

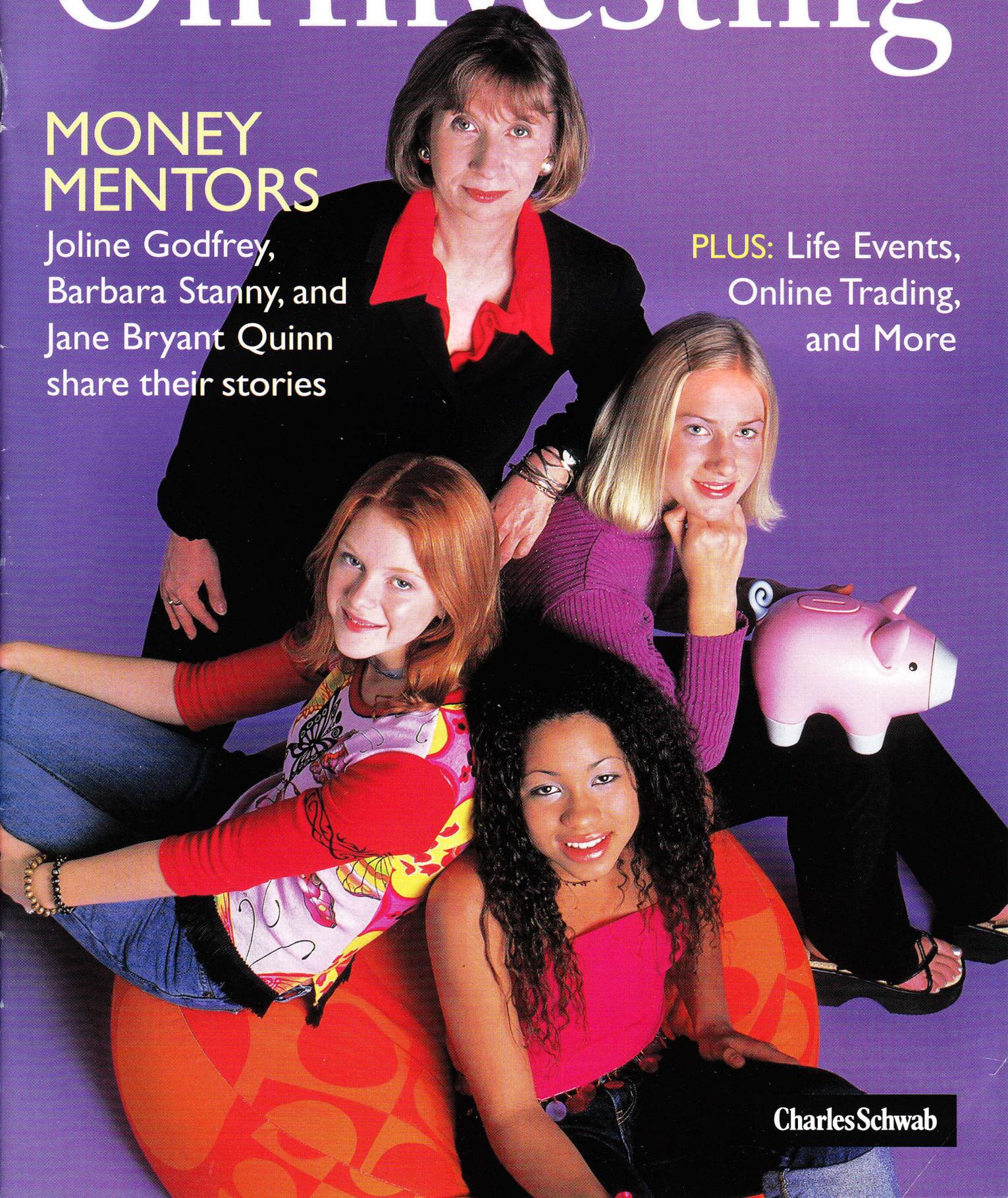
STRATEGIES FOR WOMEN INVESTORS

On Investing

MONEY MENTORS

Joline Godfrey,
Barbara Stanny, and
Jane Bryant Quinn
share their stories

PLUS: Life Events,
Online Trading,
and More



CharlesSchwab



MoneyWise

COULD IT BE THAT EASY? The rule of 72 is a popular way to determine how long it takes to double money. Simply divide the number 72 by the investment's growth rate to get the approximate time it will take. For instance, \$100 deposited in an 8% savings bond will take nine years to grow to \$200 (72 divided by 8 = 9). Regardless how you do it, the bottom line is that you should keep your eye on your investments.



WOMEN BREADWINNERS

Nearly one in three working wives in the U.S. receives a larger paycheck than her husband, according to Harvard economist Richard Freeman's analysis of data from the most recent federal population survey. The percentage of women out-earning their husbands has grown since 1980, when less than 20% of women brought home more bacon than their spouses.



result, the Mint has embarked on an aggressive advertising campaign to promote the new Sacagawea Golden Dollar.

Sacagawea was a young Shoshone woman who served as an interpreter and diplomat for the Lewis and Clark expedition during the years of 1804 to 1806. She accompanied them from the Northern Great Plains to the Pacific Ocean. With her infant son bound to her back, she single-handedly rescued Captain Clark's journals from the Missouri whitewater, preserving much of the record of the first year of their expedition.



CHANGING THE FACE OF MONEY

First Lady Martha Washington is the only woman ever to have appeared on a U.S. Treasury note. Her portrait graced the face of the \$1 silver certificate issues of 1886 and 1891, and the back of the \$1 silver certificate of 1896. Throughout the 20th century, not one woman was featured on U.S. paper currency.

Though Susan B. Anthony and a few other women have appeared on U.S. coins, the U.S. Mint says these coins have been less popular than the Mint had hoped. As a

KEEP YOUR HANDS ON THE WHEEL

Mobile phones are everywhere, especially in the car, and it's driving some people to distraction. Some states have initiated legislation limiting the use of them while driving to try to stave off the dangers of steering with one hand while chatting. One nifty device that could help you keep both hands on the wheel is an all-in-one earpiece and microphone that plugs into your mobile phone (and even into some cordless phones at home). And the gizmo doesn't require a hair-flattening headband. The earpiece fits snugly into your ear and the mike hangs alongside your face. For about \$15, you can pick one up at most mobile-phone stores, like Verizon Wireless, or at an electronics store such as Circuit City.





A Good Cause

Many investors, particularly women, consider not only whether an investment is fiscally responsible, but also whether it is socially responsible. Mutual funds that practice “socially responsible investing” (SRI) identify companies that have proven themselves good corporate citizens in one manner or another. On *Investing’s* Diana Ascher talks with John Shields, president of Citizens Funds in Portsmouth, New Hampshire, and Sevgi Ipek, portfolio manager of Citizens Global Equity Fund in New York City, about the stock-selection process and the influence SRI funds can have on the practices of publicly traded companies.

DIANA ASCHER: According to some studies, women represent 70% of socially responsible mutual fund investors¹. Why do you think women make up the majority?

JOHN SHIELDS: My take on it is that women seem to be more holistic in their investment decisions than men are. Men seem to focus more on performance issues, where women may be more inclined not only to look at performance, but also to try to align their personal values with the places that they’re investing.

ASCHER: What are each of your responsibilities in selecting stocks for the Citizens Global Equity Fund?

SHIELDS: I run Citizens Advisors, and we provide the social and environmental

Citizens Funds seeks investments that pay off fiscally and socially



Sevgi Ipek manages Citizens Global Equity Fund.

research that overlays all of our investment products, including the Global Equity Fund. All of our funds are subjected to the same very broad-based and rigorous screens, covering social and environmental issues.

SEVGI IPEK: My responsibility is the financial side of the investment. I assess the validity of the investments, which means making fundamental analyses of the company. I meet with the management, evaluate the business strategy, and the product offerings. I also meet with the

competitors and the suppliers to double-check management statements, and to assess overall investment qualification of the company.

ASCHER: Could you tell me some of the stocks that are particularly attractive right now?

IPEK: I have a few stocks in the international arena that I like very much at this point. The first one is Taiwan Semiconductor². This is the largest foundry in the world, and they subcontract semiconductor manufacturing for companies like Intel², Compaq², Hewlett-Packard², and Sony².

Taiwan Semiconductor is a play on globalization and the outsourcing trend that we are seeing more and more. For example, for a company like Intel, it seems to make more financial sense to subcontract the design and manufacturing of their chips to Taiwan Semiconductor than to produce them here in the U.S.

The other company that I like very much at the moment is Vodafone Air-Touch² in the UK. Because of the uncertainties surrounding the takeover bid by Mannesmann², the shares have suffered. Now the merger is going through, and I believe this may become the largest wireless operator in the world, with more than 40 million subscribers.

ASCHER: If you wanted to include this stock in your holdings, John, what social screens would you employ?

PHOTOGRAPH BY STEVE MELNICK



STRATEGIES FOR WOMEN

SHIELDS: All of the stocks that go into the portfolios in Citizens Funds are there because they're financially attractive to us. We don't put any companies in that are just socially attractive. They have to be a good investment, first and foremost. When Sevgi submits a candidate for the portfolio, we subject it to a wide array of screens. There are really two different classifications that we use, exclusionary screens and qualitative screens. Exclusionary screens include whether the company is in the manufacture and distribution of tobacco, oil, nuclear power, alcohol, military weapons production, and the like.

Another exclusionary screen is diversity. At least one woman or person of color must be represented on the board of directors or the senior management of domestic companies—we modify that for the international companies some-what because of the nature of the rest of the world. If a company fails any one of those exclusionary screens, it is rejected automatically. If it passes those, then we apply a series of qualitative screens.

Qualitative screens deal with environmental issues, equal employment opportunity, labor and employee relations, international and human rights issues. We also make sure that the company produces a good and useful product. I can remember one that we rejected-making furniture, from old-growth-for-est woods, so we were part of an industry voice, working with the management at Home Depot. They have finally committed to getting away from selling old-growth-wood products.

ASCHER: Sevgi, are there particular sectors that tend to present more difficulty in getting stocks approved for inclusion in the fund?

IPK: Yes. Companies related to the environmental services are somewhat of a problem, because we put a lot of emphasis on that. Which means that in general the energy and energy-services companies have a hard time going through the social screens. Also the natural resources sector, like metals and mining. But I would say that, in general, we manage to find good companies in most sectors of the economy. If you dig a little bit, if you go beyond the obvious companies in the sector, you can often find some hidden gems in different sectors that are very socially responsible, and also can be great investments.

ASCHER: What sort of success do you have negotiating with these companies that have a problem only in the qualitative screens?

SHIELDS: We've actually had some very good success doing this. We do it a number of ways. We do it on an informal basis in terms of just having conversations with management, but we also do it on a shareholder-activism basis, where we will actually sponsor or cosponsor items to be voted on in the proxy statement. Home Depot was one of the companies in one of our portfolios. It is a good financial and social citizen. But it was involved in distributing furniture,

CITIZENS GLOBAL EQUITY FUND (AVERAGE ANNUAL TOTAL RETURNS AS OF 3/31/00)

FUND NAME	INCEPTION DATE	SYMBOL	1-YEAR	3-YEAR	5-YEAR	10-YEAR	LIFE OF FUND	EXPENSE RATIO
Citizens Global Equity	2/8/94	WAGEX	81.20%	44.25%	31.38%	N/A	24.64%	1.96%

Principal value and investment returns will fluctuate with changes in market conditions so that an investor's shares when redeemed may be worth more or less than their original cost. Total return assumes reinvestment of dividends and capital gain distributions for the periods indicated.

Prospectuses containing more complete information including management fees, charges, and expenses are available from Schwab. Please read the prospectus carefully before investing. Investors should be comfortable with the special risks of international investing including the euro conversion, currency fluctuations, lower liquidity and economic and political risks. Investments in the technology sector are subject to greater volatility than those in other asset categories.

Fee waivers currently are in effect and have been instituted in the past to maintain expense limits without which returns would have been lower. Citizens Securities, Inc., Distributor Charles Schwab & Co., Inc. (member SIPC/NYSE) provides record-keeping and shareholder services for shares purchased through its Mutual Fund OneSource® service. The information provided here is for general informational purposes only and should not be considered an individualized recommendation or personalized investment advice. The securities listed may not be suitable for everyone. Each investor needs to review a security transaction for his or her own particular situation. Data contained here are from what are considered reliable sources; however, its accuracy and reliability cannot be guaranteed. (0000-6-191)

¹ Oppenheimer Funds survey, 1998.

² For the companies cited in this article, the holdings in the Citizens Global Equity Fund as of 3/31/00 were as follows: Taiwan Semiconductor, 0.93%; Compag, 0%; Hewlett-Packard, 0%; Sony, 0%; Intel, 1.40%; Vodafone AirTouch, 1.78%; Tjamesman, 0%; Home Depot, 1.34%. (0000-6-191)