Week Six
MAP 6-1

*The Natural Investment Services, Inc., Social Rating**
(refer to page 237)

Natural Investment Services Inc. (NIS) has developed a system of analyzing the social screens used by each fund. The number of screens, importance of each screen and application of each screen have been weighted and scored. Participation in shareholder activism and community investing is also evaluated. Financial performance is not a part of the rating*. The resultant scores are then arranged into five 20th percentiles. A rating of ♥ indicates a limited number of social issues are considered by the fund. A ♥♥♥♥♥ rating indicates that the fund is comprehensively screened.

NIS Social Rating℠
updated 1/22/03

FUND NAME	SYMBOL	RATING
American Trust Allegiance	ATAFX	♥
Aquinas		
Equity	AQEGX	♥♥♥
Fixed-income	AQFIX	♥♥♥
Small-cap	AQBLX	♥♥♥
Value	AQEIX	♥♥♥
Ariel		
Appreciation	CAAPX	♥♥♥
Growth	ARGFX	♥♥♥
Calvert		
Capital Accumulation	CCAFX	♥♥♥♥
New Vision	CNVAX	♥♥♥
Social Balanced	CSIFX	♥♥♥♥♥
Social Bond	CSIBX	♥♥♥♥♥
Social Enhanced Equity	CMIFX	♥♥♥♥♥
Social Equity	CSIEX	♥♥♥♥♥

* For individual fund performance, please visit the Social Investment Forum's Socially Responsible Mutual Fund guide.

FUND NAME	SYMBOL	RATING
Social Index	CSSAX	♥♥♥♥♥
Social Large-cap	CLGAX	♥♥♥♥♥
World Values International Eq.	CWVGX	♥♥♥♥
Citizens Funds		
Citizens Core Growth	WAIDX	♥♥♥♥♥
Citizens Emerging Growth	WAEGX	♥♥♥♥♥
Citizens Global	WAGEX	♥♥♥♥♥
Citizens Income	WAIMX	♥♥♥♥
Citizens International Growth	N/A	♥♥♥♥♥
Citizens Small-cap Index	CSCSX	♥♥♥♥♥
Citizens Value Fund	MYPVX	♥♥♥♥♥
Concert Social Awareness	SSAIX	♥♥♥
DEM Equity	DEMEX	♥
Delaware Social Awareness	DEQAX	♥♥
Domini		
Social Equity	DSEFX	♥♥♥♥♥
Social Bond	DSBFX	♥♥♥♥♥
Dreyfus Third Century	DRTHX	♥♥♥♥
Eclipse Ultra-short	ECUIX	♥♥♥
Enterprise Global Socially Responsive	EGSAX	♥♥♥♥♥
Flex Fund		
Total Return Utility	FLRUX	♥♥♥♥
Utilities Growth	FPBAX	♥♥♥♥
Green Century		
Balanced	GCBLX	♥♥♥♥
Equity	GCEQX	♥♥♥♥♥
IPS		
Millenium	IPSMX	♥♥
New Frontier	IPFSX	♥♥

FUND NAME	SYMBOL	RATING
MMA Praxis		
Core Stock	MMPGX	♥♥♥♥♥
Intermediate Income	MMPIX	♥♥♥♥♥
International	MMPNX	♥♥♥♥♥
Value Index	MVIAX	♥♥♥♥♥
Neuberger & Berman Socially Responsive	NBSRX	♥♥♥♥
New Alternatives	NALFX	♥♥♥♥
New Covenant		
Balanced Growth	NCBGX	♥♥
Balanced Income	NCBIX	♥♥
Growth	NCGFX	♥♥
Income	NCICX	♥♥
Parnassus		
California Tax-free	PRCLX	♥♥♥♥
Equity Income	PRBLX	♥♥♥♥♥
Fixed-income	PRFIX	♥♥♥♥♥
Fund	PARNX	♥♥♥♥♥
Pax World		
Fund	PAXWX	♥♥♥♥
Growth	PXWGX	♥♥♥♥
High-yield	PAXHX	♥♥♥♥
Portfolio 21	PORTX	♥♥♥♥♥
Rightime Social Awareness	RTAWX	♥♥♥♥
Security Social Awareness	SWAAX	♥♥♥
Sierra Club		
Sierra Club Balanced	N/A	♥♥♥
Sierra Club Stock	SCFSX	♥♥♥
TIAA-CREF Social Choice	TCSCX	♥
USAA First Start	USSGX	♥
Vanguard Calvert Social Index	VCSIX	♥♥♥♥
Victory Lakefront	VLFRT	♥

* For individual fund performance, please visit the Social Investment Forum's Socially Responsible Mutual Fund guide.

FUND NAME	SYMBOL	RATING
Walden/BBT		
International Social Index	WISIX	♥♥♥♥♥
Domestic Index	WDSIX	♥♥♥♥♥
Walden Social		
Balanced	WSBFX	♥♥♥♥♥
Equity	WSEFX	♥♥♥♥
Winslow Green Growth	WGGFX	♥♥
Womens Equity	FEMMX	♥♥♥♥

Week Six
MAP 6-2
Socially Responsible Investing Resources
(refer to page 237)

1. To review an SRI portfolio based on your answers to several questions about your investment risk, time horizon, and SRI preferences:
   - Go to *www.calvertgroup.com.*
   - Select Tools.
   - Select Asset Allocator.
   - Verify that the recommended allocation to stocks and bonds is consistent with your Authentic Money Guide assumptions.
   - Research recommended fund performance by typing in the fund name at the Morningstar Analyzer in Quicken®.
     - Go to Quicken® Home
     - Click on Investing
     - Select Investing Activities
     - Click on Investment Research
     - Look Up Ticker Symbol
     - Type in Name and Select Mutual Fund
     - Compare the Fund to a Competitor if You Like
2. Evaluate your current portfolio for various socially-responsible screens.
   - Go to *www.calvertgroup.com.*
   - Select Tools.
   - Select Know What You Own Service.
   - Select the fund family of your mutual fund using the alphabet tab or by typing in the fund name.
   - Choose from the drop-down menu of screens.
   - Print out your report.
   - Decide if owning this investment is in alignment with your Authentic Self.
3. Research other SRI funds or topics of interest using the index at *www.naturalinvesting.com.* Before implementing or taking action on any investment, ensure that the asset allocation guidelines match those determined with the Week Six procedures.

Week Six
MAP 6-3

*Index of the Indexes**
(refer to page 262)

Dow Jones industrial average. The oldest and most well-known benchmark, the Dow represents only 30 companies. It reflects the market moves in a given day, but only represents 20 percent of the market (which is comprised of some 6,500 companies). Since Dow companies are weighted by stock price instead of capitalization, it can assign equal value to companies of vastly different sizes.

Standard & Poor's 500. The S&P represents 500 companies—almost all large-capitalization stocks traded on the New York Stock Exchange and NASDAQ that make up the majority of the market's overall value. A committee periodically adds or subtracts companies from the list based on which ones are dominant in various industry sectors. The S&P 400, despite its billing as a mid-cap index, also tends to be skewed toward bigger companies.

Russell 3000. Russell includes 3,000 stocks representing 98 percent of the total equity market capitalization. The top 1,000 form a large-cap index (Russell 1000), and the bottom 2,000 form the widely used Russell 2000 for small-cap stocks. Because the Russell indexes are calculated purely by size rather than committees, some argue they are truer reflections of given segments.

NASDAQ composite. Lists all the companies in the National Market System—stocks that are traded only over–the–counter and not on an exchange.

Wilshire 5000. This index truly represents all 6,500 stocks traded in the U.S. for which price data is available (there were only 5,000 when it started). Wilshire breaks these down into large-cap (Wilshire 750), mid-cap (Wilshire Next 1750) and small-cap indexes.

Week Six
MAP 6-4

*Many Faces of Risk**
(refer to page 262)

Market risk. An investor's portfolio can lose money because of economic or other swings in the stock market as a whole, and not as a result of a specific security's decline.

Inflation risk. Due to increases in consumer prices (inflation), an investor's money will not be worth as much in the future as it is now. Inflation affects bonds much more than stocks. Inflation may wipe out any return for an investor solely invested in so-called "safe" investment vehicles, such as treasury bills.

Liquidity risk. Such investments as small-cap stocks, munis, and corporate bonds tend to be illiquid, or harder to resell in a pinch.

Credit risk. Companies can go under or fail to repay the bond principal and interest they owe an investor.

Interest-rate risk. The value of bonds and sometimes stocks moves in inverse relation to interest rates.

Reinvestment risk. As rates drop, companies refinance by paying off bonds before maturity, forcing investors to reinvest at lower rates.

Prepayment risk. This risk for mortgage-backed securities is similar to reinvestment risk. When rates drop, people refinance their mortgages.

Currency risk. If an investor is heavily invested in foreign stocks, his/her portfolio can lose value if the dollar becomes stronger.

Structural risk. Risky derivatives, such as futures and options, can create losses in the underlying investment.

Compound Annual Rates of Return by Decade*

Time Period:	**1920s**	**1930s**	**1940s**	**1950s**	**1960s**	**1970s**	**1980s**	**1990s**
Large Company	19.2%	<0.1>%	9.2%	19.4%	7.8%	5.9%	17.5%	18.2%
Small Company	<4.5>%	1.4%	20.7%	16.9%	15.5%	11.5%	15.8%	15.1%
Long-Term Corporate Bonds	5.2%	6.9%	2.7%	1.0%	1.7%	6.2%	13.0%	8.4%
Long-Term Government Bonds	5.0%	4.9%	3.2%	<0.1>%	1.4%	5.5%	12.6%	8.8%
Intermediate-Term Government Bonds	4.2%	4.6%	1.8%	1.3%	3.5%	7.0%	11.9%	7.2%
Treasury Bills	3.7%	0.6%	0.4%	1.9%	3.9%	6.3%	8.9%	4.9%
Inflation	<1.1>%	<2.0>%	5.4%	2.2%	2.5%	7.4%	5.1%	2.9%

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Week Six
MAP 6-5

*Mutual Fund Investing**
(refer to page 262)

Types of Mutual Funds

Aggressive Growth. Invest in new companies and industries, or those in financial trouble or out-of-favor with the market. Sometimes referred to as capital appreciation funds, they usually have above-average increase in price with little or no current income and very high risk.

Balanced. Generally invest in common stocks, preferred stocks and bonds. Balanced funds provide an opportunity for share price appreciation with added income and price stability from the bonds in the fund. Conservative investors seeking share price appreciation and some dividend income may choose a balanced fund.

Global Bond. Invest primarily in the bonds of governments and companies all over the world, including the United States. These funds seek to provide income and global diversity. An investor wanting international exposure or diversification for an income portfolio would consider this type of fund. Currency fluctuations and political developments add to the price instability of this type of fund.

Growth. Invest in common stock of well-established companies. The primary goal is to produce an increase in the value of the investment. Investors in a growth fund are more interested in the rise of the fund's share price than in receiving income from dividends.

Growth and Income. Invest in companies that consistently pay good dividends and also have a strong growth potential with moderate risk.

High-grade Corporate Bond. Invest primarily in high-grade corporate bonds. These funds seek to provide a higher level of monthly income than U.S. government funds and therefore carry slightly more risk. Investors seeking monthly income may choose this type of fund.

High-yield Bond. Invest primarily in lower quality corporate bonds. These funds provide higher income potential than other bond funds but also entail credit risk. Investors seeking maximum monthly income—and willing to tolerate more share price fluctuation—may invest in this type of fund.

Index. Invest in stocks in the companies included in a specific market average or index like Standard & Poor's 500-stock average of large companies or the Wilshire 4,500 index of smaller companies. Fund mirrors the movements of the market. Stock funds usually lag behind market averages because they incur expenses (management fees, trading costs) and because they typically hold at least some cash which acts as a drag on performance in a rising stock market.

International. Invest in common stocks of companies located outside the United States. These funds provide a way to access opportunities in overseas markets. Investors seeking

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diversification and share price appreciation may put a portion of their assets in an international fund. Currency fluctuations and political developments add to the price instability of this type of fund.

Money Market. Seek to provide income while maintaining a stable $1-per-share price. These funds invest in short-term, high-grade securities such as Treasury bills, bank certificates of deposit, and commercial paper (short-term IOUs from large, well known, high-quality corporations), but are not guaranteed or insured by the U.S. government. Conservative investors wanting to earn income while preserving principal may choose a money market fund.

Tax-free Income. Invest in bonds issued by towns, cities, counties, and states to finance public projects. These funds provide income that is free from federal and, in some instances, state or local income taxes. High tax bracket investors wanting monthly income but not wanting to increase tax burden may choose a tax-free income fund.

Potential pitfalls:

1) *Tax-exempt interest must be included when computing taxable Social Security benefits.*
2) *Tax-exempt interest from private activity bonds must be included for alternative minimum tax purposes.*

U.S. Government Income. Invest primarily in a portfolio of income-producing securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities. The fund's shares, however, are not guaranteed. These funds usually provide monthly dividend income. A conservative investor seeking a monthly income check may choose this type of fund.

Factors to Consider Before Investing

- Check fund's track record. Has it performed consistently well?
- Compare fund's performance with other funds with similar investment objectives.
- Make sure fund's investment objective and risk level are in line with the investor's goals.
- Compare fund's fees and expenses with that of similar funds.
- Is the manager responsible for the fund's performance record still around?
- Realize that past performance is a good starting point when picking a fund, but there are no guarantees for the future.

Note: Before investing in a new mutual fund or purchasing additional shares in a fund already owned, investors should call the fund company to verify the amount of any possible capital gains distribution. The investor can then wait until after the distribution to purchase the shares.

By law, mutual funds must pay substantially all dividends, interest, and net capital gains realized by the fund to their shareholders annually. Capital gains distributions are the net long-term capital gains realized from the sale of securities held by the fund and are included in the price of the fund's shares.

Example:

Ezra purchases 1,000 shares of Fund X in November for $10 per share. Fund X declares a capital gains distribution of $1 per share in December, giving the investor $1,000 of taxable capital gain. The fund's net asset value drops to $9 per share after the distribution. Ezra could have avoided the unfair capital gains tax by purchasing the fund shares after the record date at $9 per share.

Week Six
MAP 6-6

*Bonds**
(refer to page 263)

Types of Bonds

Corporate Bonds. Most corporate bonds are long-term, callable debt obligations issued by large corporations at a price close to par value. They typically pay interest semiannually. You should determine whether the bonds are secured by corporate assets or not at all, as is the case with debentures. Generally, higher coupon rates indicate higher risk. Lower coupon rates indicate better security.

Convertible Corporate Bonds. Convertible corporate bonds are corporate debt issues that can be converted to shares of common stock. They are hybrid securities with investment characteristics similar to a combination portfolio of common stocks and nonconvertible corporate bonds. They provide fixed income from the guaranteed interest payments and maturity dates.

State and Local Government Debt (Municipal Bond). Municipal bonds are debt obligations issued by a variety of entities including states, counties, cities, tax districts, schools, hospitals, street and highway departments, and port authorities. Generally, interest on municipal bonds is not subject to federal income tax. The interest on certain issues is taxable to investors, however, because interest income on certain municipal bonds is subject to the alternative minimum tax.

Treasury Notes and Bonds. Treasury notes are U.S. government securities maturing in two–10 years. Treasury bonds have a maturity range of from 10-30 years. U.S. securities are safe from default. As a consequence, yields are lower than for high-quality corporate bonds. Unlike Treasury bills, Treasury notes and bonds are sold at face value. The minimum denomination for a Treasury note maturing in two or three years is $5,000 and $1,000 with a maturity longer than three years. Minimum investment is $1,000. Interest is paid semi-annually.

Treasury Inflation-Protection Securities. The U.S. Treasury Department sells 10-year Treasury bonds that are indexed to inflation. This bond, known as a Treasury Inflation-Protection Security (TIP) is sold in $1,000 denominations and provides investors with a guaranteed hedge against inflation. Interest on a TIP is paid semiannually at a fixed rate.

U.S. Savings Bonds. Three types of U.S. savings bonds are currently available (with no commission charge):

1. Series EE Bonds are non-interest-bearing; have a 17-year original maturity and 30-year final maturity. They are sold at a discount, and interest accrues and is paid

at redemption (rather than periodically). They are available in denominations ranging from $50 to $10,000. Maximum purchase is $15,000 ($30,000 face amount) per individual per calendar year. Series EE bonds cannot be redeemed until they have been held six months from issue.

2. Series HH Bonds offer the investor the opportunity to continue to defer reporting interest on Series E and EE bonds beyond their maturity date. They can be purchased only in exchange for Series E or EE bonds or U.S. savings notes that are at least six months old and have not passed final maturity by more than one year or in exchange for matured Series H bonds. A minimum of $500 in eligible bonds is necessary to make an exchange. Like EE bonds, Series HH bonds cannot be redeemed until they have been held six months from issue.
3. Series I bonds became available September 1,1998. They are sold at face value and grow with inflation-indexed earnings for up to 30 years. Interest earnings are added to the bond each month, and interest is compounded semiannually. I bonds are sold in denominations of $50, $75, $100, $200, $500, $1,000, $5,000, and $10,000. A single owner can buy up to $30,000 of I bonds in each calendar year.

U.S. Savings Bond Characteristics

Series	Value at Issue Date	Interest Paid	Status	Method of Purchase	Purchase Limit (per person per year)	Final Maturity[a]
E[b]	Discount	At redemption	No longer issued. (Issued through June 1980)	N/A	N/A	
Issued before December 1965						40 yrs.
Issued after November 1965						30 yrs.
H[b]	Face Value	Semiannually	No longer issued	N/A	N/A	
Issued June 1952—January 1957						29 yrs., 8 mos.
Issued February 1957 and later						30 yrs.
EE[c]	Discount	At redemption	Available	Cash	$15,000 ($30,000 face amount)[d]	30 yrs.
HH	Face Value	Semiannually	Available	Only in exchange for E or EE bonds[e]	No limit if obtained in exchange for E or EE bonds	20 yrs.

Notes:

[a] Maximum life of bond.

[b] Bonds will not earn interest after the final maturity date, and all accrued but unrecognized interest is generally taxable in that year. (There is an exception for Series HH bond exchanges.)

[c] Bonds will not earn interest after the final maturity date, and the accrued interest is generally taxable in that year. (There is an exception for Series HH bond exchanges.)

[d] If bonds are held by two persons, ownership can be attributed to either co-owner or apportioned between them to a combined maximum of $60,000.

[e] If the redemption value is an uneven amount, the bondholder may add cash to the redemption value or accept cash to round to the nearest multiple of $500.

Zero-Coupon Bonds. Zero-Coupon bonds do not pay periodic interest. Instead, they are purchased at a deep discount, and the investor receives the face value, which represents principal and interest when the bond is redeemed at maturity. Zero-Coupon bonds basically have two advantages over coupon-bearing bonds:

1. A relatively small investment is required to purchase Zero-Coupon bonds.
2. The investor is assured of a specific yield throughout the term of the investment (i.e., if the obligation is held to maturity).

Four Types of Zero-Coupon Bonds

1. *Zero-Coupon Treasury Bonds.* These are U.S. Treasury bonds or notes that have been stripped of their coupons by the Treasury or by a brokerage house. A broker, bank, or other custodian then markets the stripped bonds at a discount, and the purchaser receives the face amount at maturity.
2. *Zero-Coupon Certificates of Deposit.* These are issued by banks and are insured up to $100,000 by the FDIC. Zero-Coupon CDs are offered at a larger discount than are zero coupon Treasury bonds, thereby providing the investor with greater return on investment.
3. *Zero-Coupon Corporate Bonds.* These are issued by corporations and provide a greater rate of return than stripped Treasury bonds or Zero-Coupon CDs because the investor assumes more risk. They are not insured against the issuer defaulting at maturity.
4. *Zero-Coupon Municipal Bonds.* These are Zero-Coupon bonds that provide interest income that is not subject to federal, and, in many cases, state taxation. They alleviate the problem of the investor having to report interest income that has not been received.

Week Six
MAP 6-7

*Treasury Inflation-Protection Securities**
(refer to page 263)

All bond investors face the risk of inflation. Long-term bond investors in particular can lose a substantial portion of the purchasing power of their invested funds due to a gradual increase in prices. Treasury inflation-protection securities (TIPS) are one answer to the inflation risk problem.

How It Works

TIPS are marketable, book-entry debt securities issued by the U.S. Treasury. TIPS are sold by the government at a quarterly auction, in minimum amounts of $1,000. They carry a fixed annual interest rate, and pay interest twice a year. The inflation protection is provided by adjusting the principal amount of the security according to changes in the inflation rate.[1] The semiannual interest payment is then calculated based on the adjusted principal amount. The inflation-adjusted principal amount is paid at maturity.

Example: An investor purchases a $1,000 TIPS bond, paying 3.0% annual interest, in January. By July, when the first interest payment is due, inflation has increased 1.0%. The adjusted principal amount of the bond is now $1,010. The interest payable at that time is $15.15, calculated as ($1,010 x 3.0%) ÷ 2. If by January of the following year, when the second interest payment becomes due, inflation had run at a 3.0% level for the whole year, the principal amount of the bond would be $1,030. The second interest payment would be $15.45, calculated as ($1,030 x 3.0%) ÷ 2.

If deflation becomes a problem, and the adjusted principal amount of the bond at maturity is less than the principal amount at issue, an additional sum will be paid to return to the investor at least the original principal amount.

Income Tax Issues[2]

Interest income from Treasury Inflation-Protection Securities is treated in the same manner as interest income from other ì direct obligationsî of the federal government. The interest is taxable by the federal government, but is generally exempt from state and local tax.

A unique characteristic of TIPS is that any adjustment of the principal amount is considered to be currently taxable interest income. Thus, in our example above, the investor would have $25.15 of taxable interest income from the bond for the first year; $15.15 of interest actually received as cash, and $10.00 in the form of inflation adjustment to the principal amount.

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[1] As measured by the change in the inflation rate between the date the bond is issued and the current interest payment date. The index used is the non-seasonally adjusted, U.S. City Average All Items Consumer Price Index for Urban Consumers, the CPI-U. The CPI-U is published every month by the Bureau of Labor Statistics.

[2] See Treasury Decision 8830, IRB 1999 – 38, and Treasury Decision 8709, IRB 1997 – 9, for a more detailed discussion of the tax treatment of Treasury Inflation-Protection Securities.

TIPS - Market Prices and Interest Rates

Although Treasury inflation-protection securities are guaranteed against default by the U.S. government, they are also marketable securities, which means they can be bought and sold in the open market. If an investor buys a TIPS and holds it to maturity, the government is obligated to repay at least the original principal amount. If a bond is sold before it matures, however, the investor may receive more, or less, than originally paid, due to fluctuations in market value. TIPS prices in the open market can move up and down, most often in response to changes in the general level of interest rates. In general, if rates rise, the price of existing bonds will fall; if interest rates decline, the market value of existing bonds will increase.

Investment Uses

Treasury inflation-protection securities can serve as a source of periodic income, for investors seeking to meet current expenses. The inflation adjustment feature of these bonds is expected to be a prime attraction for many fixed-income investors. The currently taxable nature of the inflation adjusted principal amount may be a drawback for some. TIPS can be a useful investment in a tax-deferred IRA or other qualified retirement plan.

How to Invest

- **Direct ownership:** Investors can own TIPS directly, in their own names.
- **Indirect ownership:** Open-end investment companies, known as mutual funds, are an indirect method of owning treasury inflation-protection securities.[1] Mutual funds pool the resources of many individuals, and offer an investor access to a diversified, professionally managed portfolio.

Possible Risks

- **Market risk:** If a bond is sold before maturity, an investor may receive more or less than originally paid.

[1] The Securities and Exchange Commission requires that all prospective mutual fund investors be given a prospectus. The prospectus contains valuable information concerning how an investment works, its goals and risks, and any expenses and charges involved.