

April 2001

SURVIVOR

PAST

Survivor. Sounds like a good title for a television series, but more accurately, describes your portfolio. You did more than survive. In fact, you did quite well last quarter and especially the previous twelve months. During the first quarter, the Standard & Poor's declined 11.9% and for the prior year lost 21.7% (the NASDAQ plunged a sickening 60%!).

We are gratified that our investors sidestepped the pain and huge losses that afflicted most investors during the past year. We hope you are as pleased as we are with these results.

You profited during the worst twelve month stock market decline in 25 years!

PRESENT

About one year ago we presented a checklist for conservative investors that would signal to us that it was time to change our tactics from playing defense to putting your offensive team back on the field. This checklist, after protecting your portfolio through the bear market, has now given us the green light. Today's stock market environment offers, in our opinion, the most favorable conditions for conservative investors since the 1990 recession. It has been a long time since conservative investors could put capital to work without taking excessive risks.

A Checklist for Moving Defense to Offense

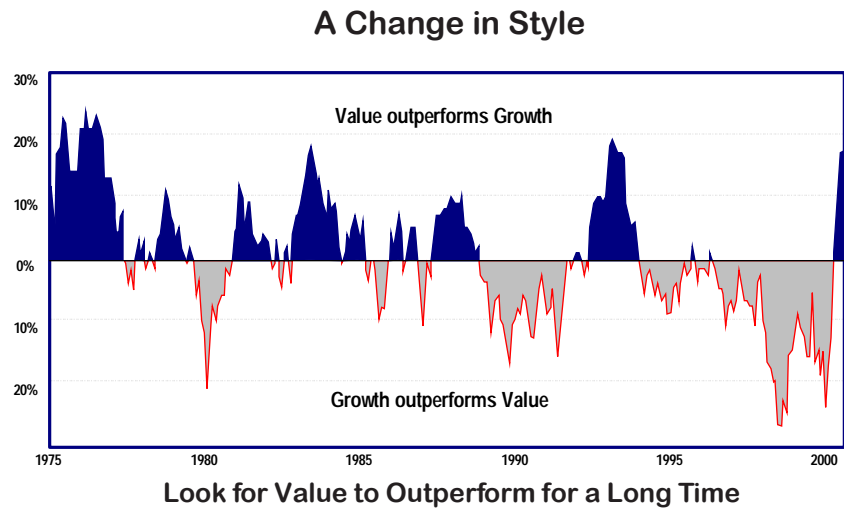
	<i>March 2000</i>	<i>March 2001</i>
Intermediate Model Positive	No	Yes
Fed Monetary Neutral/Positive	No	Yes
Breadth Turning Positive	-	Yes
Tech-Chips-Net Correction <small>(Speculation)</small>	Yes	Yes
Valuations Positive	Yes	Yes

The Checklist Gives the Green Light for Conservative Investors

FUTURE

Changes in the economy, bringing the next business cycle expansion, are providing some great opportunities for you. There are some remnants of the prior speculative mania, so we expect a tricky playing field still, but we believe we have the tools and disciplines to bring profits to your portfolio.

Extreme valuation distortions have been created the past half dozen years. The large growth and especially technology stocks became wildly overvalued and are now suffering the greatest damage. On the other side, there is a universe of thousands of value and neglected companies that are sitting on the bargain shelf. These value stocks will be the beneficiaries of investors looking for real companies with real earnings and growth prospects.



CONCLUSION

You have done extremely well in the most hostile stock market environment in the past quarter century. We hope you are enjoying the security and peace of mind you have earned by choosing a conservative investment plan that has protected your capital during this difficult period. While other less fortunate investors will take years, if ever, recouping their losses, you are positioned and ready to easily establish new benchmark levels of wealth. Thank you for this opportunity to protect and grow your hard earned assets.

P.S. The next time you hear someone voice concerns about their investments or wonder what they should be doing, please ask if they would like us to send information or learn more about the Pring Turner philosophy for conservative investors.