7	-18.0
108 Fidelity New Millennium(3%)	S	-7.1	-9.3	-12.4	158 T. Rowe Price Growth Stock	S	-9.1	-15.2	-18.5
109 Dreyfus Appreciation	S	-7.0	-8.6	-14.3	159 Fidelity Magellan(3%)	S	-8.6	-14.6	-20.9
110 INVESCO Core Equity	S	-7.3	-8.4	-15.8	160 Safeco Growth Opportunities+	S	-10.0	-16.4	-14.9
111 Janus Venture (closed)	S	-8.4	-8.8	-13.8	161 RS Value+Growth+	S	-7.3	-14.3	-24.5
112 Neuberger Berman Guardian	S	-8.4	-9.2	-13.5	162 Janus Special Situation	S	-12.9	-11.8	-22.8
113 Vanguard Value Index	S	-7.0	-8.1	-18.4	163 Columbia Common Stock	S	-8.6	-14.5	-22.6
114 Columbia Special+	S	-5.6	-10.0	-16.2	164 Strong Growth	S	-7.3	-14.1	-26.6
115 Weitz Value Fund	S	-8.4	-9.1	-14.4	165 Vanguard/Morgan Growth+	S	-9.1	-14.7	-22.5
116 American Century Income &	S	-7.3	-9.6	-15.0	166 Legg Mason Value	S	-10.0	-13.1	-25.3
117 Vanguard Windsor	S	-8.7	-10.7	-12.5	167 Northeast Investors Growth	S	-9.3	-15.0	-21.5
118 Wasatch Small Cap Growth+	S	-10.1	-13.8	-2.7	168 SIT Small Cap Growth+	S	-9.0	-14.9	-23.2
119 Janus Growth & Income	S	-7.1	-9.6	-17.8	169 William Blair Growth	S	-11.7	-14.8	-19.4
120 Nicholas Fund	S	-8.0	-10.4	-14.5	170 Needham Growth Fund	S	-12.3	-15.7	-16.7
121 TCW Galileo Value Opportunity	S	-13.3	-11.9	-2.8	171 Montgomery Small Cap	S	-7.6	-15.5	-25.8
122 Nicholas II	S	-8.1	-11.4	-12.5	172 Gintel Fund	S	-13.6	-9.3	-32.7
123 American Century Equity Growth	S	-6.5	-10.7	-17.3	173 WPG Large Cap Growth	S	-10.0	-15.4	-22.8
124 Vanguard Explorer+	S	-9.4	-11.5	-10.8	174 Dreyfus-Founders Discovery	S	-9.8	-16.5	-22.1
125 Strong Advisor Common Stock	S	-9.9	-11.0	-12.8	175 Vanguard PRIMECAP(\$25,000)	S	-11.4	-16.1	-21.2
126 American Century Ultra+	S	-7.2	-10.6	-17.9	176 Janus Twenty(closed)	S	-4.9	-17.2	-28.6
127 Artisan Midcap+(closed)	S	-7.7	-12.0	-13.9	177 Fidelity OTC Portfolio+	S	-9.8	-16.8	-22.4
128 Thompson Plumb Growth	S	-12.5	-12.4	-5.6	178 American Century Growth+	S	-9.5	-17.3	-22.4
129 Dreyfus Fund	S	-7.9	-11.3	-16.0	179 Fidelity Blue Chip Growth	S	-9.3	-17.0	-23.5
130 PBHG Small Cap Value	S	-9.2	-12.5	-10.9	180 Vanguard Growth Index +	S	-9.8	-18.1	-20.3
131 Dreyfus Premier Aggressive	S	-7.3	-9.7	-21.1	181 Galaxy Equity Growth(3.75%)	S	-10.3	-16.5	-24.1
132 Dreyfus Growth Opportunity	S	-7.3	-11.4	-16.8	182 Strong Growth 20+	S	-6.5	-16.6	-29.9
133 Fidelity Capital Appreciation	S	-9.6	-10.5	-17.2	183 Liberty-SteinRoe Growth Stock	S	-7.7	-17.0	-27.2
134 Galaxy Equity Value(3.75%)	S	-9.9	-11.6	-14.3	184 Montgomery Growth	S	-8.7	-17.2	-25.3
135 Salomon Brothers Investors	S	-11.0	-10.7	-15.0	185 MSI Midcap Growth	S	-8.8	-16.2	-28.3
136 Schwab 1000 Fund	S	-8.1	-11.9	-17.9	186 INVESCO Small Company	S	-8.4	-17.9	-24.8
137 Vanguard Growth & Income	S	-8.2	-12.1	-18.1	187 Babson Growth+	S	-10.1	-16.9	-24.9
138 Domini Social Equity Fund +	S	-8.7	-12.2	-17.6	188 Fidelity Mid-Cap Stock+	S	-11.7	-16.8	-23.5
139 USAA Growth & Income	S	-9.0	-12.4	-17.0	189 Janus Fund	S	-10.4	-15.1	-29.8
140 Salomon Brothers Capital(closed)	S	-11.1	-11.9	-15.9	190 Safeco Equity	S	-10.2	-18.3	-22.1
141 Fidelity Fund	S	-7.3	-12.5	-20.2	191 USAA Aggressive Growth	S	-9.0	-16.8	-28.1
142 Fidelity Trend	S	-7.5	-13.0	-19.3	192 Strong Large Cap Growth	S	-7.8	-18.1	-27.2
143 T. Rowe Price Growth & Income	S	-9.4	-13.6	-15.5	193 PBHG Growth+	S	-8.0	-16.4	-33.2
144 Fidelity Dividend Growth	S	-9.0	-13.5	-16.6	194 T. Rowe Price New America	S	-9.5	-19.2	-24.1
145 MSI Mid Cap Value	S	-8.9	-13.3	-17.4	195 Preferred Growth	S	-10.2	-18.4	-25.5
146 Vanguard 500 Index	S	-8.3	-13.1	-19.0	196 Dreyfus Premier Third Century	S	-10.7	-17.4	-27.3
147 Fidelity Stock Selector	S	-7.7	-13.7	-18.5	197 Harbor Capital Appreciation+	S	-10.2	-18.7	-25.1
148 Fidelity Spartan 500 Index	S	-8.3	-13.1	-19.1	198 Janus Enterprise+	S	-7.4	-17.9	-31.4
149 American Century Select+	S	-7.5	-13.0	-20.7	199 Galaxy Small Co. Equity(3.75%)	S	-11.7	-20.5	-21.6
150 Legg Mason Opportunity Trust	S	-15.2	-8.9	-21.7	200 Neuberger Berman Manhattan	S	-10.4	-18.5	-28.9

International Stock Funds — data as of 6/21/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Oakmark Intl Small Cap(closed)	B	-4.9%	15.2%	17.7%	36 Scudder Global	S	-5.8	-2.8	-13.6
2 Matthews Asia Growth&Income	H	-3.4	13.4	17.8	37 Schwab International Index	S	-6.5	-2.4	-15.1
3 Matthews Pacific Tiger	B	-5.9	13.8	9.5	38 Scudder International	S	-6.2	-2.5	-17.3
4 T. Rowe Price New Asia	B	-4.2	12.0	6.4	39 Fidelity Overseas	S	-6.0	-3.5	-15.3
5 Fidelity SE Asia(3%&1.5%r<90d)	B	-7.0	12.4	8.2	40 Scudder Global Discovery	S	-7.0	-2.2	-17.7
6 Scudder Pacific Opportunity	B	-4.9	10.0	5.0	41 T. Rowe Price Intl Discovery	S	-3.3	-3.4	-20.6
7 Oakmark International	B	-7.4	9.5	0.3	42 Scudder Latin America	S	-9.6	-2.5	-13.4
8 Preferred International	B	-5.4	8.4	-1.3	43 CS Warburg Pincus Japan	S	-4.7	-1.0	-24.8
9 Fidelity Emerging Mkts(3%&1.5%	B	-8.5	7.7	3.7	44 American Century Intl Growth	S	-5.7	-3.6	-16.8
10 Oakmark Global (2%r)	B	-9.3	5.7	7.9	45 USAA World Growth	S	-7.2	-4.9	-12.3
11 Fidelity Aggressive Intl.	B	-7.5	5.9	4.3	46 Loomis Sayles International	S	-6.2	-3.8	-16.7
12 Julius Baer Intl. Equity A	B	-5.5	5.9	0.7	47 Galaxy International Equity	S	-6.2	-3.6	-17.8
13 Vanguard Emerging Mkts Stock	B	-8.2	6.8	1.3	48 T. Rowe Price Intl Stock	S	-8.2	-4.2	-14.8
14 Harbor International	B	-6.3	6.0	-0.5	49 Vanguard European Stock Index	S	-8.4	-5.0	-13.5
15 Montgomery Emerging Mkts	B	-9.3	5.3	-1.6	50 Fidelity Latin Amer.(3%&1.5%	S	-9.3	-4.0	-14.9
16 Fidelity Pacific Basin(3%&1.5%	B	-7.6	7.3	-9.4	51 Strong International Stock	S	-6.5	-5.7	-18.5
17 Fidelity Diversified International	H	-6.2	2.4	-3.4	52 Babson-Stewart Ivory Intl	S	-7.4	-4.7	-19.9
18 Fidelity International G & I	H	-7.4	3.7	-5.3	53 T. Rowe Price European	S	-9.5	-6.5	-14.4
19 USAA International	H	-6.8	1.4	-4.0	54 Scudder Greater Europe	S	-9.5	-6.3	-19.7
20 Tweedy, Browne Global Value	H	-7.0	1.8	-6.4	55 Janus Overseas(closed)	S	-7.6	-7.5	-20.5
21 Matthews Japan Fund	H	-6.6	7.2	-21.1	56 Fidelity Europe(3%&1%r<90d)	S	-10.7	-9.8	-15.0
22 Vontobel International Equity	H	-5.1	1.6	-10.9	57 Janus Worldwide(closed)	S	-7.6	-9.5	-23.0
23 Lingle Partners International	H	-8.1	0.1	-6.3	58 SIT International Growth	S	-9.3	-14.2	-29.7
24 Vanguard Pacific Stock Index	H	-8.7	4.7	-17.7	59 INVESCO European	S	-10.2	-17.2	-32.2
25 Japan Fund (Scudder)	H	-9.6	6.3	-20.3	60 Payden European Aggressive	S	-13.9	-19.9	-36.1
26 Artisan International	H	-7.2	-2.0	-9.3	_____Domestic Stock Funds (Cont.)				
27 Gabelli Intl. Growth	H	-7.4	-0.7	-12.7	201 Vanguard Capital Opportunity	S	-11.5	-20.7	-25.8
28 T. Rowe Price Japan	S	-8.1	3.5	-23.0	202 Vanguard Growth Equity	S	-10.6	-20.7	-29.2
29 Columbia International Stock	S	-7.5	-1.7	-11.8	203 RS Aggressive Growth+	S	-10.5	-20.7	-29.6
30 Fidelity Japan(3%&1.5%r<90d)	H	-9.4	4.3	-24.1	204 Turner Midcap Growth+	S	-11.3	-20.1	-30.0
31 American Century Global Growth	S	-5.6	-2.3	-13.6	205 Neuberger Berman Focus+	S	-18.7	-17.2	-26.8
32 Investec China & Hong Kong	H	-10.1	0.8	-16.4	206 Scudder Capital Growth AARP	S	-11.7	-20.8	-28.5
33 Vanguard International Growth	S	-7.9	-3.8	-11.1	207 Janus Mercury+	S	-9.6	-20.5	-32.9
34 Scudder International	S	-7.8	-2.3	-15.6	208 Scudder Large Company Growth	S	-11.4	-21.5	-29.7
35 Schwab International Index	S	-8.2	-2.9	-13.4	209 RS Diversified Growth	S	-11.7	-24.1	-23.1



The Signal - For the week ended June 18 iMoneyNet Inc.'s Money Fund Report Averages/All Taxable 7-day yield (MFA) increased by one basis point to 1.32% and the MONEYLETTER Signal dipped by two basis points to 1.53%. The average maturity increased by one day to 57 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, Royce Opportunity, Potomac Small Cap Plus.

Next Issue will be Wednesday, July 3, 2002 by Midnight (ET).