NOLOAD FUND★X

A USER'S GUIDE TO NOLOAD FUND★X

GETTING STARTED

The simplest place to find what funds to buy, what funds to hold, and what funds we suggest selling is the back page (page 16): **FundXpress**. This is the best illustration of how we at DAL Investment Company apply Upgrading to the $1 billion in assets we manage. It reflects our 35 years of experience Upgrading with noload funds and significant research.

FUNDXPRESS: EASY AS 1, 2, 3

Start with Class 3, our best performing class

1. Invest in the funds marked as buys.

Choose funds based on your broker's availability and your expected holding period. We recommend holding funds at least 90 days before Upgrading.

2. Hold these funds as long as they continue to rank as a buy or hold.

3. When a fund moves into Suggested Upgrades, consider selling.

First, consider if you will incur a redemption fee from the fund or from your broker. Taxable accounts should also consider the tax implications of selling a fund.

CLASS 3

	RANK	FUND	TICKER	REDP
Buys	1	Artisan Mid Cap Value	ARTQX	None*
	2	Fairholme Fund (b)	FAIRX	60d:2.0%
	3	Muhlenkamp (b)	MUHLX	30d:2.0%
	4	Constellation Cl Core V	CCEVX	None*
	5	NeubergB Partners (c)	NPRTX	None*
	8	Dodge & Cox Intl Stk	DODFX	None*
	8	Rainier Core Equity	RIMEX	None*
	9	NeubergB Regency (c)	NBREX	None*
	10	Allianz CCM Mid Cap D (b)	PMCDX	60d:2.0%
	11	SPDR Mid Cap (e)	MDY	ETF
	12	ProFunds Mid Cap Value	MLPIX	None*
	13	NeubergB Intl (bc)	NBISX	60d:2.0%
	13	Nicholas Fund	NICSX	None*
	14	Oakmark Intl (bd)	OAKIX	90d:2.0%
	15	Harbor Lg C Val Inst (c)	HAVLX	None*
Holds	16	Sit Large Cap (b)	SNIGX	30d:2.0%
	17	Tweedy Brn Global Val (br)	TBGVX	60d:2.0%
	18	Stratton Growth (b)	STRGX	120d:1.5%
	19	Transam Prem Equity (b)	TEQUX	90d:2.0%
	20	Excelsior Val & Restruc	UMBIX	None*
	40	Oak Value	OAKVX	90d:2.0%
	41	FAM Value	FAMVX	None*
	44	TRowe Price Growth	PRGFX	None*
	45	Cambiar Opportunity	CAMOX	None*
Suggested Upgrades	46	Vanguard US Growth	VWUSX	None*
	47	Gabelli Growth (b)	GABGX	60d:2.0%
	48	Vanguard Windsor II	VWNFX	None*
	49	Vang Growth VIPERs (e)	VUG	ETF
	50	Tocqueville Intl Val (b)	TIVFX	120d:2.0%
	51	Ariel	ARGFX	None*
	52	iShrs Russell 1000 V (e)	IWD	ETF
	53	Julius Baer Intl Eq A (br)	BJBIX	90d:2.0%
	54	iShrs Russell 3000 V (e)	IWW	ETF
	55	TRowe Price Blue Chip	TRBCX	None*
	56	WellsF Adv Opportunity	SOPFX	None*
	57	Marshall Mid Cap Val (b)	MRVEX	30d:2.0%
	58	Penn Mutual (b)	PENNX	180d:1.0%
	59	Yacktman	YACKX	None*
	60	Vang Value VIPERs (e)	VTV	ETF

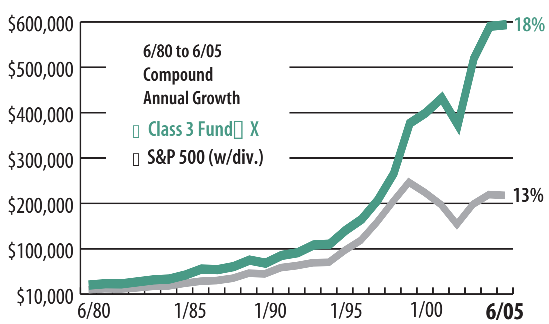
The example of FundXpress above is from June 2005. Refer to the most recent issue to find updated information.

HOW TO CREATE A PORTFOLIO

Invest Primarily in Class 3

We recommend most subscribers keep a core—if not all—of their portfolios invested in Class 3 funds. Class 3 funds have an average level of risk that is appropriate for the core of a portfolio. As a whole, the class has risk similar to the broad market.

NoLoad FundX Class 3 vs S&P 500
Growth of $10,000 from 6/30/80 to 6/30/05



Buy 5 (or More) Funds

Ultimately, number of funds you use depends on how much money you have to invest and how many funds you are comfortable managing. **We believe you should be able to buy at least 5 funds.**

We've found a larger number of funds increases diversification and reduces turnover. You should add more funds to your portfolio if you invest in funds from the more speculative Classes 1 and 2.

Hold Funds 90 Days

We recommend holding funds for at least 90 days before Upgrading. Many subscribers will hold funds longer to avoid paying fund or broker redemption fees.

According to our studies, a portfolio of five Class 3 funds, held to 90 days and then Upgraded based on the back page FundXpress, resulted in a total of five trades a year with nearly 40% of funds held over one year.

Some funds have additional trading restrictions. We list the restrictions of select fund families on page 15 each month but it's still a good idea to double check directly with the fund company because these policies can and do change frequently.

Your Portfolio At-A-Glance

- ★ A core of Class 3 funds
- ★ A least 5 funds
- ★ Funds held a minimum of 90 days

MONTHLY UPGRADER PORTFOLIO

If you want help creating a portfolio, use the MUP on page 2 of the newsletter. You can either follow the MUP or use it as a model to help you set up your own portfolio.

The MUP is an example of how DAL might manage a growth portfolio for one of our client accounts.

Monthly Upgrader Portfolio At-A-Glance

- ★ a core of Class 3 funds, with limited exposure to funds from Classes 1 and 2.
- ★ a holding period of at least 90 days, often much longer, to avoid fees and keep portfolio turnover reasonable.
- ★ limited number of trades per month: portfolio changes are made gradually.
- ★ potential tax benefits.

The MUP isn't tax-managed, but we strive to hold a fund if it is approaching the 12-month mark so that a realized gain can be treated as long-term in a taxable account. Occasionally, this means holding a fund that has dropped into the "Suggested Upgrades" section.

How to Start

We highlight funds in green that are still ranked as a "buy" on the back page FundXpress.

How to Read the MUP

Percentage: How much of the portfolio is invested in each fund. Class 2 positions are kept to 5%, while 10% is put in Class 3 positions.

Initial Purchase: The date we bought a fund. The MUP hold funds a minimum of 3 months.

Bold Type: this shows the newly purchased funds this month.

Example of the Monthly Upgrader Portfolio

Funds are listed first by class and then alphabetically within their Class.

%	Class	Name	Ticker	Initial Purchase
2.8%	1	Icon Energy	ICENX	10/5/04
5.2%	2	Alpine Us Real Estate Y	EUEYX	1/5/05
5.2%	2	Baron Partners	BPTRX	10/5/04
4.7%	2	Excelsior Emg Mkt (b)	UMEMX	12/3/04
5.2%	2	Fidelity Intl Sm Cap (br)	FISMX	11/5/03
6.3%	2	Fidelity Leverg Co (b)	FLVCX	5/5/03
2.8%	2	TRowe Price New Era	PRNEX	9/3/04
9.8%	3	Artisan Mid Cap Val	ARTQX	12/3/04
9.3%	3	Constell Clov Core Val	CCEVX	*5/4/05
11.2%	3	Dodge Cox Intl Stk	DODFX	11/5/03
9.3%	**3**	**Fairholme (b)**	**FAIRX**	**5/4/05**
9.1%	3	iShrs S&P 400 Val (e)	IJJ	6/3/05
10.0%	3	Muhlenkamp (b)	MUHLX	*10/5/04
9.0%	3	NeubergB Intl (bc)	NBISX	4/5/05

Green Bar: Indicates fund ranked "**BUY**" in **FUNDXPRESS**

The example of FundXpress above is from May 2005.
Refer to the most recent issue to find updated information.

FLEXIBLE INCOME PORTFOLIO

The Monthly Flexible Income Portfolio on page 4 of the newsletter is a more conservative portfolio that may be used on its own or in conjuction with equity portfolios such as the MUP. Similar to the flexible income portfolios that DAL manages, this portfolio uses a combination of low volatility Class 4 funds and traditional fixed income funds from Class 5.

The Flexible Income Portfolio At-A-Glance

★ Primary goal is low volatility, rather than total return or monthly income.

★ Focus on net portfolio performance rather than current yield.

★ Less correlation to interest rates than a purely bond portfolio.

★ Invests in a combination of funds from Classes 4 and 5.

Like the Monthly Upgrader Portfolio (MUP), the current portfolio is shown each month along with suggested buys and sells (see example at right).

Flexible Income Strategy

We invest in the areas of fixed income that have the best relative performance and then we compare each fund against its peers.

We also use fixed-income alternatives—funds that are not specifically fixed income, but share similar volatility, especially when used as part of a portfolio.

We select from a sub-set of Class 4 funds that have demonstrated a history of low volatility, and never exceed 30% of the portfolio in these funds.

More aggressive investors may be tempted to buy the top ranked Class 4 funds, and this may result in higher returns. We aim to reduce portfolio volatility by limiting ourselves to the safest funds from this class, and by limiting our exposure to 30% of the overall portfolio in these funds.

These portfolios may not be appropriate for all investors. Your portfolio should reflect your own risk tolerance, time horizon and financial goals.

Example of the Flexible Income Portfolio

%	Name	Ticker	Initial Purchase
20%	Loomis Sayles Bond	LSBRX	8/5/05
15%	Fidelity Cap & Inc (b)	FAGIX	8/5/05
15%	Northeast Inv Trust	NTHEX	8/5/05
4%	Western Asset Core Plus	WACIX	8/5/05
14%	Wells F Adv Ultra St Inc	STADX	8/5/05
3%	Pimco Foreign	PFODX	8/5/05
3%	JP Mrgn Flmg Emg Mkt	JEMDX	8/5/05
4%	Buffalo Balanced (b)	BUFBX	8/5/05
4%	Permanent Portfolio	PRPFX	8/5/05
5%	Fidelity Real Estate Inc (b)	FRIFX	8/5/05
8%	FAM Equity Income	FAMEX	8/5/05
5%	Pimco Commdty Real Ret (b)	PCRDX	8/5/05

The example of FundXpress above is from September 2005. Refer to the most recent issue to find updated information.

HOW WE CLASSIFY FUNDS

Rather than categorizing funds according to investment styles, market capitalization, or other commonly used criteria, we group equity funds into four risk classes, with bond funds grouped into a fifth class.

Our Fund Classes

More Volatile

Classes 1 and 2 contain the most speculative funds. These tend to be sector or country specific funds that may be quite volatile. We recommend using these classes sparingly or setting a specific allocation to these funds.

Class 3, our recommended class, has average risk and our best long term performance record. These funds are appropriate for a core of a portfolio.

Class 4 funds tend to have an income component. These funds usually have lower volatility than the other equity classes. Some subscribers may allocate a portion of their portfolio to these funds in order to lower volatility.

Class 5 is bond funds. We don't rank bond funds like equity funds because there are simply too many variables to make a sensible performance comparision.

Less Volatile

More detailed descriptions of our fund classifications are available online at www.fundx.com.

HOW WE RANK FUNDS

We rank funds by the Fund★X Score. The Score is an average of the 12-, 6-, 3-, and 1-month total returns (columns 8-11). A fund is given a bonus point if its returns are among the top returns of any fund in its class in each of the four performance periods we track.

Because of the bonus points, FundX Scores are weighted against the funds in one class and so the Scores only relevant when comparing funds in the same class.

The CPR does not include bonus points so it can be used to compare funds that are not included in the monthly letter, such as funds in the Supplement or Advisor Sections (see page 7 for more information).

WHAT FUNDS WE COVER & WHY

We don't list all mutual funds. We aim to include funds that are useful to Upgraders. Ideally, a fund in the letter will be:

★ noload

★ open to new investors

★ have a holding period of 180 days or less

★ have a reasonable initial investment

★ be available at most brokers, ideally as No Transaction Fee (NTF) funds

We are limited to the space available in 16 page report.

Changes to the Fund Listings

Our fund listings do change as needed. Funds may close to new investors or new funds may become available. We alert you to these changes in the letter on page 5 and online at www.fundx.com. Past fund changes are archived on www.fundx.com.

TOP 15 FUNDS TABLE

On page 15 each month, we show the Top 15 Funds in Class 3. This table provides more detail on top funds. We provide select broker availability so if you use one of the five brokers listed, you can see at a glance if your broker carries a certain fund and if it is available with or without a transaction fee.

The top 15 table has a column for trading alerts. Here we list any other restrictions a fund may have, in addition to any possible redemption fees.
We also use this space to let you know if there is an alternate ticker for a fund.

Top 15 Funds in Class 3 (Redemption Fees, Share Classes, and Brokerage Availability)

Rank	FX	CPR	Name	Ticker	Description	Assets in Mil$	Med Mkt Cap MM$	Redemption Fee	Trading Alert	Etrade	Fidelity	Schwab	Scotrade	Waterh
1	21.98	39.21	NeubergB Intl (bc)	NBISX	Mid -Large-Cap/Foreign	686	3,471	60 Days 2%	Fidelity/ETrade: NBITX	NTF	NTF	NTF	FEE	NO
2	21.75	38.72	Janus Contrarian	JSVAX	Large-Cap Value	2,800	11,239	None	4 round trips/yr	NTF	NTF	NTF	FEE	FEE
3	20.50	36.00	Julius Baer Intl Eq A (br)	BJBIX	Large-Cap Foreign	6,956	16,499	90 Days 2%	Closed to Investors	NTF	NTF	NTF	FEE	NTF
4	19.73	34.30	Wright Intl Blue Chip (b)	WIBCX	Large-Cap Foreign	72	27,104	90 Days 2%		NTF	NTF	NTF	NTF	NTF
5	19.25	33.27	Harbor Intl Inst (bc)	HAINX	Large-Cap Foreign (HIINX)	8,954	24,296	60 Days 2%		NO	FEE	FEE	FEE	FEE
6	18.98	32.67	Tocqueville Intl Val (b)	TIVFX	Multi-Cap Value/Foreign	199	3,117	120 Days 2%	Expects 120 Day Hold	NTF	FEE	NTF	NTF	FEE
7	18.80	32.29	Rydex Sector Rotation	RYSRX	Tactical Rotation	140	11,912	None		NTF	NTF	NTF	FEE	NTF
8	17.45	29.34	Vanguard Intl Value (b)	VTRIX	Large-Cap Foreign	2,700	20,098	60 Days 2%	2 round trips/yr (180 days)	FEE	FEE	FEE	FEE	FEE
9	17.15	28.69	Fidelity Div Intl Eq (br)	FDIVX	Mid- Large-Cap/Foreign	30,283	16,448	30 Days 1%	4 round trips/yr	NO	NO	NO	NO	NO
10	16.90	30.32	Excelsior Intl (b)	UMINX	Large/Growth/Foreign	322	11,719	30 Days 2%		NTF	NTF	NTF	NTF	NTF
11	16.73	29.94	SSgA Intl Stock Sel (b)	SSAIX	Large-Cap Foreign	223	23,962	60 Days 2%		NTF	NTF	NTF	NTF	NTF
12	16.08	28.52	Dodge & Cox Intl Stk	DODFX	Mid-Large-Cap/Foreign	9,600	16,688	None	Expects 180 day hold	FEE	FEE	FEE	FEE	FEE
13	16.02	28.41	Janus Core Eq	JAEIX	Large-Cap/Estab Co	669	44,451	None	4 round trips/yr	NTF	NTF	NTF	FEE	NTF
14	15.55	29.56	NeubergB Partners (c)	NPRTX	Large-Cap Established	2,443	17,019	None	Fidelity/ETrade: NBPTX	NTF	NTF	NTF	FEE	FEE
15	15.20	28.80	TRowe Price Intl Stk (b)	PRITX	Large/Growth/Foreign	5,174	22,780	90 Days 2%	90 day required hold	FEE	FEE	FEE	FEE	FEE

NTF = No Transaction Fee to Buy/Sell (some restrictions); FEE = May Charge Fee to Buy Fund; NO = Not Available for Purchase; ETF = Exchange Traded Fund (Trades Like Stock)

Fund Names Show Fees and Restrictions

The notations after the Fund Name represent possible fees and restrictions. Learn our shorthand:

(b) Redemption fee imposed

(r) Fund is closed to new investors

(c) Multiple share classes. Make sure the share class you are purchasing is noload.

(e) Exchange Traded Fund (ETF). We also print ETFs in green type.
ETFs trade like stocks.

For example, consider the fund names listed below:

TransAmerica Premier Equity (b)
iShares S&P 400 Value (e)

A legend appears on pg.13 of the monthly newsletter and more detailed explanations are available at www.fundx.com.

ONLINE TOOLS

FundX Interactive

Our online sort-able database of fund information allows you to customize the data in NoLoad FundX to your specifications.

It's easy to use. With a few simple clicks, you'll get performance data for one fund, or for all the funds in a class. Or you can get a list of all the funds we cover. You can get a list of just ETFs or just market indexes. To see if we cover a specific fund, just click the link marked "Search for Fund" and enter the ticker.

With FundX Interactive, you can:

★ Sort funds by 1, 3, 6, and 12 month returns.

★ Get an alphabetical list of all the funds we cover.

★ Search for a fund by its ticker symbol.

★ Get a list of all of the ETFs we cover.

★ Find performance data on more funds in the Supplement and Advisor sections.

Supplement & Advisor Funds

Funds in the Supplement and Advisor sections of each class aren't listed in the printed newsletter, but data on these funds can be found using FundX Interactive (abbreviated as Sup and Adv, respectively).

Each equity class has a corresponding section of Supplement funds. These funds may have been moved from the regular edition to make room for other names with better performance or wider appeal. When funds temporarily close to new investors, we often move them here. Many are new funds that we wish to track, and may eventually move them to the regular listings.

Funds listed in the Advisor-Only section are available exclusively to investment professionals. Some subscribers are professional money managers and others may find funds from their company 401(k) plans in this section.

We don't calculate a Fund★X Score for these funds because you wouldn't want to Upgrade these sections as a class. You can use the CPR Score to get a sense of how a fund in the Supplement would 'rank' if it were included in the newsletter. The funds in the Supplement to Class 3 (Sup Cl 3) for example, should be compared against the funds in the regular Class 3.

WWW.FUNDX.COM

The monthly letter is all most subscribers will need to Upgrade. But there are also many useful tools available to subscribers through our website, www.fundx.com.

How to Log In

Subscribers directly with NoLoad FundX can log in to www.fundx.com as long as we have an email address and password on file. To log in, click the button marked "Login", enter your email address and password and click "Submit"

What's Available Online

- ★ Current and back issues (by date and subject)
- ★ FundX Interactive
- ★ Current and previous Fund Changes
- ★ Frequently Asked Questions
- ★ Fund Worksheet
- ★ Customer Service: you can update your email address or mailing address, see when your subscription expires or renew your subscription.

Mid-Month Update

The month end issue contains everything an investor needs to Upgrade, but we do publish a Mid-Month Report online on the first business day after the 15th of the month. The Mid-Month is intended for investors with new money to invest (or who have not acted on the monthly issue). It is not intended for regular Upgrading. Upgrading's long term success is based on reviewing funds monthly. We've found that Upgrading twice a month does not increase returns.

Other Questions? Check our Archives.

We've covered many topics in our past issues, such as:

- ★ Upgrading with limited fund options (April 2005)
- ★ Investing in Classes 1 & 2 (April 2005)
- ★ Using ETFs (March 2005, Mar, 2004, Mar. 2003)
- ★ FundXpress (Feb. 2005, June 2005, Sept. 2005)
- ★ Flexible Income Approach (Aug. 2005, Sept. 2005)
- ★ Creating an Upgrading Portfolio (November 2004)
- ★ Holding Funds Longer (April 2004, June 2005, September 2005)
- ★ Volatility of Classes 1-4 (June 2005)

To access the back issues noted above (or find additional back issues by subject), log in to www.fundx.com and click on Archives.

Still have questions? Email us at issue@fundx.com.