25 YEARS
MONEYLETTER®.com
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Volume 25, No. 9 June 11, 2004

Raising Some Allocations

by Walter S. Frank, Chief Investment Officer

It's time to put some of the money to work that we stashed in money funds at the time of the Asian funds sale in mid-May. When we advised the sale of the Asian or Asian-oriented funds, not only were those funds having a difficult time, the U.S. market was also struggling. (This was not just a coincidence.) While we remained positive on the outlook for the U.S. market during the nasty six weeks from April through mid-May, we preferred the safety of money funds during a correction period.

Since mid-May, the U.S. market has turned a corner, in our opinion, and there is no longer a good reason to hang on to a large 20% money fund position in our risk-tolerant portfolios, the Venturesome and Moderate portfolios. Accordingly, we are recommending a 10% increase in the allocation to domestic equities for both Venturesome and Moderate investors. This raises the Venturesome allocation to 90% for domestic equities with 10% still in money funds. For Moderate investors, the domestic equity allocation now becomes 70%, with a 20% allocation to bonds and 10% in money funds.

Here are the changes we will be making in the model portfolios. ***MONEYLETTER* Venturesome and Moderate**: Sell half the money fund position; purchase Baron Partners with the proceeds. **Fidelity Venturesome and Moderate**: Sell half the money fund position; purchase Fidelity Aggressive Growth with the proceeds. **Vanguard Venturesome and Moderate**: Sell half the money fund position; purchase Vanguard Mid-Cap Index with the proceeds.

Adjusting to higher rates

Last January, we lowered the domestic allocation because we wanted to cut down the U.S. exposure in the face of rising interest rates to come. Has anything changed? Well, yes, sort of. Two things have changed. First, even though the Fed has left the rate it controls (the fed funds rate) alone, all other interest rates have risen. This is very important. Interest rates have already made a tangible adjustment to the possibility of a fed funds rate increase. The economy is living right now in a higher interest rate environment.

Market Trends

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

Second, the Federal Reserve has changed its message. Earlier in the year the Fed was telling us that rates were going to stay low for some indefinite period. But now with the economy well out of intensive care, the Fed's tone has changed. Only Rip Van Winkle could miss their message: rates are going up.

The market has been living with higher interest rates for some months now. Over that period the market here has had a pretty rough correction. The correction shows up less in the large caps (the S&P 500) than it does in the smaller caps (the Nasdaq). Over the period from early April to mid-May, the Nasdaq lost roughly 10%.

During the period, three funds in the Venturesome model portfolio lost roughly 12% each, Henlopen, Royce Opportunity, and RS Smaller Company Growth. A fourth fund, Fidelity Leveraged Company, lost about 11%. For all practical purposes, the correction wiped out all the gains from the beginning of the year. This was a nasty, nasty correction.

There was more than one cause of the correction (think oil prices, think China). But certainly concern about higher interest rates played a prominent part.

Has the market sufficiently adjusted to the change in the interest rate environment? There is no definitive answer, but we think the chances are good that the answer is yes. Certainly the Fed is doing its best to lower the concern about what lies ahead. Fed Governor Donald Kohn (a former Fed staffer under Greenspan) in a speech given on June 4 said that he believes "the rise in inflation will be limited" and that the economic growth to come will not be overly rapid. Because of these two considerations he supports the Fed's view that the pace of the rate rise is likely to be "measured." We interpret "measured" to mean slow and steady, and as called for by economic developments.

Back at the economy

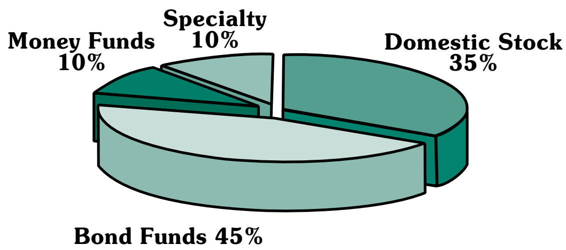
All the while the market was playing the grinch who stole the bull, the economic numbers were coming out telling us that the economy was moving along. The concern, in fact, was the economy was moving along too rapidly for its own good. The May employment numbers put that concern to rest, at least for the moment. The May report showed broad-spread hiring, but at a rate that would certainly not disturb the Fed. At the same time, the job increase plus upward revisions to earlier months confirmed that the recovery had developed into the real thing.

In fact, the employment report was the last piece we needed before making the decision to increase the domestic allocation. The report (and the market's reaction) told us that the odds were good that the correction was over. If so, this is an opportune time to reenter the U.S. market. We saw the market as attractive even before the correction, the correction only made it more so. Thus, our new allocations. $

Please note: due to space constraints details of our mid-May trades will appear in the next issue of *MONEYLETTER*.

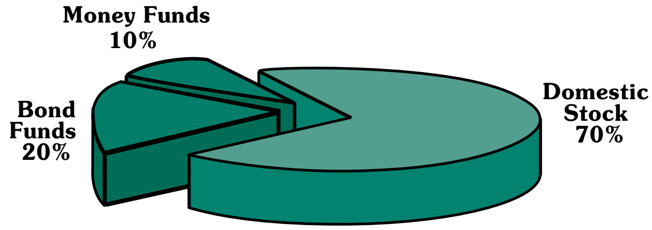
CONSERVATIVE

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



MODERATE

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



MONEYLETTER Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.2%	10,086	$1.00	$10,086
Gateway Fund	11/27/02	11.2	601	23.38	14,061
Loomis Sayles Bond	03/17/04	-4.5	1,110	12.79	14,192
RS Partners	04/02/03	69.0	735	29.33	21,549
ICM/Isabelle SC Value	05/19/04	2.5	669	14.29	9,556
AmerCent Inflation Adj.	02/12/03	6.9	1,589	10.94	17,385
Strong Mid Cap Disciplined	05/19/04	2.6	1,059	20.63	21,839
Dodge & Cox Income	02/19/03	4.7	980	12.70	12,448
TOTAL VALUE					$121,116

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
0.1%	3.5%	13.9%	22.7%	0.6%

MONEYLETTER Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.0%	23,996	$1.00	$23,996
Loomis Sayles Bond	03/17/04	-4.5	1,553	12.79	19,859
Henlopen Fund	12/15/03	6.8	859	26.56	22,813
RS Partners	02/12/03	78.5	601	29.33	17,616
Fidelity Leveraged Company	01/28/04	-2.3	1,141	19.89	22,687
Strong Mid Cap Disciplined	05/19/04	2.6	568	20.63	11,718
TOTAL VALUE					$118,689

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
-0.8%	4.7%	27.9%	41.2%	0.9%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.3%	8,666	$1.00	$8,666
Fidelity Balanced	11/27/02	25.0	771	16.76	12,924
Fidelity Strategic Income	03/17/04	-3.6	1,674	10.09	16,896
Fidelity Value	04/21/04	-1.1	333	64.49	21,505
Fidelity Small Cap Stock	12/10/03	7.1	848	17.38	14,743
Fidelity Intermediate Gov	02/19/03	1.0	1,146	10.13	11,609
Fidelity Investment Grade	02/19/03	3.3	1,695	7.42	12,577
TOTAL VALUE					$98,920

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
0.2%	2.8%	11.6%	4.5%	0.7%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.0%	17,923	$1.00	$17,923
Fidelity Leveraged Company	12/10/03	11.9	751	19.89	14,930
Fidelity Strategic Income	03/17/04	-3.6	2,442	10.09	24,644
Fidelity Small Cap Stock	11/12/03	8.2	1,296	17.38	22,529
Fidelity Value	04/21/04	-1.1	328	64.49	21,165
Fidelity Equity-Income	05/19/04	2.9	207	49.47	10,257
TOTAL VALUE					$111,448

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
-0.8%	4.4%	20.0%	24.8%	0.8%

Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.3%	8,439	$1.00	$8,439
Vanguard Balanced Index	11/27/02	17.8	569	18.34	10,436
Vanguard Bond Market	02/19/03	3.1	717	10.07	7,218
Vanguard Inflation Protect	02/19/03	7.2	1,054	12.38	13,051
Vanguard US Value	05/19/04	3.4	1,232	12.43	15,317
Vanguard Value Index	05/19/04	2.9	623	19.04	11,865
Vanguard Small Cap Value	03/24/04	0.8	1,359	11.83	16,074
Vanguard GNMA	03/17/04	-2.1	1,649	10.24	16,890
TOTAL VALUE					$99,290

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
0.5%	2.2%	12.2%	1.8%	0.7%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.0%	20,101	$1.00	$20,101
Vanguard FI Hi-Yld Corp	01/17/01	18.4	3,346	6.17	20,644
Vanguard Value Index	05/19/04	2.9	852	19.04	16,216
Vanguard Windsor II	05/12/04	2.5	686	27.57	18,916
Vanguard Small Cap Value	03/24/04	0.8	1,406	11.83	16,631
Vanguard US Value	05/19/04	3.4	1,089	12.43	13,535
TOTAL VALUE					$106,043

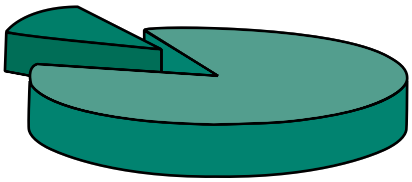
TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
-0.7%	2.0%	20.4%	10.0%	-0.1%

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
Schwab Money Market	Yield YTD	0.0%	21,648	$1.00	$21,648
Henlopen Fund	11/12/03	5.9	586	26.56	15,562
RS Smaller Company Grwth	12/15/03	5.1	905	20.79	18,805
Strong Mid Cap Disciplined	05/19/04	2.6	746	20.63	15,381
Fidelity Leveraged Co.	01/28/04	-2.3	907	19.89	18,041
RS Partners	02/12/03	78.5	777	29.33	22,782
TOTAL VALUE					$112,219

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
-1.2%	5.1%	33.1%	44.9%	1.5%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.0%	16,420	$1.00	$16,420
Fidelity Leveraged Company	12/10/03	11.9	1,107	19.89	22,018
Fidelity Contrafund	05/19/04	3.6	414	51.27	21,200
Fidelity Equity-Income	05/19/04	2.9	426	49.47	21,056
Fidelity Value	04/21/04	-1.1	261	64.49	16,846
Fidelity Small Cap Stock	07/30/03	24.7	1,111	17.38	19,317
TOTAL VALUE					$116,857

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
-0.7%	3.8%	21.5%	21.2%	0.7%

Vanguard Venturesome

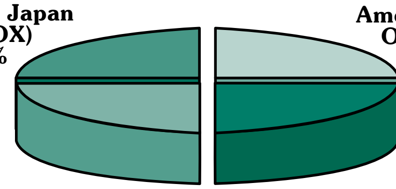
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.0%	17,915	$1.00	$17,915
Vanguard Windsor II	05/12/04	2.5	804	27.57	22,179
Vanguard US Value	05/19/04	3.4	1,740	12.43	21,632
Vanguard Value Index	05/19/04	2.9	1,106	19.04	21,061
Vanguard Small Cap Value	03/24/04	0.8	1,821	11.83	21,546
TOTAL VALUE					$104,333

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	3-yr	YTD
-0.3%	1.3%	22.6%	9.7%	-0.6%

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	12.6%	3,921	$8.50	$33,326
ICM/Isabelle SC Value	04/21/04	-3.8	2,040	14.29	29,152
Baron Partners	05/19/04	1.9	2,240	13.90	31,134
Matthews Japan	05/05/04	-5.3	1,792	14.72	26,382
TOTAL VALUE					$119,994

TOTAL RETURNS (as of 05/31/04)

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
-2.2%	-0.3%	19.1%	22.7%	-1.9%

MONEYLETTER Select Commentary

The Hotline of Tuesday, May 4 recommended the sale of Guinness China & Hong Kong (ICHKX) to be upgraded to Matthews Japan (MJFOX). The recommended trades were executed at the market close May 5, 2004. Details: Sold 1,735 shares of Guinness China & Hong Kong @ $16.06 per share. Purchased 1,792 shares of Matthews Japan @ $15.55 per share. In addition, the Hotline of Tuesday, May 18 recommended the sale of Henlopen Fund (HENLX) to be exchanged for Baron Partners (BPTRX). The recommended trades were executed at the market close May 19, 2004. Details: Sold 1,206 shares of Henlopen Fund @ $25.33 per share. Purchased 2,240 shares of Baron Partners @ $13.64 per share.

Interest rate concerns accompanied by rising oil prices have contributed to increased market volatility. The model remains fully invested in equity funds.

Total Returns—May 31, 2004

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	1.4%	6.9%	18.4%	-6.2%	1.6%
Asset Allocation Funds (Avg) 84 Funds	0.5	4.4	14.2	4.8	0.6

Domestic Stock Funds

RANK 6/04 2004	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN 1 mo.	6 mo.	12 mo.	PRICE PER SHARE	RISK Std. Dev.	Beta	NTF/ wtf
1	**-**	**-**	**BPTRX**	**Baron Partners**	**MCGro**	*****	**B**	**B**	**-0.2%**	**18.5%**	**45.1%**	**$14.04**	**28.6**	**1.26**	**FSW**
2	5	26	BUFSX	Buffalo Small Cap (closed)	SCGro	B	B	B	-0.4	13.5	42.4	24.87	31.2	1.25	SW
3	4	8	WBSNX	WmBlair S-C Growth N (closed,1%r<60d)	SCGro	B	B	B	-0.6	11.5	45.2	23.51	30.1	1.12	FSW
4	**2**	**7**	**RSPFX**	**RS Partners**	**SC**	**B**	**B**	**B**	**-0.6**	**12.6**	**42.4**	**29.55**	**20.9**	**0.69**	**FSW**
5	**7**	**2**	**FLVCX**	**Fidelity Leveraged Co ($10,000,1.5%r<90d)**	**MC**	*****	**B**	**B**	**-0.2**	**10.6**	**38.0**	**19.95**	**36.3**	**1.39**	**Fw**
6	71	11	MOPIX	MainStay Small Cap Opportunity (closed)	SCVal	B	B	B	1.9	8.2	39.8	17.54	17.5	0.63	FSW
7	28	219	JAVLX	Janus Twenty (closed)	LCGro	B	B	B	2.5	15.1	21.7	39.35	17.3	0.93	FSW
8	-	-	PVLDX	PIMCO PEA Value D	LCVal	*	B	B	0.1	12.4	30.2	16.54	25.4	1.32	FSW
9	**1**	**41**	**SMCDX**	**Strong Mid Cap Disciplined**	**MCVal**	**B**	**B**	**B**	**-1.1**	**12.2**	**31.9**	**20.63**	**23.1**	**0.99**	**FSW**
10	23	68	VHCOX	Vanguard Cap Opp (closed,$25,000,1%r<5yr)	MCGro	*	B	B	1.1	11.0	31.3	27.22	25.3	1.28	fsw
11	8	46	CRMMX	CRM Mid Cap Value Inv	MCVal	B	B	B	0.8	10.7	32.1	23.00	18.9	0.78	FSw
12	10	10	RSCOX	RS Contrarian Value	MC	B	B	B	0.7	7.0	41.0	17.52	18.6	0.60	FSW
13	27	126	BSCFX	Baron Small Cap	SCGro	H	H	H	-1.1	11.6	31.7	20.47	21.5	0.79	FSW
14	**25**	**1**	**HENLX**	**Henlopen Fund (1%r<30d)**	**SCGro**	*****	**B**	**B**	**0.0**	**3.5**	**50.2**	**26.55**	**30.9**	**1.19**	**FSW**
15	31	98	TWCVX	American Century Vista	MCGro	H	H	H	0.4	9.8	31.9	13.51	15.8	0.68	fSW
16	24	10	RYPNX	Royce Opportunity (closed,1%r<180d)	SCVal	B	B	B	-0.7	4.8	44.3	12.32	30.8	1.18	fsw
17	**3**	**24**	**IZZYX**	**ICM/Isabelle Small Cap Value**	**SCVal**	**B**	**B**	**B**	**-2.2**	**9.5**	**34.7**	**14.35**	**29.5**	**1.04**	**FSW**
18	19	93	RYPRX	Royce Premier (1%r<180d)	SC	B	B	B	-0.3	9.5	30.8	14.00	19.4	0.84	FSW
19	11	55	TRMCX	T. Rowe Price Mid Cap Value	MCVal	B	B	B	0.9	9.6	28.5	21.35	19.8	0.90	fsw
20	21	-	TGDVX	TCW Galileo Diversified Value N	LCVal	B	B	B	0.5	10.6	26.2	11.90	19.8	1.03	FW
21	48	-	BUFMX	Buffalo Mid Cap	MCGro	B	B	B	0.8	9.4	28.6	12.06	-	-	FSW
22	62	39	MNSCX	WellsFargo Montgomery Small Cap (closed)	SCGro	*	H	H	0.6	8.5	31.1	11.55	23.3	1.05	fS
23	18	255	JMCVX	Janus Mid Cap Value	MCVal	B	B	B	1.0	9.2	28.2	21.47	20.4	0.93	fSw
24	65	61	TASCX	Third Avenue Small-Cap Value (1%r<1yr)	SCVal	H	H	H	1.1	7.8	31.6	19.68	19.9	0.85	FSW
25	6	16	BERWX	Berwyn Fund (1%r<180d)	SCVal	B	B	B	-1.4	7.7	35.6	25.52	22.3	0.77	fsw
26	73	17	JAVTX	Janus Venture (closed)	SCGro	*	H	H	1.1	6.1	35.2	51.63	29.0	1.25	FSW
27	17	15	WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SCVal	B	B	B	-1.3	6.8	36.9	5.53	26.6	0.96	FSW
28	53	73	FBRVX	FBR Small Cap Value A (1%r<90d)	SCGro	H	H	H	-0.3	9.8	27.9	34.90	23.4	0.82	FSW
29	90	74	TAVFX	Third Avenue Value (1%r<60d)	SC	H	H	H	1.1	7.6	30.7	43.97	17.2	0.79	FSW
30	9	22	BPSCX	Boston Ptnrs Smlcap Val (closed,1%r<1yr)	SCVal	B	B	B	-1.7	7.7	34.1	23.62	25.8	0.87	FSW
31	76	92	LLSCX	Longleaf Partners Smallcap(closed)	SCVal	H	H	H	3.0	7.9	26.2	29.52	19.2	0.80	fw
32	69	9	NESGX	Needham Small Cap Growth (.75%r<30d)	SCGro	H	H	H	3.1	3.9	35.9	17.42	-	-	FSW
33	51	64	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	H	H	H	0.5	8.3	28.6	31.07	18.0	0.69	fsw
34	52	134	ARGFX	Ariel Fund	SCVal	H	H	H	1.3	8.9	25.5	48.24	15.6	0.53	FSW
35	22	27	JSVAX	Janus Special Equity	MC	H	H	H	-1.1	8.3	30.8	11.14	22.3	1.10	SW
36	47	33	TGVNX	TCW Galileo Value Opportunities	MC	H	H	H	1.1	8.2	27.6	21.13	29.2	1.32	FSW
37	**43**	**19**	**FSLCX**	**Fidelity Small Cap Stock (2%r<90d)**	**SCGro**	**H**	**H**	**H**	**0.2**	**6.1**	**33.7**	**16.73**	**21.5**	**0.94**	**F**
38	41	67	ARTSX	Artisan Small Cap	SCGro	B	B	B	0.0	8.6	27.5	15.12	26.7	1.19	FSW
39	16	28	TUDRX	WPG Tudor	SC	H	H	H	-1.4	7.5	32.0	16.85	27.0	1.22	FsW
40	15	140	BARAX	Baron Asset	MCGro	H	H	H	-1.5	9.5	27.1	47.18	21.2	0.94	FSW
41	13	30	CRMSX	CRM Small Cap Value Inv	SCVal	B	B	B	-2.3	7.3	33.5	25.52	23.8	0.93	FSw
42	66	80	MPEGX	MSI Mid Cap Growth	MCGro	*	H	H	0.3	8.0	27.3	18.28	22.2	1.17	fsw
43	42	-	TGIGX	TCW Galileo Dividend Focused N	MCVal	H	H	H	0.7	8.7	25.2	10.32	13.8	0.57	FW
44	70	119	JAENX	Janus Enterprise	MCGro	H	H	H	1.6	8.3	24.4	33.19	21.4	1.09	FSW
45	14	85	ARTQX	Artisan Mid Cap Value	MCVal	H	H	H	-0.7	9.7	24.2	14.48	19.8	0.87	FSW
46	26	34	PRNHX	T. Rowe Price New Horizons	SCGro	*	H	H	-0.5	7.0	30.6	26.24	28.3	1.30	fsw
47	40	54	FLPSX	Fidelity L P Stock (closed,1.5%r<90d)	SCVal	H	H	H	-0.3	7.3	29.4	36.34	18.0	0.75	Fsw
48	50	129	BGRFX	Baron Growth	SCGro	H	H	H	-0.8	8.7	26.3	38.06	18.4	0.72	FSW
49	33	29	SAFGX	Safeco Growth Opportunities (2%r<90d)	SC	H	H	H	-0.2	6.1	31.7	25.75	29.8	1.18	fsw
50	39	59	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	-0.8	6.8	30.4	9.29	20.4	0.80	Fsw
51	198	65	LMOPX	Legg Mason Opportunity Trust (1%r<1yr)	MC	*	H	H	4.3	6.8	22.6	14.19	35.1	1.48	-
52	**105**	**36**	**VISVX**	**Vanguard Small-Cap Value Index**	**SCVal**	**H**	**H**	**H**	**0.1**	**6.8**	**27.8**	**11.82**	**22.4**	**0.90**	**fsw**
53	46	103	VPMCX	Vanguard PRIMECAP (closed,$25,000&1%r<5yr)	LC	H	H	H	0.2	8.5	23.2	55.91	21.7	1.13	fsw
54	**36**	**6**	**RSSGX**	**RS Smaller Company Growth**	**SCGro**	*****	**H**	**H**	**-1.0**	**3.1**	**38.4**	**20.90**	**28.5**	**1.23**	**FSW**
55	44	106	SOPFX	Strong Opportunity	MCVal	H	H	H	0.7	8.4	22.4	41.51	22.2	1.17	FSW
56	77	157	RYSEX	Royce Special Equity (1%r<180d)	SCVal	H	H	H	-0.1	8.1	24.1	18.87	16.5	0.51	Sw
57	155	86	WGROX	Wasatch Core Growth (closed,2%r<60d)	SCGro	H	H	H	1.5	5.8	27.6	38.78	28.5	1.10	FSW
58	97	32	NAESX	Vanguard SmallCap Index	SC	H	H	H	0.0	6.0	28.5	23.34	23.2	1.01	fsw
59	136	132	VALSX	Value Line Special Situations	MCGro	H	H	H	0.8	6.8	24.9	22.00	15.4	0.71	FSW
60	45	110	NCTWX	Nicholas II	MCVal	H	H	H	0.5	7.1	24.5	22.41	19.5	0.96	w
61	165	83	TGCNX	TCW Galileo Select Equity	LCGro	*	H	H	3.0	6.3	23.0	17.68	28.1	1.46	FSW
62	**57**	**87**	**FDVLX**	**Fidelity Value**	**MCVal**	**H**	**H**	**H**	**-0.1**	**8.2**	**22.8**	**64.49**	**19.0**	**0.89**	**Fsw**
63	190	56	TGSCX	TCW Galileo Small Cap Growth	MCGro	*	H	H	2.3	4.9	27.0	15.40	37.3	1.83	FSW
64	37	122	DODGX	Dodge & Cox Stock (closed)	LCVal	H	H	H	-0.1	8.1	22.4	117.20	17.6	0.85	sw
65	108	-	TGONX	TCW Galileo Opportunity N	SC	H	H	H	-0.2	6.0	27.7	13.00	22.5	0.90	FSW
66	64	31	MERDX	Meridian Fund	MCGro	S	S	S	-0.4	5.4	29.5	34.40	23.1	0.95	fw
67	109	45	VISGX	Vanguard Small Cap Growth Index	SCGro	S	S	S	-0.1	5.2	29.0	13.56	21.6	0.91	fsw
68	30	141	TWVLX	American Century Value	MCVal	H	H	H	-0.1	9.0	19.5	7.79	16.6	0.82	FSW

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 6/04 2004	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN 1 mo.	6 mo.	12 mo.	PRICE PER SHARE	RISK Std. Dev.	Beta	NTF/ wtf
69	79	104	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	S	S	S	1.1	6.5	23.8	44.86	22.1	1.11	fsw
70	54	96	BPMCX	Boston Partners Mid Cap Value	MCVal	H	H	H	-0.1	7.5	22.9	13.33	20.1	0.93	FSW
71	**29**	**172**	**VWNFX**	**Vanguard Windsor II**	**LCVal**	**H**	**H**	**H**	**-0.3**	**9.5**	**18.2**	**27.62**	**16.2**	**0.82**	**fsw**
72	12	169	THPGX	Thompson Plumb Growth	LC	H	H	H	-0.8	9.4	19.0	46.98	25.1	1.22	fsw
73	119	48	VSEQX	Vanguard Strategic Equity	MCGro	S	S	S	0.8	5.6	25.9	19.32	17.8	0.83	fsw
74	129	52	LMASX	Legg Mason Special Investment Trust	MC	*	S	S	1.7	4.9	26.0	45.69	30.9	1.33	-
75	104	51	VEXMX	Vanguard Extended Market Index	MC	S	S	S	0.2	5.5	26.3	27.49	21.5	1.02	fsw
76	114	121	NBNGX	SIT Mid Cap Growth (2%r<30d)	MCGro	*	S	S	1.0	6.7	21.8	9.99	23.5	1.23	FSW
77	**103**	**166**	**FCNTX**	**Fidelity Contrafund**	**LC**	**H**	**H**	**H**	**0.5**	**6.6**	**22.4**	**51.32**	**11.4**	**0.54**	**Fsw**
78	**113**	**145**	**FDEGX**	**Fidelity Aggressive Growth (1.5%r<90d)**	**MCGro**	*****	**H**	**H**	**0.8**	**6.7**	**21.6**	**15.61**	**31.1**	**1.74**	**Fsw**
79	32	97	NBGNX	Neuberger Berman Genesis (closed)	SC	S	S	S	-1.3	6.1	25.5	27.18	15.5	0.63	fSw
80	175	137	ARTMX	Artisan Midcap (closed)	MCGro	S	S	S	1.5	6.3	20.8	26.76	23.1	1.17	FSW
81	55	120	SLASX	Selected American Shares	LCVal	S	S	S	0.0	7.2	20.3	34.21	16.1	0.86	sW
82	20	90	CAMOX	Cambiar Opportunity	LC	S	S	S	-1.0	6.9	22.7	14.93	18.4	0.94	FSW
83	68	47	RYLPX	Royce Low Priced Stock (1%r<180d)	SCVal	H	H	H	-1.6	4.7	28.8	14.37	27.1	1.10	FSW
84	63	193	LSGIX	Loomis Sayles Value	LCVal	S	S	S	0.5	8.0	17.3	15.60	16.4	0.89	fsW
85	102	111	DNLDX	Dreyfus New Leaders	MCGro	S	S	S	0.5	6.7	20.6	42.45	18.6	0.90	FSW
86	58	124	SSHFX	Sound Shore	LCVal	S	S	S	0.4	7.0	19.6	34.47	17.3	0.79	sW
87	83	133	PRWAX	T. Rowe Price New America	LC	S	S	S	0.8	6.8	19.5	30.87	22.5	1.24	fsw
88	**141**	**99**	**VIMSX**	**Vanguard Mid-Cap Index**	**MC**	**H**	**H**	**H**	**1.1**	**5.4**	**22.6**	**13.48**	**20.1**	**0.97**	**fsw**
89	34	109	MPVLX	MSI Value Portfolio	LCVal	H	H	H	-1.4	7.6	20.6	15.69	20.6	1.05	fsw
90	184	82	TGANX	TCW Galileo Aggressive Growth CIN	MCGro	*	H	H	1.9	6.8	17.6	12.21	37.7	1.82	SW
91	61	173	HOVLX	Homestead Value	MCVal	S	S	S	0.3	7.7	17.4	28.18	16.5	0.81	-
92	92	84	FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SC	S	S	S	-1.1	4.9	26.5	18.37	16.7	0.58	Fsw
93	35	77	AVALX	Aegis Value Fund	SCVal	S	S	S	-0.8	5.7	23.7	17.16	13.3	0.48	fw
94	120	128	OAKSX	Oakmark Small Cap (2%r<90d)	SCVal	S	S	S	0.4	5.4	22.4	19.83	21.9	0.91	FSW
95	118	71	CUEGX	CS Warburg Pincus Emerging Growth	MCGro	*	S	S	-0.3	4.7	24.9	28.51	24.3	1.18	FSW
96	112	53	GSETX	Columbia Small Company Equity CIZ	SCGro	S	S	S	-1.9	5.1	26.1	17.54	24.9	1.14	fw
97	132	88	PESPX	Dreyfus Mid Cap Index	MCGro	S	S	S	0.5	4.8	23.5	24.08	20.2	0.97	FSW
110	**75**	**131**	**FEQIX**	**Fidelity Equity-Income**	**LCVal**	**H**	**H**	**H**	**-0.4**	**6.9**	**17.5**	**49.58**	**17.8**	**0.96**	**Fsw**
115	**72**	**135**	**VIVAX**	**Vanguard Value Index**	**LCVal**	**H**	**H**	**H**	**0.0**	**6.7**	**16.6**	**19.10**	**18.6**	**1.03**	**fsw**
134	**81**	**142**	**VUVLX**	**Vanguard U.S. Value**	**LCVal**	**H**	**H**	**H**	**-1.0**	**5.9**	**18.2**	**12.43**	**17.3**	**0.87**	**fsw**

	1 mo.	6 mo.	12 mo.	
Dow Jones	**-0.7%**	**3.1%**	**13.3%**	*indexes do not include dividends*
NASDAQ	**1.4**	**0.5**	**21.0**	
S&P 500	**0.3**	**4.9**	**13.8**	

International Stock Funds

RANK 6/04 2004	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN 1 mo.	6 mo.	12 mo.	PRICE PER SHARE	RISK Std. Dev.	Beta	NTF/ wtf
1	**2**	**2**	**MJFOX**	**Matthews Japan Fund (2%r<90d)**	**Japan**	*****	**H**	**H**	**-5.9%**	**12.8%**	**68.5%**	**$14.47**	**15.2**	**-**	**FSW**
2	3	1	FISMX	Fidelity Intl Small Cap (2%r<90d)	Int'l	H	H	H	-2.6	11.6	60.6	19.88	-	-	Fw
3	4	-	ARTKX	Artisan Intl Value (2%r<90d)	Int'l	H	H	H	0.8	15.8	44.4	17.86	-	-	FSW
4	11	-	DODFX	Dodge&Cox Intl. Stock	Int'l	H	H	H	0.3	12.0	47.1	24.96	-	-	fsw
5	**1**	**3**	**AIOIX**	**Amer.Cent.Intl Opportunity (2%r<180d)**	**Int'l**	**H**	**H**	**H**	**-6.0**	**11.5**	**57.0**	**8.35**	**-**	**-**	**S**
6	6	14	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	H	H	H	-0.1	12.2	45.8	17.26	20.4	-	FSW
7	9	15	PRJPX	T. Rowe Price Japan	Japan	*	H	H	-6.1	11.0	54.1	7.75	14.4	-	s
8	5	12	VINEX	Vanguard Intl Explorer ($25,000,2%r<60d)	int'l	H	H	H	-2.1	12.1	43.5	13.72	16.3	-	fsw
9	12	-	WAIGX	Wasatch International Growth	int'l	H	H	H	-0.3	11.2	41.3	14.64	-	-	FSW
10	10	4	SJPNX	Japan Fund (Scudder) (2%r<180d)	Japan	*	H	H	-5.8	6.3	61.8	9.78	14.8	-	FSW
11	8	56	TBGVX	Tweedy, Browne Global Value (2%r<60d)	Global	H	H	H	-0.4	11.9	32.9	21.54	11.9	-	fsw
12	7	6	PRIDX	T. Rowe Price Intl Disc. (2%r<1yr)	Int'l	H	H	H	-3.9	8.3	46.2	27.43	16.0	-	fsw
13	14	8	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	H	H	H	-1.7	8.6	40.6	16.11	-	-	SW
14	27	29	PFIFX	Preferred International	Int'l	H	H	H	-0.3	8.1	34.8	14.78	17.4	-	w
15	29	45	OAKIX	Oakmark International (2%r<90d)	Int'l	H	H	H	0.7	8.7	31.6	18.74	22.0	-	FSW
16	17	31	OAKGX	Oakmark Global (2%r<90d)	Global	H	H	H	0.3	8.1	32.1	20.08	26.5	-	FSw
17	34	25	FJPNX	Fidelity Japan (1.5%<90d)	Japan	*	H	H	-5.6	6.9	42.8	11.88	17.3	-	Fsw
18	18	41	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	H	H	H	0.9	9.0	27.7	22.62	17.4	-	fsw
19	19	32	FDIVX	Fidelity Diversified Intl (1%r<30d)	Int'l	H	H	H	-1.4	8.4	32.5	24.96	13.8	-	Fsw
20	22	22	FIGRX	Fidelity International G & I (1%r<30d)	Int'l	H	H	H	-1.3	7.4	34.0	24.48	15.2	-	Fsw
21	25	30	VTRIX	Vanguard International Value (2%r<60d)	Int'l	H	H	H	-1.0	6.7	34.4	26.78	16.8	-	fsw
22	31	21	SGSCX	Scudder Global Discovery (closed)	Int'l	H	H	H	-0.4	6.5	32.8	29.17	20.1	-	FSW
23	26	50	USIFX	USAA International	Int'l	H	H	H	-0.5	9.1	26.1	20.52	15.0	-	w
24	40	28	HAINX	Harbor International (2%r<60d)	Int'l	H	H	H	-1.1	6.3	31.6	37.27	17.9	-	Fsw
25	35	59	USAWX	USAA World Growth	Int'l	H	H	H	-0.1	9.0	22.4	16.18	15.6	-	w
26	47	18	FIEUX	Fidelity Europe (1%r<30d)	Europe	S	S	S	-0.2	4.5	32.6	27.46	22.5	-	Fsw
27	24	37	GIGRX	Gabelli Intl Growth (2%r<60d)	Int'l	S	S	S	-0.7	6.1	29.0	16.36	13.1	-	FSW
28	49	54	ARTIX	Artisan International (2%r<90d)	Int'l	S	S	S	-0.3	7.0	25.8	19.39	16.4	-	FSW
29	15	38	LLINX	Longleaf Partners International	Int'l	H	H	H	-2.1	6.4	30.0	14.66	19.4	-	fw
30	16	39	MACSX	Matthews Asia G & I (closed,2%r<90d)	Pacific	S	S	S	-2.9	6.8	30.0	14.08	11.4	-	FSW
31	33	26	VPACX	Vanguard Pacific Stock Index (2%r<60d)	Pacific	*	S	S	-4.3	5.0	36.5	8.16	13.7	-	fsw
32	38	43	PRESX	T. Rowe Price European	Europe	S	S	S	0.6	6.8	24.0	17.63	18.0	-	fsw
33	39	40	BJBIX	Julius Baer Intl Equity A (2%r<90d)	Int'l	S	S	S	-1.9	7.1	26.8	26.88	12.5	-	FS
34	36	47	SWINX	Schwab International Index (1.5%<180d)	Int'l	S	S	S	-0.8	6.2	26.1	14.09	14.1	-	S
35	53	-	FECAX	Fidelity Europe Capital App. (1%r<30d)	Europe	S	S	S	-0.5	6.3	25.3	18.97	18.8	-	Fw

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

RANK 6/04 2004	1 Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN 1 mo.	6 mo.	12 mo.	PRICE PER SHARE	RISK Std. Dev.	Beta	NTF/ wtf
1	1	19	FWRLX	Fidelity Wireless (.75%r<30d)	Tech	*	*	*	4.5%	24.1%	57.2%	$4.89	-	-	fsw
2	10	16	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	1.4	14.4	37.6	24.38	30.00	1.53	fsw
3	2	39	VGENX	Vanguard Energy (1%r<1yr)	Energy	*	*	*	-1.1	18.4	27.6	32.37	24.50	0.64	fsw
4	19	21	RYIIX	Rydex Internet	Tech	*	*	*	4.3	12.9	33.0	36.13	41.00	2.70	fsw
5	43	15	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	5.5	11.4	31.2	57.44	14.60	0.23	FSW
6	6	33	FSHCX	Fidelity Med Del (.75%r<30d)	Health	*	*	*	3.1	7.8	39.3	33.15	23.10	0.07	Fsw
7	9	65	FSMEX	Fidelity Medical Equip (.75%r<30d)	Health	*	*	*	1.3	13.8	26.5	22.12	15.50	0.29	Fsw
8	11	75	FBIOX	Fidelity Biotechnology (.75%r<30d)	Health	*	*	*	0.6	16.0	20.7	58.55	53.10	0.88	Fsw
9	8	63	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	-0.3	13.4	24.7	22.05	22.60	0.84	fsw
10	5	55	RYEIX	Rydex Energy	NatRes	*	*	*	-3.3	15.8	19.3	12.05	21.30	0.66	fsw
11	4	68	FSTEX	INVESCO Energy Inv	NatRes	*	*	*	-3.6	16.8	17.0	22.16	33.90	0.84	FS
12	25	26	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycls	*	*	*	1.1	8.3	29.6	16.21	22.00	0.98	Fsw
13	69	35	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	5.3	7.2	25.0	14.15	13.70	0.16	fsw
14	28	13	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycls	*	*	*	0.7	6.4	33.2	24.12	22.90	1.11	Fsw
15	24	23	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycls	*	*	*	0.5	5.8	33.3	55.44	19.50	0.76	Fsw
16	7	69	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	-3.2	14.4	16.5	26.57	22.10	0.70	Fsw
17	23	7	EUEYX	Alpine U.S. Real Estate Equity CIY	RealEs	*	*	*	0.0	4.1	37.2	30.89	32.70	0.87	fSW
18	57	18	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	*	*	*	1.4	4.3	34.4	17.21	37.00	1.72	Fsw
19	18	44	PRNEX	T. Rowe Price New Era	NatRes	*	*	*	-1.4	9.9	24.3	27.73	18.80	0.55	fsw
20	26	29	FSCHX	Fidelity Chemicals (.75%r<30d)	Cycls	*	*	*	-0.7	8.5	26.8	52.61	21.60	0.82	Fsw
21	12	78	RYCIX	Rydex Consumer Products	Consmr	*	*	*	-1.0	10.3	21.2	29.07	15.90	0.52	fsw
22	59	3	RIAFX	RS Internet Age	Tech	*	*	*	3.4	1.7	35.6	6.67	59.30	2.65	FSW
23	33	43	RYLIX	Rydex Leisure	Consmr	*	*	*	-1.4	7.9	27.1	26.37	22.00	1.10	fsw
24	42	41	FSPFX	Fidelity Paper & Forest (.75%r<30d)	Cycls	*	*	*	2.2	6.9	23.8	31.21	24.70	0.80	Fsw
25	66	31	CSEIX	Cohen & Steers Equity Income (1%r<180d)	RealEs	*	*	*	3.5	6.3	23.3	14.63	13.10	0.13	FSW
26	30	66	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	0.3	9.1	20.8	57.82	27.70	0.56	Fsw
27	3	51	FSNGX	Fidelity Natural Gas (.75%r<30d)	Utility	*	*	*	-4.8	13.6	16.2	23.05	27.70	0.61	Fsw
28	34	40	FDLSX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	-0.8	8.0	24.0	70.61	21.20	1.10	Fsw
29	76	36	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	4.6	4.8	23.0	23.88	13.90	0.20	Fsw
30	78	34	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	4.6	4.8	22.7	15.38	13.70	0.14	fsw
31	68	5	RSIFX	RS Information Age	Tech	*	*	*	3.4	1.4	32.4	15.09	48.30	2.33	FSW
32	14	74	VGHCX	Vanguard Health Care ($25k&1%r<5yr)	Health	*	*	*	0.0	8.4	19.5	125.90	15.00	0.37	fsw
33	15	89	FSPHX	Fidelity Health Care (.75%r<30d)	Health	*	*	*	0.6	10.5	13.3	125.80	15.30	0.28	Fsw
34	40	70	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	0.5	6.5	23.1	46.91	19.80	0.89	Fsw
35	13	45	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	*	*	*	-2.5	9.5	18.6	14.59	21.90	0.78	Fsw
36	39	6	CGMRX	CGM Realty	RealEs	*	*	*	1.1	0.4	34.3	25.17	17.50	0.21	sw
37	45	59	RYFIX	Rydex Financial Services	FinServ	*	*	*	1.5	6.2	18.6	10.84	24.10	0.93	fsw
38	16	72	RYHIX	Rydex Health Care	Health	*	*	*	-0.4	6.6	19.3	12.71	15.50	0.31	fsw
39	41	20	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycls	*	*	*	-0.1	2.1	28.5	35.13	24.40	0.80	Fsw
40	48	22	RYBIX	Rydex Basic Materials	Cycls	*	*	*	0.8	3.1	24.4	24.84	23.40	0.90	fsw
41	37	58	FLISX	INVESCO Leisure Inv	Consmr	*	*	*	-0.3	6.7	16.6	42.21	22.60	1.04	FS
42	55	37	FSVLX	Fidelity Home Finance (.75%r<30d)	FinServ	*	*	*	2.4	3.3	21.0	64.04	25.80	0.37	Fsw
43	20	83	FDFAX	Fidelity Food & Agr (.75%r<30d)	Consmr	*	*	*	-1.6	6.8	17.4	46.38	15.50	0.21	Fsw
44	74	61	RYRIX	Rydex Retailing	Consmr	*	*	*	1.2	3.5	21.1	11.50	20.50	0.95	fsw
45	58	50	RYKIX	Rydex Banking	FinServ	*	*	*	2.6	3.6	18.3	10.15	27.50	0.70	fsw
46	21	79	FHLSX	INVESCO Health Sciences Inv	Health	*	*	*	-0.5	6.0	16.8	49.71	31.50	0.29	FS
47	81	42	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	2.8	3.2	18.2	31.87	13.20	0.17	fsw
48	60	64	FSFSX	INVESCO Financial Serv Inv	FinServ	*	*	*	0.5	5.5	15.5	29.91	22.80	0.86	FS
49	72	62	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	2.2	3.4	17.5	30.07	28.50	1.14	Fsw
50	35	73	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	0.3	4.7	17.1	14.70	22.60	1.03	Fsw
51	77	46	FSRFX	Fidelity Transportation (.75%r<30d)	Cycls	*	*	*	2.9	2.9	15.7	34.01	23.00	0.88	Fsw
52	65	60	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	*	*	*	1.0	4.0	15.2	113.80	21.80	0.79	Fsw
53	56	47	PRISX	T. Rowe Price Financial Services	FinServ	*	*	*	0.3	3.4	18.0	21.80	20.00	0.80	fsw
54	36	77	RYMIX	Rydex Telecommunications	Utility	*	*	*	-1.4	4.5	17.3	14.50	21.60	1.52	fsw
55	27	85	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	-3.0	8.0	11.0	32.45	25.00	1.38	Fsw
56	31	91	FPHAX	Fidelity Pharmaceuticals (.75%r<30d)	Health	*	*	*	-1.4	8.2	7.1	8.95	-	-	Fsw
57	70	9	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycls	*	*	*	0.7	-2.5	30.5	32.16	23.00	0.87	Fsw
58	47	57	FSLEX	Fidelity Environmental Ser (.75%r<30d)	Cycls	*	*	*	0.2	2.7	17.1	13.24	19.70	0.59	fsw
59	64	52	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	*	*	*	1.1	2.5	15.0	38.94	24.50	0.70	Fsw
60	22	53	RYOIX	Rydex Biotechnology	Health	*	*	*	-2.6	5.7	10.6	20.27	59.70	0.96	fsw
61	38	84	FSTUX	INVESCO Utilities Inv	Utility	*	*	*	-0.6	6.0	6.6	9.96	16.10	0.66	FS
62	17	86	RYVIX	Rydex Energy Services	NatRes	*	*	*	-7.1	11.9	1.3	20.58	37.90	1.15	fsw
63	32	81	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	-2.5	6.6	7.6	33.22	17.50	0.95	Fsw
64	62	32	PRSCX	T. Rowe Price Science & Tech	Tech	*	*	*	2.5	-0.7	17.8	18.29	39.20	2.41	fsw
65	63	76	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	-1.2	3.8	12.2	22.62	14.00	0.66	Fsw
66	**52**	**71**	**FBALX**	**Fidelity Balanced**	**Hybrid**	**B**	*****	*****	**-0.6**	**3.1**	**12.5**	**16.70**	**10.50**	**0.54**	**Fsw**
67	46	44	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	-1.3	2.4	15.0	42.61	21.80	1.08	Fsw
68	**53**	**80**	**VBINX**	**Vanguard Balanced Index**	**Hybrid**	**B**	*****	*****	**-0.1**	**3.4**	**9.8**	**18.32**	**10.70**	**0.57**	**fsw**
69	73	11	FSELX	Fidelity Electronics (.75%r<30d)	Tech	*	*	*	3.4	-3.9	22.7	40.10	51.20	2.32	Fsw
78	**61**	**87**	**GATEX**	**Gateway Fund**	**Altern**	**B**	*****	*****	**0.3**	**2.5**	**7.0**	**23.41**	**7.84**	**0.40**	**FSW**

PIMCO Not in the Same Boat as Heartland

Q ***In the last issue you introduced PIMCO PEA Value D to us, and it is highly rated and destined to become a "Buy" recommendation. Since the fund and its [owners] are being sued by the SEC as well, why is this fund any different than Heartland Value? You sold that one because of its legal problems. — R.S., Great Neck, NY***

A There are several differences among the situations you describe above, but the primary consideration was the nature of the transgressions at Heartland. Heartland's co-founder and co-portfolio manager William Nasgovitz allegedly was involved in insider trading, which included profiting from improper pricing procedures at the firm. Although the issue of pricing policies has been settled, the charges of insider trading are pending.

Not to devalue the charges against PEA Capital LLC (and other related PEA companies), but they were the result of a broad investigation by the SEC into market timing activities by various mutual fund groups. PEA's policies and procedures, which favored institutional accounts, are the target of the recent SEC action. There is no allegation of insider trading.

PIMCO, the Newport Beach, CA-based bond specialist, was not named in the lawsuit.

In addition to the more serious nature of the alleged activity, the size of Heartland and the markets in which they invest played a role in the decision. With a relatively small firm, any unfavorable judgment could have a greater effect. Secondly, a fund investing in small- and micro-cap stocks (Heartland Value), which are typically less liquid than their large-cap brethren (PIMCO PEA Value D), could be particularly vulnerable if there were a run on assets.

PIMCO PEA Value D (PVLDX), PIMCO Advisors
840 Newport Center Dr, Newport Beach, CA 92660,
(888) 877-4626; Min. Inv. $5,000/$1,000 IRA

Heartland Value (HRTVX), Heartland Advisors Inc.
789 N Water St, Milwaukee, WI 53202,
(800) 432-7856; Closed to New Investors

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	0.69%	0.68%	0.72%
Gabelli US Treasury MMF	0.67	0.66	0.73
Fidelity Spartan US Treas MMF	0.63	0.63	0.65
Amer Century Capital Presv Fund/Inv	0.56	0.55	0.58
T Rowe Price US Treasury MF	0.46	0.49	0.53
Schwab US Treasury Money Fund	0.38	0.36	0.39
CMA Treasury Fund RIC	0.37	0.35	0.39
DBAB Cash Reserve Treasury	0.37	0.37	0.38
RMK Select Treas MMF/Cl A	0.36	0.34	0.34
Dreyfus 100% US Treas MMF	0.31	0.31	0.35

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	1.05%	1.04%	1.06%
Scudder Premium Money Mkt Shrs/AARP	0.94	0.93	0.82
Scudder Premium Money Mkt Shrs/Cl S	0.92	0.91	0.81
Bunker Hill MMF	0.86	0.86	0.89
TIAA-CREF Money Market Fund	0.86	0.84	0.84
Scudder Prime Reserve MM/AARP	0.84	0.83	0.67
AIG Money Market Fund/Cl B	0.82	0.80	0.78
Flex-fund Money Market Fund	0.81	0.79	0.84
AIM MMF/Investor Class	0.80	0.80	-
Harbor Money Market Fund	0.80	0.78	0.76

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Vanguard Tax-Exempt MMF	0.96%	0.95%	0.88%
Strong Tax-Free Money Fund	0.92	0.92	0.89
Scudder Tax-Exempt Money Fund	0.72	0.72	0.64
Amer Century T-F MMF/Inv Class	0.71	0.70	0.66
Strong Municipal MMF	0.71	0.73	0.75
Fidelity Municipal MMF	0.70	0.69	0.66
Dreyfus BASIC Muni MMF	0.69	0.69	0.65
USAA Tax Exempt MMF	0.69	0.69	0.69
T Rowe Price Summit Muni MMF	0.67	0.66	0.66
Fidelity Tax Free Money Market	0.66	0.65	0.62

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	0.94%	0.94%	0.87%
Vanguard PA Tax-Exempt MMF	0.94	0.93	0.84
Vanguard CA Tax-Exempt MMF	0.92	0.92	0.84
Vanguard NY Tax-Exempt MMF	0.91	0.91	0.83
Vanguard NJ Tax-Exempt MMF	0.90	0.89	0.82
Fidelity FL Municipal MMF	0.64	0.63	0.59
Fidelity PA Municipal MMF	0.63	0.63	0.61
USAA Tax Exempt CA MMF	0.62	0.61	0.61
Amer Century CA T-F MMF/Inv Class	0.60	0.59	0.54
Fidelity CT Municipal MMF	0.59	0.59	0.55
Fidelity OH Municipal MMF	0.59	0.60	0.57

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 6/1/04. 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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Next Issue: Volume 25, No. 12

Mails: June 25, 2004
Internet: June 23, 2004, 12:00pm (ET)

Janus Mid Cap Value Fund

Those who know that Janus Capital Group is under state and federal investigation for market tining might question why we are featuring a Janus fund. After all, last fall the mutual fund rating firm Morningstar advised Janus fund owners to consider selling, and investors withdrew $15.2 billion from the funds in 2003. But this fund has its own unique structure that prompted Morningstar to exempt it from its sell suggestion. And, the fund attracted an estimated $475 million in net investments last year, making it the family's best-selling fund.

What makes it different is that it is managed by Perkins, Wolf, McDonnell and Company (PWM), which managed the fund when it operated under the Berger Mid Cap Value moniker. In April 2003, the Berger funds were absorbed by the Janus family of funds. Janus assumed the day-to-day business operation of the fund, while portfolio management remained unchanged. Janus also took a 30% ownership in PWM. PWM operates with a relatively high level of autonomy, fairly distinct from Janus.

Tom Perkins has managed the fund since its August 1998 inception. Jeff Kautz joined him in February 2002. Since the fund's inception, it has returned 18.8% compared to 8.3% for the Russell MidCap Value Index. Compared to its Lipper peers in the mid-cap value category, the fund is in the top 10% for the trailing five years and top 16% for the year-to-date (as of June 3).

The investing style here is similar to that of many value funds. From the universe of mid-cap stocks ($500 million to $10 billion market capitalization) the managers look for stocks trading at or near their historic lows. Of course, there are additional criteria. Companies should be selling at valuations (based on cash flow, book value, or earnings, depending on the industry) that are below their industry and their own history. Turnaround firms are targeted. Cash flow must be strong, and debt must be low (no more than 35% of total capitalization) or nonexistent. Perkins emphasizes a strong balance sheet because that bodes well for the company's survival. Meanwhile, Perkins and Kautz don't look to hit homeruns. Instead, they target firms they expect will have average total returns of 8%-10% annually over five years.

Risk avoidance is very important in the managers' strategy. Perkins commented recently to the New York Times, "I've got scars from the 1970s that keep me perennially cautious." In addition to emphasizing strong financials, he reduces portfolio risk through diversification. Individual holdings are generally capped at 3% of assets, and as you can see, are well below that today. Also, the fund tends to hold quite a bit of cash. As of April 30, nearly 15% of assets were in cash, and Perkins will let the stake build to as much as 20% if he can't find attractive bargains.

Top Five Industries and Holdings (% of Assets)

Oil Exploration & Prod.	7.6%	Washington Federal	1.7%
Commercial Banks	4.9	Genuine Parts	1.4
Savings/Loans/Thrifts	3.5	Old Republic Int'l.	1.4
Distribution & Wholesale	3.1	Hillenbrand Industries	1.4
Multi-line Insurance	2.8	Republic Services, Inc.	1.3

as of April 30, 2004

The fund's largest sector weighting is in financials, which accounts for more than 20% of assets. Financials have been the largest weighting ever since the fund's inception, yet the managers note they are underweight the sector relative to index benchmarks, as they do not find valuations terribly compelling. Washington Federal, the top holdings, is an S&L that operates in eight western states. It has an exceptional balance sheet, but disappointing earnings, in part because management is reluctant to lend at such low interest rates. The company, says Perkins, is one they are willing to wait for. The fund has often benefited from takeovers. It purchased Greenpoint Financial in the fourth quarter, and sold it in the first period after it gained 30% on a buyout offer.

The fund is overweighted in energy relative to the benchmark, with a 15% stake. This position has been additive to performance, which recently benefited from a takeover bid for Tom Brown. Technology stocks, meanwhile, have been the most positive sector in each year except 2002, and the fund has a greater proportion of assets in the sector than the average mid-cap value fund. Still, given the strength in the group, the fund was a net seller in the sector in the first quarter as stocks achieved price targets.

Janus Mid Cap Value (JMCVX), Janus Capital Group
100 Fillmore Street, 2nd floor, Denver, CO 80206
(800) 333-1001; Minimum investment $2,500, $500 IRA

MONEYLETTER® (ISSN:1526-5110) is published twice each month for $150 per year (24 issues) by PRI Financial Publishing Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020. First Class Postage paid at Holliston, MA and at additional mailing offices. POSTMASTER: send address changes to *MONEYLETTER*, 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020. Chief Investment Officer/Chief Economist: Walter Frank. Contributing Editor: Cynthia Andrade. Editorial Assistant: Christa Mohr. Publisher: Brian W. Kelly. Address all subscription and editorial inquiries to PRI Financial Publishing Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020, (800) 890-9670.