

MONEYLETTER HOTLINE 11/26/02

Allocation Change

We are recommending an increase in the domestic stock allocation for all investors. The increase is straightforward for Venturesome and Moderate investors. The increase is somewhat different for Conservative investors. For Venturesome investors, we are raising the domestic stock allocation to 85% from 70% and reducing the money fund allocation to 15% from 30%. For Moderate investors, we are raising the domestic stock allocation to 65% from 55% and lowering the money fund allocation to 10% from 20%. For Conservative investors we are lowering the money fund allocation from 25% to 15%, while establishing a new 10% allocation for specialty funds.

Here are the changes we will make to the model portfolios. *MONEYLETTER* Venturesome and Moderate: Sell one-half of money fund allocation and purchase Royce Premier Fund. *MONEYLETTER* Conservative: Sell 40% of money fund allocation and purchase Gateway Index Plus Fund (carried in our specialty list). Fidelity Venturesome and Moderate: Sell one-half of money fund allocation and purchase Fidelity OTC Portfolio. Fidelity Conservative: Sell 40% of money fund allocation and purchase Fidelity Balanced Fund (to be added to our specialty list). Vanguard Venturesome and Moderate: Sell one-half of money fund allocation and purchase Vanguard Extended Market Index. Vanguard Conservative: Sell 40% of money fund allocation and purchase Vanguard Balanced Index Fund.

We are increasing our stock allocation because we believe that the bear market has ended. A bull market may not have begun, but the seeds of one are being sown. We may see profit taking in the short-run, but we see higher prices ahead over the next six months. We have been getting something of what we required earlier for reentry into the market. We are seeing positive responses to better economic news, for one. The rally is premised on an improving economy. Also, the profit news, while not sparkling, is improving. Finally, the outlook guidance from firms is generally taking a better tone.

Fund Recommendations – For domestic stock funds, there is one new buy: Oberweis Emerging Growth. There are four new holds: Dreyfus New Leaders, Janus Twenty, SteinRoe Balanced, and Fidelity Contrafund. There is one new sell: Marsico Focus. There are no changes for international funds.

The Select Portfolio – There is a new sell for this portfolio: Axa Rosenberg Value, Long/Short. The fund is to be switched into Fidelity Select Multimedia. Multimedia carries a 3% load.

MONEYLETTER HOTLINE 11/22/02

Profit News Front and Center

This has been a critical and very positive week for the market, both in the action of the market itself and the flow of economic news. The market, it is obvious, is acting well and responding to good news again. Profit news is still the dominant force moving the market, and this week we had good news from Hewlett-Packard to spur the market on. But even where the profit news was less than sterling many stocks managed to move ahead. That is a very good sign. It means investors are lifting their horizon somewhat and are looking ahead. This is what the market normally does. We saw a confirmation of this yesterday, as the economic news was positive and the market rallied sharply. When was the last time that happened?

The pins are falling into place. Skepticism remains strong, especially among the technicians we look at. The market is undoubtedly overbought in the short-run, and it would not surprise us to see some profit-taking occurring soon. But we believe, backed by the way the economy is behaving, that economic recovery has taken hold. The profit news will only improve. We have only turned the corner, and for a while the news will be mixed. But the upswing is here, and we will not ignore it.

There is no change in our recommended allocations.

Fund Recommendations – For domestic stock funds, there are three new buys: Royce Premier, Liberty-SteinRoe Balanced and Wasatch Small Cap Growth (the fund is closed). There is one new sell: Marsico Growth & Income.

The Economy – We were particularly impressed by the Philadelphia Fed's positive news on activity in that region. We find this a very useful survey, and it usually points to the national trend. The latest unemployment news was also positive, and we were waiting to see if the positive trend would be confirmed. It was. We expect a gradually improving economy.

The Stock Market – One major development this week was that firms were able to raise money. Some IPOs ended the week at premiums. We have been told by one money manager we interviewed that money is flowing again to the battered telecom sector. We are encouraged by all these developments. We continue to look for higher prices 6-9 months from now.

The Select Portfolio – There are no changes to the Select Portfolio.

Domestic Stock Funds — data as of 11/22/02

Fund	Advice	1 month	6 month	1 year		Advice	1 month	6 month	1 year
1 Yacktman Fund	B	7.5%	2.8%	18.7%	51 Weitz Value Fund	H	8.8	-13.4	-11.0
2 Royce Special Equity (1%r<180d)	H	3.1	-5.9	22.8	52 Bonnel Growth Fund (.25%)	H	7.9	-15.1	-5.8
3 Hussman Strategic Growth (1.5%)	B	-2.3	-1.0	13.7	53 T. Rowe Price Equity-Income	H	6.3	-13.2	-8.3
4 Aegis Value Fund	B	5.3	-3.7	7.7	54 WPG Tudor	H	12.0	-13.5	-16.5
5 AXARosenberg Value L/S (2%)	B	-11.0	1.8	16.2	55 Selected Special Shares	H	9.3	-14.6	-10.3
6 Fidelity Fifty (.75%r<30d)	B	8.6	-8.7	12.2	56 Westport Small Cap R	H	5.4	-14.1	-6.0
7 Legg Mason Special Investment	B	8.7	-6.5	4.2	57 Northeast Investors Growth	H	5.2	-10.4	-14.9
8 Royce Premier (1%r<180d)	B	9.8	-8.7	2.3	58 Vanguard Strategic Equity	H	4.6	-13.8	-5.8
9 RS Partners	B	6.9	-9.7	7.2	59 WmBlair S-C Growth N (1%)	H	6.2	-15.5	-4.1
10 American Century Equity Income	B	4.3	-6.1	-0.3	60 Fidelity Trend	H	5.5	-11.1	-14.2
11 T. Rowe Price Cap Appreciation	B	3.8	-7.0	2.7	61 Preferred Value	H	4.3	-11.4	-11.8
12 Clipper Fund	B	7.6	-8.6	0.0	62 Nicholas II	S	4.6	-11.9	-11.2
13 Royce Total Return (1%r<180d)	B	5.6	-10.0	6.3	63 Fidelity Capital Appreciation	S	7.6	-14.0	-10.5
14 Neuberger Berman Genesis	B	3.5	-9.8	5.6	64 Baron Growth	S	2.5	-14.7	-1.2
15 Vontobel U.S. Value (2%r<90d)	B	-0.9	-7.1	4.0	65 Baron Small Cap	H	2.9	-17.1	4.1
16 Third Avenue Small-Cap Value	H	13.0	-13.0	-2.6	66 Legg Mason Opportunity Trust	S	13.9	-17.5	-11.4
17 Vanguard Convertible Securities	B	3.1	-5.6	-8.3	67 Vanguard Extended Market	S	7.4	-14.6	-9.1
18 Fidelity L P Stock (3%&1.5%)	B	6.1	-12.3	3.4	68 Fidelity Stock Selector	H	4.7	-10.8	-14.5
19 T. Rowe Price S-C Value	H	7.8	-13.8	4.4	69 Vanguard Cap Opp	S	12.2	-13.2	-19.8
20 Oberweis Emerging Growth	B	12.1	-10.1	-11.6	70 Janus Twenty(closed)	H	1.6	-6.8	-19.9
21 Strong Advisor Common Stock	H	11.9	-11.4	-8.4	71 Stein Roe Balanced	H	2.2	-10.8	-11.4
22 Fidelity Equity-Income II	B	7.7	-9.3	-7.6	72 Salomon Brothers Investors	S	11.8	-15.3	-14.4
23 Strong Discovery	B	4.5	-9.3	-3.7	73 Eclipse Small Cap Value	H	1.0	-15.9	3.0
24 Wasatch Small Cap Grth	B	11.6	-11.8	-8.9	74 Fidelity Dividend Growth	H	5.2	-11.6	-14.4
25 Ariel Appreciation	H	6.2	-11.9	-0.6	75 Oakmark Fund	H	6.7	-15.1	-8.3
26 Legg Mason Value	H	8.2	-8.8	-12.7	76 Artisan Midcap(closed)	S	8.2	-13.8	-14.0
27 Dodge & Cox Stock	H	7.0	-11.6	-4.4	77 Mutual Shares(1%)CIZ	H	2.3	-13.0	-7.4
28 Fidelity New Millennium (3%)	H	8.3	-11.1	-7.6	78 Vanguard Mid-Cap Index	S	5.4	-15.9	-6.0
29 Longleaf Partners	H	3.6	-11.6	0.5	79 Domini Social Equity Fund	S	5.4	-12.5	-14.7
30 Royce Penn Mutual(1%r<180d)	H	8.8	-14.7	0.4	80 T.Rowe Price Mid Cap Growth	S	7.5	-15.1	-11.5
31 MSI Small Cap Value(closed)	H	7.7	-12.0	-5.2	81 Dreyfus Mid Cap Index	S	5.3	-16.1	-6.4
32 Fidelity OTC Portfolio	H	8.6	-9.8	-12.5	82 American Century Equity Growth	S	4.7	-12.3	-14.9
33 Ariel Fund	H	4.1	-13.0	2.1	83 Vanguard PRIMECAP	S	9.4	-14.5	-16.6
34 T.Rowe Price Mid Cap Value	H	6.6	-14.2	1.1	84 Strong Growth	S	4.5	-11.8	-16.5
35 Fidelity Convertible Securities	H	5.7	-10.1	-8.4	85 American Century Income &	S	5.3	-13.4	-13.7
36 Heartland Value (1%r<90d)	H	10.4	-15.8	-2.4	86 Vanguard SmallCap Index	S	10.4	-18.0	-9.9
37 Strong Mid Cap Disciplined	H	6.4	-13.4	-2.7	87 Scudder Development	S	13.5	-14.8	-22.8
38 Gabelli Asset	H	7.6	-12.8	-6.4	88 Fidelity Contrafund (3%)	H	-2.5	-11.9	-6.2
39 Thompson Plumb Growth	H	13.4	-14.5	-10.7	89 T. Rowe Price New Horizons	S	10.3	-16.3	-14.2
40 American Century Value	H	5.6	-11.8	-6.3	90 T. Rowe Price Growth Stock	S	4.0	-11.8	-16.2
41 Berger Mid Cap Value	H	7.5	-13.8	-4.2	91 Vanguard/Morgan Growth	S	5.0	-12.6	-15.9
42 Oakmark Small Cap (2%r<90d)	H	11.3	-18.3	1.2	92 Loomis Sayles Small Cap Value	S	4.9	-16.8	-5.4
43 TCW Galileo Aggressive Growth	H	16.3	-12.1	-22.2	93 RS MidCap Opportunities	S	7.9	-13.4	-18.4
44 Oakmark Select(closed) (2%)	H	4.8	-11.8	-6.0	94 Berwyn Fund (1%r<180d)	S	4.9	-18.5	-1.3
45 Meridian Fund	H	7.0	-13.8	-4.4	95 Fidelity Growth Company	S	12.0	-13.3	-25.1
46 Fidelity Value	H	7.9	-15.2	-2.6	96 Selected American Shares	S	3.1	-12.9	-12.9
47 Dreyfus New Leaders	H	2.6	-12.4	-2.5	97 USAA Growth & Income	S	5.9	-13.6	-15.4
48 Homestead Value	H	5.1	-12.7	-5.5	98 Mutual Beacon(1%)CIZ	H	2.0	-14.3	-8.1
49 T. Rowe Price Small Cap Stock	H	7.8	-14.8	-4.5	99 T. Rowe Price Dividend Growth	S	4.0	-13.6	-13.3
50 Longleaf Partners Smallcap	H	5.5	-15.1	-0.9	100 Janus Mercury	S	5.4	-11.1	-21.6

DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 11/22/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 Fidelity Equity-Income	S	5.6	-15.1	-12.1	151 SIT Small Cap Growth	S	6.2	-15.2	-19.5
102 Royce Low Priced Stock (1%	S	11.9	-21.0	-7.0	152 CRM Mid Cap Value Inv	S	3.4	-18.8	-6.3
103 Neuberger Berman Fasciano Inv	S	1.9	-16.7	-2.6	153 Fidelity Blue Chip Growth	S	3.9	-13.8	-19.8
104 Sound Shore	S	6.2	-15.7	-11.6	154 Salomon Brothers Opportunity	S	1.4	-15.9	-10.8
105 WPG Large Cap Growth	S	7.8	-13.8	-18.9	155 TCW Galileo Value Opportunity	S	15.8	-22.5	-16.1
106 Royce Opportunity (1%r<180d)	S	14.8	-23.2	-6.1	156 Fidelity Independence(ret.only)	S	3.3	-16.7	-11.8
107 Vanguard Explorer	S	9.3	-17.1	-13.1	157 Turner Midcap Growth	S	8.6	-16.1	-21.4
108 Schwab 1000 Fund (.75%r<180d)	S	4.8	-13.4	-15.6	158 American Century Ultra	S	2.5	-14.7	-16.2
109 RS Aggressive Growth	S	11.4	-15.7	-19.6	159 Fidelity Aggressive Growth	S	16.5	-15.8	-34.7
110 Vanguard Growth Index	H	3.8	-11.8	-18.1	160 American Century Vista	S	-0.7	-14.1	-13.1
111 Third Avenue Value	S	8.2	-18.0	-9.6	161 T. Rowe Price Growth & Income	S	4.9	-15.4	-18.4
112 Needham Growth Fund (.75%	S	19.3	-20.0	-21.4	162 Dreyfus Growth & Income	S	4.6	-15.4	-18.1
113 Boston Partners Mid Cap Value	S	6.1	-17.6	-7.8	163 Bogle Small Cap Growth(closed)	S	5.0	-19.3	-9.0
114 Scudder Large Co Value	S	4.8	-14.8	-12.9	164 American Century Select	S	2.7	-14.3	-18.5
115 INVESCO Core Equity	S	5.0	-14.5	-14.3	165 Tweedy, Browne American	S	4.6	-17.6	-13.1
116 Loomis Sayles Value	S	4.8	-15.4	-12.4	166 Montgomery Growth	S	3.9	-14.2	-21.2
117 Mutual Qualified(1%)CIZ	S	2.6	-15.5	-8.8	167 Strong Opportunity	S	10.6	-19.2	-18.6
118 T. Rowe Price New Era	S	1.4	-17.3	-2.5	168 Strong Large Cap Growth	S	4.2	-13.8	-22.8
119 Vanguard 500 Index	S	4.7	-13.5	-16.9	169 Strong Growth 20	S	2.2	-13.6	-20.5
120 Fidelity Spartan 500 Index	S	4.7	-13.6	-16.9	170 ICM/Isabelle Small Cap Value	S	9.2	-24.0	-5.1
121 Vanguard Growth & Income	S	3.9	-13.6	-15.7	171 Baron Asset	S	5.3	-19.4	-10.9
122 CRM Small Cap Value Inv	S	5.9	-19.2	-4.8	172 RS Emerging Growth(closed)	S	13.0	-17.8	-27.0
123 Vanguard U.S. Value	S	4.7	-16.7	-9.6	173 Fidelity Mid-Cap Stock (.75%	S	7.4	-17.9	-19.0
124 Vanguard Equity-Income	S	3.6	-15.0	-12.3	174 William Blair Growth (1%r<60d)	S	5.1	-17.1	-17.8
125 Fidelity Fund	S	3.4	-13.3	-16.2	175 Safeco Equity	S	5.0	-15.4	-22.0
126 T. Rowe Price New America	S	7.4	-13.9	-21.1	176 Muhlenkamp Fund	S	6.8	-21.7	-9.0
127 UMB Scout Stock	S	3.8	-14.2	-15.0	177 Janus Enterprise	S	3.4	-14.3	-22.8
128 Salomon Brothers Capital(closed)	S	14.3	-19.1	-18.7	178 PBHG Emerging Growth(closed)	S	19.7	-19.4	-34.6
129 Janus Growth & Income	S	3.5	-13.9	-15.5	179 Columbia Special	S	0.3	-15.0	-16.6
130 Dreyfus Fund	S	4.3	-14.3	-16.0	180 Vanguard Growth Equity	S	5.4	-15.2	-23.9
131 Fidelity Magellan (3%)	S	3.8	-13.2	-18.0	181 Marsico Focus	S	-3.7	-15.3	-10.2
132 Fidelity Disciplined Equity	S	0.8	-13.5	-13.2	182 INVESCO Dynamics	S	8.8	-17.4	-24.0
133 American Century Heritage	S	2.4	-15.9	-10.0	183 Galaxy Equity Growth (3.75%)	S	4.2	-16.1	-20.5
134 Fidelity Growth & Income(3%)	S	-0.1	-12.4	-14.9	184 MSI Mid Cap Value	S	8.9	-19.0	-20.4
135 Dreyfus Growth Opportunity (2%	S	3.6	-14.0	-16.6	185 Marsico Growth & Income	S	-3.4	-15.4	-11.1
136 Vanguard Value Index	S	5.8	-15.5	-16.2	186 State Street Mid-Cap Value	S	7.2	-21.9	-11.0
137 RS Value+Growth	S	5.3	-13.9	-19.5	187 Nicholas Fund	S	0.4	-15.9	-16.0
138 Columbia Common Stock	S	5.4	-14.3	-18.8	188 Babson Growth	S	3.5	-16.0	-20.4
139 Stein Roe Capital Opportunities	S	0.3	-15.2	-9.1	189 SIT Large Cap Growth	S	3.0	-13.6	-26.1
140 Vanguard Windsor II	S	4.6	-16.6	-12.3	190 Scudder Capital Growth AARP	S	4.0	-15.4	-23.2
141 Boston Ptnrs Smlcap Val	S	6.8	-20.4	-6.1	191 Harbor Value	S	2.9	-19.0	-13.3
142 Buffalo Small Cap	S	12.5	-21.9	-11.1	192 Janus Fund	S	2.5	-16.1	-20.1
143 Federated Kaufmann Fund(0.2%)	S	1.4	-15.4	-10.8	193 MSI Midcap Growth	S	5.0	-16.9	-21.6
144 Dreyfus Appreciation	S	0.6	-13.3	-14.7	194 Neuberger Berman Partners	S	5.6	-19.0	-17.3
145 Vanguard Windsor	S	5.5	-16.1	-15.2	195 Montgomery Small Cap	S	3.2	-16.5	-20.2
146 INVESCO Value Equity	S	4.0	-15.2	-15.2	196 CS Warburg Pincus Value	S	2.6	-17.5	-16.9
147 CRM Mid Cap Value Ins	S	3.4	-18.7	-6.0	197 CS Warburg Pincus Emerging	S	5.6	-18.0	-20.7
148 Scudder Growth & Income	S	3.0	-13.7	-17.6	198 Dreyfus Premier Aggressive	S	0.7	-17.3	-15.2
149 American Century Growth	S	4.4	-13.7	-20.1	199 Scudder Large Company Growth	S	3.1	-14.9	-24.7
150 Vanguard Small-Cap Value Index	S	6.7	-21.6	-4.0	200 CS Warburg Pincus Capital	S	3.3	-14.8	-25.9

DOMESTIC STOCK FUNDS

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