



Moving More Abroad (Changing Allocations)

by Walter S. Frank, Chief Investment Officer

We are recommending changes in the portfolio allocations for Venturesome and Moderate investors. (There is no change being recommended for Conservative portfolios.) Specifically, we recommend that Venturesome investors cut their domestic stock allocation from 100% to 80%. At the same time we are recommending establishing a new 20% allocation for international stock funds. The new recommended allocation for the Venturesome portfolios is 80%–Domestic Equity Funds and 20%–International Equity Funds.

For Moderate investors, we recommend a cut in the domestic stock fund allocation from 70% to 60%, and a corresponding increase in the international stock fund allocation from 10% to 20%. The new recommended allocations for Moderate investors, then, will be Domestic Equities–60%, International Equities–20%, and High Yield Bonds–20%.

Before we discuss the thinking behind the change, we want to give you the specific fund changes we will be making in the six portfolios affected by the new recommendations.

Portfolio changes

MONEYLETTER Venturesome: Sell Legg Mason Special. With one-half of the proceeds buy Matthews Pacific Tiger. With the other half purchase Fidelity International Small Cap. (Warning: Fidelity International Small Cap cannot be purchased at Schwab. Your best bet is to buy the fund directly from Fidelity. As an alternative we recommend American Century International Opportunity which is available at Schwab.)
Fidelity Venturesome: Sell Fidelity Aggressive Growth. With one-half of the proceeds, purchase Fidelity International Small Cap. With the other half, purchase Fidelity Southeast Asia.
Vanguard Venturesome: Sell Vanguard Capital Value. Also sell \$4,000 (15%) of Vanguard Explorer. Purchase Vanguard Emerging Markets Stock Index with the proceeds.

MONEYLETTER Moderate: Sell one-half of Legg Mason Special. Purchase Fidelity International Small Cap with the proceeds. (See Warning above.)
Fidelity Moderate Sell \$10,000 (50%) of Fidelity Aggressive Growth. Purchase \$3,000 of Fidelity International Small Cap and \$7,000 of Fidelity Southeast Asia with the proceeds.
Vanguard Moderate: Sell \$5,000 (30%) of Vanguard Strategic Equity and \$5,000 (20%) of Vanguard Explorer. Purchase Vanguard International Value with the proceeds.

A touch of diversification

It might seem, considering our optimistic year-end outlook for the U.S. market, that there is little reason to shift out of U.S. equity funds at this time. Indeed, we could easily go along with that view. But there is something called prudence at the back of our mind, and it is prudence that has dictated this move for us.

The first thing to keep in mind is that our allocations, particularly for Venturesome investors but for Moderate investors as well, have been extremely aggressive for many months. Nothing can be more aggressive than a 100% allocation to the U.S. stock market, and that is where we have been for Venturesome investors since early June.

The underlying reason for our aggressive stance toward U.S. stocks was the equally aggressive stance of the Federal Reserve with respect to interest rates. Our allocations were a response to the Fed. It was clear, at least to us, that the Fed was determined to prevent the economy from stagnating a la Japan after our bubble collapsed. And the remedy was to be determinedly aggressive: drive interest rates lower and lower, close to zero if necessary, until the economy responded.

With the Fed leading the way, followed by the Administration with its tax cuts, more and more stimulus was being applied to the economy. With such stimulus, history teaches us, stocks ultimately revive and thrive. Opportunities such as last year, when all the stimulus taps are running wide open, come along rarely, and our decision was to go all out to take advantage of the moment.

Furthermore, when looking around the world, it was obvious that the Federal Reserve was leading the way in fighting the effects of the collapsed bubble. The European Central Bank was hampered by its traditionalism and the Bank of Japan was stuck in the mud by its earlier failure to be aggressive. Only in the U.S. was vigorous action being taken. And all the action was positive for stocks—lower interest rates, broad income tax cuts (in the initial phase of the cuts) and substantial investment inducements.

The stimulus worked. Vigorous economic growth is here, profits have zoomed in their traditional fashion and the stock market happily rode the profit wave. With success, though, comes a change. The economy doesn't require any additional stimulus to keep growing. Specifically, where until only a few months ago we could think of another rate cut by the Fed, a cut is now out of the question. With the economy so strong, the issue now is when will the Fed begin to edge rates higher.

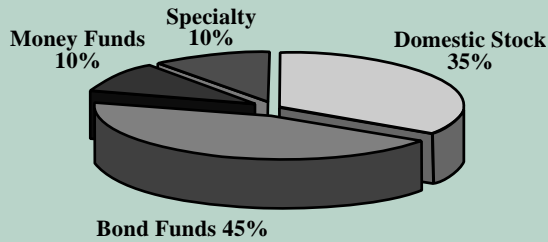
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Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Higher	Flat/Higher
Dollar	Lower	Flat/Lower
Inflation	Flat	Flat
Dow	Higher	Higher
NASDAQ	Higher	Higher
Europe	Higher	Higher
Japan (Nikkei)	Higher	Higher
Hong Kong (Hang Seng)	Higher	Higher

CONSERVATIVE

Seeks steady long-term growth of capital with limited short-term volatility

**MONEYLETTER Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.5%	10,070	\$1.00	\$10,070
Gateway Fund	11/27/02	8.6	601	23.00	13,832
PIMCO High Yield	05/14/03	9.8	1,518	9.77	14,829
RS Partners	04/02/03	59.6	735	27.70	20,351
MainStay SC Opportunity	12/15/03	4.6	578	16.80	9,710
AmerCent Inflation Adj.	02/12/03	5.3	1,561	10.98	17,135
WmBlair S-C Growth N	07/16/03	22.0	1,006	21.83	21,966
Dodge & Cox Income	02/19/03	5.4	970	12.92	12,529
TOTAL VALUE					\$120,422

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
2.9%	12.1%	19.6%	31.0%	19.6%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.9%	8,638	\$1.00	\$8,638
Fidelity Balanced	11/27/02	24.5	768	16.75	12,872
Fidelity High Income	01/17/01	14.3	1,932	8.94	17,270
Fidelity Capital Appreciation	06/25/03	24.5	845	24.51	20,703
Fidelity Small Cap Stock	12/10/03	5.4	848	17.10	14,505
Fidelity Intermediate Gov	02/19/03	1.4	1,133	10.29	11,658
Fidelity Investment Grade	02/19/03	3.3	1,672	7.55	12,621
TOTAL VALUE					\$98,267

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	9.7%	17.6%	1.9%	17.6%

Vanguard Conservative

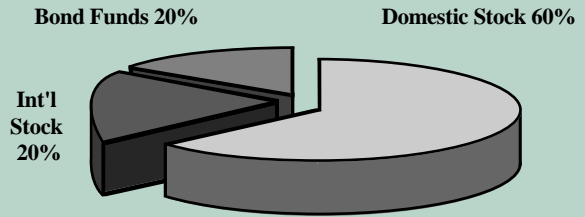
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.9%	8,413	\$1.00	\$8,413
Vanguard Balanced Index	11/27/02	16.7	566	18.27	10,340
Vanguard Bond Market	02/19/03	3.5	703	10.31	7,247
Vanguard Inflation Protect	02/19/03	5.4	1,051	12.21	12,831
Vanguard Strategic Equity	10/09/02	64.0	806	18.71	15,086
Vanguard Extended Mkt	09/10/03	12.1	439	26.66	11,709
Vanguard Small Cap Grwth	07/09/03	16.2	1,221	13.08	15,976
Vanguard FI Hi-Yld Corp	01/17/01	18.8	2,663	6.38	16,991
TOTAL VALUE					\$98,593

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
1.5%	10.4%	20.4%	1.1%	20.4%

MODERATE

Seeks greater long-term growth than the Conservative Portfolio by taking prudent risks

**MONEYLETTER Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Buffalo High Yield	06/20/01	25.6%	1,843	\$11.11	\$20,481
Henlopen Fund	12/15/03	4.9	859	26.10	22,418
Mathews Pacific Tiger	02/06/02	49.3	975	13.15	12,816
RS Partners	02/12/03	68.6	601	27.70	16,637
WmBlair S-C Growth N	07/16/03	22.0	1,006	21.83	21,966
Legg Mason Special	04/02/03	49.2	525	44.49	23,365
TOTAL VALUE					\$117,683

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.8%	23.4%	41.7%	37.4%	41.7%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Leveraged Company	12/10/03	8.7%	748	\$19.33	\$14,460
Fidelity High Income	01/17/01	14.3	2,818	8.94	25,190
Fidelity Small Cap Stock	11/12/03	6.5	1,296	17.10	22,166
Fidelity Capital Appr.	03/12/03	58.7	831	24.51	20,376
Fidelity Aggressive Grwth	07/09/03	12.3	1,327	14.93	19,807
Fidelity Int'l Small Cap	11/05/03	7.6	458	18.67	8,551
TOTAL VALUE					\$110,550

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.6%	17.1%	29.5%	20.7%	29.5%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Extended Mkt	11/27/02	36.6%	600	\$26.66	\$16,002
Vanguard FI Hi-Yld Corp	01/17/01	18.8	3,246	6.38	20,709
Vanguard Emerg. Mkts Stock	02/06/02	42.2	933	11.85	11,058
Vanguard Explorer	07/09/03	15.5	360	65.62	23,621
Vanguard Small Cap Grwth	09/10/03	9.7	1,264	13.08	16,530
Vanguard Strategic Equity	10/09/02	64.0	975	18.71	18,237
TOTAL VALUE					\$106,157

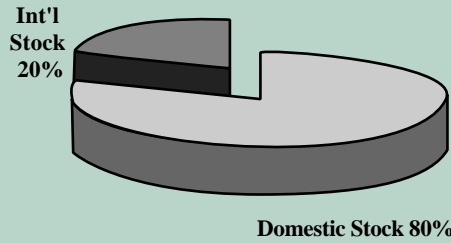
TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	18.2%	34.1%	7.1%	34.1%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations. Data shows positions as of 12/31/03.

VENTURESOME

Seeks maximum long-term growth by accepting greater short-term volatility



MONEYLETTER Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Henlopen Fund	11/12/03	4.0%	586	\$26.10	\$15,292
RS Smaller Company Grwth	12/15/03	4.0	905	20.58	18,615
Legg Mason Special	04/02/03	49.2	497	44.49	22,126
Royce Opportunity	07/16/03	27.5	1,280	12.14	15,537
WmBlair S-C Growth N	06/25/03	31.6	800	21.83	17,468
RS Partners	02/12/03	68.6	777	27.70	21,516
TOTAL VALUE					\$110,554

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.5%	26.7%	45.6%	40.5%	45.6%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Small Cap Indep.	12/10/03	4.6%	1,144	\$17.94	\$20,519
Fidelity Leveraged Company	12/10/03	8.7	1,103	19.33	21,325
Fidelity Low Priced Stock	11/19/03	5.2	627	34.98	21,916
Fidelity Aggressive Grwth	04/16/03	32.7	1,144	14.93	17,081
Fidelity Capital Apprec.	12/04/02	45.1	662	24.51	16,218
Fidelity Small Cap Stock	07/30/03	22.7	1,111	17.10	19,006
TOTAL VALUE					\$116,065

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
3.1%	19.6%	30.7%	27.0%	30.7%

Vanguard Venturesome

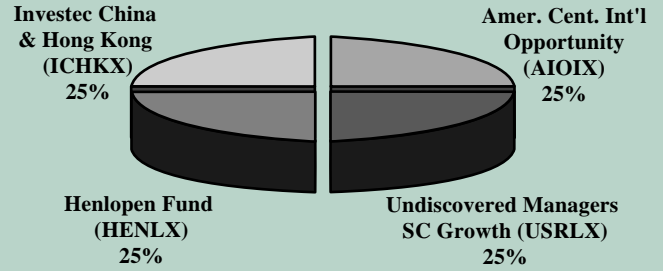
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Capital Value	06/04/03	20.1%	1,512	\$10.30	\$15,574
Vanguard Extended Mkt	11/27/02	36.6	780	26.66	20,783
Vanguard Explorer	07/09/03	15.5	394	65.62	25,888
Vanguard Strategic Equity	10/09/02	64.0	1,139	18.71	21,305
Vanguard Small Cap Growth	01/29/03	46.7	1,637	13.08	21,415
TOTAL VALUE					\$104,965

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	3-yr	YTD
1.9%	21.6%	37.1%	8.1%	37.1%

SELECT

Seeks maximum long-term growth by assertively upgrading fund positions



MONEYLETTER Select

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Amer.Cent. Intl Opp.	11/05/03	2.1%	3,904	\$7.84	\$30,604
Undiscovered SC Growth	09/17/03	7.5	3,012	10.44	31,443
Oberweis Emerging Grwth	07/30/03	16.2	1,135	27.05	30,711
RS Diversified Growth	09/03/03	11.4	1,322	22.36	29,562
TOTAL VALUE					\$122,320

TOTAL RETURNS (as of 12/31/03)

1-mo	6-mo	1-yr	Incep.(9/30/02)	YTD
1.7%	18.8%	31.9%	25.1%	31.9%

MONEYLETTER Select Commentary

The Hotline of Tuesday, January 6 recommended the sale of Oberweis Emerging Growth (OBEGX) to be upgraded to Henlopen Fund (HENLX). In addition, all shares of RS Diversified Growth (RSDGX) should be exchanged for Investec China & Hong Kong (ICHKX). These recommended trades will be executed at the market close January 7, which is after the press date for this issue. Details will be provided in the next issue. Note that the model details reflect positions as of month-end on December 31, 2003, while the Pie Chart has presented positions reflecting changes indicated in the Hotline of January 6th.

The model remains fully invested in equity funds. An addition has been made to our international position based on strengthening fundamentals throughout Asia, specifically China.

Total Returns—December 31, 2003

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	5.2%	15.1%	28.6%	-11.8%	28.6%
Asset Allocation Funds (Avg) 36 Funds	3.7	12.4	24.0	-0.9	24.0

Domestic Stock Funds

RANK	01/02 2004	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/ wtf
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	3	-	FLVCX	Fidelity Leveraged Company	MC	*	B	B	6.3%	30.4%	90.3%	\$19.36	-	-	Fw	
2	1	-	HENLX	Henlopen Fund (1%r<30d)	SCGro	*	B	B	0.7	40.9	62.6	26.20	33.7	1.43	FSW	
3	11	11	RYPNX	Royce Opportunity (1%r<180d)	SCVal	B	B	B	2.4	36.1	69.5	12.24	26.3	1.07	fsW	
4	2	6	HRTVX	Heartland Value (closed,1%r<90d)	SCVal	S	S	S	3.1	30.4	68.9	51.61	21.0	0.76	FsW	
5	22	4	USRLX	Undiscovered Small Cap Growth (\$10,000)	SCGro	B	B	B	1.0	28.8	69.3	10.51	-	-	fw	
6	16	35	CGMFX	CGM Focus	SCVal	*	B	B	4.7	29.8	58.4	29.92	50.6	0.13	fsW	
7	7	10	RSPFX	RS Partners	SC	B	B	B	6.1	26.7	63.6	27.75	23.0	0.65	FSW	
8	10	64	MOPIX	Mainstay Small Cap Opportunity (closed)	SCVal	B	B	B	3.2	31.4	52.8	16.91	17.5	0.63	FSW	
9	8	8	WBSNX	WmBlair S-C Growth N (closed,1%r<60d)	SCGro	B	B	B	2.7	27.4	61.0	22.03	34.6	1.32	FSW	
10	5	19	RSSGX	RS Smaller Company Growth	SCGro	*	B	B	-0.2	29.9	58.0	20.64	28.0	1.33	FSW	
11	12	102	BERWX	Berwyn Fund (1%r<180d)	SCVal	(B)	(B)	(B)	5.5	29.7	48.0	25.00	20.6	0.63	fsW	
12	9	22	BOGLX	Bogle Small Cap Growth (closed)	SCGro	B	B	B	0.0	29.2	56.3	26.57	21.3	0.90	w	
13	6	-	NEGSX	Needham Small Cap Growth	SCGro	B	B	B	0.2	28.1	58.6	16.97	-	-	FSW	
14	4	1	OBEGX	Oberweis Emerging Growth (1%r<180d)	SCGro	*	B	B	-4.0	26.3	65.8	27.36	34.2	1.63	FSW	
15	20	54	POGSX	Pin Oak Aggressive Stock	MCGro	*	B	B	0.0	27.0	57.7	19.71	40.6	2.57	FSW	
16	15	9	RSDGX	RS Diversified Growth	SCGro	*	B	B	1.6	26.1	56.9	22.47	29.0	1.53	FSW	
17	21	116	FSLCX	Fidelity Small Cap Stock (2%r<90d)	SCGro	B	B	B	3.6	28.2	43.4	17.21	20.3	0.92	F	
18	37	38	JSVAX	Janus Special Equity	MC	*	H	H	4.8	24.2	49.5	10.84	19.0	1.00	SW	
19	17	18	JAVTX	Janus Venture (closed)	SCGro	*	B	B	0.3	25.7	52.4	49.81	30.1	1.52	FSW	
20	13	27	WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SCVal	B	B	B	1.8	25.1	51.2	5.29	25.4	0.86	FSW	
21	24	14	NBSX	Neuberger Berman Focus	LCVal	*	B	B	-1.2	24.0	55.8	35.73	36.2	1.87	FSW	
22	19	24	BPSCX	Boston Ptnrs Smicap Val (closed,1%r<1yr)	SCVal	B	B	B	3.7	23.2	49.9	22.81	26.4	0.74	FSW	
23	41	248	IZZYX	ICM/Isabelle Small Cap Value	SCVal	(B)	(B)	(B)	5.4	25.8	40.5	13.88	24.6	0.85	FSW	
24	18	-	USCGX	USAA Capital Growth	SCGro	*	B	B	-1.2	24.8	52.0	6.49	-	-	fsW	
25	30	3	LMOPIX	Legg Mason Opportunity Trust (1%r<1yr)	MC	*	(H)	(H)	2.5	17.3	64.8	13.81	32.2	1.45	-	
26	86	235	SMTVX	Strong Multi-Cap Value	MCVal	H	H	H	8.3	23.2	36.8	56.38	18.8	0.85	FSW	
27	89	246	PRNEX	T. Rowe Price New Era	LC	H	H	H	9.5	23.7	30.9	27.29	18.8	0.55	fsW	
28	55	57	TGVNX	TCW Galileo Value Opportunities	MC	H	H	H	2.3	22.6	44.0	20.23	-	-	FSW	
29	35	34	TUDRX	WPG Tudor	SC	H	H	H	4.6	21.7	42.5	16.41	27.3	1.36	FsW	
30	56	52	FDCAX	Fidelity Capital Appreciation	MC	H	H	H	3.8	20.5	46.4	24.55	23.2	1.27	fsW	
31	81	49	VHCOX	Vanguard Cap Opp (\$25,000,1%r<5yr)	MCGro	*	H	H	2.0	22.2	44.5	25.43	22.8	1.29	fsW	
32	14	30	CSMVX	Century Select Small Cap	SCGro	B	B	B	0.3	22.7	44.2	21.61	16.3	0.54	FSW	
33	38	58	NAESX	Vanguard SmallCap Index	SC	H	H	H	1.6	22.3	42.8	22.71	22.2	1.03	fsW	
34	25	16	PBEGX	PBHG Emerging Growth	SCGro	*	B	B	-5.0	22.4	52.1	13.19	33.6	2.03	FSW	
35	28	36	CRMSX	CRM Small Cap Value Inv	SCVal	B	B	B	1.8	21.2	44.8	24.39	22.9	0.87	FSW	
36	33	41	MERDX	Meridian Fund	SCGro	H	H	H	0.2	22.3	44.3	33.13	20.3	0.84	fw	
37	26	7	BUFSX	Buffalo Small Cap (closed)	SCGro	B	B	B	-0.4	21.1	47.0	22.15	28.9	1.20	SW	
38	32	12	LMAXX	Legg Mason Special Investment Trust	MC	*	(H)	(H)	0.8	19.2	49.6	44.46	27.2	1.30	-	
39	23	95	RYLPX	Royce Low Priced Stock (1%r<180d)	SCVal	(H)	(H)	(H)	0.9	22.6	40.6	14.10	26.1	1.02	FSW	
40	69	62	LLSCX	Longleaf Partners Smallcap(closed)	SCVal	(H)	(H)	(H)	4.7	19.5	41.9	28.86	19.3	0.67	fw	
41	46	160	TASGX	Third Avenue Small-Cap Value	SCVal	H	H	H	2.8	22.5	37.2	18.88	19.1	0.81	FSW	
42	27	29	SAFGX	Safeco Growth Opportunities	SC	(H)	(H)	(H)	0.8	21.2	42.9	24.76	27.8	1.22	fsW	
43	31	2	UBRRX	Undiscovered Behavioral Growth (\$10,000)	MCGro	*	(H)	(H)	-3.3	19.3	53.5	19.63	26.9	1.34	fw	
44	36	44	NEEGX	Needham Growth Fund (.75%r<30d)	MCGro	(H)	(H)	(H)	-0.3	21.0	44.6	29.58	28.8	1.38	FSW	
45	44	105	CRIMX	CRM Mid Cap Value Ins	MCVal	H	H	H	3.4	21.1	38.3	21.68	20.0	0.65	w	
46	65	136	TRMCX	T. Rowe Price Mid Cap Value	MCVal	H	H	H	4.9	21.4	35.4	20.35	17.7	0.72	fsW	
47	39	108	SMDCX	Strong Mid Cap Disciplined	MCVal	H	H	H	4.2	21.0	37.3	20.13	21.3	0.94	FSW	
48	43	100	FLPSX	Fidelity L P Stock (closed,1.5%r<90d)	SCVal	H	H	H	2.7	21.8	37.6	35.03	16.9	0.67	fsW	
49	73	40	GSETX	Columbia Small Company Equity Clz	SCGro	H	H	H	1.4	21.1	40.8	17.25	33.0	1.10	fw	
50	45	33	RSMOX	RS MidCap Opportunities	MCGro	H	H	H	0.4	20.2	44.2	10.84	20.3	1.08	FSW	
51	58	166	VISVX	Vanguard Small-Cap Value Index	SCVal	H	H	H	3.5	22.3	34.1	11.53	23.2	0.87	fsW	
52	48	107	CRMMX	CRM Mid Cap Value Inv	MCVal	H	H	H	3.3	20.9	37.9	21.48	-	-	FSW	
53	49	39	VISGX	Vanguard Small Cap Growth Index	SCGro	H	H	H	-0.2	22.1	40.1	13.16	22.3	1.02	w	
54	29	97	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	1.3	21.9	38.2	8.92	19.2	0.71	Fsw	
55	50	26	MXIX	Marsico 21st Century	LC	H	H	H	0.3	20.1	44.1	9.81	20.5	1.01	FSW	
56	34	20	PRNHX	T. Rowe Price New Horizons	SCGro	H	H	H	-0.2	19.4	45.8	24.88	29.2	1.44	fsW	
57	70	28	TMGFX	Turner Mid Cap Growth	MCGro	*	H	H	-0.6	20.4	43.7	22.00	31.2	1.70	FSW	
58	80	55	TGSCX	TCW Galileo Small Cap Growth	MCGro	*	H	H	-0.8	19.4	45.4	14.95	37.9	2.17	FSW	
59	51	46	VEXMX	Vanguard Extended Market Index	MC	H	H	H	1.2	20.0	40.6	26.72	23.1	1.17	fsW	
60	115	-	MAVFX	Matrix Advisors Value	LC	S	S	S	5.0	18.3	38.8	53.56	26.7	1.25	FSW	
61	47	17	MNSCX	Montgomery Small Cap	SCGro	*	H	H	-0.4	18.8	45.4	10.85	24.3	1.13	s	
62	62	45	VEXPX	Vanguard Explorer	SCGro	H	H	H	0.2	20.2	41.1	65.82	24.7	1.18	fsW	
63	53	59	MUHLX	Muhlenkamp Fund	MCVal	H	H	H	1.6	19.2	41.5	62.97	28.6	1.26	FSW	
64	76	122	PBSVX	PBHG Small Cap Value	SC	H	H	H	2.2	20.9	36.1	19.59	24.3	1.08	FSW	
65	77	69	VCVLX	Vanguard Capital Value	LCVal	H	H	H	3.6	19.4	37.8	10.30	-	-	fsW	
66	52	50	VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	1.0	19.4	39.9	18.72	16.2	0.78	fsW	
67	75	74	MPMVX	MSI Mid Cap Value	MCVal	S	S	S	2.8	19.1	37.0	20.50	16.3	0.80	fsW	
68	145	15	TGANX	TCW Galileo Aggressive Growth CIN	MCGro	*	S	S	3.9	15.1	45.2	11.98	38.2	2.14	SW	

Bold funds are currently held in *MONEYLETTER* model portfolios.

Advice: B=Buy, H=Hold, S=Sell, (B), (H), (S)= advice new this issue, *=-not for this portfolio.

Std. Dev.: Standard Deviation based on trailing 3-yr. returns.

Beta: fund's correlation to the market (S&P 500 = 1.0). A fund with a beta greater than 1.0 is more volatile than the S&P 500.

NTF/wtf: NO TRANSACTION FEE/with transaction fee (F/f) for Fidelity, (S/s) for Schwab and (W/w) for TD Waterhouse.

FUND SCORECARD & RECOMMENDATIONS

5

Domestic Stock Funds

RANK	01/02	1 Mo	6 Mo	Ticker	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wtf
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	68	65	31	SLSSX	Selected Special Shares	MCGro	S	S	S	1.7	19.5	37.3	11.70	19.0	1.04	sW
70	79	31		RSEGX	RS Emerging Growth (closed)	MCGro	*	(S)	(S)	-2.3	19.2	43.6	28.23	30.6	1.68	FSW
71	54	23		KAUFX	Federated Kaufmann Fund (0.2%)	MCGro	(S)	(S)	(S)	0.9	17.7	42.1	4.97	20.1	0.89	FSW
72	78	73		AVALX	Aegis Value Fund	SCVal	S	S	S	2.9	19.4	34.8	16.80	16.9	0.47	fw
73	64	88		PRSVX	T. Rowe Price S-C Value (closed,1%<1yr)	SCVal	S	S	S	2.4	19.5	34.9	29.59	17.6	0.62	fsW
74	40	125		TAVFX	Third Avenue Value	MCVal	S	S	S	1.7	19.7	34.6	41.52	16.1	0.75	FSW
75	111	99		STDIX	Strong Discovery	MCGro	S	S	S	-0.3	20.4	35.4	19.78	17.9	0.84	FSW
76	82	60		RSVPX	RS Value+Growth	LC	S	S	S	1.0	17.7	39.5	17.28	17.4	1.04	FSW
77	72	47		TWCVX	American Century Vista	MCGro	S	S	S	-0.3	18.3	40.0	12.60	20.6	0.77	fsW
78	87	56		MPSCX	MSI Small Cap Value (closed)	SCVal	S	S	S	2.0	18.5	35.8	20.68	18.7	0.91	fsW
79	60	48		CUEGX	CS Warburg Pincus Emerging Growth	MCGro	S	S	S	-0.6	18.0	40.7	27.45	24.0	1.31	FSW
80	71	25		ARTSX	Artisan Small Cap	SCGro	S	S	S	0.9	17.1	40.0	14.20	27.8	1.23	FSW
81	102	-		TGCNX	TCW Galileo Select Equity	LCGro	*	S	S	1.4	15.4	43.0	16.99	26.8	1.55	FSW
82	84	103		CBMDX	C&B Mid Cap Value	MCVal	S	S	S	2.1	17.7	35.9	18.82	19.5	0.66	FSW
83	112	147		VWEGX	Van Wagoner Emerging Growth (closed)	MCGro	*	S	S	-4.6	18.7	42.2	6.40	54.7	3.00	FSW
84	66	78		RYPRX	Royce Premier (1%<180d)	SC	S	S	S	0.2	18.8	34.7	12.90	18.2	0.73	FSW
85	94	133		VWVNDX	Vanguard Windsor	LCVal	S	S	S	3.3	17.5	32.9	16.24	19.6	0.91	fsW
86	100	150		FDVLX	Fidelity Value	MCVal	S	S	S	4.2	17.8	30.6	62.02	18.5	0.68	Fsw
87	122	85		STCSX	Strong Advisor Common Stock (closed)	MC	S	S	S	3.3	16.9	34.3	22.10	21.1	1.10	FSW
88	59	128		FDISX	Dreyfus-Founders Discovery	SCGro	S	S	S	-0.9	19.6	33.4	26.03	25.7	1.30	FSW
89	133	51		LMVTX	Legg Mason Value	LCVal	S	S	S	4.1	14.9	37.6	58.02	21.6	1.17	-
90	123	204		DODGX	Dodge & Cox Stock	LCVal	S	S	S	4.9	17.9	28.5	113.80	16.8	0.67	sw
91	135	115		MPVLX	MSI Value Portfolio	MCVal	S	S	S	5.9	15.9	30.5	15.44	20.6	0.87	fsW
92	92	75		BPMCX	Boston Partners Mid Cap Value	MCVal	S	S	S	2.5	17.1	32.3	12.73	18.6	0.83	FSW
93	96	-		CAMOX	Cambiar Opportunity	LC	*	S	S	3.5	17.0	31.0	14.45	19.7	0.93	FSW
94	113	77		FODCX	Fidelity OTC Portfolio	LCGro	*	S	S	2.0	17.5	31.8	32.61	29.2	1.59	fsW
95	63	119		FDESCX	Fidelity Small Cap Ind. (1.5%<90d)	SC	H	H	H	1.2	17.6	32.6	17.94	17.7	0.58	fsW
96	131	71		VPMCX	Vanguard PRIMECAP (\$25,000&1%<5yr)	LC	S	S	S	2.3	16.5	33.5	53.03	19.9	1.16	fsW
97	85	42		MPEGX	MSI Mid Cap Growth	MCGro	*	S	S	-0.6	16.4	37.8	17.17	22.9	1.30	fsW
98	120	139		WPSRX	Westport Small Cap R	SCVal	S	S	S	2.9	17.7	29.2	21.93	19.3	0.84	FSW
147	136	117		FDEGX	Fidelity Aggressive Growth (0.75%<90d)	LCGro	(S)	(S)	(S)	0.7	14.5	29.1	14.91	30.5	1.96	fsW
164	61	21		WAAEX	Wasatch Small Cap Grth (closed,2%<60d)	SCGro	(S)	(S)	(S)	-3.1	13.5	34.7	35.60	30.0	1.29	FSW

Dow Jones
NASDAQ
S&P 500

6.9% **16.3%** **25.3%**
2.2 **23.5** **50.0**
5.1 **14.1** **26.4**

indexes do not include dividends

International Stock Funds

1	1	-		FISMX	Fidelity Intl Small Cap (2%<90d)	Int'l	B	B	B	6.6%	42.8%	82.3%	\$18.90	-	-	Fw
2	5	2		ICHKX	Investec China & Hong Kong	Pacific	*	B	B	8.0	44.0	68.6	17.26	19.6	-	FSW
3	4	-		AIOIX	Amer.Cent.Intl Opportunity (2%<180d)	Int'l	B	B	B	5.2	39.8	73.9	7.94	-	-	S
4	7	4		FLATX	Fidelity Latin Amer. (1.5%<90d)	LatinA	*	H	H	9.2	36.0	65.2	15.44	29.8	-	fs
5	8	5		MAPTX	Matthews Pacific Tiger (2%<90d)	Pacific	*	B	B	5.8	38.3	63.4	13.37	23.6	-	FSW
6	6	3		PRIDX	T. Rowe Price Intl Disc. (2%<1yr)	Int'l	B	B	B	5.3	37.2	66.6	26.66	16.0	-	fsW
7	11	13		VEIEX	Vanguard Emerging Mkts Stk Index (.5%)	Int'l	*	B	B	8.0	36.7	59.8	12.17	22.6	-	fsW
8	12	15		PRASX	T. Rowe Price New Asia	Pacific	*	B	B	6.6	38.0	56.5	8.69	19.7	-	fsW
9	2	19		MJFOX	Matthews Japan Fund (2%<90d)	Japan	*	B	B	3.7	38.0	60.7	13.26	15.2	-	FSW
10	3	18		SJPNX	Japan Fund (Scudder) (2%<180d)	Japan	*	B	B	5.8	36.3	59.7	9.70	14.8	-	FSW
11	18	22		FSEAX	Fidelity SE Asia (1.5%<90d)	Pacific	*	(H)	(H)	7.4	35.8	53.7	14.83	21.1	-	fsW
12	9	1		ARTJX	Artisan Intl Small Cap (closed,2%<90d)	Int'l	B	B	B	5.8	32.1	61.6	15.74	-	-	SW
13	16	8		PRLAX	T. Rowe Price Latin America (2%<1yr)	LatinA	*	(H)	(H)	9.0	31.0	57.8	11.87	29.7	-	fsW
14	17	12		DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	H	H	7.3	32.1	54.9	17.18	21.6	-	FSW
15	13	25		OAKEX	Oakmark Intl Small Cap (closed,2%<90d)	Int'l	B	B	B	5.5	33.4	53.9	16.19	20.4	-	FSW
16	22	21		FEMKX	Fidelity Emerging Mkts (1.5%<90d)	Int'l	H	H	H	8.3	32.8	51.1	10.86	-	-	fsW
17	15	10		VINEX	Vanguard Intl Explorer (\$10,000,2%<60d)	Int'l	B	B	B	5.3	30.1	58.9	12.93	16.3	-	fsW
18	20	7		SLAFX	Scudder Latin America	LatinA	*	H	H	9.8	28.5	54.7	24.73	27.3	-	FSW
19	32	20		SCOPX	Scudder Pacific Opportunity (2%<1yr)	Pacific	H	H	H	7.9	31.8	46.3	11.73	19.0	-	FSW
20	10	36		PRJPX	T. Rowe Price Japan	Japan	*	(H)	(H)	4.0	32.3	44.1	7.25	14.4	-	s
21	26	27		FIGRX	Fidelity International G & I	Int'l	H	H	H	6.7	28.4	43.4	24.19	15.2	-	Fsw
22	27	29		VTRIX	Vanguard International Value	Int'l	H	H	H	6.3	29.4	41.2	26.61	16.8	-	fsW
23	28	24		HAINX	Harbor International	Int'l	H	H	H	6.8	28.8	40.7	37.24	17.9	-	fsW
24	14	32		FIEUX	Fidelity Europe (1%<90d)	Europe	H	H	H	3.6	28.4	46.4	26.94	22.5	-	fsW
25	29	26		FOSFX	Fidelity Overseas (1%<30d)	Int'l	H	H	H	6.3	27.3	43.5	31.83	15.5	-	Fsw
26	31	33		PFIFX	Preferred International	Int'l	H	H	H	6.0	28.2	38.9	14.46	17.4	-	w
27	24	9		SGSCX	Scudder Global Discovery (closed)	Int'l	H	H	H	3.5	25.2	49.6	28.37	20.1	-	FSW
28	41	51		JAOSX	Janus Overseas (closed)	Int'l	H	H	H	5.8	28.6	36.5	20.87	16.5	-	FSW
29	34	23		FDIVX	Fidelity Diversified Intl (1%<30d)	Int'l	S	S	S	6.4	25.3	42.6	24.40	13.8	-	Fsw
30	33	30		WBIGX	Wm. Blair Intl Growth Stock N	Int'l	S	S	S	5.3	25.9	42.4	18.80	14.6	-	FSW
31	39	16		MACSX	Matthews Asia Growth&Income (2%<90d)	Pacific	S	S	S	6.2	26.0	40.5	13.97	11.4	-	FSW
32	21	34		FJPNX	Fidelity Japan (1.5%<90d)	Japan	*	H	H	6.0	26.4	38.2	11.74	17.3	-	Fsw
33	23	44		VPACX	Vanguard Pacific Stock Index	Pacific	*	H	H	6.2	25.6	39.6	8.18	13.7	-	fsW
35	30	28		FPBFX	Fidelity Pacific Basin (1.5%<90d)	Pacific	(S)	(S)	(S)	5.6	25.5	39.8	17.81	14.7	-	Fsw
37	25	6		OAKGX	Oakmark Global (2%<90d)	Global	(S)	(S)	(S)	4.2	23.2	47.0	19.36	26.5	-	FSW

Specialty Funds (next issue on page 6: Bond Funds)

RANK	01/02 2004	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative Moderate Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/ wtf
								1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	1	72	SCGD	Scudder Gold (closed)	NatRes	* * *	-5.0%	82.4%	97.0%	\$21.04	31.90	0.28	FSW	
2	2	82	USER	U.S.Global Gold Shares (.25%r<30d)	NatRes	* * *	-5.6	64.2	67.9	8.82	42.40	0.41	fsw	
3	6	75	VGPMX	Vanguard Precious Metals (closed,1%r<1yr)	NatRes	* * *	-0.3	50.5	60.5	16.65	32.70	0.56	fsw	
4	9	-	RYTVX	Royce Technology Value	Tech	* * *	0.1	36.4	87.9	8.36	-	-	FSW	
5	13	-	RIAFX	RS Internet Age	Tech	* * *	-2.4	33.5	94.7	6.62	59.30	2.65	FSW	
6	14	-	RSIF	RS Information Age	Tech	* * *	-2.5	31.3	91.1	15.02	48.30	2.33	FSW	
7	12	77	FSDPX	Fidelity Indust MatrIs (.75%r<30d)	CyclS	* * *	7.7	41.6	47.8	36.14	23.00	0.87	Fsw	
8	5	79	FGLDX	INVESCO Gold Inv	NatRes	* * *	-1.6	45.0	49.3	3.93	30.30	0.22	FS	
9	3	80	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	* * *	-2.9	41.6	48.2	13.32	36.90	0.15	fSW	
10	11	9	RSCOX	RS Contrarian	Altern	* * *	4.5	30.5	65.0	17.09	17.60	0.57	FSW	
11	4	83	RYPMX	Rydex Precious Metals	NatRes	* * *	-2.7	42.8	42.3	44.80	31.70	0.24	fsw	
12	10	-	EUEYX	Alpine U.S. Real Estate Equity CIY	NatRes	* * *	-2.4	27.1	74.9	29.43	32.70	0.87	fSW	
13	17	21	FWRLX	Fidelity Wireless	Tech	* * *	4.3	27.5	63.2	4.13	-	-	fsw	
14	15	22	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	* * *	0.1	29.8	63.4	16.81	37.00	1.72	Fsw	
15	19	7	FSELX	Fidelity Electronics (.75%r<30d)	Tech	* * *	-0.9	30.2	63.2	41.98	51.20	2.32	Fsw	
16	8	2	CGMRX	CGM Realty	RealEs	* * *	-5.4	26.6	78.7	24.18	17.50	0.21	sw	
17	20	14	RYSIX	Rydex Electronics	Tech	* * *	-5.2	31.4	62.2	14.11	50.30	2.33	fsw	
18	21	50	FSCGX	Fidelity Industrial Equip (.75%r<30d)	CyclS	* * *	7.5	33.2	37.7	24.61	22.90	1.11	Fsw	
19	35	10	RYIIX	Rydex Internet	Tech	* * *	6.1	22.9	57.3	34.25	41.00	2.70	fsw	
20	24	-	PRMTX	T. Rowe Price Media & Telecommunications	Utility	* * *	5.7	23.9	52.7	22.66	30.00	1.53	fsw	
21	39	71	FSCHX	Fidelity Chemicals (.75%r<30d)	CyclS	* * *	8.2	28.6	33.0	52.12	21.60	0.82	Fsw	
22	7	84	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	* * *	-3.5	34.3	33.5	30.11	34.10	0.36	Fsw	
23	22	4	FDCPX	Fidelity Computers (.75%r<30d)	Tech	* * *	-1.9	22.7	56.9	36.10	41.20	2.09	Fsw	
24	30	54	FICYX	Fidelity Cyclical Ind (.75%r<30d)	CyclS	* * *	6.3	26.2	34.4	16.08	22.00	0.98	Fsw	
25	27	31	FSAVX	Fidelity Automotive (.75%r<30d)	CyclS	* * *	3.6	25.3	39.2	32.45	25.10	0.93	Fsw	
26	26	16	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	* * *	6.1	22.3	42.4	55.50	14.60	0.23	FSW	
27	31	74	RYBIX	Rydex Basic Materials	CyclS	* * *	6.2	26.9	30.1	25.33	23.40	0.90	fsw	
28	25	5	FSPTX	Fidelity Technology (.75%r<30d)	Tech	* * *	-0.4	20.9	53.4	60.42	46.60	2.14	Fsw	
29	23	60	FSDAX	Fidelity Defense & Aero (.75%r<30d)	CyclS	* * *	5.7	24.8	34.3	54.50	19.50	0.76	Fsw	
30	34	6	RYTIX	Rydex Technology	Tech	* * *	-0.3	20.5	50.5	11.35	34.10	2.04	fsw	
31	38	-	PRSCX	T. Rowe Price Science & Tech	Tech	* * *	2.1	20.2	44.5	18.79	39.20	2.41	fsw	
32	49	53	VGENX	Vanguard Energy (1%r<1yr)	Energy	* * *	10.9	19.5	31.9	30.03	24.50	0.64	fsw	
33	16	78	FSHCX	Fidelity Med Del (.75%r<30d)	Health	* * *	0.6	26.9	28.2	31.23	23.10	0.07	Fsw	
34	33	12	FNINX	Fidelity Networking	Tech	* * *	-1.3	16.8	51.3	2.36	-	-	fsw	
35	18	30	FSHOX	Fidelity Const & Housing (.75%r<30d)	CyclS	* * *	-1.6	22.4	36.9	34.19	24.40	0.80	Fsw	
36	59	11	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	* * *	5.5	16.4	38.6	45.25	21.80	1.08	Fsw	
37	55	69	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	* * *	9.0	18.8	26.0	14.30	21.90	0.78	Fsw	
38	36	19	CSEIX	Cohen & Steers Equity Income	RealEs	* * *	3.8	17.2	36.5	14.51	13.10	0.13	FSW	
39	51	85	FSPFX	Fidelity Paper & Forest (.75%r<30d)	CyclS	* * *	8.2	21.8	16.0	30.79	24.70	0.80	Fsw	
40	29	20	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	* * *	1.9	16.9	34.9	15.16	13.70	0.14	fsw	
41	28	26	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	* * *	1.7	17.2	33.0	23.67	13.90	0.20	Fsw	
42	44	24	FDLSX	Fidelity Leisure (.75%r<30d)	Consmr	* * *	3.1	14.6	37.1	70.87	21.20	1.10	Fsw	
43	45	34	FTCHX	INVESCO Technology Inv	Tech	* * *	-1.0	17.0	37.1	24.64	48.00	2.26	FS	
44	32	-	TRREX	T. Rowe Price Real Estate	RealEs	* * *	1.8	16.4	34.1	13.64	13.70	0.16	fsw	
45	37	39	FSVLX	Fidelity Home Finance (.75%r<30d)	FinServ	* * *	-0.3	18.7	31.1	63.80	25.80	0.37	Fsw	
46	53	27	FSRFX	Fidelity Transportation (.75%r<30d)	CyclS	* * *	1.9	15.3	34.8	33.87	23.00	0.88	Fsw	
47	79	1	RYOIX	Rydex Biotechnology	Health	* * *	2.1	11.4	44.1	19.94	59.70	0.96	fsw	
48	47	-	PRISX	T. Rowe Price Financial Services	FinServ	* * *	3.2	16.0	30.5	21.80	20.00	0.80	fsw	
49	71	18	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	* * *	4.4	14.1	31.6	49.69	30.80	1.47	Fsw	
50	40	23	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	* * *	2.8	14.9	31.7	32.83	13.20	0.17	fsw	
51	42	51	RYLIX	Rydex Leisure	Consmr	* * *	1.7	16.1	29.8	25.08	22.00	1.10	fsw	
52	74	67	RYEIX	Rydex Energy	NatRes	* * *	10.2	14.3	20.9	11.22	21.30	0.66	fsw	
53	66	47	FSNGX	Fidelity Natural Gas (.75%r<30d)	Utility	* * *	8.7	13.5	24.8	21.52	27.70	0.61	Fsw	
54	48	38	FSLEX	Fidelity Environmental Ser (3%&.75%r<30)	CyclS	* * *	2.0	16.6	25.6	13.31	19.70	0.59	fsw	
55	70	48	FLISX	INVESCO Leisure Inv	Consmr	* * *	4.4	14.2	26.8	41.51	22.60	1.04	FS	
56	78	70	FSENX	Fidelity Energy (.75%r<30d)	NatRes	* * *	9.8	13.4	19.7	25.04	22.10	0.70	Fsw	
57	43	13	FSCSX	Fidelity Software (.75%r<30d)	Tech	* * *	1.8	13.8	30.2	49.27	52.00	2.14	Fsw	
58	41	35	RYKIX	Rydex Banking	FinServ	* * *	-0.1	15.7	27.7	9.87	27.50	0.70	fsw	
59	64	40	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	* * *	2.8	14.6	26.1	114.30	21.80	0.79	Fsw	
60	54	32	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	* * *	1.2	14.7	27.5	38.81	24.50	0.70	Fsw	
61	82	58	FSTEX	INVESCO Energy Inv	NatRes	* * *	10.0	12.2	19.7	20.39	33.90	0.84	FS	
62	60	-	PRHSX	T. Rowe Price Health Sciences	Health	* * *	2.4	10.1	35.8	20.10	22.60	0.84	fsw	
63	72	33	FSFSX	INVESCO Financial Serv Inv	FinServ	* * *	3.9	13.5	25.2	29.42	22.80	0.86	FS	
64	63	68	RYMIX	Rydex Telecommunications	Utility	* * *	3.8	13.1	26.0	14.35	21.60	1.52	fsw	
65	62	41	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	* * *	3.9	13.6	24.7	55.52	27.70	0.56	Fsw	
66	58	37	RYFIX	Rydex Financial Services	FinServ	* * *	2.2	14.1	25.8	10.47	24.10	0.93	fsw	
67	57	49	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	* * *	1.7	14.8	22.7	14.35	22.60	1.03	Fsw	
68	65	43	FBALX	Fidelity Balanced	Hybrid	B * *	2.8	12.3	25.9	16.74	10.50	0.54	Fsw	
83	77	55	VBINX	Vanguard Balanced Index	Hybrid	B * *	2.3	8.1	17.7	18.22	10.70	0.57	fsw	
91	87	57	GATEX	Gateway Fund	Altern	B * *	0.7	4.8	9.1	22.96	7.84	0.40	FSW	

ANALYSIS

(continued from page 1)

Meanwhile, the pickup here is affecting activity abroad both directly and through the stock market. In addition, Asia is also being affected by the growth pulse coming from China. The result is that the top international funds in our fund list have been performing as well as the top domestic funds. The U.S. market is no longer the only bull market going.

The weakening dollar has something to do with that performance, of course, but less so in Asia. China and Hong Kong both tie their currencies to the dollar, and Japan has supported the dollar by massive foreign currency intervention. Depending on the currency policy of the individual fund, it is the European stock and bond funds that have benefited to a meaningful extent from a falling dollar.

Essentially, it is the changed relative outlook for the domestic and international markets that is behind our allocation change. Interest rates here are no longer on the down escalator. At some point they will move to the up escalator. Opinions vary widely on when, from this July to early next year. We favor the midyear view on the basis that the economy will continue to run exceedingly strongly in the first half of this year.

Our own view is that even if the Fed acts interest rate worries will not derail the U.S. market this year. But one never knows. That is one reason why we believe some diversification is called for at this time. Coincidentally, the foreign markets which have been lagging the U.S. market until recently are now hitting their recovery stride. The sort of profit growth that we have been experiencing here has been taking hold abroad, particularly in parts of Asia.

One thing to notice is that the commitment of our allocations to equities has not changed. We are switching some domestic stock funds into international stock funds. We are not lowering our overall allocation to stocks. We look for the global bull market to continue this year.

Fund changes

The Hotline of Friday, December 12 recommended the sale of Heartland Value in all three *MONEYLETTER* portfolios. Here are the details as of Monday, December 15. ***MONEYLETTER Venturesome:*** Sell 345 shares of Heartland Value @ \$51.90 per share. Buy 905 shares of RS Smaller Company Growth @ \$19.79 per share. ***MONEYLETTER Moderate:*** Sell 412 shares of Heartland Value, purchase 859 shares of Henlopen Fund @ \$24.88 per share. ***MONEYLETTER Conservative:*** Sell 179 shares of Heartland Value, purchase 550 shares of Eclipse Small Cap Value (renamed Mainstay Small Cap Opportunity and now closed) @ \$16.88 per share.

The Hotline of Tuesday, January 6 recommended two switches for the Select Portfolio. Oberweis Emerging Growth is to be sold and switched into Henlopen Fund. Also RS Diversified Growth is to be sold and switched into Investec China & Hong Kong.

Please note that model details presented on pages 2 & 3 reflect positions as of December 31, 2003. The pie charts on the same pages present the new allocations and positions recommended in the Hotline of Tuesday, January 6. \$

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TOP-YIELDING MONEY FUNDS 7

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF	0.67%	0.68%	0.86%
Vanguard Treasury MMF	0.66	0.67	0.86
Fidelity Spartan US Treas MMF	0.63	0.62	0.79
Amer Century Capital Presv Fund/Inv	0.54	0.54	0.72
T Rowe Price US Treasury MF	0.52	0.52	0.65
DBAB Cash Reserve Treasury	0.40	0.41	0.51
Schwab US Treasury Money Fund	0.36	0.36	0.53
CMA Treasury Fund RIC	0.35	0.36	0.53
WCMA Treasury Fund Class 3	0.35	0.36	-
JENNDRY/Dryden Govt SecTr/US Treas/D0.34	0.33	0.33	0.54

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.03%	1.03%	1.20%
Flex-fund Money Market Fund	0.87	0.85	0.95
McMorgan Principal Preservation	0.85	0.86	1.02
Phoenix-Goodwin Money Market Series/A	0.84	0.83	0.97
TIAA-CREF Money Market Fund	0.83	0.83	0.97
AIG Money Market Fund/CI B	0.81	0.81	0.76
Scudder Premium Money Mkt Shrs/CI S	0.81	0.79	0.93
Scudder Premium Money Mkt Shrs/AARP	0.81	0.79	0.93
AIM MMF/Investor Class	0.80	0.80	-
Vanguard Prime MMF/Retail	0.77	0.77	0.94

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Strong Tax-Free Money Fund	1.07%	0.95%	0.97%
Vanguard Tax-Exempt MMF	1.03	0.93	0.95
Strong Municipal MMF	0.90	0.79	0.87
USAA Tax Exempt MMF	0.82	0.73	0.80
Scudder Tax-Exempt Money Fund	0.81	0.69	0.72
Amer Century T-F MMF/Inv Class	0.79	0.71	0.75
Fidelity Municipal MMF	0.79	0.71	0.74
Dreyfus BASIC Muni MMF	0.78	0.70	0.72
T Rowe Price Summit Muni MMF	0.76	0.67	0.76
Excelsior T-E Money Fund	0.72	0.63	0.64

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard PA Tax-Exempt MMF	1.03%	0.91%	0.91%
Vanguard OH Tax-Exempt MMF	1.02	0.91	0.95
Vanguard CA Tax-Exempt MMF	0.99	0.90	0.91
Vanguard NJ Tax-Exempt MMF	0.97	0.88	0.87
Vanguard NY Tax-Exempt MMF	0.96	0.89	0.89
Fidelity PA Municipal MMF	0.84	0.74	0.66
USAA Tax Exempt CA MMF	0.73	0.65	0.76
Fidelity FL Municipal MMF	0.72	0.65	0.66
Amer Century CA T-F MMF/Inv Class	0.69	0.61	0.61
Fidelity CT Municipal MMF	0.69	0.60	0.62
Fidelity OH Municipal MMF	0.69	0.61	0.66

Taxable equivalent yield = yield / (1—total effective tax bracket).
Funds are ranked by 7-day yields; 7-day and 30-day yields are compound yields as of 12/30/03. Third column refers to 1-year total return. Criteria for inclusion include: top-yielding unrestricted retail funds only, with minimum initial investment <\$25,000 and assets >\$100 million.

Source: Money Fund Report (800) 343-5413

MANAGED ACCOUNTS

For information on the "MONEYLETTER Managed Account" Program¹, call PRI Financial Advisors Inc. toll-free at (800) 707-2060. Ask about PRI's free, no-obligation portfolio review.

Minimum investment is \$100,000.

¹As an independent Registered Investment Advisor, PRI Financial Advisors will exercise discretion with regard to asset allocation and fund selection and may make investment decisions for client accounts that differ from recommendations found in *MONEYLETTER*.

Two with a Foreign Flair

We introduce two Fidelity funds to our list with this issue: Fidelity Europe Capital Appreciation and Fidelity Global Balanced. And the reasons for tracking these two funds are two-fold. First, we expect that economic growth in Europe is just beginning to heat up, setting the stage for attractive equity gains. Second, with that scenario in mind, we aim to offer a wide complement of funds to our investors, and these Fidelity funds may prove especially useful in our Fidelity family portfolios.

Fidelity Europe Capital Appreciation (FECAX)

When current manager Ian Hart took the helm of this fund in April 2000, he changed its spots somewhat. Prior to his arrival, the fund was a relatively aggressive offering. However, Hart is valuation conscious. He looks for companies with reasonable or inexpensive prices, but which also sport attractive growth prospects. However, he does not scrape the bottom of the barrel for his investments. His sector allocations are not tied to the MSCI Europe Index, as are those of some of his peers in the Europe Stock fund group. So if he finds an unusual number of attractive opportunities in a given sector, he is not restrained from buying. Still, as is evident in the chart below, Hart's allocations are not heavily tilted by industry sector. The fund does have guidelines for its exposure to any one country: it allocates investments across countries, considering the size of the market in each country relative to the size of markets in Europe as a whole.

Top Five Countries and Sectors (% of Assets)

United Kingdom	31.5%	Consumer Discretionary	19.8%
Germany	16.2	Telecom Services	18.8
France	14.9	Financials	16.0
Switzerland	12.9	Healthcare	12.7
Sweden	11.0	Consumer Staples	8.4

as of November 30, 2003

The top holdings in the fund tend to be familiar large-cap names. His lead stock, Deutsche Bourse, a German diversified financial firm, accounts for 7% of assets. Other top holdings include Vodafone Group, Marks and Spencer Group, Unilever, and British Sky Broadcasting Group, all in the United Kingdom; Pernod-Ricard and L'Oreal of France; and Novartis and Roche Holding of Switzerland. However, Hart does not limit his picks to the large-cap universe; he has added mid- and smaller-cap stocks to the portfolio as well. Recently, the fund's information technology and telecommunications holdings have been notably important for returns.

The fund generally has been a solid performer. Its one-year return of 36.7% (through January 2) outpaces 62% of its Lipper peers. And its three- and five-year annualized returns of 0.7% and 3.6%, respectively, best about 75% of its competitors.

Fidelity Global Balanced (FGBLX)

This fund, which falls in Lipper's Global Flexible Portfolio category, is rather straightforward in its investing techniques. It must invest at least 25% of assets in fixed-income securities, and can choose its investments from anywhere in the world. Manager Richard Mace tends to keep the fund's geographic exposure roughly aligned with the MSCI All Country World Index. He has generally kept the equity portion of the portfolio at around 60% of assets, although in mid-2003, that allocation had increased to 70%. Recently, equities accounted for 65% of the portfolio, bonds 26%, with nearly 10% in cash. On the equity side, Mace has focused primarily on blue chips, most often U.S.-based international firms, looking for those sporting attractive growth, but also reasonable valuations. Top stock holdings from the U.S. include Microsoft, General Electric, Intel, Forest Labs, American International Group, and Morgan Stanley. Outside the U.S., chief equity picks include Toyota Motor (Japan), HSBC Holdings (U.K.), Talisman Energy (Canada), and Canon (Japan). The fund's bond portfolio is also high quality. Mace has favored bonds issued by governments or government-related entities over corporate obligations.

Top Five Countries and Sectors (% of Assets)

USA	41.9%	Financials	14.0%
Japan	21.4	Consumer Discretionary	11.2
United Kingdom	12.4	Information Technology	6.0
Germany	7.7	Healthcare	12.7
France	3.4	Industrials	5.9

as of November 30, 2003

Relative to its Lipper category, the fund stacks up well, with a trailing one-year (through January 2) return of 29.1% ranking it in the top 25% of the group. And its average annual three- and five-year returns of 4.2% and 5.4%, respectively, also place it in roughly the top quarter of the group. On an absolute basis, however, the fund was in the red in the three years 2000-2002. However, its overweight in equities, relative to many of its competitors, should serve it well in a strong equity market environment.

Fidelity Investments

82 Devonshire Street; Boston MA 02109

(800) 544-6666

Minimum investment \$2,500/\$2,500 IRA

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