

SPECIAL ISSUE

FORTUNE

DISPLAY UNTIL MARCH 22, 2004

**REAL ESTATE:
WILL HOME PRICES
FINALLY FALL?**

INVESTOR'S GUIDE 2004

TOP PICKS FROM 50 GREAT INVESTORS

**10 QUESTIONS
EVERY
INVESTOR
SHOULD
ASK**

**5 DRUG
STOCKS TO
BUY NOW**



**JOHN CALAMOS
CHRIS DAVIS
DAVID DREMAN
JIM GIPSON
BILL GROSS
MASON HAWKINS
SARAH KETTERER
BILL MILLER
BILL NYGREN
JIM ROGERS
WALLY WEITZ
AND 39 MORE**

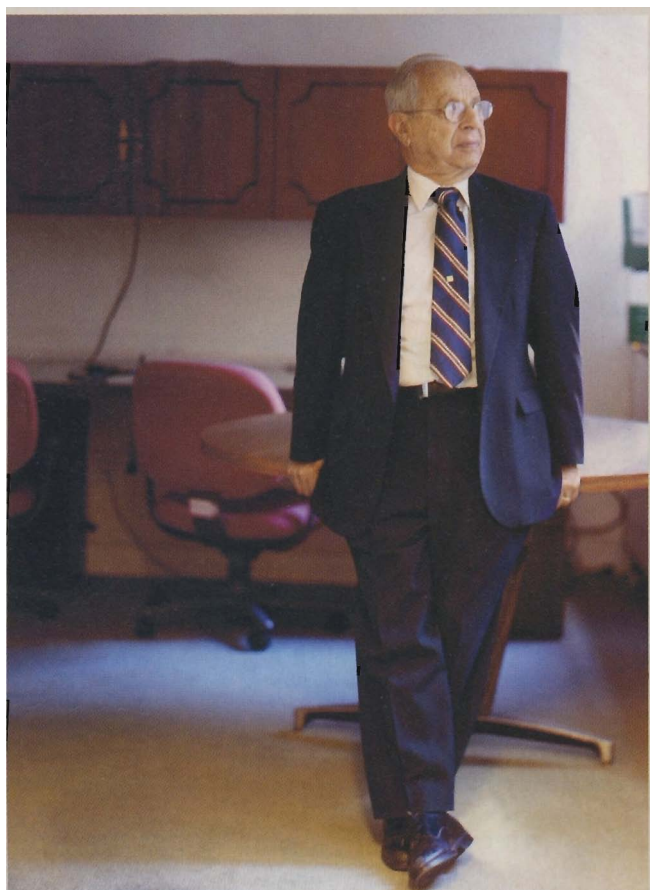
- 6 Funds With the Right Stuff
- How to Play the China Boom
- Can You Trust Your Advisor?

**PLUS: A
REAL-LIFE
GOLD
RUSH**

TIME INC. SPECIALS



www.fortune.com (AOL Keyword: Fortune)



ABEAUTIFUL MIND Eisenstadt is the brains behind Value Line's success.

Sam Eisenstadt

Value Line

PICK First Trust Value Line 100

WITH ITS TRADEMARK SINGLE-PAGE SUMMARIES, Value Line has been praised by Warren Buffett and Peter Lynch as a one-stop source for comprehensive company research. But the New York investment advisory firm has proved that it can really pick stocks. Since Value Line started ranking stocks in 1965, the firm's list of best ideas has returned 13.9% a year, clobbering the S&P 500's 6.5% annual gain. It's a remarkable feat that no mutual fund can match. The firm owes its success to Samuel Eisenstadt, a statistics major from Brooklyn who joined the firm in 1946 as a proofreader. Eisenstadt created a computer model that remains a secret but relies most heavily on earnings growth and stock price momen-

tum. A new closed-end fund, First Trust Value Line 100 (FVL, \$15), invests in the 100 stocks with Value Line's highest timeliness ranking.

Mike Markowski

Stockdiagnostics.com

PICK WebEx

MARKOWSKI'S INDEPENDENT research shop stirred up attention during the past two years with its timely calls to sell stocks such as Fleming and Sears. But it's the buy ratings on relatively unknown companies that have really grabbed institutional investors (the firm's top picks are up 80% on average in 2003). Markowski has determined that stock prices can almost always be predicted by the direction of operating cash flow. It's a good indicator that a struggling business is about to turn positive. One of his current favorites is WebEx (WEBX, \$19). The video- and web-conferencing company has seen revenue jump 40% and cash flow double over the past] 2 months.

Value proposition

Since Value line began rating stocks in 1965, its model portfolio of top picks has vastly outperformed the market.

Cumulative stock return
From 1965 through 02 2003

14,321%



Mike Painchaud

Market Profile Theorems

PICK Coca-Cola

PAINCHAUD HAS SPENT 30 YEARS ANALYZING the buying and selling activity of company insiders. His research isn't cheap—fund companies from Fidelity to Federated spend \$25,000 a year to get it—but it is worth the price. Painchaud's formulas have often predicted the momentum of indexes as well as individual stocks. His latest work suggests that the economic recovery will be very bright but short-lived. Stagflation, he says, is the operative word. In such an environment Painchaud says investors need global exposure to play off the weaker dollar, steady profit growth, and a product that people like to buy. That points to Coca-Cola (KO, \$48). The last time insiders at Coke were this bullish, in 2002, the stock jumped 20%.