



Don't Ignore The Fed

by Walter S. Frank, Chief Investment Officer

We have had a string of very positive economic numbers during the closing weeks of July. We have also had oil prices move back up, over \$60, but somehow the market has not allowed oil prices to spoil the party. This time the economic news trumped oil.

One reason the party continues is that the earnings season (almost but not quite over) has not disappointed. According to Thomson Financial's *Market Week*, last quarter's earnings will be up 11.1% over last year's second quarter, combining reported with estimated earnings. When you consider that earnings were growing rapidly last year, this is a surprise.

Before being overly surprised at an unexpected double-digit gain in this year of supposed slow profit growth, the Thomson folks remind us that one-third of the gain comes from energy. Excluding the energy sector, second quarter profit growth is just 7.8%, nothing to sneeze at but more in line with expectations.

Manufacturing is back

Behind the excellent numbers has been a turnaround for manufacturing. Behind the turnaround is the success of the auto industry (think GM). The preliminary GDP numbers say it all.

In one fell swoop, the auto industry, following GM'S lead once more (remember 0% financing) sold autos the last two months as if they were Big Macs offered to hungry teenagers. Bloated inventories became skimpy inventories, and the auto industry was producing again. Do not underestimate the importance of the auto industry for the overall economy, imports and foreign share of the auto market notwithstanding.

Mainly because of the disappearance of auto inventories economists on Wall Street are raising their forecasts for this quarter with few exceptions. Stock prices, it now appears, have been anticipating these numbers for much of last month.

Now the Fed

For the policymakers of the Fed, the fact that the economy is getting its second wind carries a mixed message. Growth is welcome, but there is another side, and that is inflation. While growth concerned the policymakers during the bear market, inflation is their preoccupation now.

As the unemployment rate drops and house prices climb, the Fed has been working to, as they put it, "withdraw policy accommodation". In plain English, raise interest rates.

Why raise rates? To make sure that the economy does not run too hot. To be more precise, to have the economy moving at about its speed limit of 3 1/4 - 3 1/2%. The recent GDP report (2nd Quarter) and the last batch of economic numbers strongly point to the economy running enough above that speed limit to keep the Fed continuing to raise interest rates for the rest of this year.

When will the Fed stop? The Fed's goal, we believe, is not a number, but a condition. The economy has to exhibit that it is running at the speed limit, and is stable. How high short-term interest rates have to go for the economy to arrive at that condition we do not know. We do know that it means that the 10-year Treasury rate has to move higher (the sooner the better).

The market right now is putting the economy's renewed vigor into stock prices, as well it should. But as the Fed marches on, rising interest rates will also be influencing U.S. stock prices.

The U.S. market continues to offer reasonable value. But the combination of rising interest rates and slowing profit growth will take its toll. This will affect allocations as we go forward.

Small-Cap growth

Take a look at the domestic stock performance list, and you will find small-cap growth funds moving up en masse. Names that were mired deep down in the list are now in the buy range. Examples are Needham Growth Fund, Forward Hoover Small Cap and T. Rowe Price New Horizons.

It makes sense. The group has been neglected, even shunned, and can only benefit from a reviving manufacturing sector.

Fund changes

The Hotline of Tuesday, August 2nd recommended the sale of Fidelity Contrafund in the Fidelity Venturesome and Moderate model portfolios. The Hotline also recommended that the fund be switched into Fidelity Mid-Cap Stock Fund. Details in the next issue.

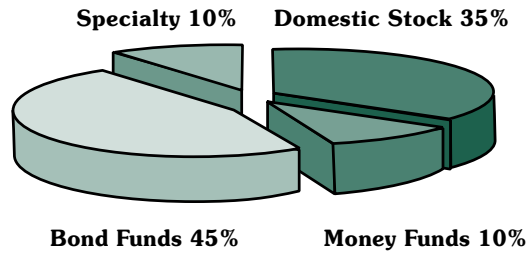
The Hotline of Tuesday, July 19th recommended the sale of Vanguard U.S. Value in the Vanguard Conservative model portfolio to be switched into Vanguard Mid-Cap Index Fund. Here are the details as of Wednesday, July 20th. Sold 1250 shares of Vanguard U.S. Value @ \$14.61 per share. Purchased 1071 shares of Vanguard Mid-Cap Index @ \$17.05 per share. \$

Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates	Flat	Higher
Dollar	Lower	Flat/Lower
Inflation	Higher	Flat/Higher
Dow	Higher	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

**MONEYLETTER Conservative**

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Schwab Money Market	Yield YTD	1.2%	10,262	\$1.00	\$10,262
Gateway Fund	11/27/02	20.7	609	25.08	15,263
Loomis Sayles Bond Retail	03/17/04	10.9	1,200	13.72	16,468
RS Value (Contrarian)	08/04/04	37.0	1,229	24.00	29,507
Artisan Mid Cap Value	08/04/04	32.8	613	19.37	11,864
AmerCent Inflation Adj.	02/12/03	14.2	1,674	11.10	18,583
Third Avenue Value	11/24/04	13.4	467	57.30	26,762
Dodge & Cox Income	02/19/03	10.9	1,032	12.77	13,180
TOTAL VALUE					\$141,889

TOTAL RETURNS (as of 07/31/05)					
1-mo	6-mo	1-yr	3-yr	YTD	
1.5%	6.5%	16.6%	43.5%	5.8%	

Fidelity Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	1.4%	8,855	\$1.00	\$8,855
Fidelity Balanced	11/27/02	46.4	808	18.73	15,136
Fidelity Strategic Income	03/17/04	9.2	1,809	10.58	19,139
Fidelity Value	04/21/04	26.9	352	78.04	27,590
Fidelity Export & Multi	09/08/04	20.0	826	21.15	17,476
Fidelity Inflation-Protected	09/15/04	3.6	1,085	11.25	12,209
Fidelity Investment Grade	02/19/03	10.3	1,789	7.45	13,331
TOTAL VALUE					\$113,736

TOTAL RETURNS (as of 07/31/05)					
1-mo	6-mo	1-yr	3-yr	YTD	
2.4%	5.3%	14.1%	33.3%	4.7%	

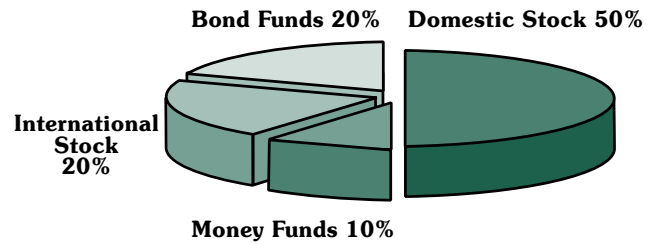
Vanguard Conservative

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	1.4%	8,632	\$1.00	\$8,632
Vanguard Balanced Index	11/27/02	31.4	588	19.80	11,647
Vanguard Total Bond Index	02/19/03	9.1	760	10.16	7,718
Vanguard Inflation Protect	02/19/03	14.7	1,133	12.33	13,964
Vanguard Mid-Cap Index	07/20/05	0.4	1,071	17.12	18,342
Vanguard Strategic Equity	12/21/04	9.8	635	23.33	14,820
Vanguard Small Cap Value	03/24/04	30.0	1,381	15.02	20,741
Vanguard GNMA	03/17/04	4.0	1,746	10.35	18,074
TOTAL VALUE					\$113,938

TOTAL RETURNS (as of 07/31/05)					
1-mo	6-mo	1-yr	3-yr	YTD	
2.2%	5.9%	13.7%	38.8%	4.4%	

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	1.2%	11,695	\$1.00	\$11,695
Dodge & Cox International	09/22/04	23.3	442	32.08	14,194
Baron Partners	06/09/04	33.7	881	18.21	16,045
Loomis Sayles Bond Retail	03/17/04	10.9	1,680	13.72	23,044
Artisan Mid Cap Value	08/11/04	35.8	681	19.37	13,198
RS Value (Contrarian)	08/04/04	37.0	1,005	24.00	24,122
Fidelity Leveraged Company	01/28/04	32.8	1,210	25.48	30,828
Forward Intl Small Companies	06/01/05	8.3	992	14.27	14,157
TOTAL VALUE					\$147,283

TOTAL RETURNS (as of 07/31/05)					
1-mo	6-mo	1-yr	3-yr	YTD	
3.5%	8.3%	24.4%	79.8%	7.6%	

Fidelity Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Cash Reserves	Yield YTD	1.4%	11,232	\$1.00	\$11,232
Fidelity Emerging Markets	05/11/05	12.5	1,033	14.90	15,392
Fidelity Europe	11/10/04	19.5	322	37.05	11,948
Fidelity Leveraged Company	12/10/03	52.0	796	25.48	20,287
Fidelity Strategic Income	03/17/04	9.2	2,639	10.58	27,916
Fidelity Contrafund	04/06/05	6.8	221	61.20	13,555
Fidelity Value	04/21/04	26.9	272	78.40	21,345
Fidelity Focused Stock	10/06/04	22.1	1,135	11.43	12,975
TOTAL VALUE					\$134,650

TOTAL RETURNS (as of 07/31/05)					
1-mo	6-mo	1-yr	3-yr	YTD	
4.0%	8.1%	20.4%	53.4%	7.5%	

Vanguard Moderate

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Prime Port MM	Yield YTD	1.4%	9,987	\$1.00	\$9,987
Vanguard Int'l Value	09/22/04	18.7	360	32.26	11,618
Vanguard European Stk Index	11/10/04	10.7	455	26.78	12,182
Vanguard FI Hi-Yld Corp	01/17/01	30.4	3,659	6.29	23,013
Vanguard Strategic Equity	12/21/04	9.8	868	23.33	20,255
Vanguard Mid-Cap Index	03/02/05	8.0	1,380	17.12	23,627
Vanguard Small Cap Value	03/24/04	30.0	1,693	15.02	25,439
TOTAL VALUE					\$126,121

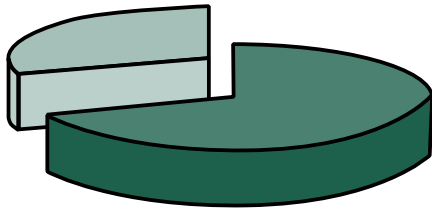
TOTAL RETURNS (as of 07/31/05)					
1-mo	6-mo	1-yr	3-yr	YTD	
3.9%	7.8%	17.9%	59.5%	5.8%	

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

International Stock 30% Domestic Stock 70%



MONEYLETTER Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
T. Rowe Emg. Europe & Med	02/16/05	16.2%	957	\$20.98	\$20,083
Dodge & Cox International	09/22/04	23.3	554	32.08	17,760
Artisan Mid Cap Value	07/26/04	35.1	1,186	19.37	22,982
Muhlenkamp Fund	02/28/05	7.1	122	86.33	10,526
Bridgeway Aggressive Inv 2	02/16/05	9.0	720	16.12	11,605
Fidelity Leveraged Company	01/28/04	32.8	962	25.48	24,514
RS Value (Contrarian)	08/04/04	37.0	1,300	24.00	31,196
TOTAL VALUE					\$138,666

TOTAL RETURNS (as of 07/31/05)

1-mo	6-mo	1-yr	3-yr	YTD
5.0%	11.7%	25.8%	82.1%	10.6%

Fidelity Venturesome

Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Fidelity Small Cap Ind	02/16/05	7.0%	576	\$21.36	\$12,308
Fidelity Emerging Markets	05/11/05	12.5	1,386	14.90	20,645
Fidelity Europe	11/10/04	19.5	387	37.05	14,338
Fidelity Leveraged Company	12/10/03	52.0	906	25.48	23,088
Fidelity Focused Stock	10/06/04	22.1	2,330	11.43	26,635
Fidelity Value	04/21/04	26.9	276	78.40	21,613
Fidelity Contrafund	04/06/05	6.8	386	61.20	23,607
TOTAL VALUE					\$142,234

TOTAL RETURNS (as of 07/31/05)

1-mo	6-mo	1-yr	3-yr	YTD
5.6%	10.3%	22.3%	54.3%	9.3%

Vanguard Venturesome

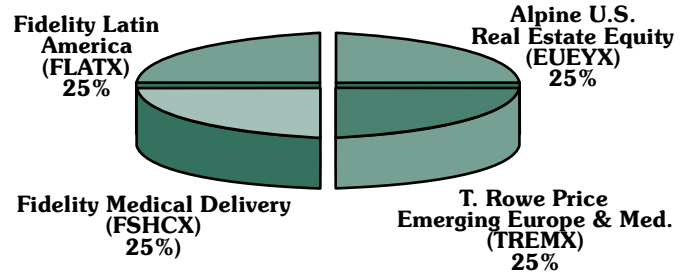
Fund Name	Buy Date	Return Since Buy	Shares	Share Price	Current Value
Vanguard Emerging Mkts Stk Index	02/16/05	8.1%	1,425	\$16.50	\$23,507
Vanguard European Stk Index	11/10/04	10.7	455	26.78	12,182
Vanguard Mid-Cap Index	02/16/05	8.7	1,278	17.12	21,887
Vanguard Extended Market Index	06/15/05	6.1	495	33.78	16,707
Vanguard Strategic Equity	12/21/04	9.8	1,048	23.33	24,443
Vanguard Small Cap Value	03/24/04	30.0	1,851	15.02	27,803
TOTAL VALUE					\$126,529

TOTAL RETURNS (as of 07/31/05)

1-mo	6-mo	1-yr	3-yr	YTD
5.6%	10.1%	20.6%	62.1%	7.8%

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	9.4%	724	\$51.02	\$36,948
T. Rowe Emg. Europe & Med	01/26/05	23.6	1,931	20.98	40,504
Alpine U.S. Real Estate Equity	03/02/05	14.0	874	48.11	42,062
Fidelity Latin America	12/29/04	18.5	1,546	25.03	38,705
TOTAL VALUE					\$158,219

TOTAL RETURNS (as of 07/31/05)

1-mo	6-mo	1-yr	Incep.(9/30/02)	YTD
5.0%	17.8%	34.8%	58.2%	15.3%

MONEYLETTER Select Commentary

The Select Model remains fully invested in equity based funds. Both the broad markets and those sectors represented by fund positions held in the portfolio have posted solid gains for the period. "Energy" continues to contribute favorably to our emerging market funds holdings, T. Rowe Emerging Europe & Mediterranean (TREM) and Fidelity Latin America (FLATX). With half of the portfolio invested in international funds it reflects our fundamental view that solid opportunities are to be found "offshore". Dollar denominated funds received a boost with China's revaluation of the Yuan.

While a moderation in the rate of growth in the economy has raised some concerns, and we are somewhat "overbought", favorable earnings reports allow us to remain constructive on the outlook generally. \$

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—July 31, 2005

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	3.7%	5.4%	14.0%	42.8%	2.9%
Asset Allocation	2.3	4.4	12.8	36.3	3.0
Funds (Avg) 152 Funds					

Domestic Stock Funds

RANK	07/31 2005	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME (Max. Load)	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE	RISK		NTF/wtf
										1 mo.	6 mo.	12 mo.	PER SHARE	Std. Dev.	Beta	
1	21	3	BRAIX	Bridgeway Aggressive Investors 2	MCGro	*	B	B	9.5%	15.7%	41.4%	\$16.12	—	—	fsw	
2	8	—	BRVX	Bridgeway Small Cap Value	ScVal	B	B	B	7.9	14.8	40.7	13.80	—	—	fsw	
3	1	4	CGMFX	CGM Focus	ScVal	*	B	B	4.3	17.6	37.5	35.17	37.9	1.03	fsw	
4	20	—	BRSGX	Bridgeway Small Cap Growth	ScGro	B	B	B	7.4	17.8	32.0	12.96	—	—	fsw	
5	3	13	MOPIX	MainStay Small Cap Opportunity (closed)	ScVal	B	B	B	6.3	14.1	35.0	20.68	17.5	0.63	FSW	
6	6	1	BPTRX	Baron Partners	MCGro	*	B	B	5.9	10.8	43.5	18.21	28.6	1.26	FSW	
7	2	15	ARTQX	Artisan Mid Cap Value	MCVal	B	B	B	3.0	16.3	32.0	19.37	19.8	0.87	FSW	
8	159	107	NEEGX	Needham Growth Fund (.75%r<30d)	SCGro	H	H	H	9.5	14.0	25.1	33.89	25.7	1.19	FSW	
9	4	2	FLVCX	Fidelity Leveraged Co (\$10k,1.5%r<90d)	MC	*	B	B	5.5	12.8	33.9	25.48	36.3	1.39	Fw	
10	5	16	NPRTX	Neuberger Berman Partners	LCVal	B	B	B	5.5	12.7	33.6	28.43	20.7	1.10	fSw	
11	32	24	MPEGX	MSI Mid Cap Growth	MCGro	*	H	H	7.0	12.6	31.3	23.19	22.2	1.17	fsw	
12	36	79	SSMGX	SIF Small Cap Growth (2%r<30d)	MCGro	(B)	(B)	(B)	6.9	13.4	29.1	29.65	21.6	1.10	FSW	
13	11	58	NBGNX	Neuberger Berman Genesis (closed)	SC	B	B	B	5.2	14.6	27.8	33.67	15.5	0.63	fsw	
14	34	63	WAAEX	Wasatch Small Cap Grth (closed,2%r<60d)	SCGro	(B)	(B)	(B)	5.2	13.8	29.0	43.10	27.1	1.17	FSW	
15	14	26	FTGGX	Fidelity Focused Stock (.75%r<30d)	LC	*	B	B	5.9	12.9	29.6	11.43	17.2	1.00	Fw	
16	19	31	VIMSX	Vanguard Mid-Cap Index	MC	B	B	B	5.3	12.7	30.6	17.12	20.1	0.97	fsw	
17	9	6	RSPFX	RS Partners (closed)	SC	B	B	B	5.0	11.2	34.7	37.96	20.9	0.69	FSW	
18	29	40	VSEGX	Vanguard Strategic Equity	MCGro	B	B	B	5.6	12.7	29.6	23.33	17.8	0.83	fsw	
19	38	33	FFSCX	Forward Hoover Small Cap	SCGro	(B)	(B)	(B)	5.2	13.1	28.5	19.90	20.1	0.85	FSW	
20	7	—	RSVAX	RS Value	MC	B	B	B	3.9	10.8	36.2	24.00	18.6	0.60	FSW	
21	43	28	PRNHX	T. Rowe Price New Horizons	SCGro	(B)	(B)	(B)	6.2	11.9	29.3	32.04	28.3	1.30	fsw	
22	—	—	JORNX	Janus Orion	MC	H	H	H	6.6	13.0	25.5	7.73	—	—	FSW	
23	52	32	VLIFX	Value Line Fund	LCGro	H	H	H	6.1	11.9	28.8	15.13	13.1	0.73	FSW	
24	41	100	TWHIX	American Century Heritage	MCGro	H	H	H	6.5	12.7	25.9	13.26	15.4	0.76	FSW	
25	17	12	MUHLX	Muhlenkamp Fund	MCVal	B	B	B	5.7	10.4	32.5	86.33	27.9	1.24	FSW	
26	94	117	FMCSX	Fidelity Mid-Cap Stock (.75%r<30d)	MCGro	H	H	H	7.3	12.2	24.7	25.42	20.9	1.05	Fsw	
27	82	112	BOGLX	Bogle Small Cap Growth (closed)	SCGro	H	H	H	7.1	12.8	23.1	28.65	22.3	0.88	w	
28	35	128	SCDVX	Scudder Development (closed)	MCGro	*	(B)	(B)	5.9	12.4	25.6	21.72	29.2	1.50	FSW	
29	37	7	BARAX	Baron Asset	MCGro	H	H	H	6.1	9.4	32.7	56.83	21.2	0.94	FSW	
30	40	56	VISVX	Vanguard Small-Cap Value Index	SCVal	H	H	H	5.7	11.7	27.4	15.02	22.4	0.90	fsw	
31	—	—	VASVX	Vanguard Selected Value (\$25,000)	MCVal	H	H	H	3.9	12.0	29.1	20.19	15.1	0.93	fsw	
32	235	215	LMOPX	Legg Mason Opportunity Trust (1%r<1yr)	MC	*	H	H	9.0	10.6	24.9	16.43	35.1	1.48	—	
33	50	73	VEXMX	Vanguard Extended Market Index	MC	H	H	H	5.6	11.5	27.8	33.78	21.5	1.02	fsw	
34	76	87	VALLX	Value Line Leveraged Growth	LCGro	*	H	H	6.7	12.1	24.5	27.72	14.9	0.83	FSW	
35	65	54	NAESX	Vanguard SmallCap Index	SC	H	H	H	6.3	11.1	26.8	28.75	23.2	1.01	fsw	
36	27	34	FDVLX	Fidelity Value	MCVal	(H)	(H)	(H)	5.3	11.6	27.1	78.40	19.0	0.89	Fsw	
37	12	20	TAVFX	Third Avenue Value (1%r<60d)	SC	(H)	(H)	(H)	3.5	12.2	28.0	57.30	17.2	0.79	FSW	
38	87	55	ARTSX	Artisan Small Cap (closed)	SCGro	H	H	H	5.9	11.7	25.7	17.88	26.7	1.11	FSW	
39	28	62	BPMCX	Robeco Boston Partners Mid Cap Value	MCVal	H	H	H	4.6	11.8	26.7	14.01	20.1	0.93	FSW	
40	108	52	VISGX	Vanguard Small Cap Growth Index	SCGro	H	H	H	6.8	10.6	26.2	16.19	21.6	0.91	fsw	
41	39	81	PESPX	Dreyfus Mid Cap Index	MCGro	H	H	H	5.2	11.9	25.3	28.54	20.2	0.97	FSW	
42	18	77	MPSCX	MSI Small Cap Value (closed)	ScVal	(H)	(H)	(H)	4.9	11.7	26.2	24.62	20.7	0.98	fsw	
43	100	48	BUFMX	Buffalo Mid Cap	MCGro	H	H	H	6.7	10.9	25.4	13.99	—	—	FSW	
44	223	116	TGSCX	TCW Galileo Small Cap Growth	MCGro	*	H	H	9.0	10.7	22.3	17.01	37.3	1.83	FSW	
45	102	27	BUFSX	Buffalo Small Cap (closed)	SCGro	*	H	H	6.5	10.1	27.4	29.23	31.2	1.25	SW	
46	26	57	BERWX	Berwyn Fund (1%r<180d)	ScVal	(H)	(H)	(H)	6.5	10.9	25.2	31.68	22.3	0.77	fsw	
47	136	38	PBEGX	PBHG Emerging Growth	SCGro	H	H	H	6.1	9.8	27.6	14.00	35.8	1.80	FSW	
48	71	80	RPMGX	T. Rowe Price Mid Cap Growth	MCGro	H	H	H	5.4	11.2	25.3	53.52	22.1	1.11	fsw	
49	88	50	CLSPX	Columbia Mid Cap Growth CIZ	MCGro	H	H	H	6.3	9.7	27.3	22.31	17.7	0.86	FSW	
50	46	47	WGROX	Wasatch Core Growth (closed,2%r<60d)	SCGro	H	H	H	4.9	10.5	27.7	46.32	28.5	1.10	FSW	
51	107	68	FIEGX	INVESCO Small Company Growth	SCGro	*	H	H	6.4	10.2	26.2	13.24	24.2	1.15	FSW	
52	120	204	JAVLX	Janus Twenty (closed)	LCGro	H	H	H	4.7	11.4	25.3	46.33	17.3	0.93	FSW	
53	192	60	UBRRX	Undiscovered Behavioral Growth (\$10,000)	MCGro	*	H	H	7.1	9.9	25.6	22.64	28.2	1.15	fW	
54	81	39	NBNGX	SIF Mid Cap Growth (2%r<30d)	MCGro	*	H	H	5.7	10.3	26.5	11.92	23.5	1.23	FSW	
55	74	106	STCSX	Wells Fargo Adv Common Stock Z (closed)	MC	H	H	H	5.7	11.1	24.5	24.05	22.6	1.15	FSW	
56	47	23	JSVAX	Janus Contrarian	MC	H	H	H	5.7	8.8	30.0	14.01	22.3	1.10	SW	
57	49	—	SSMVX	Wells Fargo Adv SC Value Z (closed)	SC	H	H	H	6.6	10.0	25.6	30.99	18.3	0.88	FSW	
58	45	45	PENNX	Royce Penn Mutual (1%r<180d)	ScVal	H	H	H	5.2	10.7	25.5	10.94	20.4	0.80	fsw	
59	104	59	VEXPX	Vanguard Explorer	SCGro	H	H	H	6.3	10.1	25.3	79.64	24.2	1.12	fsw	
60	23	17	BSCFX	Baron Small Cap (closed)	SCGro	H	H	H	4.5	9.3	29.7	23.97	21.5	0.79	FSW	
61	56	36	PRSVX	T. Rowe Price S-C Value (closed,1%r<1yr)	ScVal	H	H	H	6.2	9.7	25.9	38.14	18.0	0.69	fsw	
62	72	84	DNLDX	Dreyfus New Leaders	MCGro	H	H	H	5.6	10.6	24.0	46.07	18.6	0.90	FSW	
63	31	51	FDSCX	Fidelity Small Cap Ind. (1.5%r<90d)	SC	H	H	H	5.6	9.8	25.1	21.36	16.7	0.58	Fsw	
64	142	66	STIDX	Wells Fargo Advantage Discovery	MCGro	S	S	S	6.3	9.5	24.9	21.50	19.1	0.86	FSW	
65	93	92	FIDYX	AIM Dynamics Inv (closed)	MCGro	S	S	S	6.4	9.4	24.8	17.71	28.2	1.48	FSW	
66	10	—	FAIRX	Fairholme Fund	MC	(H)	(H)	(H)	1.9	11.2	26.9	24.58	10.5	0.48	fsw	
67	157	181	JAOLX	Janus Olympus	LCGro	*	S	S	6.1	11.2	20.5	30.58	19.1	1.04	FSW	
68	78	49	NMANX	Neuberger Berman Manhattan	MCGro	*	H	H	5.5	10.2	23.9	7.46	23.4	1.15	f	

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	07/31 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	68	69	LSCRX	Loomis Sayles Small Cap Value Ret	SC	H	H	H	5.9	9.6	24.9	27.51	17.2	0.80	FSW	
70	176	231	HACAX	Harbor Capital Appreciation	LCGro	S	S	S	6.1	11.6	19.6	30.50	19.0	1.10	Fsw	
71	54	97	WMCVX	Wasatch Small Cap Value (closed, 2%r<60d)	SCVal	H	H	H	5.2	9.6	25.8	5.84	26.6	0.96	FSW	
72	115	42	JAENX	Janus Enterprise	MCGro	H	H	H	6.1	8.8	25.9	40.00	21.4	1.09	FSW	
73	98	22	TMGFJ	Turner Mid Cap Growth	MCGro	*	H	H	5.6	8.6	26.9	26.03	29.3	1.45	FSW	
74	58	75	MPMVX	MSI Mid Cap Value	MCGro	S	S	S	5.3	10.1	23.7	25.28	23.1	1.18	fsw	
75	190	240	PFGRX	Preferred Growth	LCGro	S	S	S	6.0	11.5	19.1	12.85	19.0	1.10	w	
76	13	19	FBRVX	FBR Small Cap (closed, 1%r<90d)	SCGro	(H)	(H)	(H)	3.4	9.0	28.9	44.55	23.4	0.82	FSW	
77	97	41	ACBGX	USGlobal Holmes Growth (.25%r<30d)	MCGro	S	S	S	5.7	9.4	24.3	16.87	15.3	0.57	FSW	
78	33	74	TASCX	Third Avenue Small-Cap Value (1%r<1yr)	SCVal	S	S	S	4.3	10.5	23.6	24.47	19.9	0.85	fsw	
79	119	78	CRMSX	CRM Small Cap Value Inv (closed)	SCVal	S	S	S	6.1	9.4	23.3	28.03	23.8	0.93	FSw	
80	110	—	PGIFX	Pioneer Growth Opp (Safeco) (closed)	SC	H	H	H	7.4	8.2	24.3	32.11	29.8	1.18	—	
81	129	110	PBHGX	PBHG Growth	MCGro	*	S	S	4.5	10.2	23.2	20.26	21.9	1.02	FSW	
82	125	147	TGONX	TCW Galileo Opportunity N	SC	S	S	S	5.6	10.5	20.3	14.43	22.5	0.90	FSW	
83	122	64	RYPX	Royce Premier (1%r<180d)	SC	S	S	S	6.9	9.4	20.9	16.13	19.4	0.84	Fsw	
84	55	138	JMCVX	Janus Mid Cap Value	MCGro	S	S	S	4.6	10.9	20.6	23.77	20.4	0.93	fsw	
85	111	43	RSSGX	RS Smaller Company Growth	SCGro	*	H	H	5.5	8.2	26.0	23.59	28.5	1.23	FSW	
86	215	65	RSEGX	RS Emerging Growth (closed)	SCGro	*	S	S	6.9	8.0	24.3	32.90	30.0	1.48	FSW	
87	66	174	CBMDX	C&B Mid Cap Value	MCGro	S	S	S	3.4	11.6	20.2	21.73	19.5	0.83	FSW	
88	15	29	LLSCX	Longleaf Partners Smallcap (closed)	SCVal	S	S	S	1.9	8.2	30.7	31.81	19.2	0.80	fw	
89	24	5	BGRFX	Baron Growth (closed)	SCGro	(S)	(S)	(S)	3.9	6.8	31.2	48.03	18.4	0.72	FSW	
90	75	35	PBSVX	PBHG Small Cap Value	SC	S	S	S	4.3	8.5	26.4	23.65	23.8	1.11	FSW	
91	83	124	CSMVX	Century Select Small Cap (1%r<180d)	SCGro	S	S	S	4.8	10.0	21.4	25.11	15.3	0.61	FSW	
92	126	72	OTCFX	T. Rowe Price Small Cap Stock Fund	SC	S	S	S	5.8	8.9	22.5	33.32	19.2	0.84	FSW	
93	173	194	LMASX	Legg Mason Special Investment Trust	MC	*	S	S	6.6	8.3	22.8	48.21	30.9	1.33	—	
94	62	67	VALSX	Value Line Special Situations	MCGro	S	S	S	4.6	9.2	23.2	25.92	15.4	0.71	FSW	
95	256	153	USRLX	Undiscovered Small Cap Growth (\$10,000)	SCGro	*	H	H	7.7	8.4	20.5	10.22	44.2	1.85	fw	
96	—	—	BR5X	Bridgeway Ultra Small Co Mkt	Sc	*	S	S	7.4	7.9	22.0	18.22	18.5	1.03	fsw	
97	95	82	FEXPX	Fidelity Export & Multinat'l (.75%r<30d)	LC	H	S	S	5.9	8.9	22.0	21.15	20.3	1.07	Fsw	
104	61	89	FCNTX	Fidelity Contrafund	LC	(S)	(S)	(S)	4.4	9.3	22.4	61.20	11.4	0.54	Fsw	
109	22	90	BPAVX	Robeco Boston Partners All Cap Value	MCGro	(S)	(S)	(S)	3.0	10.0	22.4	15.53	—	—	FW	
111	44	44	FLPSX	Fidelity L P Stock (closed, 1.5%r<90d)	SCVal	(S)	(S)	(S)	3.8	8.2	25.3	42.68	18.0	0.75	Fsw	

Dow Jones
NASDAQ
S&P 500

3.6%
6.2
3.6

1.4%
5.9
4.5

4.9%
15.8
12.0

indexes do not
include dividends

International Stock Funds

1	2	2	PRLAX	T. Rowe Price Latin America (2%r<90d)	LatinA	*	H	H	6.1%	24.2%	68.1%	\$19.68	29.7	—	fsw
2	1	3	TREMX	T. Rowe Price Emg Europe & Med (2%r<90d)	Europe	*	B	B	7.6	20.1	70.6	20.98	29.2	—	fw
3	4	4	SLAFX	Scudder Latin America (closed, 2%r<30d)	LatinA	*	H	H	5.7	20.3	60.9	38.23	27.3	—	Sw
4	3	1	FLATX	Fidelity Latin Amer. (1.5%r<90d)	LatinA	*	H	H	5.4	19.0	62.5	25.03	29.8	—	Fs
5	5	—	PRMSX	T. Rowe Price Emerging Mkts Stk	Int'l	*	B	B	8.6	15.5	53.1	22.75	18.8	—	fsw
6	11	18	AIOIX	Amer.Cent.Intl Opp. (closed, 2%r<180d)	Int'l	*	B	B	9.6	16.5	42.8	11.47	20.4	—	—
7	6	5	FEMKX	Fidelity Emerging Mkts (1.5%r<90d)	Int'l	*	B	B	7.6	13.7	51.7	14.90	—	—	Fsw
8	10	—	EUROX	US Global Eastern Europe (2%r<180d)	Europe	*	B	B	9.4	11.2	53.5	34.48	26.6	—	FSW
9	9	20	PRASX	T. Rowe Price New Asia (2%r<90d)	Pacific	*	B	B	8.5	14.9	45.3	11.56	19.7	—	fsw
10	7	22	FSEAX	Fidelity SE Asia (1.5%r<90d)	Pacific	*	B	B	7.4	14.2	44.4	19.05	21.1	—	Fsw
11	18	17	MAPTX	Matthews Pacific Tiger (2%r<90d)	Pacific	*	B	B	8.4	13.3	42.8	17.78	23.6	—	FSW
12	8	6	VEIEX	Vanguard Emerging Mkts Stk Index (.5%r)	Int'l	*	B	B	6.8	12.6	46.7	16.50	22.6	—	fsw
13	14	31	DRIDX	Driehaus Intl Discovery (2%r<60d)	Int'l	*	B	B	7.2	14.6	36.7	36.53	21.1	—	FSW
14	13	11	DRFMX	Dreyfus Premier Emerging Market (1%r)	Int'l	*	B	B	5.8	10.3	39.4	21.44	21.6	—	fsw
15	15	7	DREGX	Driehaus Emerging Mkts Gr (2%r<60d)	Int'l	*	B	B	7.2	8.8	41.2	25.05	24.9	—	FSW
16	20	36	SCOPX	Scudder Pacific Opp (closed, 2%r<30d)	Pacific	*	(B)	(B)	7.1	10.3	33.6	14.63	19.0	—	FSW
17	22	10	FIEUX	Fidelity Europe (1%r<30d)	Europe	*	B	B	5.2	8.7	39.1	37.05	22.5	—	Fsw
18	30	9	ARTJX	Artisan Intl Small Cap (closed, 2%r<90d)	Int'l	*	(B)	(B)	6.8	8.2	36.8	19.25	—	—	SW
19	23	12	PIRSX	Forward Intl Small Companies (2%r<60d)	Int'l	*	H	H	5.5	9.0	35.8	14.27	—	—	FSW
20	19	13	SGSCX	Scudder Gbl Discovery (closed, 2%r<30d)	Int'l	*	B	B	4.3	9.6	36.0	37.81	20.1	—	FSW
21	12	8	FISMX	Fidelity Intl Small Cap (closed, 2%r<90d)	Int'l	*	B	B	4.5	8.1	36.9	25.94	—	—	Fw
22	17	42	MACSX	Matthews Asia G & I (closed, 2%r<90d)	Pacific	*	B	B	5.3	10.6	29.3	17.27	11.4	—	FSW
23	28	28	JAOSX	Janus Overseas (closed, 2%r<90d)	Int'l	*	(B)	(B)	6.2	9.1	30.5	26.28	16.5	—	FSW
24	16	19	NBISX	Neuberger Berman Intl (2%r<60d)	Int'l	*	H	H	4.9	9.1	32.1	20.05	16.3	—	fsw
25	35	—	ICEUX	ICAP Euro Select Equity (2%r<30d)	int'l	*	H	H	5.5	8.5	31.3	31.55	18.0	—	fsw
26	34	46	TWGGX	American Century Global Growth (2%r<60d)	Global	*	H	H	4.8	10.4	27.3	8.37	14.1	—	FSW
27	24	16	VINEX	Vanguard Intl Expl (closed, \$25k, 2%r<60d)	Int'l	*	H	H	4.5	7.7	33.4	17.76	16.3	—	fsw
28	21	52	ICHKX	Guinness China & Hong Kong (2%r<90d)	Pacific	*	H	H	4.3	11.0	25.4	20.27	19.6	—	FSW
29	29	33	SCOBX	Scudder Global (closed, 2%r<30d)	Global	*	H	H	4.8	9.3	28.0	28.69	12.7	—	FSW
30	27	21	OAKEX	Oakmark Intl Small Cap (closed, 2%r<90d)	Int'l	*	H	H	6.4	6.8	28.8	21.88	20.4	—	FSW
31	33	27	FECAX	Fidelity Europe Capital App. (1%r<30d)	Europe	*	H	H	5.1	7.5	28.0	23.04	18.8	—	Fw
32	36	24	PRIDX	T. Rowe Price Intl Disc. (2%r<90d)	Int'l	*	H	H	5.7	6.8	28.0	35.29	16.0	—	fsw
38	32	14	DODFX	Dodge & Cox Intl Stock	Int'l	*	H	H	2.9	5.1	28.6	32.08	23.4	—	fsw
46	46	35	VTRIX	Vanguard International Value (2%r<60d)	Int'l	*	H	H	4.3	5.5	23.5	32.26	16.8	—	fsw
48	49	30	VEURX	Vanguard European Stock Index (2%r<60d)	Europe	*	S	S	3.8	5.0	24.2	26.78	17.4	—	fsw

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

RANK	07/31 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	1	5	FSENX	Fidelity Energy (.75%r<30d)	NatRes	*	*	*	8.2%	31.1%	54.1%	\$43.53	18.50	0.64	Fsw	
2	3	6	FSESX	Fidelity Energy Services (.75%r<30d)	NatRes	*	*	*	10.1	28.5	52.2	57.31	23.70	0.78	Fsw	
3	2	9	VGENX	Vanguard Energy (1%r<1yr)	NatRes	*	*	*	7.2	28.7	52.3	52.44	16.50	0.61	Fsw	
4	7	8	RYVIX	Rydex Energy Services (\$25k)	NatRes	*	*	*	11.7	27.2	48.9	35.23	24.10	0.90	FSW	
5	6	3	EUEYX	Alpine U.S. Real Estate Equity CIY	RealEs	*	*	*	5.1	20.9	66.4	48.11	22.60	0.76	FSW	
6	5	10	RYEIX	Rydex Energy (\$25k)	NatRes	*	*	*	7.5	26.7	46.7	19.34	19.50	0.76	Fsw	
7	4	2	FSNGX	Fidelity Natural Gas (.75%r<30d)	Utility	*	*	*	7.1	24.8	50.9	36.05	19.10	0.53	Fsw	
8	14	23	CSRSX	Cohen & Steers Realty (\$10k,1%r<180d)	RealEs	*	*	*	7.4	26.5	46.2	78.93	16.00	0.40	FSW	
9	9	14	FNARX	Fidelity Natrl Resources (.75%r<30d)	NatRes	*	*	*	8.5	25.6	43.0	21.82	17.80	0.70	Fw	
10	8	7	ICENX	ICON Energy	NatRes	*	*	*	9.1	24.2	45.4	29.43	20.80	0.70	FSW	
11	15	27	TRREX	T. Rowe Price Real Estate (1%r<180d)	RealEs	*	*	*	7.6	25.2	44.0	20.09	15.00	0.36	fsw	
12	17	21	FRESX	Fidelity Real Estate (.75%r<90d)	RealEs	*	*	*	8.1	24.6	44.5	33.68	15.00	0.36	Fsw	
13	11	1	CGMRX	CGM Realty	RealEs	*	*	*	9.0	16.3	62.7	35.00	24.30	0.75	sw	
14	18	34	VGSIX	Vanguard REIT Index (1%r<1yr)	RealEs	*	*	*	7.0	24.2	40.7	20.88	15.50	0.36	fsw	
15	10	4	FSHCX	Fidelity Med Del (.75%r<30d)	Health	*	*	*	1.8	16.2	60.8	51.02	20.50	0.02	Fsw	
16	16	11	FSHOX	Fidelity Const & Housing (.75%r<30d)	Cycls	*	*	*	7.3	15.8	46.0	50.29	20.00	0.99	Fsw	
17	12	13	PRNEX	T. Rowe Price New Era	NatRes	*	*	*	7.3	17.7	39.2	39.81	17.10	0.75	fsw	
18	21	16	VGPMX	Vanguard Precious Metals (\$10k,1%r<1yr)	NatRes	*	*	*	7.4	15.0	41.9	18.93	27.50	0.81	fsw	
19	27	30	FWRLX	Fidelity Wireless (.75%r<30d)	Tech	*	*	*	7.0	17.4	36.6	6.61	27.70	1.58	Fw	
20	22	48	CSEIX	Cohen & Steers Realty Income (1%r<180d)	RealEs	*	*	*	5.4	19.0	32.5	18.61	14.40	0.32	fsw	
21	20	28	FSLBX	Fidelity Brokerage (.75%r<30d)	FinServ	*	*	*	5.3	14.7	39.2	62.52	21.90	1.33	Fsw	
22	45	37	FSELX	Fidelity Electronics (.75%r<30d)	Tech	*	*	*	8.9	18.3	23.9	42.65	37.50	2.12	Fsw	
23	26	53	STMDX	Stratton Mthly Div REIT (1.5%r<120d)	RealEs	*	*	*	4.3	17.7	29.5	38.37	14.60	0.32	fsw	
24	28	47	FSRPX	Fidelity Retailing (.75%r<30d)	Consmr	*	*	*	6.4	15.7	27.4	56.16	16.90	0.90	Fsw	
25	31	26	PRMTX	T. Rowe Price Media & Telecommunications	Utility	*	*	*	5.8	13.3	32.7	30.95	22.00	1.37	fsw	
26	25	20	FSDAX	Fidelity Defense & Aero (.75%r<30d)	Cycls	*	*	*	4.6	15.0	27.8	74.18	15.60	0.60	Fsw	
27	92	77	RYSEX	Rydex Electronics (\$25k)	Tech	*	*	*	10.9	17.2	12.3	11.87	43.20	2.35	FSW	
28	19	40	ICTUX	ICON Telecommunications & Utilities	Utility	*	*	*	3.6	13.4	28.5	8.04	14.70	0.74	FSW	
29	13	36	RYUIX	Rydex Utilities (\$25k)	Utility	*	*	*	2.4	14.0	28.8	26.36	17.50	0.83	FSW	
30	37	76	FSLEX	Fidelity Environmental Ser (.75%r<30d)	Cycls	*	*	*	7.1	13.4	23.0	15.62	15.30	0.85	Fsw	
31	30	54	RYRIX	Rydex Retailing (\$25k)	Consmr	*	*	*	5.4	13.8	23.6	13.51	18.60	1.02	FSW	
32	29	82	FSPHX	Fidelity Health Care (.75%r<30d)	Health	*	*	*	4.6	15.0	21.9	142.80	11.20	0.55	Fsw	
33	23	35	FSUTX	Fidelity Utilities Growth (.75%r<30d)	Utility	*	*	*	3.5	12.1	28.3	43.91	17.30	1.00	Fsw	
34	47	41	FSAXX	Fidelity Air Transport (.75%r<30d)	Cycls	*	*	*	7.1	11.7	22.1	36.51	20.20	1.07	Fsw	
35	36	22	FCYIX	Fidelity Cyclical Ind (.75%r<30d)	Cycls	*	*	*	7.5	9.4	25.9	19.76	16.50	0.97	Fw	
36	43	15	ICBMX	ICON Materials	Cycls	*	*	*	8.1	7.6	28.1	10.73	20.30	1.02	FSW	
37	83	31	RIAFX	RS Internet Age	Tech	*	*	*	6.1	8.2	26.4	7.14	41.60	2.34	FSW	
38	88	89	FBIOX	Fidelity Biotechnology (.75%r<30d)	Health	*	*	*	9.3	10.4	14.5	59.57	20.80	0.90	Fsw	
39	33	81	VGHCX	Vanguard Health (closed,\$25k&1%r<1yr)	Health	*	*	*	3.7	11.9	18.9	136.90	11.20	0.63	fsw	
40	87	86	RYOIX	Rydex Biotechnology (\$25k)	Health	*	*	*	9.8	9.4	14.9	20.87	23.80	1.10	FSW	
41	84	33	RSIFX	RS Information Age	Tech	*	*	*	6.3	7.3	24.4	15.94	40.80	2.32	FSW	
42	74	17	FSRFX	Fidelity Transportation (.75%r<30d)	Cycls	*	*	*	8.5	5.8	24.1	42.44	17.80	0.98	Fsw	
43	76	63	FSPTX	Fidelity Technology (.75%r<30d)	Tech	*	*	*	6.4	9.7	17.1	62.02	29.50	1.74	Fsw	
44	42	12	FSCHX	Fidelity Chemicals (.75%r<30d)	Cycls	*	*	*	6.4	4.1	29.5	69.22	18.30	0.92	Fsw	
45	65	66	PRHSX	T. Rowe Price Health Sciences	Health	*	*	*	6.7	7.9	19.3	24.01	14.90	0.71	fsw	
46	82	46	FDCPX	Fidelity Computers (.75%r<30d)	Tech	*	*	*	7.0	8.2	17.3	36.06	29.90	1.75	Fsw	
47	71	38	FSDPX	Fidelity Indust Matrils (.75%r<30d)	Cycls	*	*	*	8.5	6.0	20.1	39.74	20.70	0.94	Fsw	
48	38	39	FSMEX	Fidelity Medical Equip (.75%r<30d)	Health	*	*	*	4.1	8.2	20.2	25.15	10.80	0.46	Fsw	
49	78	69	PRSCX	T. Rowe Price Science & Tech	Tech	*	*	*	6.0	8.6	15.9	19.60	27.50	1.69	fsw	
50	32	57	FSPCX	Fidelity Insurance (.75%r<30d)	FinServ	*	*	*	3.9	9.1	17.4	65.96	14.30	0.79	Fsw	
51	39	84	RYHIX	Rydex Health Care (\$25k)	Health	*	*	*	3.2	9.9	16.3	13.78	12.50	0.69	FSW	
52	52	79	FSTCX	Fidelity Telecomm (.75%r<30d)	Utility	*	*	*	5.2	8.2	16.7	37.98	31.30	1.79	Fsw	
53	24	18	ICHCX	ICON Healthcare	Health	*	*	*	-0.8	6.9	28.5	17.29	15.00	0.52	FSW	
54	54	24	ICTRX	ICON Industrials	Cycls	*	*	*	5.7	6.1	20.9	12.42	17.20	0.84	FSW	
55	70	44	FSCGX	Fidelity Industrial Equip (.75%r<30d)	Cycls	*	*	*	7.8	6.2	16.0	27.06	19.40	1.14	Fsw	
56	34	51	FBALX	Fidelity Balanced	Hybrid	B	*	*	3.7	7.1	18.0	18.73	11.30	0.71	Fsw	
57	91	45	FSDCX	Fidelity Developing Comm (.75%r<30d)	Tech	*	*	*	5.9	5.1	19.1	18.87	31.40	1.73	Fsw	
58	41	65	ICCCX	ICON Consumer Discretionary	Consmr	*	*	*	3.3	7.8	15.6	14.89	21.30	0.97	FSW	
59	89	78	RYTIX	Rydex Technology (\$25k)	Tech	*	*	*	6.4	7.2	12.6	11.35	32.00	1.90	FSW	
60	77	90	RYMIX	Rydex Telecommunications (\$25k)	Utility	*	*	*	5.7	7.1	13.8	15.99	31.80	1.90	FSW	
61	75	70	FSAVX	Fidelity Automotive (.75%r<30d)	Cycls	*	*	*	8.6	5.2	13.9	35.48	18.30	0.89	Fsw	
62	80	25	RYBIX	Rydex Basic Materials (\$25k)	Cycls	*	*	*	8.0	3.3	17.7	30.52	20.20	1.13	FSW	
63	49	56	FSCPX	Fidelity Consumer Ind (.75%r<30d)	Consmr	*	*	*	4.0	5.2	18.9	25.51	13.40	0.79	Fsw	
64	72	92	FPHAX	Fidelity Pharmaceuticals (.75%r<30d)	Health	*	*	*	4.1	7.7	12.0	9.22	15.70	0.83	Fw	
65	46	60	RYFIX	Rydex Financial Services (\$25k)	FinServ	*	*	*	3.9	5.6	17.1	12.36	15.70	0.94	FSW	
66	94	43	RYPIX	Rydex Transportation (\$25k)	Cycls	*	*	*	8.2	2.1	16.4	22.90	17.00	0.86	FSW	
67	68	55	FBSOX	Fidelity Bus Services (.75%r<30d)	Tech	*	*	*	5.2	3.8	16.4	15.78	20.20	1.25	Fsw	
68	90	67	ICTEX	ICON Information Technology	Tech	*	*	*	5.2	3.7	14.9	8.71	27.80	1.51	FSW	
71	44	74	VBINX	Vanguard Balanced Index	Hybrid	B	*	*	2.1	4.4	12.2	19.80	8.50	0.55	fsw	
84	40	80	GATEX	Gateway Fund	Altern	B	*	*	0.6	3.6	8.1	25.08	8.40	0.52	Fsw	

Janus Orion Fund: Looking in All the Right Places

This fund can go anywhere—small-cap, mid-cap, large-cap, value, growth, U.S., or foreign. And yet, with that broad investment latitude, two things about Janus Orion are likely to surprise you. First, fund manager Ron Sachs has traditionally done most of his own research. And second, the fund holds only between 30 and 45 names in the portfolio (40 currently). That has several implications—the manager has a lot of conviction in the stocks he hand picks for the fund, and the fund can have a lot of assets tied up in its top holdings (45% in its top ten currently).

Ron Sachs has been manager of the fund since its June 2000 inception. It had a rough couple of years, initially, with negative total returns of 14.7% and 29.8%. A heavy concentration in pricey technology and telecommunications stocks—nearly 60% of assets soon after its launch—took its toll. From this experience, Sachs came to emphasize companies with sustainable earnings growth selling at reasonable prices. The 2003 year brought a reversal of fortune for Janus Orion, as it chalked up a 43.8% total return, putting it ahead of 85% of its Morningstar category peers. It performed admirably last year as well, with a 14.9% gain. Thus far in 2005 (through July 29) the fund is up by 11.4%, in the top 5% of its category.

It's worth noting that while Morningstar classifies Orion as a domestic mid-cap growth fund, that's really a "best-fit" category. As of June 30, the fund had one-third of assets in large-cap stocks (more than \$10 billion in market capitalization), 17% in mid-cap stocks (\$5 billion to \$10 billion), 36% in small- to mid-sized issues (\$1 billion to \$5 billion), and 14% in small-cap shares (less than \$1 billion). Meanwhile, Orion had nearly 30% of assets in foreign stocks, certainly not typical for a domestic mid-cap growth fund.

Finding growth before anyone else

Ron Sachs has been quoted in several instances as saying something along the lines of, "I like to find growth companies before anyone else does." And it's not enough just to "know" a company. Sachs wants to "know a company's story better than anyone else." So what exactly does that mean? Sachs says he visits companies "constantly," and visits their suppliers and competitors as well. Ultimately, he's looking for firms that can generate consistent and sustainable earnings growth. Typical factors he looks for include pricing power, barriers to entry, sustainable franchise, competitive advantage, and substantial cash flow after debt and expenses. Then, he looks at valuation, picking stocks whose valuation indicates that other portfolio managers have not yet identified them as growth stocks.

The final step is to create a discounted cash flow model. Sachs then calculates the risk and reward of each stock: those with the highest risk/reward ratio make it into the portfolio, and those with the most favorable ratios will be the most heavily weighted holdings. Turnover in the portfolio is moderate, at about 69% annually. If a stock comes along with a great risk/reward profile, it can replace

(continued on page 8)

100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Vanguard Treasury MMF	2.83%	2.76%	1.80%
Fidelity Spartan US Treas MMF	2.76	2.62	1.68
Gabelli US Treasury MMF	2.69	2.68	1.70
Amer Century Capital Presv Fund/Inv	2.63	2.58	1.58
T. Rowe Price US Treasury MF	2.59	2.48	1.46
US Treasury MF of America/CI A	2.56	2.45	1.40
JPMorgan 100% US Treas MMF/Morgan	2.48	2.42	1.43
RMK Select Treas MMF/CI A	2.48	2.44	1.44
HSBC Investor US Treas MM/CI D	2.46	2.42	1.46
Schwab US Treasury Money Fund	2.45	2.41	1.37

GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
PayPal Money Market Fund	3.35%	3.31%	2.22%
Scudder MM Series Premium/AARP	3.21	3.18	2.09
MFS Money Market Fund	3.19	2.99	1.79
GE Money Market Fund	3.12	2.98	1.86
TIAA-CREF Money Market Fund	3.11	3.05	1.94
Harbor Money Market Fund	3.10	2.95	1.87
Scudder MM Series Prime Reserve/AARP	3.10	3.08	2.00
Vanguard Prime MMF/Retail	3.08	3.02	1.96
Marshall MMF/Investor Class	3.07	2.98	1.86
SSgA MMF/CI A	3.02	2.99	1.84

TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Alpine Municipal MMF/Investor	2.38%	2.28%	1.82%
Vanguard Tax-Exempt MMF	2.31	2.21	1.73
Tax-Exempt MF of America/CI A	2.10	2.14	1.25
Scudder Tax-Exempt Money Fund	2.07	1.99	1.43
Fidelity Municipal MMF	2.06	1.98	1.44
T. Rowe Price Summit Muni MMF	2.05	1.97	1.39
Amer Century T-F MMF/Inv Class	2.03	1.94	1.43
Fidelity Tax Free Money Market	2.03	1.94	1.43
T. Rowe Price Tax-Exempt MF	2.02	1.94	1.32
USAA Tax Exempt MMF	2.02	1.94	1.45

TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Vanguard OH Tax-Exempt MMF	2.30%	2.19%	1.71%
Vanguard NJ Tax-Exempt MMF	2.26	2.18	1.68
Vanguard PA Tax-Exempt MMF	2.26	2.16	1.70
Vanguard NY Tax-Exempt MMF	2.25	2.16	1.68
Vanguard CA Tax-Exempt MMF	2.24	2.15	1.70
Fidelity PA Municipal MMF	2.02	1.91	1.39
Fidelity AZ Municipal MMF	2.01	1.90	1.38
Fidelity FL Municipal MMF	2.01	1.94	1.40
Fidelity NY Municipal MMF	1.98	1.88	1.36
Fidelity OH Municipal MMF	1.97	1.89	1.36

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 7/26/05. 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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a less favorable one in the portfolio. Also, if a stock appreciates in price and the ratio becomes less favorable, it may be trimmed or sold. Such was the case with Corning in the second quarter. This leader in fiber optics and flat panel displays has strong margins and strong customer relationships. Stock appreciation during the period lessened the attractiveness of its risk/reward profile, and the stock was sold. On the other hand, after a weak first quarter, Chicago Mercantile Exchange was a great performer in the second, as it exercised pricing power and its mix of trades improved. Still, Sachs sees tremendous growth opportunities ahead, and so continues to hold the stock. Sachs initially purchased Chicago Mercantile Exchange at its initial public offering in late 2002.

Top Five Holdings & Sectors (% of Assets)

Dade Behring Holdings	7.7	Health Care	23.9
Chicago Mercantile Exch.	5.4	Financial Services	20.2
IAC/InterActive Corp.	5.1	Consumer Services	12.8
CapitalSource	4.6	Hardware	10.6
Cisco Systems	4.2	Consumer Goods	10.2

A decline in a stock's price is cause for a reassessment. Whereas some managers will set a stop-loss sell price, if Sachs believes a company's story is intact, he may well buy more. That was just the case with niche lender CapitalSource in the June period. The stock sold off when it increased its reserves against losses. But Sachs reexamined its business strategy and positioning, and added to the fund's stake in the stock.

The foreign component

As mentioned above, about 30% of Orion's assets are invested in foreign stocks. Of that, about 10% is invested in Europe, 10% in Latin America, and 3% in the Pacific Rim (the remainder is classified "other"). Sachs has been particularly attracted to Europe as European growth stocks have been selling at significant discounts to their US counterparts. Number ten holding Roche Holding (3.2% of assets) is one example. Roche owns 60% of biotech firm Genentech, and Sachs says the stock's price does not reflect its cancer drugs under development. \$

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