

MARKETIMER SUBSCRIBER BULLETIN

March 11, 2003

DJIA: 7568.18

S & P 500: 807.48

The **Marketimer** long-term stock market timing model has returned to bullish territory for the first time since January of Year 2000. Although additional minor stock market weakness is possible, we believe the market has reached the vicinity of a major cyclical bear market bottom, and the probabilities strongly favor the development of a new cyclical bull market. **Marketimer** projects gains greater than 25%, and possibly much greater than 25%, over the next one-to-three years, as measured by the Standard and Poor's 500 Index. We anticipate gains in the NASDAQ indexes will be significantly greater than gains in the Standard and Poor's 500 Index during the cyclical bull market period. **Marketimer** recommends subscribers return to a 100% fully invested position in the equity portion of all investment portfolios at this time. We recommend investing all stock market cash reserves in order to create the following allocations and weightings in the **Marketimer** model portfolios:

<u>Model Portfolio I</u>	<u>Symbol</u>	<u>New Weightings</u>
Baron Growth Fund	BGRFX	15%
Baron Small Cap Fund	BSCFX	10%
T. Rowe Price European	PRESX	5%
Vanguard International Growth	VWIGX	5%
TIAA-CREF Equity Index	TCEIX	15%
Vanguard Total Stock Market	VTSMX	25%
Rydex OTC Fund	RYOCX	<u>25%</u>
		<u>100%</u>
<u>Model Portfolio II</u>		
Gabelli Asset Fund	GABAX	15%
T. Rowe Price European	PRESX	5%
Dodge & Cox Stock Fund	DODGX	10%
Vanguard International Growth	VWIGX	5%
TIAA-CREF Equity Index	TCEIX	15%
Vanguard Total Stock Market	VTSMX	35%
Rydex OTC Fund	RYOCX	<u>15%</u>
		<u>100%</u>
<u>Model Portfolio III</u>		
Vanguard Inflation Protected	VIPSX	25%
Vanguard Ginnie Mae	VFIIX	25%
T. Rowe Price European	PRESX	2.5%
Dodge & Cox Stock Fund	DODGX	10%
TIAA-CREF Growth & Income	TIGIX	7.5%
Vanguard International Growth	VWIGX	2.5%
Vanguard Total Stock Market	VTSMX	22.5%
Rydex OTC Fund	RYOCX	<u>5%</u>
		<u>100%</u>
<u>Active/Passive Portfolio</u>		
Vanguard Total Stock Market	VTSMX	90%
Vanguard International Growth	VWIGX	5%
T. Rowe Price European	PRESX	<u>5%</u>
(or Vanguard European Index)		<u>100%</u>

Marketimer subscribers who prefer to invest in exchange-traded-funds may substitute VIPERs (VTI) for Vanguard Total Stock Market, and Nasdaq 100 shares (QQQ) for Rydex OTC Fund in the model portfolios.

We are also upgrading Microsoft (MSFT) and Vodafone (VOD) to "buy" ratings as we believe these stocks will participate in the cyclical bull market we anticipate. As always, individual stock recommendations are limited to no more than 4% of equities.

We will update our bullish stock market outlook in the next issue of **Marketimer**.

This Marketimer subscriber bulletin constitutes our judgment and cannot be guaranteed for accuracy. This report is for information purposes only. Copyright © 2003.