



Completing The Puzzle

by Walter S. Frank, Chief Investment Officer

The March employment report provided the solution to the great employment puzzle. The puzzle was why there were no jobs created at the very time that the economy was apparently recovering vigorously from the 2001-2002 recession. We say apparently because the discrepancy between the economic and job numbers had gone on for so long that some claimed the economic numbers were giving a false read on the economy. It was said that the weak job numbers were giving the true read. The vigor of the recovery, it was argued, was a statistical mirage.

Well, with the March numbers and the revisions to the earlier months of this year, we can lay the doubts about the recovery aside. We now have the final piece of the puzzle: job growth was slow in coming, but it has arrived. Of course, the 308,000 gain in March contained one-time factors. No one expects gains of this magnitude to continue. But that isn't the issue. Taking the first quarter as a whole, what the numbers tell us is that it is reasonable to say that the "jobless recovery" is behind us.

The Fed

The minute Wall Street recognized that its jobless preoccupation was history, attention swung to the Fed. Obviously, with the recovery on sounder footing, the next issue has become when will the Fed feel free to move interest rates up from the extremely accommodative 1% level. The great rate guessing game has begun.

Everyone agrees that it will take at least a few months of good gains before rates would be raised. (In effect, the Fed has told us as much.) But there the agreement ends. What is a few? Three months? Four months? Views range from an August rise to after the election.

We don't think it makes a lot of difference. The bond market is already adjusting to an interest rate increase. The first rate increase won't surprise anyone. We believe the Fed will be very cautious as it changes policy. Rates are going to remain low throughout this year. It won't be until next year at the earliest that rates will become an issue for the markets.

Domestic stocks

The stock market cheered the employment news, and it was right to do so, in our opinion. The news lifted a cloud

that hung over the market. The cloud was concern over the second half of this year. By the second half of the year much of the stimulus from the first portion of the income tax cut will have run out. At the same time, some business investment stimulus will also be ending. The concern was that without new jobs consumer income growth would flatten and so would spending. A bleak picture indeed.

The March numbers put this grim scenario in proper perspective. We have been looking for 4-5% growth over the course of this year, and that number looks better now.

As for the stock market, we still find the U.S. stock market reasonably valued. After last year's gains, money managers tell us that there are no great bargains to be found. With that in mind, the best expectation is for modest gains of 10-15% this year.

Portfolio changes

There have been a number of portfolio changes over the three weeks since our last issue. The Hotline of Tuesday, March 16th recommended a switch from high-yield bond funds to multisector bond funds (where possible). The suggestion applied to all the Moderate and Conservative portfolios. The trades that follow were effective as of Wednesday, March 17th.

MONEYLETTER Moderate: Sold 1,843 shares of Buffalo High Yield @ \$11.28 per share. Purchased 1,535 shares of Loomis Sayles Bond Fund—Retail @ \$13.55 per share.

MONEYLETTER Conservative: Sold 1,534 shares of Pimco High Yield @ \$9.69 per share. Purchased 1,097 shares of Loomis Sayles Bond Fund—Retail.

Fidelity Moderate: Sold 2,848 shares of Fidelity High Income @ \$8.94 per share. Purchased 2,411 shares of Fidelity Strategic Income @ \$10.56 per share.

Fidelity Conservative: Sold 1,952 shares of Fidelity High Income, purchased 1,653 shares of Fidelity Strategic Income.

Vanguard Moderate: No change. **Vanguard Conservative:** Sold 2,695 shares of Vanguard High Yield Corporate @ \$6.40 per share. Purchased 1,630 shares of Vanguard GNMA @ \$10.58 per share.

The Hotline of Tuesday, March 23 recommended the sale of Vanguard Small Cap Growth Index in all three Vanguard family portfolios to be switched into Vanguard Small Cap Value Index. Here are the transactions.

Vanguard Venturesome: Sold 1,637 shares of Small Cap Growth @ \$13.06 per share. Purchased 1,821 shares of Small Cap Value @ \$11.74 per share.

Vanguard Moderate: Sold 1,264 shares of Small Cap Growth, purchased 1,406 shares of Small Cap Value.

Vanguard Conservative: Sold 1,221 shares of Small Cap Growth, purchased 1,359 shares of Small Cap Value.

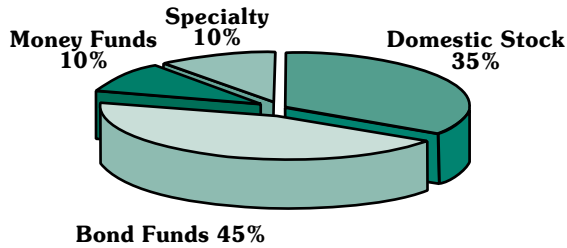
The Hotline of Tuesday, March 30, recommended the sale of Fidelity OTC Portfolio in the **Fidelity Venturesome** Portfolio to be switched into Fidelity Small Cap Independence. Here are the details as of Wednesday, March 31. Sold 667 shares of OTC Portfolio @ \$33.01 per share. Purchased 1,175 shares of Small Cap Independence @ \$18.75 per share. \$

Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Higher	Higher
Dollar	Lower	Flat/Lower
Inflation	Flat/Higher	Flat/Higher
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	0.1%	10,079	\$1.00	\$10,079
Gateway Fund	11/27/02	10.7	601	23.28	14,001
Loomis Sayles Bond	03/17/04	0.4	1,110	13.45	14,924
RS Partners	04/02/03	74.0	735	30.19	22,180
Royce Opportunity	01/28/04	-0.3	796	12.87	10,245
AmerCent Inflation Adj.	02/12/03	10.4	1,569	11.45	17,970
Needham Small Cap Growth	01/28/04	-2.9	1,305	17.22	22,465
Dodge & Cox Income	02/19/03	7.4	980	13.02	12,762
TOTAL VALUE					\$124,626

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.2%	11.9%	27.8%	36.2%	3.5%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.2%	8,655	\$1.00	\$8,655
Fidelity Balanced	11/27/02	28.7	771	17.25	13,302
Fidelity Strategic Income	03/17/04	0.3	1,660	10.55	17,511
Fidelity Capital Appreciation	06/25/03	29.8	845	25.54	21,573
Fidelity Small Cap Stock	12/10/03	10.5	848	17.94	15,218
Fidelity Intermediate Gov	02/19/03	3.9	1,141	10.45	11,922
Fidelity Investment Grade	02/19/03	6.7	1,686	7.68	12,948
TOTAL VALUE					\$101,129

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.2%	9.1%	22.6%	13.0%	2.9%

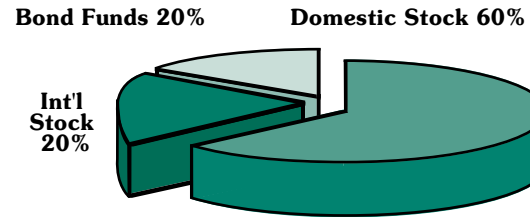
Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.2%	8,428	\$1.00	\$8,428
Vanguard Balanced Index	11/27/02	19.8	569	18.65	10,612
Vanguard Bond Market	02/19/03	6.3	712	10.46	7,444
Vanguard Inflation Protect	02/19/03	10.7	1,054	12.78	13,472
Vanguard Strategic Equity	10/09/02	73.8	806	19.82	15,981
Vanguard Extended Mkt	09/10/03	18.8	439	28.24	12,402
Vanguard Small Cap Value	03/24/04	4.9	1,359	12.31	16,726
Vanguard GNMA	03/17/04	0.0	1,637	10.54	17,251
TOTAL VALUE					\$102,316

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.4%	11.4%	25.1%	10.0%	3.8%

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
Loomis Sayles Bond	03/17/04	0.4%	1,553	\$13.45	\$20,884
Henlopen Fund	12/15/03	12.9	859	28.10	24,136
Matthews Pacific Tiger	02/06/02	56.2	975	13.76	13,411
Fidelity Int'l Small Cap	01/07/04	9.1	630	20.84	13,122
RS Partners	02/12/03	83.7	601	30.19	18,133
Fidelity Leveraged Company	01/28/04	0.2	1,141	20.39	23,257
Legg Mason Special	04/02/03	54.4	263	46.06	12,095
TOTAL VALUE					\$125,038

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.2%	20.8%	55.9%	60.8%	6.0%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Leveraged Company	12/10/03	14.7%	751	\$20.39	\$15,305
Fidelity Strategic Income	03/17/04	0.3	2,421	10.55	25,541
Fidelity Small Cap Stock	11/12/03	11.7	1,296	17.94	23,255
Fidelity Capital Appr.	03/12/03	65.5	831	25.54	21,232
Fidelity Aggressive Grwth	07/09/03	17.8	669	15.66	10,473
Fidelity SE Asia	01/07/04	4.2	465	15.68	7,293
Fidelity Int'l Small Cap	11/05/03	20.1	615	20.84	12,818
TOTAL VALUE					\$115,917

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.1%	16.5%	38.8%	39.5%	4.9%

Vanguard Moderate

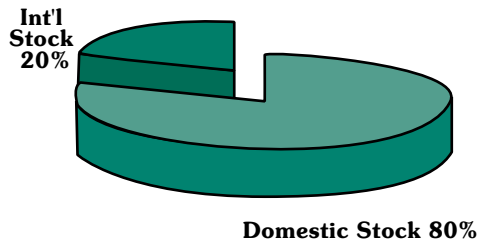
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Extended Mkt	11/27/02	44.7%	600	\$28.24	\$16,951
Vanguard FI Hi-Yld Corp	01/17/01	21.1	3,305	6.39	21,117
Vanguard Emerg. Mkts Stock	02/06/02	53.4	933	12.78	11,926
Vanguard Int'l Value	01/07/04	2.1	373	27.34	10,205
Vanguard Explorer	07/09/03	21.2	286	68.91	19,709
Vanguard Small Cap Value	03/24/04	4.9	1,406	12.31	17,306
Vanguard Strategic Equity	10/09/02	73.8	713	19.82	14,122
TOTAL VALUE					\$111,336

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.3%	17.5%	41.2%	22.4%	4.9%

Note: Asset Allocation Portfolios were indexed to \$100,000 on January 1, 2000. Pie charts show current allocations.

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	12.0%	586	\$28.10	\$16,464
RS Smaller Company Grwth	12/15/03	11.1	905	21.98	19,881
Fidelity Int'l Small Cap	01/07/04	9.1	596	20.84	12,426
Matthews Pacific Tiger	01/07/04	1.0	836	13.76	11,506
Royce Opportunity	07/16/03	35.2	1,280	12.87	16,471
Fidelity Leveraged Co.	01/28/04	0.2	907	20.39	18,494
RS Partners	02/12/03	83.7	777	30.19	23,450
TOTAL VALUE					\$118,692

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.5%	24.6%	62.7%	71.2%	7.4%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Small Cap Indep.	12/10/03	9.3%	2,318	\$18.75	\$43,463
Fidelity Leveraged Company	12/10/03	14.7	1,107	20.39	22,572
Fidelity Int'l Small Cap	01/07/04	9.1	455	20.84	9,487
Fidelity SE Asia	01/07/04	4.2	578	15.68	9,059
Fidelity Capital Apprec.	12/04/02	51.3	662	25.54	16,899
Fidelity Small Cap Stock	07/30/03	28.7	1,111	17.94	19,939
TOTAL VALUE					\$121,419

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
-0.6%	17.1%	41.0%	37.8%	4.6%

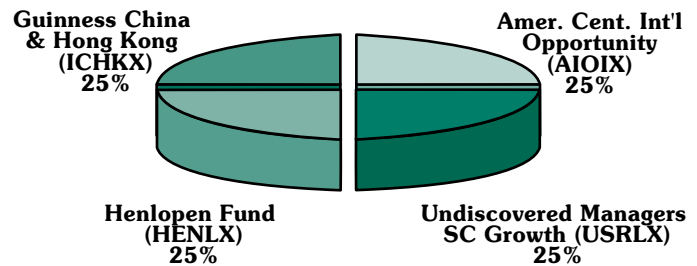
Vanguard Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Emerging Mkts	01/07/04	3.7%	1,605	\$12.78	\$20,509
Vanguard Extended Mkt	11/27/02	44.7	780	28.24	22,015
Vanguard Explorer	07/09/03	21.2	335	68.91	23,109
Vanguard Strategic Equity	10/09/02	73.8	1,139	19.82	22,569
Vanguard Small Cap Value	03/24/04	4.9	1,637	12.31	22,420
TOTAL VALUE					\$110,622

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	3-yr	YTD
0.3%	19.6%	45.7%	24.9%	5.4%

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	15.4%	3,921	\$8.71	\$34,150
Alpine US Real Estate	03/17/04	2.5	984	33.93	33,373
Henlopen Fund	01/07/04	4.9	1,206	28.10	33,893
Guinness China & HK	01/07/04	0.3	1,735	17.56	30,473
TOTAL VALUE					\$131,889

TOTAL RETURNS (as of 03/31/04)				
1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
-0.2%	21.0%	51.8%	34.9%	7.8%

MONEYLETTER Select Commentary

The Hotline of Tuesday, March 16 recommended the sale of Undiscovered Managers SC Growth (USRLX) to be upgraded to Alpine U.S. Real Estate Equity (EUEYX). The recommended trades were executed at the market close March 17th. Details: Sold 3,012 shares of Undiscovered Managers SC Growth @ \$10.81 per share. Purchased 984 shares of Alpine U.S. Real Estate Equity @ \$33.10 per share.

The model remains fully invested in equity funds. A recent bout of profit taking, particularly amongst technology stocks, contributed to a significant market correction as March came to a close. Heightened concerns over geopolitical instability also weighed heavily on investors. The markets have recovered much of these declines with a string of gains on strengthening fundamentals, specifically following the release of favorable employment figures last week. The outlook for the MONEYLETTER Select Portfolio remains encouraging.

Total Returns—March 31, 2004

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	-1.5%	14.1%	35.2%	1.9%	1.8%
Asset Allocation	-0.3	11.9	29.3	12.4	2.6
Funds (Avg) 84 Funds					

Domestic Stock Funds

RANK	4/02	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	
1	7	20		BUFSX	Buffalo Small Cap (closed)	SCGro	B	B	B	4.4%	29.9%	85.9%	\$26.32	28.9	1.20	SW
2	1	-		FLVCX	Fidelity Leveraged Co (\$10,000, 1.5%r<90d)	MC	*	B	B	-1.9	28.3	95.8	20.69	35.9	1.37	Fw
3	4	2		RYPNX	Royce Opportunity (1%r<180d)	SCVal	B	B	B	1.2	26.0	94.0	13.16	26.3	1.07	fsw
4	6	3		USRLX	Undiscovered Small Cap Growth (\$10,000)	SCGro	B	B	B	2.0	23.6	89.8	11.52	-	-	fw
5	5	5		HENLX	Henlopen Fund (1%r<30d)	SCGro	*	B	B	1.5	25.1	85.1	28.60	33.7	1.43	FSW
6	11	13		WBSNX	WmBlair S-C Growth N (closed, 1%r<60d)	SCGro	B	B	B	3.0	24.2	82.6	24.30	34.6	1.32	FSW
7	10	63		MOPIX	MainStay Small Cap Opportunity (closed)	SCVal	B	B	B	2.7	29.8	67.7	18.55	17.5	0.63	FSW
8	9	21		RSPFX	RS Partners	SC	B	B	B	1.4	26.5	76.5	30.62	23.0	0.65	FSW
9	2	10		CGMFX	CGM Focus	SCVal	*	B	B	1.1	22.2	84.7	31.90	50.6	0.13	fsw
10	8	17		WMCVX	Wasatch Small Cap Value (closed, 2%r<60d)	SCVal	B	B	B	1.6	24.7	77.0	5.91	25.4	0.86	FSW
11	22	47		CRMSX	CRM Small Cap Value Inv	SCVal	B	B	B	4.2	25.3	71.1	27.44	22.9	0.87	FSW
12	16	27		BPSCX	Boston Ptrns Smlcap Val (closed, 1%r<1yr)	SCVal	B	B	B	2.1	23.1	73.1	25.00	26.4	0.74	FSW
13	14	55		IZZYX	ICM/Isabelle Small Cap Value	SCVal	B	B	B	1.2	23.1	74.1	14.87	24.6	0.85	FSW
14	36	53		MNSCX	Montgomery Small Cap	SCGro	*	H	H	5.0	24.5	64.6	12.13	24.3	1.13	s
15	20	22		BOGLX	Bogle Small Cap Growth (closed)	SCGro	B	B	B	1.1	23.2	72.2	28.51	21.3	0.90	w
16	12	7		RSSGX	RS Smaller Company Growth	SCGro	*	B	B	1.3	19.3	80.6	22.34	28.0	1.33	FSW
17	13	12		NBSGX	Neuberger Berman Focus	LCVal	*	B	B	1.2	20.1	78.7	39.65	36.2	1.87	fsw
18	26	37		TUDRX	WPG Tudor	SC	B	B	B	2.2	24.6	65.3	17.89	27.3	1.36	Fsw
19	28	35		RYPNX	Royce Low Priced Stock (1%r<180d)	SCVal	B	B	B	3.4	22.6	67.8	15.40	26.1	1.02	FSW
20	-	-		BUFMX	Buffalo Mid Cap	MCGro	(H)	(H)	(H)	2.4	25.0	62.0	12.70	-	-	FSW
21	24	48		GSETX	Columbia Small Company Equity CIZ	SCGro	H	H	H	3.1	24.7	61.6	18.95	33.0	1.10	fw
22	21	11		RSDGX	RS Diversified Growth	SCGro	*	(H)	(H)	2.5	17.9	79.4	23.41	29.0	1.53	FSW
23	15	67		BERWX	Berwyn Fund (1%r<180d)	SCVal	B	B	B	0.3	26.8	59.7	26.42	20.6	0.63	fsw
24	19	33		VHCOX	Vanguard Cap Opp (closed, \$25,000, 1%r<5yr)	MCGro	*	B	B	0.6	23.9	63.8	28.23	22.8	1.29	fsw
25	10	15		RSCOX	RS Contrarian Value	MC	(B)	(B)	(B)	0.1	23.4	64.4	18.33	18.6	0.60	FSW
26	27	29		SAFGX	Safeco Growth Opportunities (2%r<90d)	SC	(B)	(B)	(B)	3.2	19.2	70.4	27.00	27.8	1.22	fsw
27	23	-		TGONX	TCW Galileo Opportunity N	SC	B	B	B	1.2	22.3	65.4	13.92	22.1	0.84	FSW
28	25	19		JAVTX	Janus Venture (closed)	SCGro	*	(H)	(H)	2.3	19.7	69.4	53.08	30.1	1.52	FSW
29	31	50		PRNHX	T. Rowe Price New Horizons	SCGro	H	H	H	2.2	22.1	62.2	27.29	29.2	1.44	fsw
30	37	61		MERDX	Meridian Fund	MCGro	H	H	H	1.5	23.5	58.6	35.75	20.3	0.84	fw
31	46	86		TWCVX	American Century Vista	MCGro	H	H	H	4.0	22.9	54.5	13.95	20.6	0.77	fsw
32	45	31		JSVAX	Janus Special Equity	MC	*	H	H	1.9	20.9	62.5	11.55	19.0	1.00	SW
33	62	65		PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	3.6	21.1	59.2	9.68	19.2	0.71	Fsw
34	32	82		VISVX	Vanguard Small-Cap Value Index	SCVal	(B)	(B)	(B)	2.0	22.8	56.9	12.48	23.2	0.87	fsw
35	35	42		NAESX	Vanguard SmallCap Index	SC	H	H	H	2.0	21.3	60.6	24.58	22.2	1.03	fsw
36	30	-		NESGX	Needham Small Cap Growth (.75%r<30d)	SCGro	(H)	(H)	(H)	0.2	15.9	76.5	17.67	-	-	FSW
37	101	15		POGSX	Pin Oak Aggressive Stock	MCGro	*	H	H	1.9	20.3	62.5	20.55	40.6	2.57	FSW
38	78	25		TGSCX	TCW Galileo Small Cap Growth	MCGro	*	H	H	3.8	18.1	64.9	16.24	37.9	2.17	FSW
39	29	40		FSLCX	Fidelity Small Cap Stock (2%r<90d)	SCGro	(H)	(H)	(H)	0.6	22.1	59.2	18.25	20.3	0.92	F
40	88	83		RYPRX	Royce Premier (1%r<180d)	SC	H	H	H	4.3	21.0	54.2	14.22	18.2	0.73	FSW
41	39	58		CUEGX	CS Warburg Pincus Emerging Growth	MCGro	*	H	H	2.0	21.4	55.2	30.50	24.0	1.31	FSW
42	41	70		SMCDX	Strong Mid Cap Disciplined	MCVal	(H)	(H)	(H)	1.6	20.1	58.5	20.76	21.3	0.94	FSW
43	34	18		LMASX	Legg Mason Special Investment Trust	MC	*	H	H	2.0	17.7	62.9	47.26	27.2	1.30	-
44	55	23		RSEGX	RS Emerging Growth (closed)	SCGro	*	H	H	3.4	17.2	62.1	30.73	30.6	1.68	FSW
45	52	54		VISGX	Vanguard Small Cap Growth Index	SCGro	H	H	H	1.9	20.0	57.2	14.25	22.3	1.02	fsw
46	43	76		CRMMX	CRM Mid Cap Value Inv	MCVal	H	H	H	1.8	21.6	53.1	23.23	-	-	FSW
47	70	75		MPSCX	MSI Small Cap Value (closed)	SCVal	H	H	H	2.3	20.9	53.7	22.55	18.7	0.91	fsw
48	44	30		TGVNX	TCW Galileo Value Opportunities	MC	H	H	H	0.4	19.7	59.0	21.74	-	-	FSW
49	95	44		TAVFX	Third Avenue Value (1%r<60d)	SC	H	H	H	3.8	18.4	55.6	45.98	16.1	0.75	FSW
50	18	6		LMOPX	Legg Mason Opportunity Trust (1%r<1yr)	MC	*	(H)	(H)	0.6	15.8	66.5	14.56	32.2	1.45	-
51	58	56		ARTSX	Artisan Small Cap	SCGro	H	H	H	1.3	19.4	55.9	15.42	27.8	1.23	FSW
52	50	59		VEXMX	Vanguard Extended Market Index	MC	H	H	H	1.4	19.6	55.2	28.76	23.1	1.17	FSW
53	54	60		FLPSX	Fidelity L P Stock (closed, 1.5%r<90d)	SCVal	H	H	H	0.7	19.3	56.5	37.43	16.9	0.67	fsw
54	42	1		OBEGX	Oberweis Emerging Growth (1%r<180d)	SCGro	*	H	H	1.3	10.2	77.7	28.10	34.2	1.63	FSW
55	38	91		TRMCX	T. Rowe Price Mid Cap Value	MCVal	H	H	H	-0.8	21.6	52.1	21.56	17.7	0.72	fsw
56	53	36		VEXPX	Vanguard Explorer	SCGro	H	H	H	1.4	18.3	57.0	70.63	24.7	1.18	fsw
57	40	80		SMTVX	Strong Multi-Cap Value	MCVal	H	H	H	-0.2	19.6	55.8	58.70	18.8	0.85	FSW
58	17	52		MUHLX	Muhlenkamp Fund	MCVal	(H)	(H)	(H)	-0.5	19.0	57.2	67.22	28.6	1.26	FSW
59	72	90		PRSVX	T. Rowe Price S-C Value (closed, 1%r<1yr)	SCVal	H	H	H	2.5	19.9	50.3	31.89	17.6	0.62	fsw
60	51	28		USCGX	USAA Capital Growth	MCGro	*	H	H	0.7	17.5	58.9	6.85	-	-	fsw
61	33	34		WGROX	Wasatch Core Growth (closed, 2%r<60d)	SCGro	H	H	H	1.1	17.0	59.2	40.34	30.1	1.06	FSW
62	69	41		TASCX	Third Avenue Small-Cap Value (1%r<1yr)	SCVal	H	H	H	1.1	18.4	54.1	20.19	19.1	0.81	FSW
63	57	45		CSMVX	Century Select Small Cap (1%r<180d)	SCGro	H	H	H	1.1	18.3	53.2	22.88	16.3	0.54	FSW
64	63	89		PBSVX	PBHG Mid Cap Value	SC	H	H	H	-0.1	19.9	50.7	20.64	24.3	1.08	FSW
65	48	95		ARTQX	Artisan Mid Cap Value	MCVal	H	H	H	0.8	20.5	47.3	14.78	-	-	FSW
66	110	88		CBMDX	C&B Mid Cap Value	MCVal	H	H	H	1.8	18.9	49.7	19.89	19.5	0.66	FSW
67	47	-		TGVDX	TCW Galileo Diversified Value N	LCVal	H	H	H	0.2	19.9	49.6	12.13	19.3	0.94	FW
68	109	106		LSSCX	Loomis Sayles Small Cap Value	SC	S	S	S	2.4	19.5	47.0	25.63	17.8	0.72	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.

Domestic Stock Funds (continued)

RANK	4/02	1 Mo	6Mo	Ticker	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wff
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
69	56	64	VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	1.6	18.0	51.7	20.10	16.2	0.78	fsw	
70	79	117	FDESCX	Fidelity Small Cap Ind. (1.5%r<90d)	SC	H	H	H	1.9	20.0	45.8	19.14	17.7	0.58	fsw	
71	90	96	BPMCX	Boston Partners Mid Cap Value	MCVal	S	S	S	1.3	18.9	48.4	13.70	18.6	0.83	FSW	
72	82	-	CAMOX	Cambiar Opportunity	LC	S	S	S	-0.2	19.9	47.6	15.16	19.7	0.93	FSW	
73	71	137	BARAX	Baron Asset	MCGro	S	S	S	2.5	18.2	47.3	48.37	21.3	0.95	FSW	
74	59	24	FDCAX	Fidelity Capital Appreciation	LCGro	H	H	H	1.8	15.9	54.1	26.14	23.2	1.27	fsw	
75	77	51	FBRVX	FBR Small Cap Value A (1%r<90d)	SCGro	H	H	H	1.8	16.7	51.9	35.39	22.0	0.76	FSW	
76	94	77	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	S	S	S	0.6	16.5	52.4	29.66	19.3	0.67	fw	
77	61	49	MXIX	Marsico 21st Century (2%r<30d)	LC	S	S	S	1.6	15.1	54.4	10.39	20.5	1.01	fsw	
78	140	93	BSCFX	Baron Small Cap	SCGro	S	S	S	4.3	15.5	48.9	20.42	22.5	0.89	FSW	
79	66	46	RSMOX	RS MidCap Opportunities	MCGro	S	S	S	0.4	16.9	51.0	11.49	20.3	1.08	FSW	
80	73	108	FDVLX	Fidelity Value	MCVal	S	S	S	0.2	19.1	45.4	66.18	18.5	0.68	Fsw	
81	89	79	MPEGX	MSI Mid Cap Growth	MCGro	*	S	S	2.0	17.1	47.4	18.59	22.9	1.30	fsw	
82	155	109	OAKSX	Oakmark Small Cap (2%r<90d)	SCVal	S	S	S	1.0	17.9	46.7	20.69	21.1	0.79	FSW	
83	116	128	OTCFX	T. Rowe Price Small Cap Stock Fund	SC	S	S	S	1.4	18.2	44.4	29.81	19.6	0.84	fsw	
84	98	87	SOPFX	Strong Opportunity	MCVal	S	S	S	0.5	16.9	48.8	42.19	20.1	1.07	FSW	
85	83	38	TMGFX	Turner Mid Cap Growth	MCGro	*	S	S	0.7	15.9	51.2	23.30	31.2	1.70	FSW	
86	105	85	FDISX	Dreyfus-Founders Discovery	SCGro	S	S	S	0.6	17.0	48.2	27.65	25.7	1.30	FSW	
87	127	119	NBNGX	SIT Mid Cap Growth (2%r<30d)	MCGro	*	S	S	2.4	17.4	44.4	10.27	24.6	1.40	FSW	
88	68	84	VCVLX	Vanguard Capital Value	LCVal	S	S	S	0.0	16.7	49.6	10.75	-	-	fsw	
89	60	62	SLSSX	Selected Special Shares	MCGro	S	S	S	-1.0	16.8	50.7	12.31	19.0	1.04	sW	
90	106	16	UBRRX	Undiscovered Behavioral Growth (\$10,000)	MCGro	*	S	S	1.8	11.8	58.7	20.77	26.9	1.34	fW	
91	65	-	TGIGX	TCW Galileo Dividend Focused N	MCVal	S	S	S	-0.4	19.2	43.4	10.50	13.9	0.48	FW	
92	74	138	NPRTX	Neuberger Berman Partners	LCVal	S	S	S	0.6	18.6	43.2	22.71	19.1	1.01	f	
93	97	78	STDIX	Strong Discovery	MCGro	S	S	S	1.1	16.6	47.1	21.30	17.9	0.84	FSW	
94	134	118	JAENX	Janus Enterprise	MCGro	*	S	S	2.9	17.4	42.2	33.63	24.4	1.39	FSW	
95	80	113	DODGX	Dodge & Cox Stock (closed)	LCVal	S	S	S	-0.2	18.4	44.2	119.90	16.8	0.67	sW	
96	86	26	BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	S	S	0.5	12.5	57.8	12.78	-	-	fsw	
97	102	133	NBGNX	Neuberger Berman Genesis (closed)	SC	S	S	S	0.7	18.4	42.5	27.60	15.5	0.57	fsw	
98	75	97	PESPX	Dreyfus Mid Cap Index	MCGro	S	S	S	0.5	17.1	46.0	24.84	19.6	0.95	FSW	
122	112	100	FDEGX	Fidelity Aggressive Growth(1.5%r<90d)	MCGro	H	H	H	1.2	16.4	40.2	16.07	30.5	1.96	fsw	
141	154	69	FOCPX	Fidelity OTC Portfolio	LCGro	*	(S)	(S)	0.4	12.4	43.8	34.07	29.2	1.59	fsw	

Dow Jones
NASDAQ
S&P 500

-1.1%
0.9
-0.6

10.4%
12.0
11.9

26.4%
47.3
29.6

indexes do not
include dividends

International Stock Funds

1	30	2	MJFOX	Matthews Japan Fund (2%r<90d)	Japan	*	(B)	(B)	18.1%	23.9%	108.5%	\$15.99	15.2	-	FSW
2	1	-	FISMX	Fidelity Intl Small Cap (2%r<90d)	Int'l	B	B	B	4.4	30.0	105.1	21.10	-	-	Fw
3	4	-	AIQIX	Amer.Cent.Intl Opportunity (2%r<180d)	Int'l	B	B	B	5.7	29.7	101.9	9.00	-	-	S
4	41	1	SJPNX	Japan Fund (Scudder) (2%r<180d)	Japan	*	(B)	(B)	16.3	23.4	101.0	11.11	14.8	-	FSW
5	49	6	PRJFX	T. Rowe Price Japan	Japan	*	H	H	15.6	24.2	82.6	8.51	14.4	-	s
6	2	22	FLATX	Fidelity Latin Amer.(1.5%<90d)	LatinA	*	H	H	1.9	33.2	79.6	16.93	29.8	-	fs
7	19	-	DRIDX	Driehaus Int'l Discovery (2%r<60d)	Int'l	H	H	H	5.1	26.7	83.2	32.81	21.1	-	FSW
8	8	5	PRIDX	T. Rowe Price Intl Disc. (2%r<1yr)	Int'l	B	B	B	3.6	25.1	86.3	29.07	16.0	-	fsw
9	11	10	VINEX	Vanguard Intl Explorer (\$10,000,2%r<60d)	Int'l	B	B	B	3.0	25.7	85.2	14.31	16.3	-	fsw
10	15	21	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	(B)	(B)	(B)	1.9	28.0	77.0	11.85	-	-	fsw
11	6	-	DREGX	Driehaus Emerging Mkts Gr (2%r<60d)	Int'l	B	B	B	0.5	26.4	82.7	21.90	24.9	-	FSW
12	66	9	FJPNX	Fidelity Japan (1.5%<90d)	Japan	*	H	H	15.6	21.5	69.5	13.38	17.3	-	Fsw
13	5	35	PRLAX	T. Rowe Price Latin America (2%r<1yr)	LatinA	*	H	H	0.6	29.8	70.2	12.83	29.7	-	fsw
14	7	15	VEIEX	Vanguard Emerging Mkts Sfk Index (.5%r)	Int'l	*	(H)	(H)	-0.3	26.7	79.2	12.94	22.6	-	fsw
15	22	28	JAOSX	Janus Overseas (closed,2%r<90d)	Int'l	H	H	H	4.7	27.5	68.5	23.43	16.5	-	FSW
16	14	-	DODFX	Dodge&Cox Intl. Stock	Int'l	(H)	(H)	(H)	1.9	24.0	80.5	25.69	-	-	fsw
17	3	13	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	B	B	B	-0.7	24.2	83.8	17.20	20.4	-	FSW
18	17	-	ARTKX	Artisan Intl Value (2%r<90d)	Int'l	(H)	(H)	(H)	1.5	25.4	76.7	17.81	-	-	FSW
19	13	16	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	(H)	(H)	1.2	25.6	75.1	18.44	21.6	-	FSW
20	18	17	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	-1.2	24.0	80.4	15.91	21.1	-	fsw
21	21	4	MAPT	Matthews Pacific Tiger (2%r<90d)	Pacific	*	H	H	-0.1	20.9	84.6	14.11	23.6	-	FSW
22	9	8	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	(H)	(H)	(H)	1.2	22.2	79.5	16.84	-	-	SW
23	16	7	ICHKX	Guinness China & Hong Kong (2%r<30d)	Pacific	*	(H)	(H)	-1.8	24.3	77.6	17.88	19.6	-	FSW
24	10	38	SLAFX	Scudder Latin America	LatinA	*	H	H	0.4	27.3	63.8	26.55	27.3	-	FSW
25	56	14	VPACX	Vanguard Pacific Stock Index (2%r<60d)	Pacific	*	H	H	9.4	19.7	65.8	9.19	13.7	-	fsw
26	68	3	WPJGX	CS Warburg Pincus Japan Grth (2%r<30d)	Japan	*	H	H	11.8	15.9	71.4	5.98	22.7	-	FSW
27	12	27	FIEUX	Fidelity Europe (1%r<30d)	Europe	H	H	H	0.3	23.3	70.2	28.33	22.5	-	fsw
28	24	11	PRASX	T. Rowe Price New Asia	Pacific	*	H	H	-1.2	21.0	77.1	9.13	19.7	-	fsw
29	58	12	FPBFX	Fidelity Pacific Basin (1.5%r<90d)	Pacific	H	H	H	7.7	19.6	67.1	19.65	14.7	-	Fsw
30	27	20	FOSFX	Fidelity Overseas (1%r<30d)	Int'l	H	H	H	2.6	21.5	67.8	33.83	15.5	-	Fsw
31	25	29	FIGRX	Fidelity International G & I (1%r<30d)	Int'l	S	S	S	1.6	21.8	62.7	25.61	15.2	-	Fsw
32	31	30	FDIVX	Fidelity Diversified Intl (1%r<30d)	Int'l	S	S	S	2.3	21.8	60.8	26.09	13.8	-	Fsw
33	23	18	SCOPX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	(S)	(S)	(S)	-2.8	21.6	68.2	12.49	19.0	-	FSW
34	40	26	WBIGX	Wm. Blair Intl Growth N (closed,1%r<60d)	Int'l	S	S	S	3.5	20.5	60.5	20.09	14.6	-	FSW
35	33	31	VTRIX	Vanguard International Value (2%r<60d)	Int'l	H	H	H	0.1	21.4	62.2	27.74	16.8	-	fsw

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

RANK 4/02 2004	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/ w/
									1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	5	1	SCGD	Scudder Gold (closed)	NatRes	*	*	*	8.4%	27.9%	119.6%	\$20.80	31.90	0.28	FSW
2	3	10	FWRL	Fidelity Wireless (.75%r<30d)	Tech	*	*	*	1.8	40.9	96.9	5.00	-	-	fsw
3	11	5	USER	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	8.3	31.0	94.4	8.72	42.40	0.41	fsw
4	4	4	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	*	*	*	-3.7	32.8	85.0	19.70	37.00	1.72	Fsw
5	2	-	EUEYX	Alpine U.S. Real Estate Equity CIY	RealEs	*	*	*	1.5	26.2	91.3	33.13	32.70	0.87	FSW
6	1	3	CGMRX	CGM Realty	RealEs	*	*	*	1.0	25.9	90.2	27.15	17.50	0.21	sw
7	6	-	RIAFX	RS Internet Age	Tech	*	*	*	2.7	21.6	94.8	7.15	59.30	2.65	FSW
8	14	12	RYIIX	Rydex Internet	Tech	*	*	*	4.3	27.4	77.8	37.22	41.00	2.70	fsw
9	7	-	RSIFX	RS Information Age	Tech	*	*	*	2.4	20.3	86.3	16.15	48.30	2.33	FSW
10	49	26	RYPMX	Rydex Precious Metals	NatRes	*	*	*	7.8	22.1	70.6	44.01	31.70	0.24	fsw
11	8	17	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	1.0	26.3	67.7	24.53	30.00	1.53	fsw
12	28	16	FGLDX	INVESCO Gold Inv	NatRes	*	*	*	4.9	21.3	73.3	3.86	30.30	0.22	FS
13	61	14	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	7.4	17.6	72.3	12.86	36.90	0.15	FSW
14	13	34	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	4.3	25.9	55.5	61.95	14.60	0.23	FSW
15	20	9	FSELX	Fidelity Electronics (.75%r<30d)	Tech	*	*	*	0.5	20.5	70.7	44.47	51.20	2.32	Fsw
16	30	37	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycl	*	*	*	2.2	24.3	56.6	25.40	22.90	1.11	Fsw
17	21	7	VGPMX	Vanguard Precious Metals(closed,1%r<1yr)	NatRes	*	*	*	1.1	18.4	71.5	16.00	32.70	0.56	fsw
18	12	20	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycl	*	*	*	-0.2	22.8	59.9	36.26	23.00	0.87	Fsw
19	16	43	RYLIX	Rydex Leisure	Consmr	*	*	*	2.4	23.3	54.0	28.18	22.00	1.10	fsw
20	9	21	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycl	*	*	*	1.3	20.7	58.7	37.09	24.40	0.80	Fsw
21	24	40	CSEIX	Cohen & Steers Equity Income (1%r<180d)	RealEs	*	*	*	3.3	21.9	48.0	16.04	13.10	0.13	FSW
22	17	24	RYMIX	Rydex Telecommunications	Utility	*	*	*	-1.6	22.8	52.5	16.00	21.60	1.52	fsw
23	42	80	FSCHX	Fidelity Chemicals (.75%r<30d)	Cycl	*	*	*	2.4	26.3	36.0	53.43	21.60	0.82	Fsw
24	31	54	RYBIX	Rydex Basic Materials	Cycl	*	*	*	0.8	22.1	47.6	26.01	23.40	0.90	fsw
25	22	71	FSHCX	Fidelity Med Del (.75%r<30d)	Health	*	*	*	1.6	24.2	40.7	33.11	23.10	0.07	Fsw
26	60	30	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycl	*	*	*	0.6	21.1	48.9	55.49	19.50	0.76	Fsw
27	34	44	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	4.0	20.7	44.1	26.18	13.90	0.20	Fsw
28	41	42	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	4.4	20.1	44.6	15.19	13.70	0.16	fsw
29	32	39	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	3.4	20.0	45.7	16.82	13.70	0.14	fsw
30	35	2	FNINX	Fidelity Networking (.75%r<30d)	Tech	*	*	*	-3.8	15.8	64.7	2.57	-	-	fsw
31	19	52	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	-3.5	24.9	41.0	35.11	25.00	1.38	Fsw
32	67	6	RYSEX	Rydex Electronics	Tech	*	*	*	-0.9	14.7	62.6	14.08	50.30	2.33	fsw
33	46	8	FDCPX	Fidelity Computers (.75%r<30d)	Tech	*	*	*	-0.8	14.9	61.5	37.55	41.20	2.09	Fsw
34	49	163	PRNEX	T. Rowe Price New Era	NatRes	*	*	*	-0.7	22.5	42.2	28.71	18.80	0.55	fsw
35	23	64	VGEXX	Vanguard Energy (1%r<1yr)	Energy	*	*	*	-0.3	22.7	40.9	31.85	24.50	0.64	fsw
36	51	50	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycl	*	*	*	0.6	20.0	45.5	16.42	22.00	0.98	Fsw
37	63	13	RYTIX	Rydex Technology	Tech	*	*	*	0.9	14.0	59.2	11.83	34.10	2.04	fsw
38	44	35	FDLSX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	2.0	17.2	49.1	72.91	21.20	1.10	Fsw
39	39	65	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	3.0	18.7	43.7	22.24	22.60	0.84	fsw
40	38	46	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	3.0	18.7	43.3	35.73	13.20	0.17	fsw
41	55	23	FSAVX	Fidelity Automotive (.75%r<30d)	Cycl	*	*	*	1.4	14.9	52.4	33.31	25.10	0.93	Fsw
42	58	11	FSPTX	Fidelity Technology (.75%r<30d)	Tech	*	*	*	0.2	13.5	56.8	62.59	46.60	2.14	Fsw
43	52	68	FBIOX	Fidelity Biotechnology (.75%r<30d)	Health	*	*	*	4.6	16.6	40.3	58.85	53.10	0.88	Fsw
44	36	70	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	0.3	19.0	40.5	59.96	27.70	0.56	Fsw
45	18	-	RYTVX	Royce Technology Value (2%r<180d)	Tech	*	*	*	-2.5	7.3	73.6	8.23	-	-	FSW
46	86	19	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	5.3	10.7	53.3	28.69	34.10	0.36	Fsw
47	25	53	FSLVX	Fidelity Home Finance (.75%r<30d)	FinServ	*	*	*	-1.2	18.6	43.2	67.82	25.80	0.37	Fsw
48	15	28	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	-1.9	14.8	51.4	53.41	30.80	1.47	Fsw
49	75	29	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	1.7	16.4	42.2	52.60	52.00	2.14	Fsw
50	43	85	FSTEX	INVESCO Energy Inv	NatRes	*	*	*	-0.5	21.9	29.4	22.12	33.90	0.84	FS
51	65	62	FLISX	INVESCO Leisure Inv	Consmr	*	*	*	1.5	16.9	38.5	43.57	22.60	1.04	FS
52	81	57	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	4.2	14.6	39.9	14.81	22.60	1.03	Fsw
53	48	72	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	*	*	*	-1.1	19.2	35.7	14.91	21.90	0.78	Fsw
54	33	58	RYFIF	Rydex Financial Services	FinServ	*	*	*	-0.9	16.7	40.8	11.19	24.10	0.93	fsw
55	27	47	PRISX	T. Rowe Price Financial Services	FinServ	*	*	*	-1.4	15.4	44.1	22.79	20.00	0.80	fsw
56	29	81	RYEIX	Rydex Energy	NatRes	*	*	*	-2.8	20.3	33.1	11.85	21.30	0.66	fsw
57	78	25	PRSCX	T. Rowe Price Science & Tech	Tech	*	*	*	0.6	12.6	44.1	18.92	39.20	2.41	fsw
58	37	32	RYOIX	Rydex Biotechnology	Health	*	*	*	1.6	9.8	49.4	21.27	59.70	0.96	fsw
59	26	78	FSNGX	Fidelity Natural Gas (.75%r<30d)	Utility	*	*	*	-2.8	19.3	32.2	22.84	27.70	0.61	Fsw
60	76	22	FITCH	INVESCO Technology Inv	Tech	*	*	*	0.2	12.8	43.8	25.42	48.00	2.26	FS
61	40	61	FSFSX	INVESCO Financial Serv Inv	FinServ	*	*	*	-0.6	15.5	37.9	31.29	22.80	0.86	FS
62	64	73	RYCIX	Rydex Consumer Products	Consmr	*	*	*	1.2	15.3	35.7	29.01	15.90	0.52	fsw
63	45	56	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	*	*	*	-0.5	15.2	38.3	120.80	21.80	0.79	Fsw
64	82	27	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	0.5	10.1	48.5	44.97	21.80	1.08	Fsw
65	56	84	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	-1.4	18.7	29.2	26.48	22.10	0.70	Fsw
66	59	74	FSPFX	Fidelity Paper & Forest (.75%r<30d)	Cycl	*	*	*	-0.6	16.2	31.4	31.72	24.70	0.80	Fsw
67	72	63	FSMEX	Fidelity Medical Equip (.75%r<30d)	Health	*	*	*	1.5	13.5	34.8	21.38	15.50	0.29	Fsw
75	74	60	FBALX	Fidelity Balanced	Hybrid	B	*	*	-0.6	12.4	32.9	17.36	10.50	0.54	Fsw
85	87	77	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	-0.2	9.1	22.6	18.73	10.70	0.57	fsw
91	90	86	GATEX	Gateway Fund	Altern	B	*	*	0.6	4.4	11.6	23.40	7.84	0.40	FSW

Recommended: A Second Brokerage Account

We have tended to confine our advice in these pages to what you should buy rather than how to buy it, though we haven't neglected the "how" completely. But developments in the mutual fund discount brokerage community over the past several years are causing us to recommend that *MONEYLETTER* subscribers should maintain two discount brokerage accounts. One at Charles Schwab (most already have one there) and one elsewhere.

Here's why. Charles Schwab led the way in offering the convenience of one-stop shopping to mutual fund investors. Schwab was the pioneer in allowing investors to buy any of the no- or low-load mutual funds available for a small brokerage fee. This was an enormous convenience for the no-load investor. It saved time, it was a Godsend at tax time and, most of all, an investor was free to roam over the entire universe of no-load funds in making fund choices.

Because it was first, and because it covered the universe, the natural inclination for the no-load mutual fund investor was to open an account with Schwab for fund transactions. As Schwab grew, our assumption here at the letter was that the vast majority of our readers had a Schwab account and executed our advice through it.

As time went on, competition for the no-load investors' business sprang up, most notably from Fidelity and TD Waterhouse. Also, as time went on, this competition brought about some changes in the funds available through Schwab. In particular, Fidelity's "retail" funds became unavailable at Schwab, although the funds remained available elsewhere. There were other funds in the same situation, unavailable at Schwab but available elsewhere. Basically, we treated the unavailability issue as a minor problem and assumed that subscribers would work their way around it.

But over the past months, and again recently, we became aware of problems that popped up from time to time with funds available elsewhere but unavailable at Schwab. We began getting phone calls and e-mails from subscribers telling us that they were told that the fund we had recommended was closed. After checking with the fund (just to make sure we hadn't slipped), we knew that wasn't the case so we investigated to find the source of the misinformation. In each case, it turned out to be someone from Schwab.

It appears that rather than informing subscribers that a fund is not available at Schwab and letting it go at that, the Schwab representatives (all?, some?) added that the fund was closed. Obviously, all that does is create needless confusion, and, in the usual sense of saying a fund is closed, it is not the case. We have had two examples of that with our new bond fund recommendations concerning Loomis Sayles Bond Fund-Retail and Fidelity Strategic Income.

It is because of the accumulation of these incidents that we are now advising subscribers to open a second discount brokerage account with the likes of Fidelity or TD Waterhouse. With a second account, you should cover the waterfront of open, available funds. \$

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	0.68%	0.68%	0.76%
Gabelli US Treasury MMF	0.66	0.66	0.76
Fidelity Spartan US Treas MMF	0.63	0.62	0.69
Amer Century Capital Presv Fund/Inv	0.55	0.55	0.62
T Rowe Price US Treasury MF	0.52	0.53	0.56
HSBC Investor US Treas MMF/CI D	0.42	0.41	0.41
DBAB Cash Reserve Treasury	0.37	0.37	0.42
Schwab US Treasury Money Fund	0.35	0.35	0.43
RMK Select Treas MMF/CI A	0.34	0.33	0.38
CMA Treasury Fund RIC	0.30	0.31	0.44
Dreyfus 100% US Treas MMF	0.30	0.29	0.40
US Treasury MF of America/CI A	0.30	0.24	0.41

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	0.99%	1.02%	1.10%
Bunker Hill MMF	0.89	0.88	0.93
McMorgan Principal Preservation	0.84	0.84	0.93
TIAA-CREF Money Market Fund	0.82	0.81	0.88
AIM MMF/Investor Class	0.80	0.80	-
AIG Money Market Fund/CI B	0.79	0.79	0.77
Flex-fund Money Market Fund	0.79	0.80	0.88
Scudder Premium Money Mkt Shrs/CI S	0.76	0.77	0.84
Scudder Premium Money Mkt Shrs/AARP	0.76	0.77	0.84
Vanguard Prime MMF/Retail	0.74	0.74	0.83

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Strong Tax-Free Money Fund	0.90%	0.85%	0.92%
Vanguard Tax-Exempt MMF	0.90	0.85	0.91
Strong Municipal MMF	0.72	0.68	0.80
Scudder Tax-Exempt Money Fund	0.68	0.63	0.67
Amer Century T-F MMF/Inv Class	0.67	0.61	0.69
USAA Tax Exempt MMF	0.65	0.60	0.73
Dreyfus BASIC Muni MMF	0.63	0.60	0.68
Fidelity Municipal MMF	0.63	0.59	0.69
Excelsior T-E Money Fund	0.62	0.58	0.59
T Rowe Price Summit Muni MMF	0.62	0.58	0.70

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	0.90%	0.85%	0.90%
Vanguard CA Tax-Exempt MMF	0.88	0.82	0.87
Vanguard PA Tax-Exempt MMF	0.88	0.82	0.87
Vanguard NY Tax-Exempt MMF	0.86	0.81	0.85
Vanguard NJ Tax-Exempt MMF	0.85	0.81	0.84
Fidelity PA Municipal MMF	0.60	0.58	0.63
Amer Century CA T-F MMF/Inv Class	0.59	0.50	0.58
Fidelity FL Municipal MMF	0.58	0.54	0.62
USAA Tax Exempt CA MMF	0.56	0.51	0.68
Fidelity CT Municipal MMF	0.54	0.48	0.58
Fidelity OH Municipal MMF	0.54	0.50	0.61

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 3/30/04. 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

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Buffalo Mid Cap Fund

Buffalo Mid Cap (BUFMX) is just over two years old, but already it has established a fine record. According to Lipper, the fund's 13.2% return year-to-date (through April 2) compares to a 6.0% return for the average mid-cap core fund, and places it in the top 1% of its category. For the trailing one-year period, the fund is up an impressive 62% (top 7% of its category).

Many funds chalk up such strong performances when they overweight a sector that is hot at the moment. But that's not the case here. While the fund's top holding, Elan, has jumped an astonishing 190% this year (and that's what drove it to its current top position in the portfolio), the managers are quick to point out that otherwise, stock gains have been spread across many sectors. "We had some good stocks in the first quarter, but they were in all sorts of different areas," affirms Grant Saris, co-manager of the fund. In addition, Bob Male (also a co-manager, in addition to Kent Gasaway) points to an astute sector move as contributing to performance. "Toward the end of 2003," he states, "we started trimming technology as a sector because we felt it had had a significant run and was getting expensive." Saris adds, "We moved that money into health care and some other areas that are more consistent. That valuation move and shift helped to some degree from a top-down standpoint."

The top-down approach

This fund is run with both a bottom-up and top-down orientation, the latter being the first step in the investment process. In its review of the fund, Morningstar alludes to the fund taking a "theme-based approach" (which would be the top-down portion). Yet, the managers are quick to assert that theirs is not a theme-based approach, but rather one based on trends. A theme, they contend, is not predictable and is a matter of opinion. A theme example: "We're going to war with Iraq and should invest in oil stocks because oil prices are going to go up." In addition to being an opinion, Male contends, "You can't really see this past a year or two, or maybe even only six months. Maybe this seems to make sense, but it's not long enough and predictable enough." Instead, their investment process is based on trend analysis. Male explains, "A trend is something we feel is highly predictable, and therefore you can say the cornerstone of our process is predictability. One of the approximate 20 different trends we've identified is demographics. You can go to the US Census Bureau and see what age group is going to grow fastest over the next five to ten years. Companies that benefit from growth in that particular sector of the population will fit our trend analysis and make it to the next level of the investment

process." Trends must also be long-term in nature—three to five years say the managers—which relates to their long-term (two- to five-year) time frame in analyzing stocks. Other trends he identified include the movement from analog to digital in photography, the increasing number of semiconductors in automobiles and appliances, and obesity.

The bottom-up approach

Once trends are identified, the next step is to identify companies that are beneficiaries of these trends. Still, those firms don't automatically get purchased. "The next step is more of a bottom-up approach," Male explains. "We're looking for companies that have good margin structures, because that usually reveals the company has some type of competitive advantage. Most of our companies have very little debt: Companies should be financing their own growth. We look closely at the balance sheet of the companies, barriers to entry, profitability, management, cash flows, and valuation. We like to buy stocks that have upside potential—are inexpensively priced, and we avoid stocks that are overvalued."

Top Five Sectors and Holdings (% of Assets)

Consumer Discretionary	30.8%	Elan PLC	4.8%
Healthcare	19.9	Abercrombie & Fitch	2.9
Information Technology	19.5	Furniture Brands Intl.	2.8
Financials	15.5	Shire Pharmaceuticals	2.7
Industrials	4.3	Waters Corp.	2.7

Male also describes the sell approach. "On the flip side if we feel a company has become overvalued, we start trimming it back or sell it outright. If the business model breaks down and we see a secular downtrend in margins for some reason, we'll sell it. Or, if there's an acquisition that changes the business model of the company and it doesn't fit our trend analysis anymore, we'll sell it."

A true mid cap

Finally, the managers emphasized their intent to keep the fund squarely in the mid-cap range. They can buy stocks with market capitalizations of \$1.5 billion to \$10 billion; the current average capitalization is \$4.5 billion. "I think a lot of mid-cap managers end up buying a lot of small-cap stocks, and their funds end up looking more like what people call smid-cap," comments Saris. Male concludes, "Since Buffalo also manages a small- and a large-cap fund on each side, this isn't a mid-cap fund that's cheating its way by buying small caps."

Buffalo Funds, P.O. Box 219757
 Kansas City, MO 64121-9757; (800) 492-8332
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