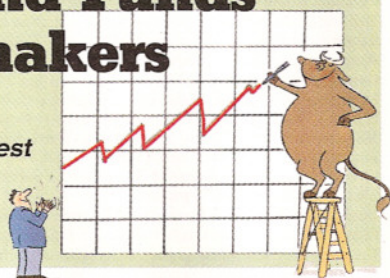


Top investment newsletters agree...

# These Stocks and Funds Are Moneymakers

Mark Hulbert  
The Hulbert Financial Digest



**I**nvestment newsletters that have the top long-term records for picking good investments don't often agree on which stocks and mutual funds are best—so when several of them recommend the same stock or mutual fund, it's worth paying extra attention.

*Bottom Line/Personal* asked Mark Hulbert, editor of *The Hulbert Financial Digest*—which tracks the performances of about 200 newsletters—to identify the stocks and mutual funds that showed up most often in model portfolios of the top-performing newsletters. He narrowed the field to the 41 newsletters that beat the Dow Jones Wilshire 5000 Index for the 10 years ended March 31, 2007.

Here are the stocks and funds that the best investment newsletters like now...

## SUPERSTAR STOCK PICKS

Five stocks were recommended by six newsletters—or more, as noted...

**ConocoPhillips Co. (COP).** Oil exploration and refining. *52-week high:* \$74.89. *Recent share price:* \$70.54.

**General Electric Company (GE).** Manufacturing, finance and media. Recommended by seven newsletters. *52-week high:* \$38.49. *Recent share price:* \$35.38.

**Johnson & Johnson (JNJ).** Health-care and consumer products. Recommended by 10 newsletters. *52-week high:* \$69.41. *Recent share price:* \$62.35.

**Microsoft Corporation (MSFT).** Software giant. *52-week high:* \$31.48. *Recent share price:* \$28.61.

**Pfizer Inc. (PFE).** Pharmaceuticals.

\*52-week highs provide context for recent stock prices.

*52-week high:* \$26.67. *Recent share price:* \$26.43.

## RUNNER-UP STOCK PICKS

Each of these eight stocks was recommended by five newsletters...

**American International Group, Inc. (AIG).** Insurance. *52-week high:* \$72.97. *Recent share price:* \$66.91.

**Citigroup Inc. (C).** Financial services. *52-week high:* \$57. *Recent share price:* \$51.60.

**Exxon Mobil Corporation (XOM).** Oil exploration and refining. *52-week high:* \$79. *Recent share price:* \$77.41.

**FedEx Corporation (FDX).** Delivery services. *52-week high:* \$121.42. *Recent share price:* \$107.91.

**International Business Machines Corporation (IBM).** Information technology and services. *52-week high:* \$100.90. *Recent share price:* \$94.93.

**McDonald's Corporation (MCD).** Fast-food restaurants worldwide. *52-week high:* \$47.92. *Recent share price:* \$47.64.

**The Home Depot, Inc. (HD).** Home-improvement stores. *52-week high:* \$42.01. *Recent share price:* \$37.89.

**The Walt Disney Company (DIS).** Diversified entertainment. *52-week high:* \$36.09. *Recent share price:* \$34.72.

## SUPERSTAR MUTUAL FUND PICKS

Newsletters agreed less often on ▶

*Bottom Line/Personal* interviewed Mark Hulbert, editor of *The Hulbert Financial Digest*, Annandale, Virginia, which provides performance data on the investment strategies recommended by financial newsletters. 12 issues. \$59/yr. by E-mail...\$69/yr. for printed copy. 866-428-6568. [www.marketwatch.com/Hulbert](http://www.marketwatch.com/Hulbert)





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►► mutual funds than on stocks. These three no-load mutual funds won kudos from at least five newsletters...

**Dodge & Cox International Stock Fund (DODFX).** Foreign large-cap value stock fund. *Performance:* 20.8%.\*\*

**Loomis Sayles Bond Fund (LSBRX).** Multisector bond fund. *Performance:* 13.5%.

**Vanguard GNMA Fund (VFIIX).** Intermediate-term government bond fund. *Performance:* 4.8%.

### RUNNER-UP MUTUAL FUND PICKS

Four newsletters agreed on each of these 11 no-load funds...

**Fidelity Floating Rate High Income Fund (FFRHX).** Bank loans. *Performance:* 4.9%.

**Fidelity Select Software and Computer Services Portfolio (FSCSX).** *Performance:* 8.4%.

**Fidelity Select Utilities Growth**

\*\*Performance figures are the funds' five-year annualized returns as of March 31, 2007, unless otherwise noted.

### MORE from Mark Hulbert

## Best Investing Newsletters

There are many different roads to good returns. The top three newsletters pursue widely divergent investment approaches...

**The Buyback Letter Standard Edition** focuses on companies that are buying back their stocks. *Performance:* 16%.\* 12 issues. \$195/yr. 888-289-2225. [www.buybackletter.com](http://www.buybackletter.com)

**Investment Quality Trends** analyzes blue-chip stocks, a relatively conservative approach that reduces volatility. *Performance:* 12.8%. 24 issues. \$310/yr. for printed copy...\$265/yr. for on-line access. 858-459-3818. [www.iqtrends.com](http://www.iqtrends.com)

**NoLoad Fund\*X** explores top-performing mutual funds. *Performance:* 17.5%. 12 issues. \$179/yr. for printed copy and on-line access...\$149/yr. for on-line access only. 800-763-8639. [www.fundx.com](http://www.fundx.com)

Despite their different investment

\*Performance figures are the 10-year annualized returns as of March 31, 2007.

**Portfolio (FSUTX).** *Performance:* 13.7%.

**Fidelity Value Fund (FDVLX).** Midcap value stocks. *Performance:* 13.4%.

**Janus Contrarian Fund (JSVAX).** Large-cap blend (growth and value stocks). *Performance:* 16.1%.

**Oakmark Fund (OAKMX).** Large-cap blend (growth and value stocks). *Performance:* 6%.

**Vanguard High-Yield Corporate Fund (VWEHX).** Bonds. *Performance:* 7.8%.

**Vanguard PRIMECAP Core Fund, (VPCCX).** Large-cap growth stocks. *Performance:* 12% annualized since inception on December 9, 2004.

**Vanguard Short-Term Bond Fund, (VBISX).** *Performance:* 3.6%.

**Vanguard Short-Term Investment-Grade Fund (VFSTX).** Short-term bond fund. *Performance:* 4%.

**Vanguard Wellesley Income Fund (VWINX).** Holds bonds and stocks. *Performance:* 7.3%.

approaches, the top newsletters share a disciplined approach to following a single system of investing. That means adherence even during downturns, when the newsletter's favored system is out of favor. That's crucial because every system will be out of sync with the markets at some points.

In choosing the top investment newsletters, long-term performance—the longer, the better—is key. If you evaluate them for less than 10 years, a few lucky stock picks or a style choice that's temporarily in favor may provide an outsized boost to returns that doesn't last.

Also, instead of measuring simple total return, it's best to gauge risk-adjusted return. Otherwise, a newsletter with volatile picks may impress you with an outstanding performance, but you might not have the stomach for the large up-and-down swings that accompany it.

Of course, when picking a newsletter to follow, it's wise to consider your individual goals and tolerance for ups and downs in the value of your portfolio.