



## What January Effect?

by Walter S. Frank, Chief Investment Officer

No, no, we are not disputing the validity of the January Effect. It is just that, if you haven't noticed, this year it was prominent by its absence. We would be concerned about the miserable January markets were it not for the fact that the markets did not follow the historical script in the two months leading to January. Did anyone spot any tax-loss selling in November and December? If so, we totally missed it. Did anyone hear of year-end profit taking? If so, we never got the message.

You get the point. Every now and then, the markets neglect to read the Stock Traders Almanac. Patterns just do not pan out. This has been one of those times. We believe that you have to view last month in the context of the powerful rally the previous quarter that, by the way, accounted for virtually all of last year's gains.

As we see it, what we have had on our hands this January is a correction. Having been spoiled by last quarter and the usual January expectations, it seems like a harsh correction. A look at the numbers will correct that impression. Last month, the Dow lost 2.7%, the S&P 500, 2.5% and the Nasdaq, 5.2%. As corrections go, these are mild numbers.

Will the correction remain mild? We think so, but corrections are notoriously difficult to call. They tend to build up momentum of their own as they proceed, and then the length or extent of the correction has more to do with the internals of the market (short selling, margin calls, technical indicators) than with profits or value.

There are a few developments which lead us to believe that the correction is losing steam. One is the rash of mergers and acquisitions that has broken out over recent weeks. This tells the world that, for example, behemoths such as Gillette and AT&T were undervalued. Another is that the selling did not intensify as last month went on. While the selling was persistent, we have not seen the buildup of volume that marks a deep correction. It appears that what we've seen is what we get.

### Market Trends

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

Volume 26, No. 3

February 4, 2005

We have seen nothing to change our view that while this will be a difficult year for the U.S. market, we still expect modest gains as the economic recovery continues and profits continue to rise. Our portfolios reflect our cautious optimism, as we continue to recommend a temporary money fund position in both our Venturesome and Moderate portfolio allocations.

### How far the Fed?

As usual, there are some important questions hanging over the market (oil, cost-push inflation). One stands out now: how far is the Fed going to push interest rates? At the moment the market does not appear concerned about the Fed as the money controllers go about raising short-term rates to some "neutral" level. The unconcern of the stock market reflects what has been going on in the bond market.

To the surprise (and consternation) of Fed watchers world-wide, the Fed raised rates, and the bond market paid no attention, sending long-term rates lower. The latest parlor game for financial economists is to figure how this contrary-to-textbook development occurred.

While the bond market has stood the expected on its head, no one believes that the magic will continue. If the Fed continues to raise rates, at some point long-term rates will rise, and then the stock market will suddenly lose its nonchalance about the Fed.

How far will the Fed go? Fed members are the first ones to reply that they do not know. It all depends on the incoming data, they will say. Like the Supreme Court and pornography, the Fed will recognize it has achieved a neutral rate when it sees it (presumably from the incoming economic data).

Wall Street needs more than that. Speculation on Wall Street now runs from 3.0% to 4.5% for the short-rate by the end of the year. It will make a great deal of difference to stocks whether the Fed ends at the lower or the longer end of the range. The low end will be OK for the market, the higher end will not.

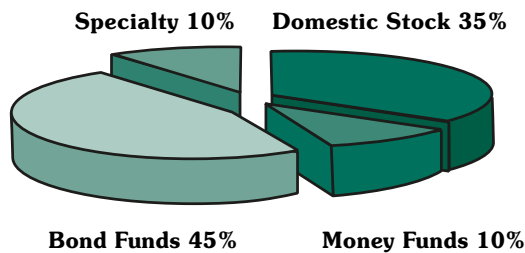
That gets us right back to the economy. There has been a spate of Fed-speak about the economy recently and the impression left is that the Fed sees the economy growing this year above potential (3.5%), at about 4.0%. If the economy does grow at that rate, it implies, to us, that the by year-end we will be at the higher end of the range.

Our own view is that the Fed's outlook is somewhat rosy. We see the economy growing above potential during the first half of this year, but we expect a slower second half, particularly as short-term rates at about 3.0% begin to affect activity. Furthermore, we expect that the quiet which hangs over the bond market will end as this year proceeds.

Because of the Fed we need to keep our expectations modest for the overall U.S. market. Still, there will be room for good stockpicking as the market remains positive. \$

**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%	10,153	\$1.00	\$10,153
Gateway Fund	11/27/02	16.6	609	24.22	14,740
Loomis Sayles Bond Retail	03/17/04	8.4	1,173	13.72	16,096
RS Value (Contrarian)	08/04/04	23.7	1,229	21.67	26,642
Artisan Mid Cap Value	08/04/04	14.2	612	16.66	10,203
AmerCent Inflation Adj.	02/12/03	13.5	1,636	11.30	18,491
Third Avenue Value	11/24/04	1.1	467	51.05	23,843
Dodge & Cox Income	02/19/03	9.7	1,011	12.89	13,035
<b>TOTAL VALUE</b>					<b>\$133,203</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.7%	9.5%	8.5%	28.9%	-0.7%

**Fidelity Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.1%	8,744	\$1.00	\$8,744
Fidelity Balanced	11/27/02	36.7	801	17.63	14,128
Fidelity Strategic Income	03/17/04	7.3	1,755	10.71	18,794
Fidelity Value	04/21/04	13.7	352	70.26	24,725
Fidelity Export & Multi	09/08/04	10.3	826	19.43	16,054
Fidelity Inflation-Protected	09/15/04	3.2	1,079	11.39	12,286
Fidelity Investment Grade	02/19/03	8.2	1,757	7.56	13,284
<b>TOTAL VALUE</b>					<b>\$108,015</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.6%	8.3%	8.4%	18.1%	-0.6%

**Vanguard Conservative**

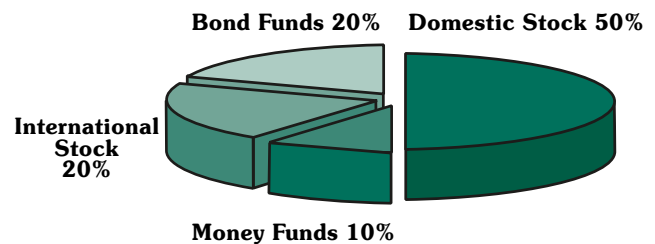
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.2%	8,521	\$1.00	\$8,521
Vanguard Balanced Index	11/27/02	25.9	581	19.19	11,153
Vanguard Total Bond Index	02/19/03	8.2	743	10.30	7,654
Vanguard Inflation Protect	02/19/03	14.1	1,105	12.57	13,893
Vanguard US Value	05/19/04	13.4	1,250	13.43	16,792
Vanguard Strategic Equity	12/21/04	-2.5	635	20.70	13,150
Vanguard Small Cap Value	03/24/04	16.4	1,381	13.45	18,571
Vanguard GNMA	03/17/04	2.9	1,706	10.48	17,884
<b>TOTAL VALUE</b>					<b>\$107,618</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-1.4%	7.3%	6.7%	14.6%	-1.4%

**MODERATE**

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

**MONEYLETTER Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	0.1%	11,570	\$1.00	\$11,570
Dodge & Cox International	09/22/04	17.3	442	30.52	13,504
Baron Partners	06/09/04	20.7	860	16.84	14,478
Loomis Sayles Bond Retail	03/17/04	8.4	1,642	13.72	22,523
Artisan Mid Cap Value	08/11/04	16.8	681	16.66	11,350
RS Value (Contrarian)	08/04/04	23.7	1,005	21.67	21,780
Fidelity Leveraged Company	01/28/04	17.7	1,210	22.59	27,331
Artisan International Value	11/10/04	8.5	643	20.93	13,455
<b>TOTAL VALUE</b>					<b>\$135,991</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.7%	14.9%	11.5%	58.6%	-0.7%

**Fidelity Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.1%	11,093	\$1.00	\$11,093
Fidelity Int'l Small Cap	09/22/04	23.1	565	24.00	13,564
Fidelity Europe	11/10/04	9.9	322	34.08	10,990
Fidelity Leveraged Company	12/10/03	34.8	796	22.59	17,986
Fidelity Strategic Income	03/17/04	7.3	2,560	10.71	27,413
Fidelity Value Strategy	12/15/04	-5.1	364	35.51	12,921
Fidelity Value	04/21/04	13.7	272	70.26	19,129
Fidelity Focused Stock	10/06/04	8.1	1,135	10.12	11,488
<b>TOTAL VALUE</b>					<b>\$124,584</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.5%	11.4%	9.7%	35.9%	-0.5%

**Vanguard Moderate**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.2%	9,859	\$1.00	\$9,859
Vanguard Int'l Value	09/22/04	12.5	360	30.58	11,013
Vanguard European Stk Index	11/10/04	6.3	455	25.50	11,599
Vanguard FI Hi-Yld Corp	01/17/01	27.9	3,532	6.39	22,572
Vanguard Strategic Equity	12/21/04	-2.5	868	20.70	17,972
Vanguard Windsor II	05/12/04	14.8	700	30.27	21,181
Vanguard Small Cap Value	03/24/04	16.4	1,693	13.45	22,776
<b>TOTAL VALUE</b>					<b>\$116,972</b>

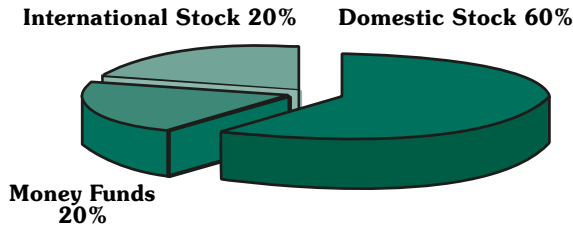
**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-1.9%	9.4%	6.8%	25.2%	-1.9%

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	0.1%	20,673	\$1.00	\$20,673
Dodge & Cox International	09/22/04	17.3	395	30.52	12,064
Artisan International Value	11/10/04	8.5	570	20.93	11,936
Artisan Mid Cap Value	07/26/04	16.2	1,186	16.66	19,765
Weitz Hickory	10/01/04	5.4	308	31.71	9,777
Fidelity Leveraged Company	01/28/04	17.7	962	22.59	21,734
RS Value (Contrarian)	08/04/04	23.7	1,300	21.67	28,168
<b>TOTAL VALUE</b>					<b>\$124,117</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-1.0%	12.6%	7.6%	53.0%	-1.0%

**Fidelity Venturesome**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	0.1%	18,530	\$1.00	\$18,530
Fidelity Int'l Small Cap	09/22/04	23.1	472	24.00	11,329
Fidelity Europe	11/10/04	9.9	387	34.08	13,188
Fidelity Leveraged Company	12/10/03	34.8	906	22.59	20,469
Fidelity Focused Stock	10/06/04	8.1	2,330	10.12	23,583
Fidelity Value	04/21/04	13.7	276	70.26	19,369
Fidelity Value Strategy	12/15/04	-5.1	634	35.51	22,503
<b>TOTAL VALUE</b>					<b>\$128,971</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-0.9%	10.8%	7.6%	32.1%	-0.9%

**Vanguard Venturesome**

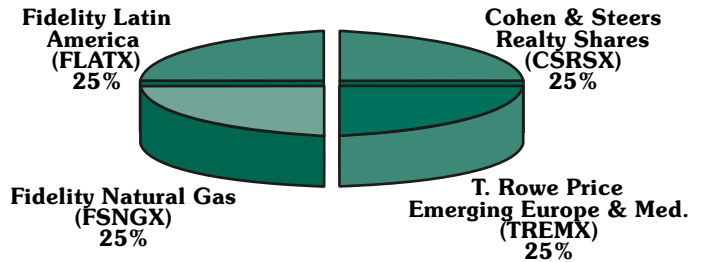
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	0.2%	20,447	\$1.00	\$20,447
Vanguard Int'l Value	09/22/04	12.5	373	30.58	11,419
Vanguard European Stk Index	11/10/04	6.3	455	25.50	11,599
Vanguard Windsor II	05/12/04	14.8	820	30.27	24,835
Vanguard Strategic Equity	12/21/04	-2.5	1,048	20.70	21,688
Vanguard Small Cap Value	03/24/04	16.4	1,851	13.45	24,893
<b>TOTAL VALUE</b>					<b>\$114,881</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	3-yr	YTD
-2.1%	9.5%	5.9%	24.5%	-2.1%

**SELECT**

Seeks maximum long-term growth by assertively upgrading fund positions



**MONEYLETTER Select**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Natural Gas	08/11/04	28.6%	1,199	\$30.91	\$37,055
T. Rowe Emg. Europe & Med	01/26/05	3.0	1,931	17.47	33,727
Cohen & Steers Realty	08/25/04	9.0	560	63.44	35,509
Fidelity Latin America	12/29/04	-0.5	1,333	21.03	28,036
<b>TOTAL VALUE</b>					<b>\$134,327</b>

**TOTAL RETURNS (as of 01/31/05)**

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
-2.1%	14.4%	3.8%	34.3%	-2.1%

**MONEYLETTER Select Commentary**

The Hotline of Tuesday, January 25 recommended the sale of Fidelity Wireless (FWRLX) to be exchanged for shares of T. Rowe Price Emerging Europe & Mediterranean (TREM). The recommended trades were executed at the market close January 26, 2005. Details: Sold 5,892 shares of Fidelity Wireless (FWRLX) @ \$5.56 per share. Purchased 1,931 shares of T. Rowe Price Emerging Europe & Mediterranean (TREM) @ \$16.97 per share.

After a shaky start, "earnings season" reports have been quite favorable sparking markets to recent encouraging gains.

\* \* \*

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—January 31, 2005**

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	-2.4%	8.2%	6.2%	10.0%	-2.4%
Asset Allocation Funds (Avg) 80 Funds	-1.4	9.0	7.1	19.8	-1.4

## Domestic Stock Funds

RANK	01/28 2005	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wtf
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
<b>1</b>	<b>1</b>	<b>38</b>	<b>BPTRX</b>	<b>Baron Partners</b>	<b>MCGro</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>-1.4%</b>	<b>29.6%</b>	<b>34.7%</b>	<b>\$16.63</b>	<b>28.6</b>	<b>1.26</b>	<b>FSW</b>
<b>2</b>	<b>2</b>	<b>7</b>	<b>RSCOX</b>	<b>RS Value (Contrarian)</b>	<b>MC</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>-1.4</b>	<b>24.8</b>	<b>26.1</b>	<b>21.64</b>	<b>18.6</b>	<b>0.60</b>	<b>FSW</b>
3	3	4	RSPFX	RS Partners (closed)	SC	B	B	B	B	-2.1	22.3	25.9	33.94	20.9	0.69	FSW
4	9	134	BGRFX	Baron Growth (closed)	SCGro	B	B	B	B	-1.8	22.0	20.1	44.20	18.4	0.72	FSW
5	5	95	BARAX	Baron Asset	MCGro	B	B	B	B	-2.6	21.0	22.0	51.24	21.2	0.94	FSW
6	6	42	MUHLX	Muhlenkamp Fund	MCVal	B	B	B	B	-1.7	20.3	19.3	77.31	27.9	1.24	FSW
7	4	5	FBRVX	FBR Small Cap (closed, 1%r<90d)	SCGro	B	B	B	B	-3.0	18.2	22.9	40.53	23.4	0.82	FSW
8	31	117	NPRTX	Neuberger Berman Partners	LCVal	B	B	B	B	-0.6	18.9	15.8	24.92	20.7	1.10	fSw
<b>9</b>	<b>21</b>	<b>63</b>	<b>FLVCX</b>	<b>Fidelity Leveraged Co (\$10k, 1.5%r&lt;90d)</b>	<b>MC</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>-1.8</b>	<b>18.9</b>	<b>16.4</b>	<b>22.27</b>	<b>36.3</b>	<b>1.39</b>	<b>Fw</b>
10	120	36	CGMFX	CGM Focus	SCVal	*	(B)	(B)	(B)	0.1	17.3	17.1	29.47	37.9	1.03	fsw
11	11	48	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	B	B	B	B	-2.7	18.9	17.2	29.09	19.2	0.80	fw
12	8	65	JSVAX	Janus Contrarian	MC	B	B	B	B	-3.8	19.8	15.0	12.72	22.3	1.10	SW
13	25	170	BSCFX	Baron Small Cap	SCGro	B	B	B	B	-2.0	18.4	15.5	21.60	21.5	0.79	FSW
14	-	-	MOPIX	MainStay Small Cap Opportunity (closed)	SCVal	B	B	B	B	-2.7	18.1	16.6	17.85	17.5	0.63	FSW
15	7	133	MXXIX	Marsico 21st Century (2%r<30d)	LC	B	B	B	B	-5.6	19.3	15.4	11.37	21.1	0.95	fSw
16	76	241	BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	H	H	H	-4.2	20.8	9.0	13.64	-	-	fsw
17	24	14	CRMMX	CRM Mid Cap Value Inv	MCVal	B	B	B	B	-2.8	16.2	17.7	24.93	18.9	0.78	Fsw
<b>18</b>	<b>15</b>	<b>2</b>	<b>TAVFX</b>	<b>Third Avenue Value (1%r&lt;60d)</b>	<b>SC</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>-1.8</b>	<b>14.5</b>	<b>19.7</b>	<b>50.71</b>	<b>17.2</b>	<b>0.79</b>	<b>FSW</b>
19	39	200	SMDCX	Strong Advisor Midcap Growth	MCGro	H	H	H	H	-3.3	17.7	13.1	13.47	26.2	1.35	FSW
20	10	162	WBSNX	WmBlair S-C Growth N (closed, 1%r<60d)	SCGro	B	B	B	B	-5.8	18.5	14.7	24.43	30.1	1.12	FSW
21	28	105	MPEGX	MSI Mid Cap Growth	MCGro	*	B	B	B	-3.7	16.8	15.6	20.27	22.2	1.17	fsw
22	22	35	FLPSX	Fidelity L.P Stock (closed, 1.5%r<90d)	SCVal	B	B	B	B	-2.8	15.8	15.3	38.99	18.0	0.75	Fsw
<b>23</b>	<b>13</b>	<b>3</b>	<b>ARTGX</b>	<b>Artisan Mid Cap Value</b>	<b>MCVal</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>-2.3</b>	<b>13.7</b>	<b>19.4</b>	<b>16.45</b>	<b>19.8</b>	<b>0.87</b>	<b>FSW</b>
24	34	235	JAVTX	Janus Venture (closed)	SCGro	*	H	H	H	-5.5	20.2	7.9	55.37	29.0	1.25	FSW
25	42	115	JAENX	Janus Enterprise	MCGro	H	H	H	H	-3.3	15.9	14.8	36.33	21.4	1.09	FSW
26	18	122	BUFSX	Buffalo Small Cap (closed)	SCGro	*	B	B	B	-5.6	17.0	15.1	26.12	31.2	1.25	SW
<b>27</b>	<b>87</b>	<b>85</b>	<b>FTQGX</b>	<b>Fidelity Focused Stock (.75%r&lt;30d)</b>	<b>LC</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-1.4</b>	<b>14.4</b>	<b>13.3</b>	<b>9.96</b>	<b>17.2</b>	<b>1.00</b>	<b>FW</b>
28	26	94	VIMSX	Vanguard Mid-Cap Index	MC	B	B	B	B	-3.6	16.0	12.6	15.01	20.1	0.97	fsw
29	46	186	SMTVX	Strong Multi-Cap Value	MCVal	H	H	H	H	-2.9	17.3	8.3	62.34	22.4	1.01	FSW
30	19	112	WGROX	Wasatch Core Growth (closed, 2%r<60d)	SCGro	B	B	B	B	-3.9	16.0	12.7	41.35	28.5	1.10	FSW
<b>31</b>	<b>40</b>	<b>47</b>	<b>FDVLX</b>	<b>Fidelity Value</b>	<b>MCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-2.3</b>	<b>13.7</b>	<b>15.2</b>	<b>69.40</b>	<b>19.0</b>	<b>0.89</b>	<b>Fsw</b>
32	23	20	PRSVX	T. Rowe Price S-C Value (closed, 1%r<1yr)	SCVal	B	B	B	B	-4.0	14.3	16.3	34.24	18.0	0.69	fsw
33	44	211	PBSVX	PBHG Small Cap Value	SC	H	H	H	H	-4.0	17.1	7.3	21.55	23.8	1.11	FSW
34	183	1	BERWX	Berwyn Fund (1%r<180d)	SCVal	H	H	H	H	-2.9	13.2	14.7	28.13	22.3	0.77	fsw
35	77	84	CAMOX	Cambiar Opportunity	LC	(B)	(B)	(B)	(B)	-1.6	14.1	10.3	16.34	18.4	0.94	FSW
36	106	192	NBNGX	SIT Mid Cap Growth (2%r<30d)	MCGro	*	H	H	H	-3.8	15.5	10.0	10.65	23.5	1.23	FSW
<b>37</b>	<b>29</b>	<b>106</b>	<b>VSEQX</b>	<b>Vanguard Strategic Equity</b>	<b>MCGro</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-4.8</b>	<b>15.3</b>	<b>10.8</b>	<b>20.40</b>	<b>17.8</b>	<b>0.83</b>	<b>fsw</b>
38	131	236	TMGFX	Turner Mid Cap Growth	MCGro	*	H	H	H	-3.5	17.1	4.1	23.57	29.3	1.45	FSW
39	64	224	RSSGX	R S Smaller Company Growth	SCGro	*	H	H	H	-4.8	17.8	4.0	21.47	28.5	1.23	FSW
40	27	-	LSCRX	Loomis Sayles Small Cap Value Ret	SC	H	H	H	H	-4.6	14.1	12.6	24.74	17.2	0.80	FSW
41	41	28	MQIFX	Mutual Qualified (1%) CIZ	MCVal	H	H	H	H	-2.5	13.0	12.1	18.99	13.3	0.61	sw
42	32	67	DODGX	Dodge & Cox Stock (closed)	LCVal	(H)	(H)	(H)	(H)	-2.9	13.4	11.5	126.40	17.6	0.85	sw
43	60	207	PRNHX	T. Rowe Price New Horizons	SCGro	*	H	H	H	-3.7	14.9	8.8	28.15	28.3	1.30	fsw
<b>44</b>	<b>17</b>	<b>23</b>	<b>VISVX</b>	<b>Vanguard Small-Cap Value Index</b>	<b>SCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-5.2</b>	<b>13.6</b>	<b>13.7</b>	<b>13.25</b>	<b>22.4</b>	<b>0.90</b>	<b>fsw</b>
45	62	217	USCGX	USAA Capital Growth	MCGro	*	H	H	H	-5.0	16.6	5.9	7.16	23.9	1.13	fsw
46	168	244	CLSPX	Columbia Special	MCGro	*	H	H	H	-2.9	17.0	1.4	20.06	17.7	0.86	FSW
47	36	140	VEXMX	Vanguard Extended Market Index	MC	H	H	H	H	-4.6	14.8	8.9	29.91	21.5	1.02	fsw
48	57	99	GABAX	Gabelli Asset	MC	H	H	H	H	-3.0	13.0	10.5	40.22	17.8	0.91	FSW
49	50	91	TUDRX	WPG Tudor	SC	*	H	H	H	-3.7	13.7	9.4	16.84	27.0	1.22	Fsw
50	122	75	FCNTX	Fidelity Contrafund	LC	H	H	H	H	-2.4	11.6	12.6	55.40	11.4	0.54	Fsw
51	55	11	TASCX	Third Avenue Small-Cap Value (1%r<1yr)	SCVal	H	H	H	H	-2.7	11.9	12.2	21.97	19.9	0.85	FSW
<b>52</b>	<b>16</b>	<b>-</b>	<b>WEHIX</b>	<b>Weith Hickory</b>	<b>SC</b>	<b>*</b>	<b>(H)</b>	<b>(H)</b>	<b>(H)</b>	<b>-3.4</b>	<b>11.8</b>	<b>13.3</b>	<b>31.62</b>	<b>29.1</b>	<b>1.38</b>	<b>FSW</b>
53	53	54	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	H	-3.8	12.9	11.1	9.76	20.4	0.80	Fsw
<b>54</b>	<b>58</b>	<b>10</b>	<b>VWNFX</b>	<b>Vanguard Windsor II</b>	<b>LCVal</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-2.4</b>	<b>11.2</b>	<b>13.2</b>	<b>30.02</b>	<b>16.2</b>	<b>0.82</b>	<b>fsw</b>
55	108	180	KAUFX	Federated Kaufmann Fund (0.2%)	MCGro	H	H	H	H	-3.7	14.2	7.4	5.15	19.5	0.86	FSW
56	43	-	BPAVX	Boston Prtrs All Cap Value	MCVal	H	H	H	H	-2.8	11.1	13.8	13.97	-	-	F
57	33	120	BPMCX	Boston Partners Mid Cap Value	MCVal	H	H	H	H	-4.4	13.0	11.4	12.35	20.1	0.93	FSW
58	52	6	SMCDX	Strong Mid Cap Disciplined	MCVal	H	H	H	H	-1.7	9.9	15.0	21.83	23.1	0.99	FSW
59	20	88	WMCVX	Wasatch Small Cap Value (closed, 2%r<60d)	SCVal	(H)	(H)	(H)	(H)	-4.7	14.1	8.7	5.24	26.6	0.96	FSW
60	74	118	VALSX	Value Line Special Situations	MCGro	S	S	S	S	-3.7	12.6	10.8	23.37	15.4	0.71	FSW
61	67	142	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	S	S	S	S	-4.5	13.0	10.8	47.62	22.1	1.11	fsw
62	101	121	DNLDX	Dreyfus New Leaders	MCGro	S	S	S	S	-3.3	12.6	9.9	42.88	18.6	0.90	FSW
<b>63</b>	<b>125</b>	<b>100</b>	<b>FEXPX</b>	<b>Fidelity Export &amp; Multinat'l (.75%r&lt;30d)</b>	<b>LC</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-2.1</b>	<b>12.0</b>	<b>9.8</b>	<b>19.21</b>	<b>20.3</b>	<b>1.07</b>	<b>Fsw</b>
64	45	124	NAESX	Vanguard SmallCap Index	SC	S	S	S	S	-5.3	14.1	9.0	25.45	23.2	1.01	fsw
65	129	199	FIDYX	INVECO Dynamics	MCGro	H	H	H	H	-3.0	14.1	5.5	15.99	28.2	1.48	FSW
66	145	114	NICSX	Nicholas Fund	LC	S	S	S	S	-1.0	11.6	8.8	59.70	16.1	0.84	w
67	73	45	RYTRX	Royce Total Return (1%r<180d)	SCVal	H	H	H	H	-3.0	11.7	11.7	11.88	15.7	0.66	Fsw
68	61	33	TGDVX	TCW Galileo Diversified Value N	LCVal	(S)	(S)	(S)	(S)	-2.9	10.7	13.8	12.94	19.8	1.03	FW

**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	01/28 2005	1 Mo Ago	6 Mo Ago	Ticker Symbol	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	109	41		NBGNX	Neuberger Berman Genesis (closed)	SC	S	S	S	-3.2	11.2	12.8	28.92	15.5	0.63	fsw
70	85	147		FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SC	S	S	S	-3.1	13.0	8.0	19.15	16.7	0.58	Fsw
71	86	205		HENLX	Henlopen Fund (1%r<30d)	SCGro	*	S	S	-4.1	14.7	5.0	29.14	30.9	1.19	FSW
72	69	17		ARGFX	Ariel Fund	SCVal	S	S	S	-4.1	11.1	14.0	50.95	15.6	0.53	FSW
73	97	176		NMANX	Neuberger Berman Manhattan	MCGro	*	S	S	-4.3	12.7	10.4	6.67	23.4	1.15	f
74	37	52		MPSCX	MSI Small Cap Value (closed)	SCVal	H	H	H	-4.4	12.5	10.9	21.73	20.7	0.98	fsw
75	75	15		RYPXX	Royce Premier (1%r<180d)	SC	H	H	H	-3.8	10.5	14.9	14.57	19.4	0.84	FsW
76	89	245		FIGGX	INVESCO Small Company Growth	SCGro	*	S	S	-5.3	16.6	1.6	11.89	24.2	1.15	FSW
77	114	188		BUFMX	Buffalo Mid Cap	MCGro	S	S	S	-3.7	13.2	7.8	12.42	-	-	FSW
78	80	24		BEGRX	Mutual Beacon (1%) CIZ	MCVAl	H	H	H	-2.1	10.8	10.9	15.57	12.5	0.57	sw
79	65	154		ARTSX	Artisan Small Cap (closed)	SCGro	S	S	S	-6.2	13.8	9.4	15.77	26.7	1.19	FSW
80	153	177		TWCVX	American Century Vista	MCGro	S	S	S	-3.3	12.3	8.6	14.03	15.8	0.68	fSW
81	35	26		TRMCX	T. Rowe Price Mid Cap Value	MCVal	(S)	(S)	(S)	-4.0	11.3	12.1	21.96	19.8	0.90	fsw
82	142	225		CUEGX	CS Warburg Pincus Emerging Growth	MCGro	*	S	S	-3.5	14.0	4.4	30.08	24.3	1.18	FSW
83	140	201		SGRTX	Strong Growth 20	LCGro	*	S	S	-4.8	13.3	8.1	14.05	17.6	0.92	FSW
84	156	179		RSPVX	RS Value+Growth	MCGro	S	S	S	-3.7	13.6	5.7	16.07	18.2	0.97	FSW
85	70	143		ACBGX	USGlobal Holmes Growth (.25%r<30d)	MCGro	S	S	S	-4.9	13.2	8.0	15.13	15.3	0.57	FSW
86	211	247		SSMGX	SIT Small Cap Growth (2%r<30d)	MCGro	*	S	S	-3.4	15.5	-0.1	25.80	21.6	1.10	FSW
87	117	216		VEXPX	Vanguard Explorer	SCGro	S	S	S	-4.7	14.6	4.0	71.14	24.2	1.12	fsw
88	51	193		IZZVX	ICM/Isabelle Small Cap Value	SCVal	S	S	S	-6.0	14.7	5.6	15.37	29.5	1.04	FSW
89	79	49		HAVLX	Harbor Value	LCVal	S	S	S	-1.8	10.5	9.8	16.00	18.1	0.94	Fsw
90	47	123		MGRIX	Marsico Growth & Income (2%r<30d)	G&I	S	S	S	-5.0	12.7	8.9	16.87	15.2	0.75	FSW
91	103	32		LSGIX	Loomis Sayles Value	LCVal	S	S	S	-2.2	9.9	11.7	16.78	16.4	0.89	fsw
92	116	148		JAGIX	Janus Growth & Income	LCGro	S	S	S	-2.7	11.9	7.4	31.25	15.1	0.87	FSW
93	123	198		ARTMX	Artisan Midcap (closed)	MCGro	S	S	S	-3.9	13.1	5.9	28.35	23.1	1.17	FSW
94	104	218		VISGX	Vanguard Small Cap Growth Index	SCGro	S	S	S	-5.2	14.6	4.2	14.39	21.6	0.91	fsw
95	138	110		FDEGX	Fidelity Disciplined Equity	LC	S	S	S	-2.3	11.3	8.2	24.76	14.3	0.81	Fsw
96	63	126		OTCFX	T. Rowe Price Small Cap Stock Fund	SC	S	S	S	-5.4	12.5	9.7	30.18	19.2	0.84	fsw
97	90	113		MPMVX	MSI Mid Cap Value	MCVal	S	S	S	-3.2	11.7	8.3	22.62	23.1	1.18	fsw
120	14	55		JAVLX	Janus Twenty (closed)	LCGro	(H)	(H)	(H)	-8.3	12.0	12.2	41.16	17.3	0.93	FSW
<b>148</b>	<b>111</b>	<b>40</b>		<b>VUVLX</b>	<b>Vanguard U.S. Value</b>	<b>LCVal</b>	<b>H</b>	<b>S</b>	<b>S</b>	<b>-3.1</b>	<b>9.0</b>	<b>6.8</b>	<b>13.31</b>	<b>17.3</b>	<b>0.87</b>	<b>fsw</b>
<b>157</b>	<b>78</b>	-		<b>FSLSX</b>	<b>Fidelity Value Strategies</b>	<b>SC</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>-5.9</b>	<b>12.6</b>	<b>1.1</b>	<b>34.99</b>	<b>29.4</b>	<b>1.41</b>	<b>F</b>

Dow Jones  
NASDAQ  
S&P 500

**-3.9%** **3.1%** **-0.4%**  
**-6.5** **9.6** **-2.0**  
**-3.5** **6.9** **3.8**

indexes do not  
include dividends

International Stock Funds

<b>1</b>	<b>10</b>	-	<b>TREMX</b>	<b>T. Rowe Price Emg Europe&amp;Med.</b>	<b>Europe</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>10.3%</b>	<b>43.7%</b>	<b>33.6%</b>	<b>\$17.10</b>	<b>29.2</b>	-	<b>fw</b>
<b>2</b>	<b>1</b>	<b>10</b>	<b>FLATX</b>	<b>Fidelity Latin Amer. (1.5%r&lt;90d)</b>	<b>LatinA</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>-1.5</b>	<b>35.3</b>	<b>29.9</b>	<b>20.67</b>	<b>29.8</b>	-	<b>Fs</b>
3	2	12	PRLAX	T. Rowe Price Latin America (2%r<1yr)	LatinA	*	H	H	-1.8	33.9	27.1	15.56	29.7	-	fsw
4	6	60	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	*	B	B	2.1	32.8	16.8	12.95	-	-	Fsw
<b>5</b>	<b>21</b>	<b>11</b>	<b>FISMX</b>	<b>Fidelity Intl Small Cap (2%r&lt;90d)</b>	<b>Int'l</b>	<b>*</b>	<b>(B)</b>	<b>(B)</b>	<b>3.4</b>	<b>26.7</b>	<b>28.4</b>	<b>23.84</b>	-	-	<b>Fw</b>
6	3	25	SLAFX	Scudder Latin America	LatinA	*	H	H	-2.4	32.2	22.8	31.19	27.3	-	FSW
7	4	41	VEIEX	Vanguard Emerging Mkts Stk Index (.5%r)	Int'l	*	B	B	0.1	29.7	17.4	14.48	22.6	-	fsw
8	5	42	DREGX	Driehaus Emerging Mkts Gr (2%r<60d)	Int'l	*	B	B	0.7	29.2	16.9	22.72	24.9	-	FSW
9	15	29	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	*	B	B	2.3	26.3	20.8	17.68	-	-	SW
<b>10</b>	<b>8</b>	<b>35</b>	<b>FIEUX</b>	<b>Fidelity Europe (1%r&lt;30d)</b>	<b>Europe</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>-1.1</b>	<b>28.0</b>	<b>21.2</b>	<b>33.75</b>	<b>22.5</b>	-	<b>Fsw</b>
11	11	7	VINEX	Vanguard Intl Explorer (\$25k,2%r<60d)	Int'l	*	B	B	1.0	23.8	25.5	16.36	16.3	-	fsw
12	7	22	DRFMX	Dreyfus Emerging Market (1%r)	Int'l	*	B	B	-0.3	25.9	19.0	19.26	21.6	-	FSW
13	-	-	PISRX	Forward Intl. Small Cos.	Int'l	*	H	H	2.0	24.4	17.9	12.99	-	-	FSW
<b>14</b>	<b>12</b>	<b>5</b>	<b>DODFX</b>	<b>Dodge &amp; Cox Intl Stock</b>	<b>Int'l</b>	<b>*</b>	<b>B</b>	<b>B</b>	<b>-0.8</b>	<b>22.2</b>	<b>27.0</b>	<b>30.28</b>	<b>23.4</b>	-	<b>fsw</b>
15	33	18	AIOIX	Amer. Cent. Intl Opportunity (closed,2%r<180d)	Int'l	*	H	H	2.9	21.8	22.1	9.83	20.4	-	-
16	16	4	NBISX	Neuberger Berman Intl (2%r<180d)	Int'l	*	B	B	0.7	21.5	24.6	18.27	16.3	-	fsw
17	13	38	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	*	B	B	-0.1	25.4	15.1	15.61	23.6	-	FSW
18	19	2	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	*	H	H	2.5	20.7	22.6	20.38	20.4	-	FSW
19	9	70	JVEIX	Janus Intl Equity (1%r<90d)	Int'l	*	(H)	(H)	-1.6	23.1	22.3	18.14	13.9	-	FSW
20	22	57	SGSCX	Scudder Global Discovery (closed)	Int'l	*	H	H	-1.0	24.4	17.7	34.25	20.1	-	FSW
21	14	59	PRASX	T. Rowe Price New Asia	Pacific	*	(H)	(H)	0.5	24.8	11.4	9.96	19.7	-	fsw
22	25	67	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	H	H	2.4	24.9	7.0	16.56	21.1	-	Fsw
<b>23</b>	<b>18</b>	<b>6</b>	<b>ARTKX</b>	<b>Artisan Intl Value (2%r&lt;90d)</b>	<b>Int'l</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>-0.4</b>	<b>19.8</b>	<b>23.8</b>	<b>20.86</b>	-	-	<b>FSW</b>
24	29	13	PRIDX	T. Rowe Price Intl Disc. (2%r<1yr)	Int'l	*	H	H	1.3	19.7	19.0	32.76	16.0	-	fsw
25	17	21	BJBIX	Julius Baer Intl Equity A (2%r<90d)	Int'l	*	H	H	-1.3	21.7	15.9	31.06	12.5	-	FS
26	20	-	QFVOX	Quant Foreign Value (1%r)	Int'l	*	H	H	-1.1	18.5	19.7	15.30	19.9	-	FSW
27	40	23	WAIGX	Wasatch International Growth	Int'l	*	H	H	0.2	17.9	17.3	16.63	-	-	FSW
28	30	51	SCOPX	Scudder Pacific Opportunity (2%r<1yr)	Pacific	*	H	H	1.7	20.1	8.0	13.18	19.0	-	FSW
29	26	8	MACSX	Matthews Asia G & I (closed,2%r<90d)	Pacific	*	H	H	0.1	16.8	17.0	15.73	11.4	-	FSW
30	27	-	MPACX	Matthews Asia Pacific (2%r<90d)	Pacific	*	H	H	-0.5	18.5	13.2	12.28	-	-	FSW
31	28	47	SCGEX	Scudder Greater Europe (2%r<180d)	Europe	*	S	S	-2.0	19.6	11.1	26.63	16.8	-	FSW
32	24	48	JAO SX	Janus Overseas (closed,2%r<90d)	Int'l	*	S	S	-1.1	19.2	10.2	23.80	16.5	-	FSW
<b>33</b>	<b>23</b>	<b>28</b>	<b>VEURX</b>	<b>Vanguard European Stock Index (2%r&lt;60d)</b>	<b>Europe</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>-2.8</b>	<b>18.8</b>	<b>13.3</b>	<b>25.28</b>	<b>17.4</b>	-	<b>fsw</b>
34	62	40	FPBFX	Fidelity Pacific Basin (1.5%r<90d)	Pacific	*	S	S	1.3	16.5	12.7	19.78	14.7	-	Fsw
<b>38</b>	<b>31</b>	<b>20</b>	<b>VTRIX</b>	<b>Vanguard International Value (2%r&lt;60d)</b>	<b>Int'l</b>	<b>*</b>	<b>H</b>	<b>H</b>	<b>-1.7</b>	<b>17.3</b>	<b>12.0</b>	<b>30.28</b>	<b>16.8</b>	-	<b>fsw</b>

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

RANK	01/28 2005	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/wf
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	2	8	CGMRX	CGM Realty	RealEs	*	*	*	2.7%	40.3%	43.0%	\$30.00	17.50	0.21	sw	
2	1	9	EUEYX	Alpine U.S. Real Estate Equity CIY	RealEs	*	*	*	2.1	37.9	43.5	39.47	32.70	0.87	fsw	
3	3	22	FSHCX	Fidelity Med Del (.75%r<30d)	Health	*	*	*	0.4	38.6	39.3	45.09	23.10	0.07	Fsw	
4	8	20	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycls	*	*	*	-0.4	26.3	30.2	43.24	24.40	0.80	Fsw	
<b>5</b>	<b>10</b>	<b>3</b>	<b>FSEGX</b>	<b>Fidelity Natural Gas (.75%r&lt;30d)</b>	<b>Utility</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>3.0</b>	<b>20.8</b>	<b>38.8</b>	<b>30.50</b>	<b>27.70</b>	<b>0.61</b>	<b>Fsw</b>	
6	13	1	VGENX	Vanguard Energy (1%r<1yr)	NatRes	*	*	*	1.8	19.0	35.3	40.47	24.50	0.64	fsw	
7	9	18	FSCHX	Fidelity Chemicals (.75%r<30d)	Cycls	*	*	*	-3.9	23.2	31.7	66.09	21.60	0.82	Fsw	
8	24	5	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	3.5	17.6	31.5	33.44	22.10	0.70	Fsw	
9	18	30	FSESX	Fidelity Energy Services (.75%r<30d)	NatRes	*	*	*	4.0	18.5	28.1	44.01	46.40	1.18	Fsw	
10	17	-	ICENX	ICON Energy	NatRes	*	*	*	0.5	17.0	35.4	23.29	24.60	0.67	FSW	
11	15	7	PRNEX	T. Rowe Price New Era	NatRes	*	*	*	-0.2	18.9	29.6	33.50	18.80	0.55	fsw	
12	22	23	RYVIX	Rydex Energy Services	NatRes	*	*	*	3.0	17.4	27.2	27.27	37.90	1.15	fsw	
13	27	4	RYEIX	Rydex Energy	NatRes	*	*	*	2.0	16.1	30.4	15.09	21.30	0.66	fsw	
14	23	49	VGPMX	Vanguard Precious Metals (closed, 1%r<1yr)	NatRes	*	*	*	-0.9	25.3	10.6	16.37	32.70	0.56	fsw	
15	11	-	ICBMX	ICON Materials	Cycls	*	*	*	-5.0	18.7	27.2	9.79	22.30	0.94	FSW	
16	40	-	ICHCX	ICON Healthcare	Health	*	*	*	-0.5	20.1	12.7	15.93	16.00	0.49	FSW	
17	34	12	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	*	*	*	1.2	14.1	24.0	17.44	21.90	0.78	Fsw	
18	20	60	RYLIX	Rydex Leisure	Consmr	*	*	*	-3.3	17.5	16.8	30.12	22.00	1.10	fsw	
19	14	16	FWRLX	Fidelity Wireless (.75%r<30d)	Tech	*	*	*	-4.6	15.8	22.4	5.58	33.90	1.65	Fsw	
<b>20</b>	<b>4</b>	<b>6</b>	<b>CSRSX</b>	<b>Cohen &amp; Steers Realty Shares (1%r&lt;180d)</b>	<b>RealEs</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>-7.8</b>	<b>17.2</b>	<b>22.9</b>	<b>63.70</b>	<b>14.60</b>	<b>0.23</b>	<b>FSW</b>	
21	6	14	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	-6.9	17.1	20.1	27.33	13.90	0.20	Fsw	
22	5	10	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	-7.4	16.5	22.1	16.46	13.70	0.16	fsw	
23	16	37	FSRFX	Fidelity Transportation (.75%r<30d)	Cycls	*	*	*	-7.2	16.4	20.3	39.75	23.00	0.88	Fsw	
24	28	24	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycls	*	*	*	-3.5	14.2	19.6	18.18	22.00	0.98	Fsw	
25	19	13	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	-3.1	13.9	19.2	39.12	17.50	0.95	Fsw	
26	29	76	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	-3.9	19.9	3.9	53.69	30.80	1.47	Fsw	
27	65	83	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	-4.4	21.7	-1.0	7.82	42.40	0.41	fsw	
28	25	50	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	-4.5	15.4	14.3	27.03	30.00	1.53	fsw	
29	43	41	FDFAV	Fidelity Food & Agr (.75%r<30d)	Consmr	*	*	*	-0.2	11.7	16.2	50.66	15.50	0.21	Fsw	
30	36	53	FDSLX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	-3.3	15.2	11.9	75.90	21.20	1.10	Fsw	
31	30	29	RYBIX	Rydex Basic Materials	Cycls	*	*	*	-5.4	13.6	19.1	29.09	23.40	0.90	fsw	
32	41	21	RYUIX	Rydex Utilities	Utility	*	*	*	-0.3	12.8	12.7	22.86	20.80	0.60	fsw	
33	32	36	FSDPX	Fidelity Indust Matrls (.75%r<30d)	Cycls	*	*	*	-4.8	14.1	13.9	37.64	23.00	0.87	Fsw	
34	7	15	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	-7.6	14.4	16.1	17.24	13.70	0.14	fsw	
35	38	-	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	-1.8	13.4	9.1	7.02	15.30	0.68	FSW	
36	51	-	ICLEX	ICON Leisure & Consumer Staples	Consmr	*	*	*	-2.0	12.0	12.6	12.52	21.20	0.88	FSW	
37	67	35	RYCIX	Rydex Consumer Products	Consmr	*	*	*	0.8	10.3	12.4	30.66	15.90	0.52	fsw	
38	56	51	FSMEX	Fidelity Medical Equip (.75%r<30d)	Health	*	*	*	-1.7	11.8	11.1	23.11	15.50	0.29	Fsw	
39	42	19	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycls	*	*	*	-3.0	10.4	15.3	63.86	19.50	0.76	Fsw	
40	31	-	ICTRX	ICON Industrials	Cycls	*	*	*	-6.1	12.5	13.3	11.47	19.30	0.88	FSW	
41	26	40	RYPIX	Rydex Transportation	Cycls	*	*	*	-8.5	13.2	15.1	22.07	20.80	0.76	fsw	
42	50	69	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	-2.6	12.7	7.3	24.01	14.00	0.66	Fsw	
43	12	17	CSEIX	Cohen & Steers Equity Income (1%r<180d)	RealEs	*	*	*	-6.7	12.2	13.8	16.01	13.10	0.13	FSW	
44	47	54	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	-3.0	9.3	12.8	49.79	19.80	0.89	Fsw	
45	33	-	ICFSX	ICON Financial	FinSer	*	*	*	-4.9	12.3	7.6	13.07	19.70	1.00	FSW	
46	45	59	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	-5.1	12.1	8.2	15.33	22.60	1.03	Fsw	
<b>47</b>	<b>57</b>	<b>48</b>	<b>FBALX</b>	<b>Fidelity Balanced</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>-1.6</b>	<b>10.6</b>	<b>6.7</b>	<b>17.48</b>	<b>10.50</b>	<b>0.54</b>	<b>Fsw</b>	
48	39	57	PRISX	T. Rowe Price Financial Services	FinServ	*	*	*	-4.3	11.9	5.4	22.51	20.00	0.80	fsw	
49	53	71	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	-5.1	12.0	4.6	22.02	22.60	0.84	fsw	
50	61	91	RIAFX	RS Internet Age	Tech	*	*	*	-10.1	20.3	-9.1	6.47	59.30	2.65	FSW	
51	72	92	RSIFX	RS Information Age	Tech	*	*	*	-9.2	19.7	-9.7	14.60	48.30	2.33	FSW	
52	48	47	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	*	*	*	-3.1	9.4	5.7	113.50	21.80	0.79	Fsw	
53	21	27	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	-7.2	10.5	9.3	33.99	13.20	0.17	fsw	
54	35	42	RYFIX	Rydex Financial Services	FinServ	*	*	*	-5.5	10.1	7.3	11.53	24.10	0.93	fsw	
55	73	82	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	-3.9	14.8	-7.0	25.73	34.10	0.36	Fsw	
56	52	45	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycls	*	*	*	-3.6	8.9	7.2	25.76	22.90	1.11	Fsw	
57	46	33	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	*	*	*	-4.1	8.4	6.6	38.08	24.50	0.70	Fsw	
58	66	58	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	-5.3	8.6	8.0	32.23	28.50	1.14	Fsw	
59	68	75	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	-3.9	11.3	-0.9	43.45	21.80	1.08	Fsw	
<b>60</b>	<b>63</b>	<b>39</b>	<b>VBINX</b>	<b>Vanguard Balanced Index</b>	<b>Hybrid</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>-1.9</b>	<b>7.5</b>	<b>5.6</b>	<b>19.07</b>	<b>10.70</b>	<b>0.57</b>	<b>fsw</b>	
61	69	70	RYRIX	Rydex Retailing	Consmr	*	*	*	-3.9	8.2	6.7	11.71	20.50	0.95	fsw	
62	59	86	FSCSX	Fidelity Software (.75%r<30d)	Tech	*	*	*	-6.3	13.6	-4.2	48.71	52.00	2.14	FSW	
63	58	52	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	-2.9	7.1	5.4	60.01	27.70	0.56	Fsw	
64	87	28	BRMIX	AXARosenberg Value L/S (2%r<30d)	Value	*	*	*	2.4	2.9	6.4	10.18	18.90	-0.58	FSW	
65	64	46	VGHCX	Vanguard Health Care (\$25k&1%r<5yr)	Health	*	*	*	-2.8	7.1	2.9	123.20	15.00	0.37	fsw	
66	78	64	FSLEX	Fidelity Environmental Ser (.75%r<30d)	Cycls	*	*	*	-4.9	8.2	3.1	13.62	19.70	0.59	fsw	
67	55	89	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	*	*	*	-8.3	14.8	-10.0	17.66	37.00	1.72	Fsw	
<b>68</b>	<b>80</b>	<b>38</b>	<b>GATEX</b>	<b>Gateway Fund</b>	<b>Altern</b>	<b>B</b>	<b>*</b>	<b>*</b>	<b>-1.2</b>	<b>4.1</b>	<b>5.7</b>	<b>24.06</b>	<b>7.84</b>	<b>0.40</b>	<b>FSW</b>	
69	70	62	FSPHX	Fidelity Health Care (.75%r<30d)	Health	*	*	*	-3.4	6.6	2.9	124.00	15.30	0.28	Fsw	
70	54	67	FSAVX	Fidelity Automotive (.75%r<30d)	Cycls	*	*	*	-3.8	7.4	0.4	33.23	25.10	0.93	Fsw	

(continued from page 8)

the fund.” Foster, however, emphasizes, “We do participate in these sectors where we really think it makes sense, where we can see direct participation alongside rising domestic consumption in the region, but it’s on a much more limited basis. So, excluding these sectors from our primary bottom-up focus, we arrive at a much more manageable universe of about 2,500 stocks.” From there, the fundamental research kicks in with a substantial Asian field visits. Foster notes that there are eight members of the investment team, each of whom take four field trips lasting about two weeks each, per year. “We are capable of covering a vast swath of the region each and every year. We have been following the region for long enough that we know many of these names already,” he emphasizes.

Looking at the country allocations, one might conclude that the fund really is emphasizing Japan. But Foster points out that relative to the fund’s benchmark index, which is 60% in Japan, the fund is underweight. Country allocation derives from the bottom-up investment process. Foster states, “The macro top-down country call is not one we perform.” The Japan weighting, in fact, is “a function of the fact that we can’t find the names in Japan that we want to invest in relative to what we see elsewhere in the Asia Pacific universe. We don’t want to over-favor any one country.”

Another characteristic of the portfolio is that of the 72 individual names, none constitutes more than 2.5% of assets. Compared to the other Matthews Asian funds, Foster admits, “This one has been more consciously managed with an eye towards balancing liquidity and growth potential. We’ve been a bit more diversified in this fund than we typically are in some of our other funds. Our other funds have held 40 to 45 names on average. This fund has considerably more.”

It’s also worth noting that turnover is low—11% recently. Foster notes that indeed, the management team takes a long-term view of its investments. “We don’t set target prices; we don’t set investment time windows. It is a volatile market environment so we’re constantly reacting to news that develops. But we are really trying to enforce a discipline that looks over an indefinite horizon, building the conviction to hold these names in perpetuity.” \$

Matthews Asia Pacific (MPACX) • Matthews Asian Funds  
456 Montgomery Street, Ste. 1200 • San Francisco, CA 94104  
(800) 789-2742 • Minimum investment: \$2,500, \$500 IRA

**Next Two Issues: Mini-Profiles of  
MONEYLETTER’s Top 10 Funds for 2004**

Here’s a sneak preview of the list...

- 1 Baron Partners
- 2 Dodge & Cox Int’l Stock
- 3 Artisan Int’l Value
- 4 Vanguard Int’l Explorer
- 5 RS Partners
- 6 FBR Small Cap
- 7 Neuberger Berman Int’l
- 8 T. Rowe Price Emerging Europe & Mediterranean
- 9 Fidelity Europe
- 10 Buffalo Small Cap

**100% U.S. TREASURY FUNDS**

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	1.90%	1.85%	1.00%
Gabelli US Treasury MMF	1.80	1.69	0.95
Fidelity Spartan US Treas MMF	1.77	1.70	0.92
Amer Century Capital Presv Fund/Inv	1.62	1.58	0.82
RMK Select Treas MMF/CI A	1.51	1.45	0.63
CMA Treasury Fund RIC	1.50	1.48	0.63
HSBC Investor US Treas MM/CI D	1.50	1.44	0.70
T. Rowe Price US Treasury MF	1.50	1.47	0.74
JPMorgan 100% US Treas MMF/Morgan	1.45	1.44	0.68
US Treasury MF of America/CI A	1.45	1.40	0.60

**GENERAL PURPOSE TAXABLE FUNDS**

	7-Day	30-Day	1-Year
PayPal Money Market Fund	2.34%	2.31%	1.36%
Scudder MM Series Premium/CI S	2.18	2.16	1.19
Scudder MM Series Premium/AARP	2.16	2.15	1.21
TIAA-CREF Money Market Fund	2.09	2.02	1.12
Vanguard Prime MMF/Retail	2.08	2.02	1.10
Scudder MM Series Prime Reserve/AARP	2.06	2.04	1.09
Harbor Money Market Fund	1.99	1.92	1.10
GE Money Market Fund	1.96	1.93	1.06
Marshall MMF/Investor Class	1.96	1.92	1.02
Morgan Stanley Active Assets MT	1.96	1.91	0.98

**TAX-FREE GENERAL PURPOSE FUNDS**

	7-Day	30-Day	1-Year
Vanguard Tax-Exempt MMF	1.74%	1.71%	1.13%
Strong Tax-Free Money Fund	1.57	1.56	1.06
Dreyfus BASIC Muni MMF	1.45	1.43	0.84
Fidelity Municipal MMF	1.45	1.42	0.85
Amer Century T-F MMF/Inv Class	1.43	1.40	0.87
Scudder T-E Cash Managed Shares/TEP	1.43	1.38	0.86
Scudder Tax-Exempt Money Fund	1.43	1.38	0.85
USAA Tax Exempt MMF	1.43	1.41	0.86
Fidelity Tax Free Money Market	1.42	1.39	0.82
T Rowe Price Summit Muni MMF	1.42	1.37	0.82

**TAX-FREE STATE-SPECIFIC FUNDS**

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	1.73%	1.69%	1.11%
Vanguard CA Tax-Exempt MMF	1.71	1.67	1.10
Vanguard PA Tax-Exempt MMF	1.71	1.68	1.10
Vanguard NY Tax-Exempt MMF	1.70	1.66	1.08
Vanguard NJ Tax-Exempt MMF	1.67	1.64	1.08
Fidelity FL Municipal MMF	1.44	1.31	0.80
Fidelity PA Municipal MMF	1.40	1.35	0.81
Fidelity OH Municipal MMF	1.39	1.35	0.76
Fidelity CT Municipal MMF	1.36	1.33	0.77
USAA Tax Exempt CA MMF	1.36	1.32	0.78

**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 1/25/05. 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 26, No. 4**

Mails: February 18, 2005

Internet: February 16, 2005, 12:00pm (ET)

## Matthews Asia Pacific

Matthews International Capital, advisor to the no-load Matthews Asian funds, was founded in 1991 on the belief that Asia will offer the most dramatic growth in the 21st century, according to company literature. It cites the favorable long-term societal fundamentals of demographics, high savings rates, high education standards, rising consumption and trade, hard work and enterprise, and a desire for better living standards. Andrew Foster, director of research at Matthews, expands on that, "The firm was founded in the belief that China would be the preeminent economy within the Asian Pacific universe. We believed the economy would emerge and grow at a more rapid pace than others in the region. That said, a lot of other economies in the region are beginning to move forward in unison with the Chinese economy, notably that of Japan. We believe there are world-class companies in Asia that have global export facilities that can compete with the best names in the US and elsewhere. However, the one thing we believe we can bank upon in both up cycles and down is that consumers in the region have very healthy balance sheets, growing balance sheets, and are massively underleveraged toward personal consumption."

The economic integration encompassing the whole Asia Pacific region, combined with improved financial systems and lower trade barriers supported the creation of a broad-based Asian regional fund. However, it was the increased linkage between the major economies of China and Japan that truly prompted the creation of the Matthews Asia Pacific fund. "We did not start any Japan-related portfolios until 1999—that's when we launched our Japan country fund. The Asia Pacific fund began at the end of 2003. It was at that time we truly realized that these two economies [China and Japan] were linking up in earnest and that synchronized growth was beginning to manifest itself," states Foster. "Recent statistics show they now are more important trading partners with each other than with the western world."

But clearly there are risks to investing in these economies. One of these risks, says Foster, is that "the balance in these economies between their external-led growth and their domestic-driven growth is still quite uneven, which exposes these economies to global macroeconomic shock. These economies still have significant dependence on the western economy, and a sharp slowdown in US growth could impact the region. The second risk is inherent in all of these economies, and that is that their regulatory infrastructures have much more development to go. But there have been enormous changes in the way the region handles its financial markets, particularly following the end of the 1997 Asian financial crisis, and these reforms have made it a much more open and transparent marketplace."

### Investing in the region

The investing universe for Matthews Asia Pacific (MPACX) comprises more than 3,000 companies with market capitalizations of over \$100 million. Led by lead portfolio manager Mark Headley, the investment team searches this universe, using bottom-up fundamental analysis, for quality companies with good long-term earnings potential. They use the "GARP" (growth at a reasonable price) concept; visits to Asia to research companies are key. But first, they need to winnow that 3,000 universe down to a more reasonable number. Foster explains that they first eliminate "all the companies where there is substantial currency convertibility at risk." This includes Chinese "A" shares that are not available to foreigners and Malaysian shares, because the nation imposed capital account restrictions (restrictions on trading) following the Asian financial crisis.

The second screen involves their focus on investing in firms that participate in rising domestic consumption in the region. "Consumers will enjoy rising incomes and will have more disposable income for consumption purposes. So at a very high level, all of our portfolios are oriented toward a theme of rising domestic consumption," Foster explains. "So that really steers us toward three main sectors," he continues. "We very much favor consumer retail and health

#### Top Five Countries & Sectors (% of Assets)

Japan	37.7	Financials	27.4
China/Hong Kong	22.0	Consumer Discretionary	26.1
Korea	13.8	Information Technology	15.6
Singapore	6.6	Industrials	8.8
Australia	4.5	Consumer Staples	8.6

As of December 31, 2004

care, which we put under a consumer heading. Financial services is a second area, because we believe financial services firms will finance rising domestic consumption in the region and benefit from that growth. The third area is information technology and telecommunications. We look for growth that is inherent in the technology sector, but we also believe Asia is largely wanting in terms of PC and telecommunications infrastructure. As consumption in the region grows, those two sectors will definitely participate in that growth as the infrastructure is built up further.

"That effectively means that the remaining portion of the universe: utilities, manufacturing, industrials, and the more capital intensive industries are not a primary focus of

(continued on page 7)

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. President: Bruce W. Hardy. Chief Investment Officer/Chief Economist: Walter Frank. Contributing Editor: Cynthia Andrade. 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. Reproduction in whole or in part by any means is strictly forbidden without written permission. © Copyright 2005 PRI Financial Publishing Inc.