MONEYLETTER.com®
25 YEARS
"Serving Investors Since 1980"
Volume 25, No. 23 December 10, 2004

Don't Sweat The Rally

by Walter S. Frank, Chief Investment Officer

Three months ago, we called the opening phase of the current rally (which started in mid-August) "The Rally From Nowhere." Given what has happened since, we are tempted to call the rally "The (Not So) Little Rally That Could." It is hard to realize the rally has seen the Nasdaq Composite gain almost 23% since the lows of August.

How do we explain it? In some ways we can't. What we can do is repeat what we said in October, "The market is cheap." But a market 23% higher than it was three months ago is not as cheap as it was, to say the least. A contingent on Wall Street, including many value managers, would say that it is not cheap at all.

A valuation case can be made, using the usual considerations (interest rates, analysts' estimates of earnings), that the market is still perceptibly undervalued. We are sympathetic but also uncomfortable with that case, because the market is now headed into rougher times than it has had. We do not know how well the future projections on which the case depends are going to hold up as next year unfolds.

The Fed

First, there is the matter of interest rates. We know the Fed is going to continue raising rates, but we don't know how far. We don't think the Fed knows at this time. Nor should it. It all depends on how the economy and inflation unfold. The economy of late is giving us mixed signals. One month's employment report is a dandy. The next month's is a downer. The monthly business surveys say activity is brisk, while retail spending turns sluggish.

Inflation, excluding energy, has been benign but how long can it remain so? The dollar's dive will undoubtedly put some pressure on import prices. At the same time, it will ease the competitive pressure from imports holding down U.S. prices.

It is hard not to see that inflation will play a bigger role in Fed decisions next year. The market's ho-hum attitude toward the Fed is coming to an end.

Earnings

We all know that profit growth is slowing. The estimated earnings growth for this quarter is 15% compared to last year's fourth quarter. Earlier this year, growth was over 20%. Looking ahead, analysts are now projecting a 10.7% increase in earnings over this year.

This slowing in expected S&P 500 earnings growth combined with a rise in interest rates presents a decidedly more hostile environment for U.S. stock prices next year.

So far we have stressed the negatives, because they exist. Yet there is a positive. The financial press has been wringing its hands, in general over the dollar's unofficial devaluation. But traditionally devaluation has been good for the stock market of the devaluing country. It makes that country's goods cheaper. We expect that we will see our monthly export numbers improve significantly over the course of next year.

At the same time, many imported items that compete with U.S. products will be losing their competitive edge. The Wall Street Journal cited an example or two in a recent issue.

We still think the market has more headroom. But the headroom is getting narrower with each passing day.

Fund changes

The Hotline of Tuesday, November 9 recommended an increase in the international stock fund allocation for Venturesome and Moderate investors and a corresponding decrease in the allocation for domestic stock funds. Here are the changes made in the model portfolios as of Wednesday, November 10. ***MONEYLETTER* Venturesome:** Sold 746 shares of Strong Mid Cap Disciplined @ $21.83 per share. Purchased 561 shares of Artisan International Value @ $19.60 per share. Purchased 171 shares of Weitz Hickory @ $30.92 per share. ***MONEYLETTER* Moderate:** Sold 222 shares of Strong Mid Cap Disciplined. Purchased 633 shares of Artisan International Value. **Fidelity Venturesome:** Sold 222 shares of Contrafund @ $53.95 per share. Purchased 385 shares of Fidelity Europe @ $31.17 per share. **Fidelity Moderate:** Sold 264 shares of Expert & Multinational @ $18.92 per share. Sold 70 shares of Fidelity Value @ $71.22 per share. Purchased 320 shares of Fidelity Europe. **Vanguard Venturesome:** Sold 1,020 shares of Vanguard US Value @ $13.28 per share. Purchased 445 shares of Vanguard European Stock Index @ $24.74 per share. Purchased 125 shares of Vanguard Value Index @ $20.50 per share. **Vanguard Moderate:** Sold 1089 shares of US Value. Purchased 445 shares of European Stock Index. Purchased 261 shares of Vanguard Small Cap Value Index @ $13.28 per share.

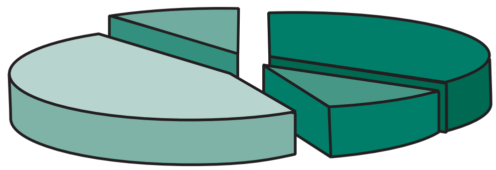
The Hotline of Tuesday November 23rd recommended the sale of Strong Mid Cap Disciplined in the ***MONEYLETTER* Conservative Portfolio** and the purchase of Third Avenue Value with the proceeds. Here are the details as of Wednesday, November 24th. Sold 1,059 shares of Mid Cap Disciplined @ $22.29 per share. Purchased 460 shares of Third Avenue Value @ $51.28 per share. $

Market Trends

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

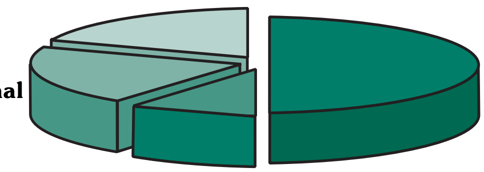
CONSERVATIVE

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	0.6%	10,128	$1.00	$10,128
Gateway Fund	11/27/02	16.0	601	24.40	14,674
Loomis Sayles Bond Retail	03/17/04	7.5	1,141	14.00	15,977
RS Contrarian Value	08/04/04	20.8	1,228	21.18	26,003
Artisan Mid Cap Value	08/04/04	13.8	612	16.60	10,167
AmerCent Inflation Adj.	02/12/03	11.6	1,620	11.21	18,157
Third Avenue Value	11/24/04	-0.6	460	50.99	23,463
Dodge & Cox Income	02/19/03	8.3	1,003	12.84	12,874
TOTAL VALUE					$131,443

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
3.4%	8.5%	12.3%	31.5%	9.1%

MONEYLETTER Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.5%	11,541	$1.00	$11,541
Dodge & Cox International	09/22/04	12.4	436	29.69	12,941
Baron Partners	06/09/04	13.2	860	15.79	13,576
Loomis Sayles Bond Retail	03/17/04	7.5	1,597	14.00	22,356
Artisan Mid Cap Value	08/11/04	16.4	681	16.60	11,309
RS Contrarian Value	08/04/04	20.8	1,004	21.18	21,257
Fidelity Leveraged Company	01/28/04	17.6	1,201	22.73	27,308
Artisan International Value	11/10/04	3.9	643	20.04	12,883
TOTAL VALUE					$133,171

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
6.9%	12.2%	17.4%	61.8%	13.2%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.9%	8,718	$1.00	$8,718
Fidelity Balanced	11/27/02	34.1	798	17.37	13,864
Fidelity Strategic Income	03/17/04	6.1	1,718	10.78	18,516
Fidelity Value	04/21/04	12.1	333	73.07	24,366
Fidelity Export & Multi	09/08/04	7.8	810	19.38	15,704
Fidelity Inflation-Protected	09/15/04	1.6	1,056	11.44	12,077
Fidelity Investment Grade	02/19/03	7.7	1,734	7.54	13,077
TOTAL VALUE					$106,322

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
2.8%	7.5%	10.4%	19.0%	8.2%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.5%	11,060	$1.00	$11,060
Fidelity Int'l Small Cap	09/22/04	14.0	544	23.07	12,561
Fidelity Europe	11/10/04	3.6	321	32.29	10,359
Fidelity Leveraged Company	12/10/03	34.7	791	22.73	17,971
Fidelity Strategic Income	03/17/04	6.1	2,505	10.78	27,007
Fidelity Export & Multi	09/01/04	8.9	686	19.38	13,296
Fidelity Value	04/21/04	12.1	258	73.07	18,851
Fidelity Focused Stock	10/06/04	3.8	1,132	9.75	11,035
TOTAL VALUE					$122,140

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
5.5%	9.6%	14.5%	37.5%	10.5%

Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.9%	8,493	$1.00	$8,493
Vanguard Balanced Index	11/27/02	24.4	576	19.13	11,022
Vanguard Total Bond Index	02/19/03	6.9	738	10.22	7,540
Vanguard Inflation Protect	02/19/03	12.1	1,087	12.55	13,643
Vanguard US Value	05/19/04	12.5	1,232	13.52	16,661
Vanguard Value Index	05/19/04	13.5	630	20.78	13,090
Vanguard Small Cap Value	03/24/04	17.4	1,359	13.78	18,723
Vanguard GNMA	03/17/04	1.9	1,694	10.41	17,632
TOTAL VALUE					$106,804

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
2.9%	7.6%	9.9%	15.6%	8.3%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.5%	9,827	$1.00	$9,827
Vanguard Int'l Value	09/22/04	9.3	354	30.19	10,701
Vanguard European Stk Index	11/10/04	3.1	445	25.51	11,342
Vanguard FI Hi-Yld Corp	01/17/01	27.5	3,490	6.41	22,370
Vanguard Value Index	05/19/04	13.5	861	20.78	17,890
Vanguard Windsor II	05/12/04	12.8	693	30.05	20,817
Vanguard Small Cap Value	03/24/04	17.4	1,666	13.78	22,963
TOTAL VALUE					$115,910

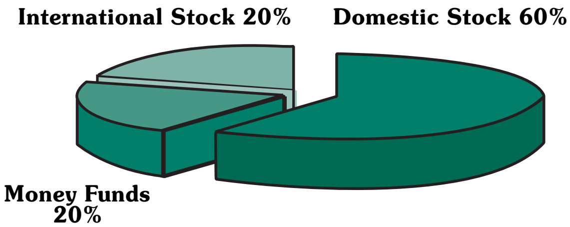
TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
4.5%	9.3%	11.5%	28.4%	9.2%

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

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	0.6%	20,622	$1.00	$20,622
Dodge & Cox International	09/22/04	12.4	389	29.69	11,561
Artisan International Value	11/10/04	3.9	570	20.04	11,429
Artisan Mid Cap Value	07/26/04	15.8	1,186	16.60	19,693
Weitz Hickory	10/01/04	3.8	306	31.43	9,630
Fidelity Leveraged Company	01/28/04	17.6	955	22.73	21,715
RS Contrarian Value	08/04/04	20.8	1,298	21.18	27,491
TOTAL VALUE					$122,141

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
6.9%	8.8%	14.3%	60.2%	10.5%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.6%	18,474	$1.00	$18,474
Fidelity Int'l Small Cap	09/22/04	14.0	455	23.07	10,492
Fidelity Europe	11/10/04	3.6	385	32.29	12,431
Fidelity Leveraged Company	12/10/03	34.7	900	22.73	20,452
Fidelity Contrafund	05/19/04	11.7	191	55.31	10,568
Fidelity Focused Stock	10/06/04	3.8	2,323	9.75	22,651
Fidelity Value	04/21/04	12.1	261	73.07	19,088
Fidelity Export & Multi	09/01/04	8.9	658	19.38	12,747
TOTAL VALUE					$126,903

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
6.2%	8.6%	12.7%	35.6%	9.3%

Vanguard Venturesome

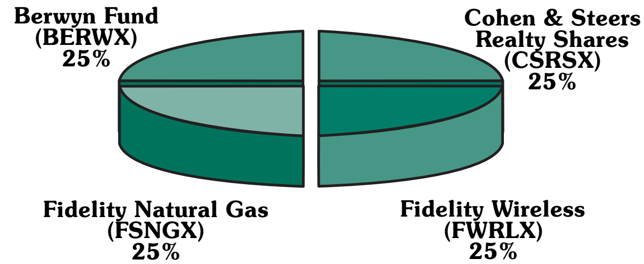
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.6%	20,381	$1.00	$20,381
Vanguard Int'l Value	09/22/04	9.3	368	30.19	11,095
Vanguard European Stk Index	11/10/04	3.1	445	25.51	11,342
Vanguard Windsor II	05/12/04	12.8	812	30.05	24,408
Vanguard Value Index	05/19/04	13.5	1,039	20.78	21,588
Vanguard Small Cap Value	03/24/04	17.4	1,821	13.78	25,097
TOTAL VALUE					$113,911

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	3-yr	YTD
5.1%	9.2%	10.5%	28.7%	8.5%

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
Fidelity Natural Gas	08/11/04	25.2%	1,180	$30.55	$36,050
Fidelity Wireless	07/07/04	13.9	5,892	5.72	33,705
Cohen & Steers Realty	08/25/04	13.3	520	70.97	36,919
Berwyn Fund	09/22/04	10.0	934	29.82	27,847
TOTAL VALUE					$134,521

TOTAL RETURNS (as of 11/30/04)

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
5.9%	11.6%	11.3%	34.5%	9.5%

MONEYLETTER Select Commentary

Four years ago at this time the markets were set on their heels. This year, however, a quick and clear election outcome triggered a vigorous and favorable market response. The rally was based more upon the fact that an uncertain issue was resolved, than on specific views or improvements in the outlook itself. While energy prices have been a recent focal point, having traded as high as $55 per barrel, larger reserves and increases in output brought barrel prices down rapidly to $42. Possibilities for future disruptions, and the fact that the heating season is now just underway, suggests that this will remain a sensitive area.

The model remains fully invested in equity funds, however, "focused" or "sector" choices continue to outperform more diversified alternatives.

* * *

Please note: The recommendations presented for the Select Portfolio are based strictly upon "technical" data. As such, these exchanges should NOT be considered for investors following our Asset Allocation Portfolios (i.e. Conservative, Moderate or Venturesome).

Total Returns—November 30, 2004

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	4.0%	5.6%	12.8%	8.3%	7.2%
Asset Allocation Funds (Avg) 80 Funds	3.5	6.7	11.4	18.1	7.4

Domestic Stock Funds

RANK 12/03 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	**10**	**4**	**FLVCX**	**Fidelity Leveraged Co ($10,000,1.5%r<90d)**	**MC**	*****	**B**	**B**	**11.1%**	**21.6%**	**33.5%**	**$22.72**	**36.3**	**1.39**	**Fw**
2	3	8	RSPFX	RS Partners (closed)	SC	B	B	B	7.7	20.8	35.6	35.45	20.9	0.69	FSW
3	21	54	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	B	B	B	13.7	19.9	28.4	29.95	19.2	0.80	fw
4	**2**	**1**	**BPTRX**	**Baron Partners**	**MCGro**	*****	**B**	**B**	**9.0**	**18.8**	**37.8**	**16.12**	**28.6**	**1.26**	**FSW**
5	**1**	**26**	**RSCOX**	**RS Contrarian Value**	**MC**	**B**	**B**	**B**	**8.6**	**22.0**	**29.6**	**21.23**	**18.6**	**0.60**	**FSW**
6	24	14	MOPIX	MainStay Small Cap Opportunity (closed)	SCVal	B	B	B	9.1	18.6	28.1	20.66	17.5	0.63	FSW
7	34	47	JSVAX	Janus Contrarian	MC	B	B	B	8.9	18.7	26.2	13.01	22.3	1.10	SW
8	**13**	**18**	**BERWX**	**Berwyn Fund (1%r<180d)**	**SCVal**	**B**	**B**	**B**	**7.0**	**18.1**	**26.8**	**29.96**	**22.3**	**0.77**	**fsw**
9	**12**	**40**	**VISVX**	**Vanguard Small-Cap Value Index**	**SCVal**	**B**	**B**	**B**	**7.1**	**18.4**	**25.8**	**13.91**	**22.4**	**0.90**	**fsw**
10	6	21	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	B	B	B	6.3	17.8	26.8	36.28	18.0	0.69	fsw
11	**4**	**7**	**TAVFX**	**Third Avenue Value (1%r<60d)**	**SC**	**B**	**B**	**B**	**5.2**	**18.6**	**25.9**	**51.41**	**17.2**	**0.79**	**FSW**
12	5	50	FBRVX	FBR Small Cap (closed,1%r<90d)	SCGro	B	B	B	6.3	17.2	26.8	40.54	23.4	0.82	FSW
13	**9**	**17**	**ARTQX**	**Artisan Mid Cap Value**	**MCVal**	**B**	**B**	**B**	**6.0**	**16.2**	**28.3**	**16.54**	**19.8**	**0.87**	**FSW**
14	18	80	MUHLX	Muhlenkamp Fund	MCVal	B	B	B	7.1	17.5	22.3	75.39	27.9	1.24	FSW
15	90	122	SMTVX	Strong Multi-Cap Value	MCVal	B	B	B	9.3	16.5	20.5	62.67	22.4	1.01	FSW
16	23	2	WBSNX	WmBlair S-C Growth N (closed,1%r<60d)	SCGro	B	B	B	7.2	14.5	26.1	26.74	30.1	1.12	FSW
17	**15**	**39**	**FDVLX**	**Fidelity Value**	**MCVal**	**B**	**B**	**B**	**6.0**	**15.3**	**24.4**	**69.97**	**19.0**	**0.89**	**Fsw**
18	8	3	BUFSX	Buffalo Small Cap (closed)	SCGro	*	H	H	6.9	13.6	27.2	28.03	31.2	1.25	SW
19	36	20	ARTSX	Artisan Small Cap	SCGro	H	H	H	7.4	14.6	23.1	16.61	26.7	1.19	FSW
20	7	13	CRMMX	CRM Mid Cap Value Inv	MCVal	B	B	B	5.4	14.5	26.2	26.21	18.9	0.78	FSw
21	19	37	BGRFX	Baron Growth	SCGro	H	H	H	6.2	15.0	23.4	43.42	18.4	0.72	FSW
22	28	43	FLPSX	Fidelity L P Stock (closed,1.5%r<90d)	SCVal	B	B	B	6.9	15.0	22.3	39.57	18.0	0.75	Fsw
23	44	33	BARAX	Baron Asset	MCGro	H	H	H	7.6	14.0	23.7	50.34	21.2	0.94	FSW
24	41	156	CGMFX	CGM Focus	SCVal	*	B	B	4.8	17.9	18.2	33.49	37.9	1.03	fsw
25	27	127	MXXIX	Marsico 21st Century (2%r<30d)	LC	B	B	B	4.9	17.4	18.2	11.48	21.1	0.95	fSW
26	17	36	SAFGX	Safeco Growth Opportunities (2%r<90d)	SC	B	B	B	5.7	15.7	21.4	29.51	29.8	1.18	fsw
27	42	-	LSCRX	Loomis Sayles Small Cap Value Ret	SC	H	H	H	6.2	15.5	20.7	25.24	17.2	0.80	FSW
28	70	73	MPSCX	MSI Small Cap Value (closed)	SCVal	H	H	H	6.7	15.0	20.5	24.25	20.7	0.98	fsw
29	48	23	VHCOX	Vanguard Cap Opp (closed,$25,000,1%r<5yr)	MCGro	*	H	H	7.5	13.0	23.6	30.51	25.3	1.28	fsw
30	51	52	NAESX	Vanguard SmallCap Index	SC	H	H	H	7.2	14.6	20.0	26.51	23.2	1.01	fsw
31	22	22	TASCX	Third Avenue Small-Cap Value (1%r<1yr)	SCVal	H	H	H	5.4	14.6	22.2	22.36	19.9	0.85	FSW
32	32	62	VSEQX	Vanguard Strategic Equity	MCGro	H	H	H	7.0	14.7	19.7	21.98	17.8	0.83	fsw
33	39	16	TGDVX	TCW Galileo Diversified Value N	LCVal	H	H	H	6.9	12.8	23.9	13.33	19.8	1.03	FW
34	137	10	RYPNX	Royce Opportunity (1%r<180d)	SCVal	H	H	H	9.0	13.9	17.8	12.98	30.8	1.18	fsw
35	30	84	VIMSX	Vanguard Mid-Cap Index	MC	B	B	B	6.9	14.4	19.6	15.33	20.1	0.97	fsw
36	47	-	FFSCX	Forward Hoover Small Cap	SCGro	H	H	H	6.7	14.7	18.7	19.32	20.1	0.85	FSW
37	**14**	**-**	**WEHIX**	**Weitz Hickory**	**SC**	*****	**H**	**H**	**3.7**	**14.4**	**24.1**	**31.79**	**29.1**	**1.38**	**fSW**
38	37	44	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	6.6	13.8	20.9	9.99	20.4	0.80	Fsw
39	25	69	OTCFX	T. Rowe Price Small Cap Stock Fund	SC	H	H	H	6.2	14.1	19.6	32.71	19.2	0.84	fsw
40	11	30	ARGFX	Ariel Fund	SCVal	H	H	H	4.6	13.4	22.8	52.62	15.6	0.53	FSW
41	40	65	JAVLX	Janus Twenty (closed)	LCGro	H	H	H	6.7	10.4	26.9	43.30	17.3	0.93	FSW
42	120	38	WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SCVal	H	H	H	7.9	12.5	19.7	5.31	26.6	0.96	FSW
43	57	56	BPMCX	Boston Partners Mid Cap Value	MCVal	H	H	H	7.1	12.6	20.3	14.94	20.1	0.93	FSW
44	46	42	TGIGX	TCW Galileo Dividend Focused N	MCVal	H	H	H	7.2	12.0	21.5	11.46	13.8	0.57	FW
45	108	150	BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	H	H	8.6	14.6	12.8	13.71	-	-	fsw
46	20	25	TRMCX	T. Rowe Price Mid Cap Value	MCVal	H	H	H	5.3	12.5	22.7	23.83	19.8	0.90	fsw
47	72	60	WGROX	Wasatch Core Growth (closed,2%r<60d)	SCGro	H	H	H	7.9	12.7	18.1	42.56	28.5	1.10	FSW
48	58	101	NPRTX	Neuberger Berman Partners	LCVal	H	H	H	6.5	12.7	19.8	24.53	20.7	1.10	f
49	143	151	PBSVX	PBHG Small Cap Value	SC	H	H	H	8.6	13.3	15.1	21.84	23.8	1.11	FSW
50	45	57	MPEGX	MSI Mid Cap Growth	MCGro	*	H	H	5.3	13.3	20.1	20.51	22.2	1.17	fsw
51	31	94	MPVLX	MSI Value Portfolio	LCVal	H	H	H	4.2	12.9	21.5	17.47	20.6	1.05	fsw
52	26	63	DODGX	Dodge & Cox Stock (closed)	LCVal	H	H	H	5.5	12.3	21.0	130.00	17.6	0.85	sw
53	85	186	SMDCX	Strong Advisor Midcap Growth	MCGro	H	H	H	6.1	14.4	14.7	13.52	26.2	1.35	FSW
54	-	-	BPAVX	Boston Prtrs All Cap Value	MCVal	H	H	H	5.4	11.5	22.8	14.64	-	-	F
55	29	163	NGUAX	Neuberger Berman Guardian	LCVal	H	H	H	5.6	12.7	19.3	16.43	18.0	0.99	f
56	75	79	VEXMX	Vanguard Extended Market Index	MC	H	H	H	6.6	12.6	17.6	30.73	21.5	1.02	fsw
57	116	19	TUDRX	WPG Tudor	SC	*	H	H	6.9	11.5	19.7	18.68	27.0	1.22	FsW
58	16	9	RYPRX	Royce Premier (1%r<180d)	SC	H	H	H	4.6	12.0	21.8	14.88	19.4	0.84	FsW
59	162	76	STDIX	Strong Discovery	MCGro	H	H	H	7.0	13.0	15.4	22.10	19.1	0.86	FSW
60	139	89	USCGX	USAA Capital Growth	MCGro	*	H	H	8.0	13.0	13.3	7.32	23.9	1.13	fsW
61	50	146	MQIFX	Mutual Qualified (1%) CIZ	MCVal	H	H	H	5.6	12.4	18.3	20.30	13.3	0.61	sw
62	81	116	VCVLX	Vanguard Capital Value	LCVal	H	H	H	6.7	12.6	16.0	11.52	-	-	fsw
63	53	97	RYTRX	Royce Total Return (1%r<180d)	SCVal	H	H	H	5.4	12.8	17.3	12.01	15.7	0.66	FsW
64	107	5	HENLX	Henlopen Fund (1%r<30d)	SCGro	*	H	H	7.5	12.2	15.1	29.58	30.9	1.19	FSW
65	**33**	**75**	**VWNFX**	**Vanguard Windsor II**	**LCVal**	**H**	**H**	**H**	**4.7**	**11.2**	**21.7**	**30.28**	**16.2**	**0.82**	**fsw**
66	62	45	JAENX	Janus Enterprise	MCGro	H	H	H	6.6	11.0	19.2	36.55	21.4	1.09	FSW
67	142	252	VLIFX	Value Line Fund	LCGro	S	S	S	7.8	13.1	11.4	15.73	13.1	0.73	FSW
68	153	66	TGONX	TCW Galileo Opportunity N	SC	S	S	S	7.1	11.2	16.7	14.37	22.5	0.90	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 12/03 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	103	112	ACBGX	USGlobal Holmes Growth (.25%r<30d)	MCGro	S	S	S	7.3	12.0	14.4	15.60	15.3	0.57	FSW
70	49	74	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	S	S	S	5.7	11.6	17.8	49.67	22.1	1.11	fsw
71	164	128	RSEGX	RS Emerging Growth (closed)	SCGro	*	S	S	7.6	12.7	11.9	31.58	30.0	1.48	FSW
72	**79**	**130**	**FTQGX**	**Fidelity Focused Stock (.75%r<30d)**	**LC**	*****	**H**	**H**	**6.4**	**11.8**	**15.9**	**9.82**	**17.2**	**1.00**	**Fw**
73	**35**	**131**	**VIVAX**	**Vanguard Value Index**	**LCVal**	**H**	**H**	**H**	**4.5**	**11.7**	**18.9**	**20.99**	**18.6**	**1.03**	**fsw**
74	123	46	CRMSX	CRM Small Cap Value Inv (closed)	SCVal	S	S	S	6.9	10.1	18.7	28.17	23.8	0.93	FSw
75	43	31	JMCVX	Janus Mid Cap Value	MCVal	H	H	H	5.0	10.4	20.8	23.59	20.4	0.93	fSw
76	205	-	FSLSX	Fidelity Value Strategies	SC	*	S	S	9.4	11.1	12.3	36.72	29.4	1.41	F
77	83	109	MPMVX	MSI Mid Cap Value	MCVal	H	H	H	6.3	11.8	15.1	22.92	23.1	1.18	fsw
78	238	24	IZZYX	ICM/Isabelle Small Cap Value	SCVal	S	S	S	9.0	8.7	18.4	15.45	29.5	1.04	FSW
79	55	137	PRWCX	T. Rowe Price Cap Appreciation	LCVal	H	H	H	4.5	11.4	18.3	19.83	11.0	0.49	fsw
80	174	134	TGCNX	TCW Galileo Select Equity	LCGro	*	S	S	8.1	9.9	16.4	19.27	28.1	1.46	FSW
81	77	29	FSLCX	Fidelity Small Cap Stock (2%r<90d)	SCGro	S	S	S	6.4	10.8	16.4	17.80	21.5	0.94	F
82	59	72	VPMCX	Vanguard PRIMECAP (closed,$25,000&1%r<5yr)	LC	S	S	S	4.3	10.7	19.0	61.40	21.7	1.13	fsw
83	**91**	**135**	**FEXPX**	**Fidelity Export & Multinat'l (.75%r<30d)**	**LC**	**H**	**H**	**H**	**5.5**	**10.3**	**17.9**	**19.65**	**20.3**	**1.07**	**Fsw**
84	68	41	NBGNX	Neuberger Berman Genesis (closed)	SC	S	S	S	4.5	11.0	17.8	30.05	15.5	0.63	fSw
85	180	59	RSSGX	RS Smaller Company Growth	SCGro	*	S	S	6.7	11.5	12.9	23.04	28.5	1.23	FSW
86	124	32	JAVTX	Janus Venture (closed)	SCGro	*	S	S	7.9	9.8	15.3	56.49	29.0	1.25	FSW
87	74	136	GABAX	Gabelli Asset	MC	S	S	S	5.8	10.5	16.5	40.99	17.8	0.91	FSW
88	145	68	VISGX	Vanguard Small Cap Growth Index	SCGro	S	S	S	7.2	10.5	14.4	14.83	21.6	0.91	fsw
89	100	118	BEQGX	American Century Equity Growth	LCVal	S	S	S	6.2	10.5	15.9	21.80	17.2	0.97	FSW
90	56	107	LSGIX	Loomis Sayles Value	LCVal	S	S	S	4.6	10.2	18.8	17.09	16.4	0.89	fsW
91	172	90	FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SC	S	S	S	7.3	10.4	14.2	19.19	16.7	0.58	Fsw
92	38	11	PVLDX	PIMCO PEA Value D	LCVal	*	S	S	4.8	8.9	21.6	17.87	25.4	1.32	FSW
93	54	51	SOPFX	Strong Opportunity	MCVal	S	S	S	5.2	9.8	18.8	45.37	22.2	1.17	FSW
94	52	209	SAOPX	Salomon Brothers Opportunity	MCVal	S	S	S	4.5	11.4	15.4	47.26	13.0	0.67	sw
95	65	143	PRFDX	T. Rowe Price Equity-Income	LCVal	S	S	S	4.3	10.4	18.2	26.57	16.3	0.83	fsw
96	71	64	VALSX	Value Line Special Situations	MCGro	S	S	S	5.4	10.4	16.2	24.12	15.4	0.71	FSW
97	216	27	BPSCX	Boston Ptnrs Smlcap Val (closed,1%r<1yr)	SCVal	S	S	S	8.0	8.7	16.4	25.48	25.8	0.87	FSW
98	**87**	**125**	**VUVLX**	**Vanguard U.S. Value**	**LCVal**	**S**	**S**	**S**	**5.1**	**10.4**	**16.5**	**13.65**	**17.3**	**0.87**	**fsw**
103	60	102	HOVLX	Homestead Value	LCVal	S	S	S	4.0	9.8	17.9	30.63	16.5	0.81	W
120	**99**	**93**	**FCNTX**	**Fidelity Contrafund**	**LC**	**H**	**H**	**H**	**5.1**	**9.4**	**15.6**	**55.84**	**11.4**	**0.54**	**Fsw**

	1 mo.	6 mo.	12 mo.
Dow Jones	**4.5%**	**3.9%**	**7.3%**
NASDAQ	**7.2**	**9.6**	**9.6**
S&P 500	**4.2**	**6.7**	**11.9**

indexes do not include dividends

International Stock Funds

RANK 12/03 2004	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	1 mo.	6 mo.	12 mo.	PRICE PER SHARE	Std. Dev.	Beta	NTF/ wtf
1	1	35	FLATX	Fidelity Latin Amer. (1.5%<90d)	LatinA	*	H	H	8.4%	39.4%	42.6%	$20.06	29.8	-	Fs
2	2	45	PRLAX	T. Rowe Price Latin America (2%r<1yr)	LatinA	*	H	H	7.3	36.1	39.0	15.08	29.7	-	fsw
3	3	57	SLAFX	Scudder Latin America	LatinA	*	H	H	7.3	34.7	35.4	30.44	27.3	-	FSW
4	14	59	VEIEX	Vanguard Emerging Mkts Stk Index (.5%r)	Int'l	*	B	B	8.5	27.1	27.1	14.34	22.6	-	fsw
5	17	50	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	B	B	8.3	25.1	28.3	20.58	21.6	-	FSW
6	**4**	**8**	**DODFX**	**Dodge & Cox Intl Stock**	**Int'l**	*****	**B**	**B**	**7.0**	**22.0**	**35.1**	**30.18**	**23.4**	**-**	**fsw**
7	19	60	DREGX	Driehaus Emerging Mkts Gr (2%r<60d)	Int'l	*	B	B	7.6	25.7	23.8	24.00	24.9	-	FSW
8	42	55	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	*	B	B	7.7	23.9	24.3	15.70	23.6	-	FSW
9	33	65	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	*	B	B	7.5	24.0	23.6	12.42	-	-	Fsw
10	**5**	**40**	**FIEUX**	**Fidelity Europe (1%r<30d)**	**Europe**	*****	**B**	**B**	**7.3**	**21.7**	**25.8**	**32.86**	**22.5**	**-**	**Fsw**
11	**7**	**7**	**ARTKX**	**Artisan Intl Value (2%r<90d)**	**Int'l**	*****	**B**	**B**	**7.1**	**17.5**	**34.7**	**20.46**	**-**	**-**	**FSW**
12	**20**	**5**	**FISMX**	**Fidelity Intl Small Cap (2%r<90d)**	**Int'l**	*****	**B**	**B**	**8.1**	**18.2**	**30.7**	**23.37**	**-**	**-**	**Fw**
13	11	69	JVEIX	Janus Intl Equity (1%r<90d)	Int'l	*	H	H	7.2	19.7	28.4	17.83	13.9	-	FSW
14	52	66	PRASX	T. Rowe Price New Asia	Pacific	*	H	H	6.9	22.6	18.9	9.71	19.7	-	fsw
15	16	10	VINEX	Vanguard Intl Explorer ($25,000,2%r<60d)	int'l	*	H	H	7.5	17.5	30.8	16.05	16.3	-	fsw
16	8	-	NBISX	Neuberger Berman Intl (2%r<180d)	Int'l	*	B	B	6.5	16.9	33.2	17.60	16.3	-	fSw
17	6	11	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	*	H	H	5.6	17.9	31.1	20.12	20.4	-	FSW
18	-	-	TREMX	T. Rowe Price Emg Europe&Med.	Europe	*	B	B	3.3	18.2	31.8	15.00	29.2	-	fw
19	25	16	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	*	H	H	7.8	17.4	26.3	16.79	-	-	SW
20	60	68	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	6.7	20.9	17.7	16.19	21.1	-	Fsw
21	12	28	SGSCX	Scudder Global Discovery (closed)	Int'l	*	H	H	8.4	17.2	24.0	33.95	20.1	-	FSW
22	24	38	MACSX	Matthews Asia G & I (closed,2%r<90d)	Pacific	*	H	H	5.2	18.4	25.7	16.38	11.4	-	FSW
23	51	56	JAOSX	Janus Overseas (closed,2%r<90d)	Int'l	*	H	H	7.6	18.9	20.1	23.76	16.5	-	FSW
24	13	25	BJBIX	Julius Baer Intl Equity A (2%r<90d)	Int'l	*	H	H	6.3	17.7	24.9	31.46	12.5	-	FS
25	-	-	MPACX	Matthews Asia-Pacific (2%r<90d)	Pacific	*	H	H	6.7	17.0	23.9	12.20	-	-	FSW
26	57	62	SCOPX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	*	H	H	5.8	18.5	19.5	13.03	19.0	-	FSW
27	32	9	PRIDX	T. Rowe Price Intl Disc. (2%r<1yr)	Int'l	*	H	H	5.9	16.3	24.6	31.67	16.0	-	fsw
28	**9**	**31**	**VEURX**	**Vanguard European Stock Index (2%r<60d)**	**Europe**	*****	**H**	**H**	**6.5**	**15.8**	**24.7**	**26.01**	**17.4**	**-**	**fsw**
29	28	30	HAINX	Harbor International (2%r<60d)	Int'l	*	H	H	6.3	16.0	21.8	42.60	17.9	-	Fsw
30	58	4	AIOIX	Amer.Cent.Intl Opportunity (2%r<180d)	Int'l	*	S	S	7.4	13.6	25.7	9.46	20.4	-	S
31	23	54	SCGEX	Scudder Greater Europe (2%r<180d)	Europe	*	S	S	7.1	15.5	20.6	27.11	16.8	-	FSW
32	10	64	ICHKX	Guinness China & Hong Kong (2%r<30d)	Pacific	*	H	H	3.1	19.1	16.6	18.71	19.6	-	FSW
33	35	26	WBIGX	Wm. Blair Intl Growth N (closed,1%r<60d)	Int'l	*	S	S	5.9	16.1	19.7	21.45	14.6	-	FSW
34	36	22	FIGRX	Fidelity Intl Discovery (2%<30d)	Int'l	*	S	S	7.2	14.6	21.6	27.45	15.2	-	Fsw
35	**26**	**21**	**VTRIX**	**Vanguard International Value (2%r<60d)**	**Int'l**	*****	**H**	**H**	**5.8**	**15.4**	**21.8**	**30.66**	**16.8**	**-**	**fsw**

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

RANK 12/03 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	3	-	ICENX	ICON Energy	NatRes	*	*	*	5.8%	28.8%	52.6%	$23.33	24.60	0.67	FSW
2	8	19	FSCHX	Fidelity Chemicals (.75%r<30d)	Cycls	*	*	*	10.9	30.2	40.3	67.80	21.60	0.82	Fsw
3	1	10	CSRSX	Cohen & Steers Realty Shares (1%r<180d)	RealEs	*	*	*	6.3	29.8	43.4	72.99	14.60	0.23	FSW
4	5	4	FSHCX	Fidelity Med Del (.75%r<30d)	Health	*	*	*	14.8	27.1	35.1	42.04	23.10	0.07	Fsw
5	**7**	**5**	**FSNGX**	**Fidelity Natural Gas (.75%r<30d)**	**Utility**	*****	*****	*****	**4.0**	**27.1**	**49.9**	**28.92**	**27.70**	**0.61**	**Fsw**
6	**14**	**1**	**FWRLX**	**Fidelity Wireless (.75%r<30d)**	**Tech**	*****	*****	*****	**7.9**	**22.4**	**50.5**	**5.90**	**33.90**	**1.65**	**Fsw**
7	17	-	ICBMX	ICON Materials	Cycls	*	*	*	8.9	25.7	36.8	9.94	22.30	0.94	FSW
8	2	16	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	6.3	27.6	35.8	17.67	13.70	0.16	fsw
9	21	18	FSESX	Fidelity Energy Services (.75%r<30d)	NatRes	*	*	*	2.5	26.1	44.8	41.21	46.40	1.18	Fsw
10	20	14	RYVIX	Rydex Energy Services	NatRes	*	*	*	2.7	25.4	45.3	25.83	37.90	1.15	fsw
11	4	24	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	6.4	27.8	33.1	29.49	13.90	0.20	Fsw
12	10	11	PRNEX	T. Rowe Price New Era	NatRes	*	*	*	4.8	25.4	39.1	34.70	18.80	0.55	fsw
13	6	2	VGENX	Vanguard Energy (1%r<1yr)	NatRes	*	*	*	3.3	22.7	47.8	39.77	24.50	0.64	fsw
14	13	7	RYEIX	Rydex Energy	NatRes	*	*	*	3.6	22.3	46.0	14.77	21.30	0.66	fsw
15	11	46	FSRFX	Fidelity Transportation (.75%r<30d)	Cycls	*	*	*	7.8	26.3	28.3	42.42	23.00	0.88	Fsw
16	9	30	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	5.6	25.7	30.9	18.82	13.70	0.14	fsw
17	15	8	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	3.3	21.1	42.3	32.26	22.10	0.70	Fsw
18	30	27	RYBIX	Rydex Basic Materials	Cycls	*	*	*	8.1	22.3	25.5	30.04	23.40	0.90	fsw
19	32	17	EUEYX	Alpine U.S. Real Estate Equity CIY	RealEs	*	*	*	6.5	22.4	26.2	37.55	32.70	0.87	fSW
20	24	13	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycls	*	*	*	7.3	20.3	29.6	19.34	22.00	0.98	Fsw
21	18	31	CSEIX	Cohen & Steers Equity Income (1%r<180d)	RealEs	*	*	*	4.7	21.7	28.9	17.36	13.10	0.13	FSW
22	29	50	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	4.1	21.3	29.8	40.12	17.50	0.95	Fsw
23	19	54	RYPIX	Rydex Transportation	Cycls	*	*	*	6.6	22.9	21.8	23.69	20.80	0.76	fsw
24	31	12	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycls	*	*	*	6.6	20.0	27.5	66.09	19.50	0.76	Fsw
25	22	15	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	*	*	*	2.8	19.3	33.3	17.42	21.90	0.78	Fsw
26	26	40	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	4.3	21.4	25.0	37.63	13.20	0.17	fsw
27	12	86	VGPMX	Vanguard Precious Metals (closed,1%r<1yr)	NatRes	*	*	*	6.5	27.7	5.3	17.55	32.70	0.56	fsw
28	23	43	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycls	*	*	*	6.2	22.5	18.3	38.98	23.00	0.87	Fsw
29	52	44	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	8.0	17.0	26.7	37.21	25.00	1.38	Fsw
30	38	47	CGMRX	CGM Realty	RealEs	*	*	*	6.1	20.3	19.9	30.02	17.50	0.21	sw
31	34	6	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	7.1	15.1	29.9	27.70	30.00	1.53	fsw
32	35	32	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycls	*	*	*	5.8	18.8	20.7	41.63	24.40	0.80	Fsw
33	41	-	ICTRX	ICON Industrials	Cycls	*	*	*	8.5	16.9	20.7	11.84	19.30	0.88	FSW
34	39	39	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	8.2	16.0	18.4	34.70	28.50	1.14	Fsw
35	56	20	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	*	*	*	9.7	14.7	16.2	19.31	37.00	1.72	Fsw
36	47	26	RYLIX	Rydex Leisure	Consmr	*	*	*	7.4	13.4	20.9	29.67	22.00	1.10	fsw
37	50	82	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	7.0	14.5	14.3	54.46	30.80	1.47	Fsw
38	58	51	RYMIX	Rydex Telecommunications	Utility	*	*	*	6.9	13.1	17.8	16.18	21.60	1.52	fsw
39	42	23	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycls	*	*	*	6.6	12.1	19.0	26.84	22.90	1.11	Fsw
40	37	-	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	2.3	14.5	18.7	7.05	15.30	0.68	FSW
41	48	-	ICFSX	ICON Financial	FinSer	*	*	*	5.5	12.1	16.9	14.31	19.70	1.00	FSW
42	62	22	RYIIX	Rydex Internet	Tech	*	*	*	9.0	8.1	21.3	38.57	41.00	2.70	fsw
43	55	-	ICLEX	ICON Leisure & Consumer Staples	Consumr	*	*	*	7.4	10.8	16.7	16.01	21.20	0.88	FSW
44	45	48	RYFIX	Rydex Financial Services	FinServ	*	*	*	4.7	11.5	17.5	11.93	24.10	0.93	fsw
45	51	49	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	6.6	11.0	15.7	15.97	22.60	1.03	Fsw
46	46	61	PRISX	T. Rowe Price Financial Services	FinServ	*	*	*	4.8	11.4	13.8	24.03	20.00	0.80	fsw
47	49	33	FDLSX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	4.2	10.1	17.6	76.94	21.20	1.10	Fsw
48	16	90	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	1.8	20.4	-8.0	12.46	36.90	0.15	fSW
49	44	52	RYKIX	Rydex Banking	FinServ	*	*	*	3.2	10.6	13.5	10.89	27.50	0.70	fsw
50	54	41	FSVLX	Fidelity Home Finance (.75%r<30d)	FinServ	*	*	*	4.3	10.2	12.9	70.11	25.80	0.37	Fsw
51	40	21	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	4.0	9.1	15.1	50.50	19.80	0.89	Fsw
52	71	73	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	6.6	9.7	8.9	51.65	52.00	2.14	Fsw
53	43	66	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	*	*	*	2.3	10.8	12.6	39.02	24.50	0.70	Fsw
54	36	63	RYUIX	Rydex Utilities	Utility	*	*	*	0.2	10.9	15.2	22.17	20.80	0.60	fsw
55	67	-	ICHCX	ICON Healthcare	Health	*	*	*	8.6	7.0	11.7	15.27	16.00	0.49	FSW
56	**57**	**64**	**FBALX**	**Fidelity Balanced**	**Hybrid**	**B**	*****	*****	**4.2**	**9.3**	**12.4**	**17.55**	**10.50**	**0.54**	**Fsw**
57	33	74	SCGDX	Scudder Gold (closed)	NatRes	*	*	*	2.1	19.5	-10.1	19.71	31.90	0.28	FSW
58	82	37	RIAFX	RS Internet Age	Tech	*	*	*	9.8	8.1	6.8	7.09	59.30	2.65	FSW
59	53	59	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	*	*	*	4.0	9.0	12.4	123.00	21.80	0.79	Fsw
60	59	38	FDFAX	Fidelity Food & Agr (.75%r<30d)	Consmr	*	*	*	6.4	7.0	14.0	49.55	15.50	0.21	Fsw
61	70	-	ICTEX	ICON Information Technology	Tech	*	*	*	6.3	12.3	-0.4	8.96	32.40	1.64	FSW
62	74	56	FSAVX	Fidelity Automotive (.75%r<30d)	Cycls	*	*	*	5.6	9.0	7.5	33.44	25.10	0.93	Fsw
63	28	85	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	3.5	17.3	-10.5	8.29	42.40	0.41	fsw
64	27	96	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	1.8	18.7	-11.8	27.46	34.10	0.36	Fsw
65	81	42	RSIFX	RS Information Age	Tech	*	*	*	8.6	7.4	5.7	15.93	48.30	2.33	FSW
66	78	34	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	7.0	4.8	14.1	60.20	27.70	0.56	Fsw
67	63	28	FSPFX	Fidelity Paper & Forest (.75%r<30d)	Cycls	*	*	*	5.4	5.4	12.7	32.45	24.70	0.80	Fsw
68	**61**	**68**	**VBINX**	**Vanguard Balanced Index**	**Hybrid**	**B**	*****	*****	**2.9**	**7.2**	**10.8**	**19.34**	**10.70**	**0.57**	**fsw**
69	66	67	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	4.4	6.3	9.2	23.91	14.00	0.66	Fsw
81	**65**	**70**	**GATEX**	**Gateway Fund**	**Altern**	**B**	*****	*****	**1.6**	**4.8**	**7.4**	**24.49**	**7.84**	**0.40**	**FSW**

Keeping an Eye on Bond Funds

***Q** I have been a customer of MONEYLETTER for more than 15 years. I do have one question regarding your recommendations. What is the point of listing a page full of bond funds when 95% of them have asterisks in all columns? I trade through Schwab and there is not a single one of your bond funds with a Buy rating for the Moderate portfolio that I can actually buy. LSBRX (Loomis Sayles Bond Retail) and FSICX (Fidelity Strategic Income) are not available for new investors. How can I satisfy my bond fund allocation?*

— S.L., Fremont, CA

A To address your most immediate question regarding a fund to meet our Moderate allocation target, please use LSBDX (Loomis Sayles Bond Institutional). While this is an "institutional" fund traunch it is offered in the Schwab OneSource platform as an NTF offering. It will appear in all future bond fund rankings along with LSBRX. Bond fund rankings appear in the second *MONEYLETTER* issue each month.

Part of the explanation for the number of asterisks that appear in the current table is our current view regarding fixed income investments generally. With the Fed pursuing a policy of measured increases, only the multi-sector and adjustable/floating rate funds can address interest rate risk sufficiently, leaving most other fixed income funds less attractive in our opinion. While we may not recommend many for our models at this point of the investment cycle, our bond fund coverage provides information to subscribers who follow their own counsel. $

MONEY MANAGEMENT

For information on the "*MONEYLETTER* Managed Account Program"[1] 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.

[1]As 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*.

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	1.66%	1.57%	0.84%
Gabelli US Treasury MMF	1.58	1.55	0.80
Fidelity Spartan US Treas MMF	1.51	1.44	0.75
Amer Century Capital Presv Fund/Inv	1.43	1.36	0.67
HSBC Investor US Treas MM/Cl D	1.32	1.29	0.54
T Rowe Price US Treasury MF	1.30	1.22	0.60
JPMorgan 100% US Treas MMF/Morgan	1.26	1.17	0.54
RMK Select Treas MMF/Cl A	1.23	1.15	0.47
Schwab US Treasury Money Fund	1.23	1.15	0.48
Citi US Treasury Reserves	1.21	1.11	0.41

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	2.02%	1.93%	1.19%
Scudder MM Series Premium/Cl S	1.92	1.79	1.00
Scudder MM Series Premium/AARP	1.91	1.79	1.02
Scudder MM Series Prime Reserve/AARP	1.80	1.68	0.90
MFS Money Market Fund	1.74	1.65	0.78
Vanguard Prime MMF/Retail	1.74	1.67	0.94
AIG Money Market Fund/Cl B	1.68	1.57	0.94
TIAA-CREF Money Market Fund	1.67	1.62	0.97
Harbor Money Market Fund	1.63	1.55	0.94
Strong Heritage MF/Inv Class	1.63	1.54	0.88

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Vanguard Tax-Exempt MMF	1.59%	1.58%	1.03%
Strong Tax-Free Money Fund	1.46	1.43	0.98
Fidelity Municipal MMF	1.32	1.30	0.76
Scudder T-E Cash Managed Shares/TEP	1.28	1.27	0.76
USAA Tax Exempt MMF	1.28	1.27	0.77
Amer Century T-F MMF/Inv Class	1.27	1.29	0.77
Fidelity Tax Free Money Market	1.27	1.26	0.72
Dreyfus BASIC Muni MMF	1.26	1.24	0.75
Scudder Tax-Exempt Money Fund	1.26	1.25	0.76
Strong Municipal MMF	1.25	1.24	0.82
T Rowe Price Summit Muni MMF	1.25	1.22	0.72

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	1.58%	1.56%	1.01%
Vanguard PA Tax-Exempt MMF	1.57	1.55	0.99
Vanguard CA Tax-Exempt MMF	1.56	1.55	0.99
Vanguard NJ Tax-Exempt MMF	1.55	1.53	0.97
Vanguard NY Tax-Exempt MMF	1.55	1.54	0.97
Fidelity FL Municipal MMF	1.25	1.25	0.70
Fidelity PA Municipal MMF	1.22	1.21	0.72
Fidelity CT Municipal MMF	1.20	1.20	0.66
USAA Tax Exempt CA MMF	1.20	1.19	0.69
Fidelity NY Municipal MMF	1.19	1.18	0.64
Fidelity OH Municipal MMF	1.19	1.18	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 11/30/04. 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

ATTENTION SUBSCRIBERS

Next Issue: Volume 25, No. 24

Mails: December 23, 2004

Internet: December 22, 2004, 12:00pm (ET)

Boston Partners All Cap Value

Boston Partners All Cap Value is managed using "the same process used for all the products at Boston Partners," states Harry Rosenbluth, portfolio manager. "Quite simply, we look for three broad characteristics. One is inexpensive stocks. Two is good companies—high profitability companies. And the third characteristic is positive business momentum. All of those are bottom-up concepts," he explains. And he adds that sticking to this process is a competitive advantage for Boston Partners. "If you build your portfolio based on characteristics that work, check your ego at the front door, and don't worry about all the stories, the turnarounds, and trying to outthink [other investors], that's our competitive advantage," he asserts.

And truly, that process has worked for the All Cap Value fund. While this fund will not have a three-year track record until June of next year, its older institutional product dates back more than ten years, and according to Rosenbluth, it "has a very good long term track record." The retail fund is doing fine for itself as well, with an annualized return since its July 1, 2002 inception of 15.4%. Looking shorter term, its trailing one-year return of 23% (through November 30) places it in the top quarter of Morningstar's mid-cap value category.

The finer strategic details

Expanding on the three characteristics above, Rosenbluth explains, "The valuation concept, much as you would imagine, is price-to-earnings ratios, enterprise value to operating income, free cash flow yield—all of those wonderful valuation measures. The good business concept encompasses return on invested capital, operating return on operating assets, and trying to understand why the business is making money. Is it likely to be making more or less going forward?" They also look at the competitive dynamics in understanding a company's product, its market, etc. This characteristic involves a long-term view of the business. Finally, Rosenbluth looks at short-term business momentum. He amplifies, "In the short term, is the business getting better or remaining the same? We look at factors such as earnings estimate revisions, operating margin momentum, and balance sheet momentum such as accounts receivable days outstanding."

The quantitative angle

While Rosenbluth emphasizes that the fund is invested via a bottom-up selection process, quantitative analysis does play a small role as well. He explains that the quantitative process is "most helpful with the first characteristic, valuation. You can get a snapshot at one point in time of valuation characteristics. The quantitative process can also give you a sense of history—where this company has traded in the past on certain valuation measures. Also, quantitative is quite useful for describing profitability characteristics. Again, you can get a snapshot for operating return on operating assets, and then compare that to the historical operating return on operating assets. So quantitative is used to describe point in time information as well as time series information. You can also construct an up-front quantitative screen selecting out all stocks with a price-to-earnings ratio less than their five-year average, operating return on operating assets greater than 20%, and consensus earnings estimates rising over the trailing three months. That touches on all three concepts."

Top Five Sectors & Holdings (% of Assets)

Finance	31.3%	Countrywide Financial Corp.	3.5%
Consumer Non-Durable	14.7	UST Inc.	3.2
Energy	10.9	ACE Ltd	2.9
Consumer Services	9.9	Lowes Corp.	2.9
Health Care	9.8	White Mountain Insurance Gr.	2.6

As of September 30, 2004

Industry diversification is solely a function of the bottom-up investment process, and there is no set minimum or maximum exposure per industry. However, Rosenbluth notes that the fund has "more emphasis in the health care sector than would be traditionally thought of for a value manager. The health care weight peaked out at about 13%-14% of assets, vs. the broad Russell 3000 Value Index weighting of around 3% or 4%. Much of our health care stake is in pharmaceuticals, which have been dragged down by a whole host of issues, including Medicare drug benefit price controls, challenges to patents, and lack of product pipeline. On an absolute basis we have not seen these valuations in several years."

Meanwhile, being an "all cap" fund, there are no "preconceived buckets to be filled with large- vs. mid- vs. small-cap stocks," states Rosenbluth. Recently, the fund had about 39% of assets in large-cap issues, 47% in mid-cap, and the remainder in small-cap fare. "I would say that one generic area that seems to be underpriced is quality. And at the margin, larger-cap is slightly more attractive than smaller-cap. So the portfolio has been tilting toward larger cap and quality. In fact, the portfolio is as large as it's been in a while on a weighted average market cap basis. When small-cap stocks were on sale a few years ago, the portfolio had dramatically more small-cap stocks. So the portfolio will move around—it's about taking what the market is giving me in terms of opportunities," he concludes.

Boston Partners All Cap Value (BPAVX), Boston Partners Funds c/o PFOC, Inc., P.O. Box 9816, Providence, RI 02940 (888) 261-4073; Minimum Investment: $2,500/$2,500 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. Paid advertising which appears in or accompanies this publication does not constitute an endorsement of products or services offered. Employees and staff of *MONEYLETTER* may from time to time maintain positions in recommended securities. PRI Financial Publishing Inc. is affiliated with PRI Financial Advisors Inc. (formerly Principal Resource Inc.), a registered investment advisor. Walter Frank also serves as an independent economic consultant to PRI Financial Advisors. *MONEYLETTER* is not produced as a solicitation for PRI Financial Advisors. Views presented are the opinion of the Chief Investment Officer/Chief Economist and contributing editors, and should not be treated as fact. *MONEYLETTER* does not purport to provide legal, tax or individual investment advice. While carefully screened, the accuracy of the statistical data in *MONEYLETTER* cannot be guaranteed. Readers should carefully review investment prospectuses before investing. *MONEYLETTER* provides a twice-weekly Hotline: call (410) 528-1804. Back copies $5 each.