26 years
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Half-What?

by Walter S. Frank, Chief Investment Officer

The economy and the markets have rounded the half-way point, and if you read the mid-year forecasts you cannot help but notice that hope springs eternal. For one reason or another these significant calendar moments seem to raise the spirits of many (though by no means all, including us). We have been (and remain) cautious about the U.S. market ever since oil prices moved up to the $60 level and the seriousness of the supply situation was driven home to us.

We must confess that, so far, the economy has moved along seemingly untouched by the latest increase in gasoline and the whole array of energy prices. The latest consumer confidence number (for June) rose strongly and hit its highest level in three years. While we don't put much stock in the forecasting usefulness of the index, it is certainly a reflection of current consumer attitudes. We saw confidence also reflected in June auto sales where GM's "employee discount for everyone" sale resulted in a 41% year-over-year increase in GM's June sales. This boosted total industry seasonally adjusted June sales over May. The consumer is moving along $60 oil and all.

We wonder just how long can the consumer keep it up? Income growth in May slowed to a crawl (reflecting the weak jobs data). Maybe income growth is beside the point. The answer to our question could be, "As long as interest rates stay low."

Here comes the Fed

How long interest rates stay low (we are talking long-term rates here) may or may not depend on the Fed. Incidentally, by low, we mean the 10-year Treasury note in the neighborhood of 4.0%. With interest rates this low, housing demand continues, home price appreciation continues, consumers' wealth increases, and consumer spending rolls along.

Without saying so directly, the Fed would like to break this chain. It is not the spending itself that the Fed is most concerned about, but rather it is the (rapid) rise in home prices that dominates their concerns. Asset price rises can lead to speculation ("froth" in Greenspan's terms) and it is speculation that can cause the damage the Fed wants to avoid.

Housing is only one reason—though an important one—that the Fed is raising rates. The over-arching reason is that the economy, in their eyes, no longer needs the stimulus of monetary policy. As long as long-term rates remain where they are, and the bond market is receptive to one and all, stimulus remains. Policy is far from neutral.

The June 30th statement from the Fed explaining their latest rate increase made it obvious that another rate increase is on the way next month, bringing the rate to 3.5%. And now the great guessing game begins. How far will the Fed go? Though many believe that the Fed will stop with the next increase, we believe that the odds favor a higher stopping point, say 4%. We see 10-year rates stubbornly resisting the upward tug of the Fed. As long as long-term rates resist the Fed will not have succeeded in cooling the housing market.

The markets

Further rate increases may be prudent from the viewpoint of the Fed policymakers but they raise caution flags for our markets. We are concerned about two issues. First, we are not certain about the strength of the economy. The data lately has been very mixed. The Fed says the "expansion remains firm." We are not so sure. In any case, higher rates are not going to buoy the expansion. We will all have a better fix on the economy with the June employment report, due after we go to press.

Second, as short-term rates rise here, cash equivalents as an asset class (money funds, etc,) rightly neglected for the last four years, now becomes a reasonable alternative to stocks and bonds, particularly as profit growth slows. We may begin to see a diversion of funds from (disappointing) equities and their risk to safer, very low risk, cash alternatives. The appeal of the U.S. market, as we see it, is being lowered a notch or two by policy aimed at slowing growth.

Not in step

Preoccupied as we all are with the home market, we tend to forget that not every country in the world is tugging on the reins. There is much talk of a global economic slowdown. Along with the U.S. the Chinese want to slow their economy. But there are slowdowns, and there are slowdowns. The Chinese want to go from red-hot growth (10%) to hot growth (7%–8%). That is the kind of slowdown we will take any day. In fact, the Chinese economy has slowed little since the brakes were applied.

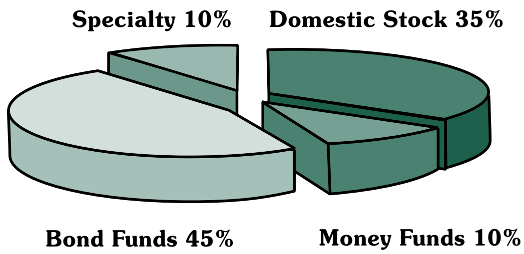
The rest of Asia, including Japan, is not trying to slow at all. Western Europe, including the U.K., may be on the verge of lowering rates, not raising them. Our point is that growth, or the pursuit of growth, is alive and well. For the moment it has moved abroad. We are very much aware of these developments as we review our current allocations. $

Market Trends

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

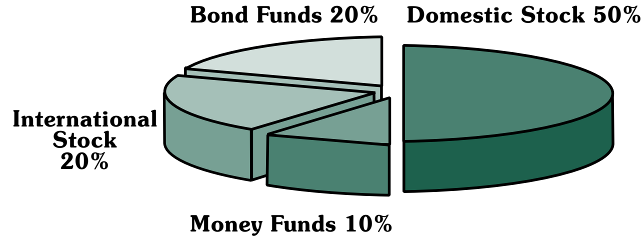
CONSERVATIVE

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	1.0%	10,242	$1.00	$10,242
Gateway Fund	11/27/02	20.0	609	24.94	15,178
Loomis Sayles Bond Retail	03/17/04	10.5	1,200	13.66	16,396
RS Value (Contrarian)	08/04/04	31.9	1,229	23.10	28,401
Artisan Mid Cap Value	08/04/04	28.9	613	18.80	11,515
AmerCent Inflation Adj	02/12/03	15.7	1,673	11.33	18,960
Third Avenue Value	11/24/04	9.6	467	55.36	25,856
Dodge & Cox Income	02/19/03	11.1	1,032	12.79	13,200
TOTAL VALUE					$139,748

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
2.0%	4.2%	13.6%	32.7%	4.2%

MONEYLETTER Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	1.0%	11,672	$1.00	$11,672
Dodge & Cox International	09/22/04	19.8	442	31.17	13,791
Baron Partners	06/09/04	26.3	881	17.20	15,155
Loomis Sayles Bond Retail	03/17/04	10.5	1,680	13.66	22,944
Artisan Mid Cap Value	08/11/04	31.8	681	18.80	12,810
RS Value (Contrarian)	08/04/04	31.9	1,005	23.10	23,218
Fidelity Leveraged Company	01/28/04	25.8	1,210	24.15	29,219
Forward Intl Small Companies	06/01/05	2.7	992	13.53	13,423
TOTAL VALUE					$142,232

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
3.1%	3.9%	16.8%	63.4%	3.9%

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	1.2%	8,835	$1.00	$8,835
Fidelity Balanced	11/27/02	41.3	805	18.15	14,603
Fidelity Strategic Income	03/17/04	8.9	1,802	10.59	19,079
Fidelity Value	04/21/04	20.6	352	74.49	26,214
Fidelity Export & Multi	09/08/04	13.4	826	19.98	16,509
Fidelity Inflation-Protected	09/15/04	5.6	1,084	11.49	12,456
Fidelity Investment Grade	02/19/03	10.9	1,783	7.52	13,412
TOTAL VALUE					$111,108

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
1.1%	2.3%	9.7%	22.1%	2.3%

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	1.2%	11,208	$1.00	$11,208
Fidelity Emerging Markets	05/11/05	4.5	1,033	13.85	14,308
Fidelity Europe	11/10/04	13.6	322	35.22	11,358
Fidelity Leveraged Company	12/10/03	44.1	796	24.15	19,228
Fidelity Strategic Income	03/17/04	8.9	2,628	10.59	27,828
Fidelity Contrafund	04/06/05	2.3	221	58.61	12,981
Fidelity Value	04/21/04	20.6	272	74.49	20,281
Fidelity Focused Stock	10/06/04	15.3	1,135	10.79	12,249
TOTAL VALUE					$129,441

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
2.1%	3.3%	12.4%	39.1%	3.3%

Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	1.2%	8,611	$1.00	$8,611
Vanguard Balanced Index	11/27/02	28.8	588	19.40	11,411
Vanguard Total Bond Index	02/19/03	10.2	757	10.30	7,796
Vanguard Inflation Protect	02/19/03	17.1	1,133	12.58	14,247
Vanguard US Value	05/19/04	18.8	1,250	14.07	17,592
Vanguard Strategic Equity	12/21/04	4.0	635	22.09	14,033
Vanguard Small Cap Value	03/24/04	23.0	1,381	14.21	19,623
Vanguard GNMA	03/17/04	4.8	1,740	10.43	18,145
TOTAL VALUE					$111,458

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
1.6%	2.1%	10.2%	26.0%	2.1%

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	1.2%	9,965	$1.00	$9,965
Vanguard International Value	09/22/04	13.8	360	30.94	11,143
Vanguard European Stk Index	11/10/04	6.7	455	25.80	11,736
Vanguard FI Hi-Yld Corp	01/17/01	30.0	3,637	6.27	22,804
Vanguard Strategic Equity	12/21/04	4.0	868	22.09	19,179
Vanguard Mid-Cap Index	03/02/05	2.6	1,380	16.26	22,440
Vanguard Small Cap Value	03/24/04	23.0	1,693	14.21	24,067
TOTAL VALUE					$121,334

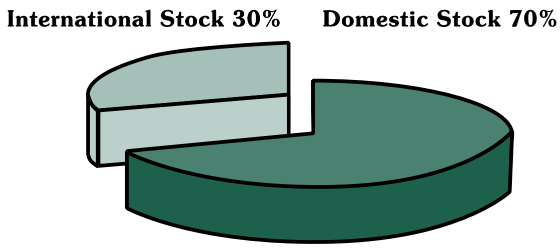
TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
2.2%	1.8%	11.6%	40.7%	1.8%

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
T. Rowe Emg Europe & Med	02/16/05	8.0%	957	$19.49	$18,657
Dodge & Cox International	09/22/04	19.8	554	31.17	17,256
Artisan Mid Cap Value	07/26/04	31.1	1,186	18.80	22,306
Muhlenkamp Fund	02/28/05	1.3	122	81.70	9,962
Bridgeway Aggressive Inv 2	02/16/05	-0.5	720	14.72	10,597
Fidelity Leveraged Company	01/28/04	25.8	962	24.15	23,235
RS Value (Contrarian)	08/04/04	31.9	1,300	23.10	30,027
TOTAL VALUE					$132,040

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
4.1%	5.3%	14.5%	59.5%	5.3%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Small Cap Ind	02/16/05	1.4%	576	$20.23	$11,657
Fidelity Emerging Markets	05/11/05	4.5	1,386	13.85	19,190
Fidelity Europe	11/10/04	13.6	387	35.22	13,629
Fidelity Leveraged Company	12/10/03	44.1	906	24.15	21,883
Fidelity Focused Stock	10/06/04	15.3	2,330	10.79	25,144
Fidelity Value	04/21/04	20.6	276	74.49	20,535
Fidelity Contrafund	04/06/05	2.3	386	58.61	22,608
TOTAL VALUE					$134,646

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
2.8%	3.5%	11.2%	36.1%	3.5%

Vanguard Venturesome

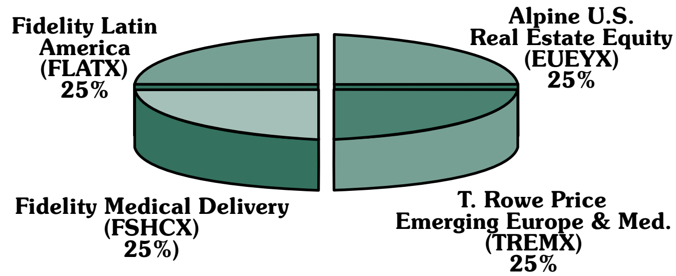
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Emerging Mkts Stk Index	02/16/05	1.3%	1,425	$15.45	$22,011
Vanguard European Stk Index	11/10/04	6.7	455	25.80	11,736
Vanguard Mid-Cap Index	02/16/05	3.2	1,278	16.26	20,788
Vanguard Extended Market Index	06/15/05	0.4	495	31.98	15,817
Vanguard Strategic Equity	12/21/04	4.0	1,048	22.09	23,144
Vanguard Small Cap Value	03/24/04	23.0	1,851	14.21	26,303
TOTAL VALUE					$119,799

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	3-yr	YTD
3.0%	2.1%	11.6%	39.1%	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 Medical Delivery	05/04/05	7.4%	724	$50.12	$36,297
T. Rowe Emg. Europe & Med	01/26/05	14.9	1,931	19.49	37,627
Alpine U.S. Real Estate Equity	03/02/05	8.5	874	45.78	40,025
Fidelity Latin America	12/29/04	12.4	1,546	23.75	36,726
TOTAL VALUE					$150,675

TOTAL RETURNS (as of 06/30/05)

1-mo	6-mo	1-yr	Incep. (9/30/02)	YTD
5.6%	9.8%	19.9%	50.7%	9.8%

MONEYLETTER Select Commentary

The Select Model remains fully invested in equity-based funds. While the broad markets have experienced significant volatility during the past month, the fund positions held in the portfolio have posted solid gains for the period. Although a recent exchange from "energy" in retrospect seemed premature, shares of Fidelity Medical Delivery have advanced 7.4% since the position was established in early May.

Approaching the end of three full years of management, we have been pleased with the performance of the Model since its inception on September 30, 2002. While choppy market conditions have predominated, and have been less than optimal for a fund selection strategy based on "momentum," total returns now exceed 50.7%. During the same time frame the S&P 500, adjusted for dividends, has returned 53.4%. $

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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—June 30, 2005

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	0.1%	-0.8%	6.3%	26.9%	-0.8%
Asset Allocation Funds (Avg) 152 Funds	0.9	0.7	7.9	26.5	0.7

Domestic Stock Funds

RANK 07/01 2005	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN 1 mo.	6 mo.	12 mo.	PRICE PER SHARE	RISK Std. Dev.	Beta	NTF/ wtf
1	2	21	CGMFX	CGM Focus	SCVal	*	B	B	5.5%	15.6%	30.6%	$34.08	37.9	1.03	fsw
2	**1**	**17**	**ARTQX**	**Artisan Mid Cap Value**	**MCVal**	**B**	**B**	**B**	**3.3**	**11.8**	**28.7**	**18.96**	**19.8**	**0.87**	**FSW**
3	12	11	MOPIX	MainStay Small Cap Opportunity (closed)	SCVal	B	B	B	5.0	8.0	25.6	19.64	17.5	0.63	FSW
4	**11**	**12**	**FLVCX**	**Fidelity Leveraged Co ($10k,1.5%r<90d)**	**MC**	*****	**B**	**B**	**4.1**	**8.0**	**25.6**	**24.50**	**36.3**	**1.39**	**Fw**
5	9	10	NPRTX	Neuberger Berman Partners	LCVal	B	B	B	4.5	8.4	23.6	27.19	20.7	1.10	fSw
6	**4**	**1**	**BPTRX**	**Baron Partners**	**MCGro**	*****	**B**	**B**	**5.5**	**5.3**	**28.3**	**17.32**	**28.6**	**1.26**	**FSW**
7	**10**	**—**	**RSVAX**	**RS Value (formerly RS Contrarian)**	**MC**	**B**	**B**	**B**	**4.4**	**5.1**	**30.0**	**23.12**	**18.6**	**0.60**	**FSW**
8	—	—	BRSVX	Bridgeway Small Cap Value	ScVal	Ⓑ	Ⓑ	Ⓑ	4.6	6.8	25.1	12.87	—	—	fsw
9	27	3	RSPFX	RS Partners (closed)	SC	Ⓑ	Ⓑ	Ⓑ	5.3	4.2	27.0	36.24	20.9	0.69	FSW
10	7	—	FAIRX	Fairholme Fund	MC	B	B	B	2.1	6.6	25.4	24.27	10.5	0.48	fsw
11	14	112	NBGNX	Neuberger Berman Genesis (closed)	SC	B	B	B	3.6	8.4	18.2	32.34	15.5	0.63	fSw
12	**3**	**14**	**TAVFX**	**Third Avenue Value (1%r<60d)**	**SC**	**B**	**B**	**B**	**0.9**	**7.4**	**21.9**	**55.52**	**17.2**	**0.79**	**FSW**
13	32	5	FBRVX	FBR Small Cap (closed,1%r<90d)	SCGro	H	H	H	6.1	3.3	23.1	43.17	23.4	0.82	FSW
14	**6**	**47**	**FTQGX**	**Fidelity Focused Stock (.75%r<30d)**	**LC**	*****	**B**	**B**	**1.5**	**7.2**	**18.9**	**10.83**	**17.2**	**1.00**	**Fw**
15	13	9	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	B	B	B	1.5	5.0	24.3	31.33	19.2	0.80	fw
16	31	140	WPSRX	Westport Small Cap R	SCVal	H	H	H	3.0	6.6	16.4	25.65	18.6	0.85	FSW
17	**8**	**4**	**MUHLX**	**Muhlenkamp Fund**	**MCVal**	**B**	**B**	**B**	**2.8**	**3.8**	**23.3**	**81.93**	**27.9**	**1.24**	**FSW**
18	86	44	MPSCX	MSI Small Cap Value (closed)	SCVal	Ⓑ	Ⓑ	Ⓑ	5.5	4.4	17.5	23.66	20.7	0.98	fsw
19	**15**	**23**	**VIMSX**	**Vanguard Mid-Cap Index**	**MC**	**B**	**B**	**B**	**2.6**	**4.5**	**20.3**	**16.35**	**20.1**	**0.97**	**fsw**
20	—	—	BRSGX	Bridgeway Small Cap Growth	ScGro	Ⓗ	Ⓗ	Ⓗ	4.1	6.1	13.9	12.16	—	—	fsw
21	**18**	**29**	**BRAIX**	**Bridgeway Aggressive Investors 2**	**MCGro**	*****	**B**	**B**	**3.4**	**5.3**	**16.8**	**14.86**	**—**	**—**	**fsw**
22	24	45	BPAVX	Robeco Boston Partners All Cap Value	MCVal	B	B	B	2.9	5.2	17.7	15.16	—	—	FW
23	71	15	BSCFX	Baron Small Cap (closed)	SCGro	H	H	H	4.3	4.2	17.7	23.01	21.5	0.79	FSW
24	19	6	BGRFX	Baron Growth (closed)	SCGro	B	B	B	2.6	3.7	21.2	46.51	18.4	0.72	FSW
25	112	96	SAOPX	Salomon Brothers Opportunity	MCVal	H	H	H	3.9	4.5	16.9	49.49	13.0	0.67	sw
26	40	57	BERWX	Berwyn Fund (1%r<180d)	SCVal	H	H	H	3.9	3.7	18.0	30.03	22.3	0.77	fsw
27	**17**	**34**	**FDVLX**	**Fidelity Value**	**MCVal**	**B**	**B**	**B**	**2.1**	**4.8**	**18.0**	**74.71**	**19.0**	**0.89**	**Fsw**
28	30	51	BPMCX	Robeco Boston Partners Mid Cap Value	MCVal	H	H	H	3.5	3.9	17.6	13.48	20.1	0.93	FSW
29	**23**	**32**	**VSEQX**	**Vanguard Strategic Equity**	**MCGro**	**B**	**B**	**B**	**2.8**	**3.8**	**18.6**	**22.24**	**17.8**	**0.83**	**fsw**
30	94	123	HENLX	Henlopen Fund (1%r<30d)	SCGro	H	H	H	5.0	3.6	15.2	31.57	30.9	1.19	FSW
31	**123**	**55**	**FDSCX**	**Fidelity Small Cap Ind. (1.5%r<90d)**	**SC**	**H**	**H**	**H**	**5.2**	**3.4**	**14.8**	**20.38**	**16.7**	**0.58**	**Fsw**
32	20	19	MPEGX	MSI Mid Cap Growth	MCGro	*	H	H	2.8	3.6	17.8	21.75	22.2	1.17	fsw
33	26	54	TASCX	Third Avenue Small-Cap Value (1%r<1yr)	SCVal	H	H	H	2.3	4.6	16.0	23.60	19.9	0.85	fSW
34	21	92	WAAEX	Wasatch Small Cap Grth (closed,2%r<60d)	SCGro	Ⓗ	Ⓗ	Ⓗ	2.9	4.2	16.1	41.10	27.1	1.17	FSW
35	25	159	SCDVX	Scudder Development (closed)	MCGro	H	H	H	2.0	5.6	13.4	20.59	29.2	1.50	FSW
36	75	205	SSMGX	SIT Small Cap Growth (2%r<30d)	MCGro	H	H	H	4.0	4.8	12.5	28.01	21.6	1.10	FSW
37	5	7	BARAX	Baron Asset	MCGro	B	B	B	2.5	2.5	20.3	53.85	21.2	0.94	FSW
38	48	101	FFSCX	Forward Hoover Small Cap	SCGro	H	H	H	4.1	3.1	15.9	19.03	20.1	0.85	FSW
39	22	99	PESPX	Dreyfus Mid Cap Index	MCGro	Ⓗ	Ⓗ	Ⓗ	2.2	4.3	15.7	27.32	20.2	0.97	FSW
40	**64**	**42**	**VISVX**	**Vanguard Small-Cap Value Index**	**SCVal**	**H**	**H**	**H**	**3.4**	**2.5**	**18.3**	**14.31**	**22.4**	**0.90**	**fsw**
41	16	157	TWHIX	American Century Heritage	MCGro	B	B	B	3.1	5.4	11.4	12.49	15.4	0.76	FSW
42	38	40	MQIFX	Mutual Qualified (1%) CIZ	MCVal	H	H	H	1.8	3.7	17.4	19.96	13.3	0.61	sw
43	46	65	PRNHX	T. Rowe Price New Horizons	SCGro	*	H	H	3.0	3.5	15.3	30.27	28.3	1.30	fsw
44	49	16	FLPSX	Fidelity L P Stock (closed,1.5%r<90d)	SCVal	H	H	H	3.1	2.3	17.7	41.18	18.0	0.75	Fsw
45	88	72	PENNX	Royce Penn Mutual (1%r<180d)	SCVal	H	H	H	3.4	3.1	15.5	10.45	20.4	0.80	Fsw
46	43	20	WGROX	Wasatch Core Growth (closed,2%r<60d)	SCGro	H	H	H	3.3	2.4	17.0	44.25	28.5	1.10	FSW
47	121	13	JSVAX	Janus Contrarian	MC	H	H	H	3.7	0.8	20.2	13.35	22.3	1.10	SW
48	34	111	NICSX	Nicholas Fund	LC	H	H	H	1.7	4.6	13.7	61.43	16.1	0.84	w
49	93	—	SSMVX	Wells Fargo Adv SC Value Z (closed)	SC	H	H	H	4.5	1.7	16.3	29.39	18.3	0.88	FSW
50	**44**	**53**	**VEXMX**	**Vanguard Extended Market Index**	**MC**	**H**	**H**	**H**	**2.8**	**2.6**	**16.0**	**32.16**	**21.5**	**1.02**	**fsw**
51	51	110	HOVLX	Homestead Value	LCVal	H	H	H	1.8	4.0	13.6	31.46	16.5	0.81	W
52	66	73	VLIFX	Value Line Fund	LCGro	H	H	H	2.4	3.0	14.9	14.32	13.1	0.73	FSW
53	28	60	HAVLX	Harbor Value	LCVal	H	H	H	0.9	3.8	15.0	16.88	18.1	0.94	Fsw
54	162	26	WMCVX	Wasatch Small Cap Value (closed,2%r<60d)	SCVal	H	H	H	5.5	0.7	15.3	5.57	26.6	0.96	FSW
55	84	137	JMCVX	Janus Mid Cap Value	MCVal	H	H	H	2.3	3.5	13.1	22.87	20.4	0.93	fSw
56	120	30	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	SCVal	H	H	H	3.5	1.4	16.3	36.16	18.0	0.69	fsw
57	42	—	ICSLX	ICAP Select Equity	LCVal	H	H	H	1.0	3.3	15.3	35.23	14.6	0.88	fSw
58	77	82	MPMVX	MSI Mid Cap Value	MCVal	H	H	H	2.4	2.8	14.3	24.11	23.1	1.18	fsw
59	69	70	LSGIX	Loomis Sayles Value	LCVal	H	H	H	1.4	3.4	14.3	17.72	16.4	0.89	fsW
60	47	38	VWNFX	Vanguard Windsor II	LCVal	H	H	H	1.0	3.1	15.2	31.37	16.2	0.82	fsw
61	**39**	**84**	**FCNTX**	**Fidelity Contrafund**	**LC**	**H**	**H**	**H**	**1.2**	**3.8**	**13.4**	**58.86**	**11.4**	**0.54**	**Fsw**
62	62	66	VALSX	Value Line Special Situations	MCGro	H	H	H	2.4	2.8	13.5	24.91	15.4	0.71	FSW
63	57	90	BEGRX	Mutual Beacon (1%) CIZ	MCVal	H	H	H	1.0	3.2	14.5	16.28	12.5	0.57	sw
64	**80**	**109**	**VUVLX**	**Vanguard U.S. Value**	**LCVal**	**H**	**H**	**H**	**1.7**	**2.8**	**13.8**	**14.13**	**17.3**	**0.87**	**fsw**
65	103	83	NAESX	Vanguard SmallCap Index	SC	H	H	H	3.1	1.5	14.6	27.23	23.2	1.01	fsw
66	56	242	CBMDX	C&B Mid Cap Value	MCVal	H	H	H	2.1	3.7	10.7	21.09	19.5	0.83	FSW
67	167	133	BPSCX	Robeco Boston Ptnrs SCV (closed,1%r<1yr)	SCVal	S	S	S	4.6	1.6	11.9	23.69	25.8	0.87	FSW
68	132	52	LSCRX	Loomis Sayles Small Cap Value Ret	SC	S	S	S	3.5	0.9	15.2	26.17	17.2	0.80	FSW

Bold funds **are currently held in** ***MONEYLETTER*** **model portfolios.**
Advice: B=Buy, H=Hold, S=Sell, Ⓑ, Ⓗ, Ⓢ = 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 07/01 2005	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN 1 mo.	6 mo.	12 mo.	PRICE PER SHARE	RISK Std. Dev.	Beta	NTF/ wtf
69	115	74	RYTRX	Royce Total Return (1%r<180d)	SCVal	S	S	S	2.6	2.0	13.6	12.45	15.7	0.66	FsW
70	58	22	CRMMX	CRM Mid Cap Value Inv	MCVal	S	S	S	1.3	1.6	16.1	26.08	18.9	0.78	FSw
71	74	87	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	S	S	S	1.7	2.2	13.7	50.98	22.1	1.11	fsw
72	29	105	DNLDX	Dreyfus New Leaders	MCGro	H	H	H	1.6	2.6	12.6	43.84	18.6	0.90	FSW
73	61	102	MUTHX	Mutual Shares (1%) CIZ	MCVal	H	H	H	0.8	2.8	13.3	23.63	12.0	0.56	sw
74	109	180	STCSX	Wells Fargo Adv Common Stock Z (closed)	MC	H	H	H	2.2	2.7	11.5	22.86	22.6	1.15	FSW
75	91	50	PBSVX	PBHG Small Cap Value	SC	S	S	S	2.9	0.9	14.9	22.74	23.8	1.11	FSW
76	139	190	VALLX	Value Line Leveraged Growth	LCGro	*	S	S	2.9	2.3	11.4	26.11	14.9	0.83	FSW
77	89	69	GABAX	Gabelli Asset	MC	S	S	S	1.6	1.8	14.0	42.20	17.8	0.91	FSW
78	37	62	NMANX	Neuberger Berman Manhattan	MCGro	*	S	S	2.5	2.2	11.6	7.10	23.4	1.15	f
79	79	116	GEVTX	Columbia Disciplined Value CIZ	LC	S	S	S	0.7	2.7	12.7	14.28	19.8	1.06	fw
80	60	89	FDEQX	Fidelity Disciplined Equity	LC	S	S	S	0.5	2.9	12.6	26.01	14.3	0.81	Fsw
81	45	59	NBNGX	SIT Mid Cap Growth (2%r<30d)	MCGro	S	S	S	1.4	2.4	12.2	11.33	23.5	1.23	FSW
82	106	229	BOGLX	Bogle Small Cap Growth (closed)	SCGro	S	S	S	2.9	2.3	10.1	26.93	22.3	0.88	w
83	136	187	CSMVX	Century Select Small Cap (1%r<180d)	SCGro	S	S	S	2.2	2.2	11.1	24.03	15.3	0.61	FSW
84	63	46	TGDVX	TCW Galileo Diversified Value N	LCVal	S	S	S	0.6	2.2	13.4	13.63	19.8	1.03	FW
85	81	63	VIVAX	Vanguard Value Index	LCVal	S	S	S	0.5	1.8	14.0	21.49	18.6	1.03	fsw
86	143	—	NOIEX	Northern Income Equity	Convrt	S	S	S	2.2	2.2	10.3	12.39	8.4	0.44	FSW
87	151	122	ARTSX	Artisan Small Cap (closed)	SCGro	S	S	S	3.6	1.0	11.1	16.93	26.7	1.19	FSW
88	35	115	CLSPX	Columbia Mid Cap Growth CIZ	MCGro	*	S	S	1.7	2.0	11.5	21.11	17.7	0.86	FSW
89	160	56	USCGX	USAA Capital Growth	MCGro	*	S	S	3.7	0.3	12.7	7.53	23.9	1.13	fsW
90	82	28	CAMOX	Cambiar Opportunity	LC	S	S	S	0.7	2.0	12.8	16.95	18.4	0.94	FSW
91	116	79	ARGFX	Ariel Fund	SCVal	S	S	S	1.3	1.8	11.9	54.14	15.6	0.53	FSW
92	85	39	TRMCX	T. Rowe Price Mid Cap Value	MCVal	S	S	S	1.6	0.9	13.8	23.19	19.8	0.90	fsw
93	83	71	FIDYX	AIM Dynamics Inv (closed)	MCGro	S	S	S	2.7	1.3	11.0	16.71	28.2	1.48	FSw
94	111	170	FMCSX	Fidelity Mid-Cap Stock (.75%r<30d)	MCGro	S	S	S	2.7	1.7	10.0	23.80	20.9	1.05	Fsw
95	**72**	**68**	**FEXPX**	**Fidelity Export & Multinat'l (.75%r<30d)**	**LC**	**H**	**S**	**S**	**0.5**	**2.2**	**11.9**	**20.07**	**20.3**	**1.07**	**Fsw**
96	54	107	JAGIX	Janus Growth & Income	LCGro	H	H	H	1.0	1.7	12.1	32.67	15.1	0.87	FSW
97	161	114	ACBGX	USGlobal Holmes Growth (.25%r<30d)	MCGro	S	S	S	2.6	0.6	12.1	15.96	15.3	0.57	FSW
98	70	94	TMGFX	Turner Mid Cap Growth	MCGro	*	S	S	1.9	1.4	11.4	24.76	29.3	1.45	FSW
99	260	—	WAHGX	Wasatch Heritage Growth	MCGro	S	S	S	2.2	0.6	12.7	11.21	—	—	FSW
100	68	67	BUFMX	Buffalo Mid Cap	MCGro	S	S	S	1.6	1.9	10.3	13.16	—	—	FSW

	1 mo.	6 mo.	12 mo.
Dow Jones	**-2.3%**	**-4.5%**	**-0.3%**
NASDAQ	**-1.5**	**-5.4**	**2.1**
S&P 500	**-0.7**	**-1.4**	**5.8**

indexes do not include dividends

International Stock Funds

RANK 07/01 2005	1Mo Ago	6Mo 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	**4**	**3**	**TREMX**	**T. Rowe Price Emg Europe & Med (2%r<90d)**	**Europe**	*****	**B**	**B**	**8.2%**	**23.8%**	**52.8%**	**$19.68**	**29.2**	**—**	**fw**
2	1	2	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	H	H	5.2	17.4	62.9	18.73	29.7	—	fsw
3	**2**	**1**	**FLATX**	**Fidelity Latin Amer. (1.5%r<90d)**	**LatinA**	*****	**H**	**H**	**4.4**	**12.8**	**58.7**	**23.85**	**29.8**	**—**	**Fs**
4	3	4	SLAFX	Scudder Latin America (closed,2%r<30d)	LatinA	*	H	H	5.3	13.0	55.9	36.40	27.3	—	Sw
5	5	—	PRMSX	T. Rowe Price Emerging Mkts Stk	Int'l	*	B	B	4.3	8.8	39.2	21.12	18.8	—	fsw
6	**6**	**5**	**FEMKX**	**Fidelity Emerging Mkts (1.5%r<90d)**	**Int'l**	*****	**B**	**B**	**3.9**	**7.4**	**37.5**	**13.89**	**—**	**—**	**Fsw**
7	9	19	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	B	B	3.2	8.7	31.5	17.84	21.1	—	Fsw
8	**7**	**6**	**VEIEX**	**Vanguard Emerging Mkts Stk Index (.5%r)**	**Int'l**	*****	**B**	**B**	**3.6**	**5.9**	**35.7**	**15.55**	**22.6**	**—**	**fsw**
9	8	12	PRASX	T. Rowe Price New Asia (2%r<90d)	Pacific	*	B	B	2.1	7.0	33.3	10.74	19.7	—	fsw
10	12	—	EUROX	US Global Eastern Europe (2%r<180d)	Europe	*	B	B	6.4	2.8	37.1	31.52	26.6	—	FSW
11	10	26	AIOIX	Amer.Cent.Intl Opp. (closed,2%r<180d)	Int'l	*	B	B	3.7	8.3	19.2	10.43	20.4	—	—
12	24	11	FISMX	Fidelity Intl Small Cap (closed,2%r<90d)	Int'l	*	B	B	4.4	6.0	23.5	24.68	—	—	Fw
13	13	9	DRFMX	Dreyfus Premier Emerging Market (1%r)	Int'l	*	B	B	4.1	3.5	30.1	20.30	21.6	—	fSw
14	16	52	DRIDX	Driehaus Intl Discovery (2%r<60d)	Int'l	*	B	B	4.1	7.3	19.6	33.98	21.1	—	FSW
15	15	8	DREGX	Driehaus Emerging Mkts Gr (2%r<60d)	Int'l	*	B	B	3.8	2.3	30.2	23.53	24.9	—	FSW
16	20	14	NBISX	Neuberger Berman Intl (2%r<60d)	Int'l	*	B	B	3.8	4.7	23.0	19.05	16.3	—	fSw
17	27	27	MACSX	Matthews Asia G & I (closed,2%r<90d)	Pacific	*	H	H	2.6	5.2	23.3	16.45	11.4	—	FSW
18	11	16	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	*	B	B	1.7	3.3	29.0	16.43	23.6	—	FSW
19	26	22	SGSCX	Scudder Gbl Discovery (closed,2%r<30d)	Int'l	*	H	H	3.1	4.5	23.8	36.28	20.1	—	FSW
20	19	28	SCOPX	Scudder Pacific Opp (closed,2%r<30d)	Pacific	*	B	B	2.2	4.6	24.3	13.78	19.0	—	FSW
21	46	60	ICHKX	Guinness China & Hong Kong (2%r<90d)	Pacific	*	H	H	3.7	4.3	21.9	19.37	19.6	—	FSW
22	**18**	**7**	**FIEUX**	**Fidelity Europe (1%r<30d)**	**Europe**	*****	**H**	**H**	**2.0**	**2.9**	**26.9**	**35.15**	**22.5**	**—**	**Fsw**
23	**17**	**20**	**PISRX**	**Forward Intl Small Companies (2%r<60d)**	**Int'l**	*****	**H**	**H**	**2.1**	**4.6**	**22.0**	**13.46**	**—**	**—**	**FSW**
24	14	10	VINEX	Vanguard Intl Expl (closed,$25k,2%r<60d)	Int'l	*	H	H	2.3	3.6	23.7	16.93	16.3	—	fsw
25	23	17	JVEIX	Janus Intl Equity (1%r<90d)	Int'l	*	H	H	3.4	2.3	25.2	18.77	13.9	—	FSW
26	25	47	TBGVX	Tweedy, Browne Glbl Val (closed,2%r<60d)	Global	*	H	H	1.8	6.6	14.3	24.72	11.9	—	fsw
27	33	18	OAKEX	Oakmark Intl Small Cap (closed,2%r<90d)	Int'l	*	H	H	2.8	2.8	20.5	20.58	20.4	—	FSW
28	29	31	JAOSX	Janus Overseas (closed,2%r<90d)	Int'l	*	H	H	2.3	2.3	22.0	24.81	16.5	—	FSW
29	30	34	SCOBX	Scudder Global (closed,2%r<30d)	Global	*	H	H	2.0	3.0	19.8	27.43	12.7	—	FSW
30	22	15	ARTJX	Artisan Intl Small Cap (closed,2%r<90d)	Int'l	*	H	H	1.2	2.2	21.8	17.94	—	—	SW
31	35	32	WBIGX	Wm. Blair Intl Growth N (closed,1%r<60d)	Int'l	*	H	H	2.5	2.4	18.7	22.62	14.6	—	FSW
32	**21**	**13**	**DODFX**	**Dodge & Cox Intl Stock**	**Int'l**	*****	**H**	**H**	**0.8**	**1.3**	**22.4**	**31.05**	**23.4**	**—**	**fsw**
33	43	55	FECAX	Fidelity Europe Capital App. (1%r<30d)	Europe	*	H	H	2.4	2.1	16.6	21.99	18.8	—	Fw
46	**40**	**33**	**VTRIX**	**Vanguard International Value (2%r<60d)**	**Int'l**	*****	**H**	**H**	**0.5**	**0.2**	**15.4**	**31.00**	**16.8**	**—**	**fsw**
49	**49**	**36**	**VEURX**	**Vanguard European Stock Index (2%r<60d)**	**Europe**	*****	**H**	**H**	**0.4**	**-0.7**	**16.8**	**25.81**	**17.4**	**—**	**fsw**

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

RANK 07/01 2005	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN 1 mo.	6 mo.	12 mo.	PRICE PER SHARE	RISK Std. Dev.	Beta	NTF/ wtf
1	2	11	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	8.9%	28.2%	49.1%	$40.93	18.50	0.64	Fsw
2	6	8	VGENX	Vanguard Energy (1%r<1yr)	NatRes	*	*	*	8.5	24.8	48.3	49.76	16.50	0.61	fsw
3	4	7	FSESX	Fidelity Energy Services (.75%r<30d)	NatRes	*	*	*	9.1	23.3	44.7	52.58	23.70	0.78	Fsw
4	5	5	FSNGX	Fidelity Natural Gas (.75%r<30d)	Utility	*	*	*	9.0	22.5	46.5	34.10	19.10	0.53	Fsw
5	8	17	RYEIX	Rydex Energy ($25k)	NatRes	*	*	*	8.4	23.4	42.6	18.34	19.50	0.76	FSw
6	**1**	**2**	**EUEYX**	**Alpine U.S. Real Estate Equity CIY**	**RealEs**	*****	*****	*****	**4.6**	**17.5**	**54.0**	**45.79**	**22.60**	**0.76**	**FSW**
7	7	9	RYVIX	Rydex Energy Services ($25k)	NatRes	*	*	*	8.7	19.6	39.5	31.84	24.10	0.90	FSw
8	12	10	ICENX	ICON Energy	NatRes	*	*	*	8.5	18.7	40.3	27.50	20.80	0.70	FSW
9	10	24	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	*	*	*	7.7	19.8	36.9	20.46	17.80	0.70	Fw
10	**3**	**3**	**FSHCX**	**Fidelity Med Del (.75%r<30d)**	**Health**	*****	*****	*****	**4.5**	**16.5**	**49.7**	**50.13**	**20.50**	**0.02**	**Fsw**
11	9	1	CGMRX	CGM Realty	RealEs	*	*	*	5.9	10.4	45.8	32.58	24.30	0.75	sw
12	13	13	PRNEX	T. Rowe Price New Era	NatRes	*	*	*	5.5	11.6	34.5	37.57	17.10	0.75	fsw
13	14	39	RYUIX	Rydex Utilities ($25k)	Utility	*	*	*	5.1	13.4	27.7	26.01	17.50	0.83	FSw
14	15	12	CSRSX	Cohen & Steers Realty ($10k,1%r<180d)	RealEs	*	*	*	5.2	8.1	39.0	74.12	16.00	0.40	FSW
15	18	16	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	4.6	7.5	36.1	18.85	15.00	0.36	fsw
16	11	4	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycls	*	*	*	4.1	8.7	33.3	46.90	20.00	0.99	Fsw
17	16	14	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	4.2	7.5	35.5	31.49	15.00	0.36	Fsw
18	22	25	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	4.6	7.3	33.2	19.70	15.50	0.36	fsw
19	21	34	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	4.1	9.5	25.9	7.83	14.70	0.74	FSW
20	31	27	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	7.3	7.1	26.2	59.80	21.90	1.33	Fsw
21	24	22	VGPMX	Vanguard Precious Metals ($10k,1%r<1yr)	NatRes	*	*	*	4.1	5.5	33.2	17.61	27.50	0.81	fsw
22	29	32	CSEIX	Cohen & Steers Realty Income (1%r<180d)	RealEs	*	*	*	4.7	5.5	27.0	17.77	14.40	0.32	fsw
23	25	20	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	3.9	6.2	26.4	42.63	17.30	1.00	Fsw
24	17	26	ICHCX	ICON Healthcare	Health	*	*	*	1.7	9.3	21.7	17.44	15.00	0.52	FSW
25	19	43	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycls	*	*	*	1.2	9.2	21.2	70.82	15.60	0.60	Fsw
26	33	47	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	4.2	4.7	24.4	36.86	14.60	0.32	fsw
27	20	15	FWRLX	Fidelity Wireless (.75%r<30d)	Tech	*	*	*	2.8	6.2	22.3	6.19	27.70	1.58	Fw
28	23	35	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	3.3	6.8	17.1	52.96	16.90	0.90	Fsw
29	28	71	FSPHX	Fidelity Health Care (.75%r<30d)	Health	*	*	*	1.0	6.9	11.0	136.80	11.20	0.55	Fsw
30	27	45	RYRIX	Rydex Retailing ($25k)	Consmr	*	*	*	2.2	5.5	11.9	12.86	18.60	1.02	FSw
31	26	23	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	1.7	2.8	18.5	29.22	22.00	1.37	fsw
32	47	61	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	2.9	3.9	10.1	63.88	14.30	0.79	Fsw
33	30	66	VGHCX	Vanguard Health (closed,$25k&1%r<1yr)	Health	*	*	*	-0.6	5.3	11.9	131.90	11.20	0.63	fsw
34	**43**	**51**	**FBALX**	**Fidelity Balanced**	**Hybrid**	**B**	*****	*****	**1.5**	**2.4**	**11.3**	**18.10**	**11.30**	**0.71**	**Fsw**
35	54	68	BRMIX	Laudus Rosenberg Value L/S (2%r<30d)	Value	*	*	*	1.1	4.4	6.1	10.35	10.90	-0.52	FSW
36	34	28	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycls	*	*	*	0.5	0.6	16.2	18.43	16.50	0.97	Fw
37	42	74	FSLEX	Fidelity Environmental Ser (.75%r<30d)	Cycls	*	*	*	2.5	2.2	6.5	14.62	15.30	0.85	Fsw
38	36	55	FSMEX	Fidelity Medical Equip (.75%r<30d)	Health	*	*	*	-0.1	3.2	7.6	24.15	10.80	0.46	Fsw
39	41	73	RYHIX	Rydex Health Care ($25k)	Health	*	*	*	-0.1	3.5	6.6	13.35	12.50	0.69	FSw
40	**55**	**67**	**GATEX**	**Gateway Fund**	**Altern**	**B**	*****	*****	**0.4**	**2.7**	**6.8**	**24.96**	**8.40**	**0.52**	**FsW**
41	45	62	ICCCX	ICON Consumer Discretionary	Consmr	*	*	*	2.3	1.5	6.1	14.41	21.30	0.97	FSW
42	44	6	FSCHX	Fidelity Chemicals (.75%r<30d)	Cycls	*	*	*	-0.3	-3.3	21.7	65.32	18.30	0.92	Fsw
43	37	19	ICBMX	ICON Materials	Cycls	*	*	*	0.8	-2.6	17.9	9.96	20.30	1.02	FSW
44	**48**	**60**	**VBINX**	**Vanguard Balanced Index**	**Hybrid**	**B**	*****	*****	**0.1**	**1.0**	**8.3**	**19.41**	**8.50**	**0.55**	**fsw**
45	32	91	FSELX	Fidelity Electronics (.75%r<30d)	Tech	*	*	*	-0.8	4.0	1.3	39.29	37.50	2.12	Fsw
46	67	44	RYFIX	Rydex Financial Services ($25k)	FinServ	*	*	*	2.7	-2.1	11.0	11.96	15.70	0.94	FSw
47	38	70	FSAIX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	-1.1	1.2	7.9	34.09	20.20	1.07	Fsw
48	87	83	FSAGX	Fidelity Gold (.75%r<30d)	NatRes	*	*	*	6.2	-4.7	11.0	24.21	33.80	0.49	Fsw
49	40	37	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	-0.5	-0.4	9.9	24.56	13.40	0.79	Fsw
50	39	41	FDFAX	Fidelity Food & Agr (.75%r<30d)	Consmr	*	*	*	-1.8	-0.1	9.1	50.35	11.60	0.54	Fsw
51	71	50	FIDSX	Fidelity Finl Serv (.75%r<30d)	FinServ	*	*	*	2.0	-2.2	8.1	108.30	15.10	0.92	Fsw
52	52	40	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	0.7	-2.6	10.6	36.14	31.30	1.79	Fsw
53	91	86	USERX	U.S.Global Gold Shares (.25%r<30d)	NatRes	*	*	*	7.5	-6.3	9.3	7.64	44.60	0.72	fSw
54	46	42	ICTRX	ICON Industrials	Cycls	*	*	*	-0.2	-2.6	11.3	11.80	17.20	0.84	FSW
55	63	75	MERFX	Merger Fund (closed,2%r<30d)	Altern	*	*	*	0.1	0.6	2.8	15.51	5.70	0.25	FSW
56	56	46	ICLEX	ICON Leisure & Consumer Staples	Consmr	*	*	*	-0.6	-1.3	6.9	12.60	15.20	0.78	FSW
57	50	52	FBMPX	Fidelity Multimedia (.75%r<30d)	Consmr	*	*	*	-0.4	-1.6	6.5	44.47	22.90	1.21	Fsw
58	58	63	RYCIX	Rydex Consumer Products ($25k)	Consmr	*	*	*	-0.9	-0.3	3.3	30.43	12.10	0.64	FSw
59	84	92	RYURX	Rydex Ursa ($25k)	Altern	*	*	*	0.8	2.0	-5.3	8.62	15.00	-0.99	FSw
60	94	89	BGEIX	Amer. Cent. Global Gold (1%r<60d)	NatRes	*	*	*	7.4	-6.8	6.6	11.19	36.50	0.55	fSW
61	74	36	ICFSX	ICON Financial	FinSer	*	*	*	2.3	-4.4	8.1	13.11	17.30	1.02	FSW
62	73	38	PRISX	T. Rowe Price Financial Services	FinServ	*	*	*	1.6	-4.1	8.5	22.53	16.40	1.00	fsw
63	49	30	FDLSX	Fidelity Leisure (.75%r<30d)	Consmr	*	*	*	0.6	-3.6	8.5	74.17	16.00	0.94	Fsw
64	85	93	BRPIX	ProFunds Bear Inv ($15k)	Altern	*	*	*	0.7	1.8	-5.6	31.38	15.10	-1.00	FSw
65	78	64	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	2.1	-2.6	2.4	22.52	14.90	0.71	fsw
66	79	53	FSRBX	Fidelity Banking (.75%r<30d)	FinServ	*	*	*	0.4	-3.9	8.1	37.36	13.80	0.76	Fsw
67	83	58	RYKIX	Rydex Banking ($25k)	FinServ	*	*	*	1.8	-4.5	7.0	10.55	14.00	0.70	FSw
68	75	49	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	1.7	-4.6	6.5	15.08	20.20	1.25	Fsw
69	35	18	RYLIX	Rydex Leisure ($25k)	Consmr	*	*	*	-2.5	-4.3	11.9	29.70	15.30	0.79	FSw
70	61	54	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycls	*	*	*	-1.2	-3.7	5.5	25.14	19.40	1.14	Fsw

Remember to Take the Long View

When you get your first *MONEYLETTER* issue of each month, do you take a close look at pages two and three to see how the model portfolios performed over the last 30 days?

While it's tempting to evaluate performance on a monthly basis, it is always smart to consider the long term to create a more complete performance picture. In January, we discovered that all nine of the *MONEYLETTER* asset allocation portfolios beat the market proxy (in this case, the Vanguard 500 Index Fund) for the previous five years. That includes the three Conservative Portfolios, which are not designed to keep pace with the market but rather to provide long-term growth with reduced risk and volatility.

With our mid-year 2005 numbers now in, let's update this data and take a look at how our portfolios have fared over the last five and one-half years. As a point of reference, the annual total return values for the Vanguard 500 Index Fund (VFINX) over the last five and one-half years were: -9.1% (2000), -12.0% (2001), -22.2% (2002), +28.5% (2003), +10.7% (2004), and -0.9% (2005 YTD through 6/30). Looking ahead, when we review the 5-year data again at year-end (dropping the returns for 2000), you should see an even greater comparative advantage for the *MONEYLETTER* portfolios. $

What $10,000 Grew To (1/1/00-6/30/05)

Rank	Portfolio	Amount
1	ML All-Family Moderate	$14,338
2	ML All-Family Conservative	14,075
3	Fidelity Venturesome	13,468
4	ML All-Family Venturesome	13,204
5	Fidelity Moderate	13,022
6	Vanguard Moderate	12,132
7	Average Asset Allocation Funds*	12,092
8	Vanguard Venturesome	11,982
9	Vanguard Conservative	11,313
10	Fidelity Conservative	11,233
11	Vanguard 500 Index Fund	8,773

**The average of 152 Asset Allocation Funds.*

MONEYLETTER Hotline: (410) 528-1804

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	2.68%	2.66%	1.64%
Gabelli US Treasury MMF	2.64	2.63	1.54
Fidelity Spartan US Treas MMF	2.50	2.49	1.53
Amer Century Capital Presv Fund/Inv	2.49	2.45	1.42
HSBC Investor US Treas MM/Cl D	2.41	2.38	1.31
RMK Select Treas MMF/Cl A	2.38	2.35	1.28
T. Rowe Price US Treasury MF	2.37	2.33	1.30
JPMorgan 100% US Treas MMF/Morgan	2.34	2.31	1.27
US Treasury MF of America/Cl A	2.32	2.31	1.24
Schwab US Treasury Money Fund	2.30	2.23	1.22

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	3.18%	3.12%	2.05%
Scudder MM Series Premium/AARP	3.01	2.96	1.93
TIAA-CREF Money Market Fund	2.97	2.90	1.78
Vanguard Prime MMF/Retail	2.92	2.87	1.79
Scudder MM Series Prime Reserve/AARP	2.91	2.86	1.84
Marshall MMF/Investor Class	2.89	2.82	1.69
Wells Fargo Adv Heritage MF/Admin	2.89	2.83	1.66
BB&T Prime MMF/Instit	2.87	2.81	1.62
SSgA MMF/Cl A	2.85	2.79	1.67
Flex-fund Money Market Fund	2.84	2.80	1.65

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	2.50%	2.46%	1.70%
Vanguard Tax-Exempt MMF	2.39	2.33	1.62
Scudder Tax-Exempt Money Fund	2.16	2.10	1.32
Tax-Exempt MF of America/Cl A	2.15	2.15	1.12
Amer Century T-F MMF/Inv Class	2.13	2.06	1.32
Fidelity Municipal MMF	2.13	2.08	1.33
Fidelity Tax Free Money Market	2.13	2.09	1.32
USAA Tax Exempt MMF	2.13	2.09	1.33
Excelsior T-E Money Fund	2.09	2.06	1.23
T. Rowe Price Summit Muni MMF	2.09	2.08	1.28

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard NJ Tax-Exempt MMF	2.39%	2.32%	1.57%
Vanguard PA Tax-Exempt MMF	2.38	2.32	1.59
Vanguard OH Tax-Exempt MMF	2.37	2.33	1.60
Vanguard NY Tax-Exempt MMF	2.35	2.31	1.57
Vanguard CA Tax-Exempt MMF	2.32	2.28	1.59
Fidelity FL Municipal MMF	2.12	2.08	1.29
Fidelity AZ Municipal MMF	2.07	2.04	1.27
Fidelity PA Municipal MMF	2.07	2.03	1.28
Fidelity CT Municipal MMF	2.06	2.01	1.27
Fidelity OH Municipal MMF	2.06	2.01	1.25

Taxable equivalent yield = yield / (1—total effective tax bracket). Funds are ranked by 7-day yields; 7-day and 30-day yields are compound yields as of 6/28/05. 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: iMoneynet's Money Fund Report (800) 343-5413

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An "Almost Index" Fund in a Unique Market Area

In the two June issues of *MONEYLETTER*, we featured Bridgeway's "Four Corners" portfolios. Well, the fund we'll look at here is not in a corner—it doesn't even really have a space on a traditional mutual fund style box. The Bridgeway Ultra-Small Company Market Fund invests in the very smallest publicly traded companies.

The mechanics

The fund seeks to replicate the performance of the little-known CRSP Cap-Based Portfolio 10 Index. Published by the University of Chicago's Center for Research in Security Prices, the index is comprised of stocks with a market capitalization the size of the smallest 10% of companies listed on the New York Stock Exchange. Interestingly, however, the majority of stocks in the Index, and in the fund, are traded on the NASDAQ. These ultra-small companies typically share a number of characteristics that make them much more volatile than large-cap firms, as well as small-cap and even micro-cap shares.

To begin with, ultra-small companies typically have 10 to 3,000 employees and have annual revenues ranging from $5 million to $500 million. They also may have a limited product line (sometimes just one product or service), a lack of managerial depth, and limited resources for expansion or even for continuing in business. They are often more sensitive to economic downturns than larger firms. Some of these firms ultimately go out of business.

While this description of ultra-small companies might say "stay away", investing in the smallest of the small can have a big payoff. From its July 31, 1997 inception through March 31, 2005, the fund earned an average annual total return of 16.9%! Looking at returns on a year-by-year basis, however, its volatility is clear, with returns ranging from a low of -1.9% in 1998 to a high of 79.4% in 2003, which is one reason why Bridgeway Fund's founder, John Montgomery, recommends this fund only for long-term investors.

A cautionary statement

Montgomery also recently encouraged investors to take a little off the table asset allocation-wise with regard to ultra-small companies. He wrote, "Ultra-small stocks as a group did experience very strong average annual returns from 2000 through 2004; however, it is unlikely that this level of performance will continue over the next five years. Historically, they have either lead or lagged the broader market averages for a number of years in a row." However, he continues to believe in the wisdom of investing in this class of stocks for diversification and their long-term performance potential.

Fund characteristics

The fund tries to match the sector and industry representation, financial characteristics, and weighting of market capitalization of its bogey index. The fund currently holds about 560 companies in its portfolio, compared to more than 1,800 that comprise the lowest 10% of the market in capitalization. It also seeks to minimize the distribution of capital gains by offsetting capital gains with capital losses. To minimize risk, the fund keeps its holdings roughly equally weighted.

Top Five Holdings & Sectors (% of Assets)

Taser International	2.6	Consumer, Non-cyclical	25.9
iShares Russell 2000 Index	1.7	Financial	21.5
iShares Russell 2000 Value	1.7	Industrial	13.7
Navarre	1.2	Consumer, Cyclical	12.0
Parlux Frangrances	0.9	Technology	10.9

Holdings as of December 31, 2004; sectors as of March 31, 2005

Bridgeway Ultra-Small Company Market Fund was closed to new investors in August 2003. (Note: the fund was "hot" that year, gaining nearly 80%.) At that time, the fund had experienced a rapid influx of cash from investors. The fund's board of directors and adviser closed the fund to prevent potential harm to fund performance from the increased investor purchases, either via increased transaction costs or higher cash balances.

On June 1 of this year, Bridgeway reopened this fund to new investors. Fund performance is no longer "hot," and the manager has no trouble putting new cash to work. In fact, Montgomery notes that additional inflows may even benefit the fund now, offsetting outflows, and allowing him to better manage trading from a tax efficiency point of view.

Bridgeway Ultra-Small Company Market will be added to *MONEYLETTER*'s domestic stock funds list in the next issue. $

Bridgeway Ultra-Small Company Market Fund (BRSIX)
Bridgeway Funds, 5615 Kirby Drive, Suite 518
Houston, TX 77005-2448•(800) 661-350
Minimum Investment: $2,000, $2,000 IRA

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