Money Magazine "Best 100 Funds" June 2000

investor appreciate this fund's conservative charms. Equity Income held up much better than the market during the roughest days—and has a history as a strong performer in bearish times.

THREE-YEAR RETURN: *11.3%*

OLD MONEY *The oldest of our 100 funds are MFS Massachusetts Investors Trust (started in 1924), Fidelity (1930), Safeco Equity (1932) and Selected American Shares (1933).*

T. ROWE PRICE INTERNATIONAL STOCK

MANAGERS: Team

800-638-5660; www.troweprice.com

The strategy: Buy blue chips and hold them as long as earnings grow steadily. Also: Avoid dramatic country or sector bets. Management moved slowly into hot areas like Japan and tech, so this fund lagged in 1999. But modest risks and moderate expenses have made it a long-term leader.

THREE-YEAR RETURN: *17.3%*

T. ROWE PRICE MID-CAP GROWTH

MANAGER: Brian Berghuis

800-638-5600; www.troweprice.com

Berghuis holds a diverse group of companies expanding at least 12% a year. It's moderate stuff for a growth fund, but Berghuis has kept pace with his peers during his eight-year tenure while keeping risk below average. His low-turnover style also leads to above-average after-tax returns.

THREE-YEAR RETURN: *28.1%*

T. ROWE PRICE SCIENCE & TECHNOLOGY

MANAGER: Chip Morris

800-638-5660; www.troweprice.com

This diversified techie returned "only" 101% in 1999, lagging those with more dotcoms. Yet it wasn't hit as hard as other tech funds were when the Nasdaq nosedived in April. Morris is taking advantage of the confusion to bulk up on cheap Internet infrastructure, while trimming PC-related positions to less than 5%.

THREE-YEAR RETURN: *55.7%*

T. ROWE PRICE SMALL CAP STOCK

MANAGER: Gregory McCrickard

800-638-5660; www.troweprice.com

Technology is only a quarter of this 230-plus stock portfolio, which offsets growth bets with classic value plays. Disciplined diversification has led to top-half performance year in, year out—translating to top third overall returns in the long run. You'd be hard-pressed to find a more reliable and less expensive performer.

THREE-YEAR RETURN: *17.4%*

T. ROWE PRICE VALUE

MANAGER: Brian Rogers

800-638-5660; www.troweprice.com

Rogers is more aggressive here than he is at T. Rowe's Equity Income (see page 106). This is a midcap portfolio of stocks that were found, as he puts it, "on the trash heap"—such as medical-equipment maker Hillenbrand Industries, bought as it bottomed in 1999.

THREE-YEAR RETURN: *13.7%*

TWEEDY BROWNE AMERICAN VALUE

MANAGERS: Chris Browne, Will Browne, John Spears

800-432-4789; www.tweedy.com

This 80-year-old value shop has seen its share of market cycles. So despite the short-term blow to performance, the managers feel comfortable avoiding high-flying tech stocks in favor of names like American Express and municipal bond insurer MBIA. Longtime investors are certainly comfortable with a sterling record that outpaces 80% of midcap-value peers over the past five years.

THREE-YEAR RETURN: *13.5%*

TWEEDY BROWNE GLOBAL VALUE

MANAGERS: Chris Browne, Will Browne, John Spears

800-432-4789; www.tweedy.com

This fund keeps just 10% or so of its assets in U.S. stocks vs. the typical 30% held by most global funds. But the value mavens at Tweedy Browne minimize risk—and deliver solid returns—with their skinflint style. In late 1998, for example, they placed an 18% stake on beaten-down Japanese stocks and reaped outsize gains when the market took off. The bulk of the portfolio, however, is in Europe. Recent purchases include Diageo, the conglomerate that owns Pillsbury, Burger King and (to wash it down) Guinness. They slurped it up for 10 times earnings.

THREE-YEAR RETURN: *18.6%*

VANGUARD 500 INDEX

MANAGER: George "Gus" Sauter

800-851-4999; www.vanguard.com

Worried that S&P 500 indexing leaves you overexposed to overinflated tech stocks? Don't be, counsels Sauter. "The 500," he notes, "is a little light on tech relative to large-cap active managers." Fun fact: Vanguard 500, with about $107 billion in assets as of March 31, is neck and neck with Fidelity's Magellan ($109 billion) in claiming the largest-fund spot.

THREE-YEAR RETURN: *27.4%*

VANGUARD GLOBAL ASSET ALLOCATION

MANAGERS: Eric Bendickson, Michael A. Duffy

800-851-4999; www.vanguard.com

N R A mix of stocks and bonds in the U.S. and abroad, this fund has about half the volatility of its worldwide asset-allocation peers and returns that place it in the top 40% of its kind. Check out this fund if you want an all-in-one serving of the world's markets and you're willing to hold on for five years or more.

THREE-YEAR RETURN: *13%*

VANGUARD HEALTH CARE

MANAGER: Edward P. Owens

800-851-4999; www.vanguard.com

N R The world of investing is a much better place since this fund reopened to new customers in December. (It had closed early last year after assets surged to $10 billion.) Owens has one of the healthiest long-term investment records around—he ranks in the top 30% of