

# Smart Money

THE WALL STREET JOURNAL MAGAZINE OF PERSONAL BUSINESS

## TRUST... BUT VERIFY

How These Top Funds Passed Our Tough Tests

- Avoid the Dangers, Go With the Winners
- Fed Up With Funds? 6 Smart Alternatives
- Big-Company Stocks: Bet on Them in '04
- Where Investors Get Their Best Ideas
- Luxe for Less: Rent a Terrific Villa

## AFTER THE SCANDALS

# 10 GREAT MUTUAL FUNDS FOR THE LONG HAUL

David Herro  
The Oakmark Fund  
Up 33% Last Year



8 MORE CHAMPS INSIDE



Piece for Smart Money Magazine 2004

## Schools Cutting Junk?

Why crack down on soda and not, say, nachos or chips?

Chips or Twinkies may be high in fat, but still food products.

Don't have an ounce of fiber: Nutritionists blame empty calories. And

soft drinks are high in sugar, which plays havoc with children's insulin levels.

**W**ith more schools relying on income from snack and soda vending machines, junk food has increasingly become a concern for parents and teachers, especially as rates of childhood obesity and diabetes rise. Deborah Ortiz, a Democrat who chairs California's Senate Health Committee, struck back in 2003 by sponsoring a law barring soft drink sales in schools serving grades K through 9. Now 22 states are considering similar bills.

### Q How is school a factor in childhood obesity?

**A** Some schools have added mandatory academics and squeezed out physical ed thanks to state budget crises. And when you only have 20 minutes for lunch between courses, you're more likely to run to the snack bar.

### Q Your bill doesn't apply to high schoolers. Why not?

**A** The lobbying power of the soda-bottling industry. They saw millions of dollars in sales at stake, and they leaned on the leaders of the state assembly. It became a matter of "exclude high school kids or the bill dies."

### Q What's next to improve nutrition for kids?

**A** The FDA is looking into requiring restaurants to put nutrition information on menus, which would help kids and adults. Here [in California], we have the Five a Day and Lean for Life nutrition programs, which promote fruits and vegetables and low-fat foods.

—interviewed by Matthew Heimer

## Cool Spots for Cold Times

SURE, IT'S FEBRUARY and you're craving warmth. But we say leave the sunny isles to the thin-skinned. These two destinations offer events no warm-weather counterpart could match, plus savings of as much as 60 percent versus summertime trips.

**Iceland.** Since moldy shark is a national dish, a Mystery Basket Cookoff could be dicey, or delectable. Find out which during the Iceland Naturally Food and Fun Festival, Feb. 18–23. Two-night air-included packages start at \$685, at Reykjavik's Hotel Loftleidir (festival dinners included). Icelandair Holidays, (800) 779-2899.

**Quebec.** Montreal High Lights, Feb. 19–29, has free concerts and dazzling light shows, plus 200 food-and-wine events. Two-night package at the Hilton (about \$176 U.S.) includes four-course dinner at Le Castillon restaurant; (800) 280-9967. Check [www.aircanada.ca](http://www.aircanada.ca) for the best Web fares, *et voilà*. —Julie Barker



APPLICATIONS FOR private mortgage insurance—required for home buyers with less than a 20 percent down payment—increased more than 70 percent between 1999 and 2002. But lately, more and more buyers are using "piggyback loans" to bridge the gap to a down payment, lowering monthly payments and getting a tax break, too. Here's how.

Say you want to purchase a \$350,000 home but are \$35,000 short of the 20 percent down payment. If you go the PMI route, you'll

## Short on a Down Payment? Tap the Piggybank

spend \$1,889 on the principal and interest to your 30-year, 6 percent mortgage, plus \$137 for your PMI premium. If you take out a \$35,000 piggyback loan, which is typically a variable-rate line of credit that now averages 5 percent, and add that to your \$35,000 down payment, you'll pay \$1,679 per month on your first mortgage and \$146 per month for interest on the piggyback—or \$201 less per month than with the PMI option. Plus, interest on the piggyback is tax-deductible; PMI premiums aren't. —Evelyn Ellison Twitchell

## YOUR money's WORTH

Heads up! Here's how to keep your kid's noggin safe—and warm—this ski season.



WORTH IT

Our four-year-old tester gave Briko's Forerunner Junior (\$70; [www.briko.com](http://www.briko.com)) a "comfy cozy" rating thanks to plenty of cushioning. And even with her ears covered, she could hear just fine. Plus, the Briko is approved by the American Society for Testing and Materials.

## NOT WORTH IT



We didn't make it outside, let alone to the slopes, with Salomon's Choopa (\$70; [www.salomonssports.com](http://www.salomonssports.com)). Sure, it gets points for including decorative stickers and being ASTM-approved. But our tester grew testy from its abrasive plastic and had trouble hearing things. —Ryan Malkin