

MONEYLETTER HOTLINE 7/29/03

Bond Market Jitters

The important news the last two days has not come from the stock market or the economy but from the bond market. The bond market has been battered for about two weeks, and today the battering continued. Long-term yields have now risen to a point where they are no longer a positive from a stock market perspective.

Some of the rise in rates was a simple reversal of expectations caused by the talk about inflation. But the last few days fall in bond prices has gone beyond that for a variety of reasons, some technical and some concerning a reviving economy. As is frequently the case with the bond market, it has overreacted, or so we believe.

Given the rate of inflation, and the prospective rate, yields are too high now, at 4.4%, on a fundamental basis. Further, Fed Governor Bernanke repeated Chairman Greenspan's declaration that the Fed would keep short-term interest rates low for a significant period of time. Despite this, the stock market understandably is nervous as rates move higher than expected. Until the bond market settles down, stocks will have trouble. The bond market could push the stock market into a full-fledged correction despite the economy's improving performance. We see higher prices over the next six months, but we expect the next few weeks to be very choppy.

There is no change in our recommended allocations.

New Fund Recommendations – For domestic stock funds, there is one new hold: CGM Focus. There are two new sells: Longleaf Partners Smallcap and Fidelity Convertible Securities. There are no changes for international stock funds.

Fidelity Convertible Securities is in the Fidelity Venturesome and Moderate portfolios. In the Venturesome Portfolio, we will switch Convertible Securities into Fidelity Small Cap Stock. In the Moderate portfolio, the switch will be into Fidelity OTC.

The Economy – July Consumer Confidence dropped sharply against an expectation of a rise. This set the market off. As we have said repeatedly, we do not put much weight on these confidence numbers. The weekly retail sales surveys say that sales last week were sluggish. A slew of economic reports are due later this week. We do look for steadily improving numbers.

The Bond Market – Bond prices will probably move somewhat lower over the very near-term, but we see prices then moving back up modestly back to 4%. Long-term yields are too high.

The Select Portfolio – RS Contrarian is to be sold in this portfolio and Oberweis Emerging Growth will be purchased with the proceeds.

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Unrealized Potential – So Far

The market got what it perceived as good news in the form of strong headline number for the durable goods new orders report and after hemming and hawing headed up with some vigor. Actually, the durable goods number was not all that strong, at least as an indicator of future investment spending. The bond market realized this and didn't react as much as it would have had the headline number been a true reflection of the report's message.

As we see it, the stock market is confused right now, and rightly so. The earnings season is winding down, and the actual earnings were fine, but the guidance was lukewarm just as it was last quarter. The economic numbers show the economy is improving, but the improvement is still snail-like.

The potential for more rapid growth is there as is the potential for fat profit gains. But there is as yet, little evidence that the potential is about to be realized. Wall Street is understandably nervous after the market's climb, and that explains this month's profit-taking. We think developments this quarter, with the tax cut now effective, will reassure Wall Street that the rally was justified. The market is now keying off the economy.

There is no change in our recommended allocations.

New Fund Recommendations – For domestic stock funds, there are two new buys: Heartland Value and RS Smaller Company Growth. There is one new hold: Legg Mason Value. There is one new sell: Salomon Brothers Capital. For international stock funds, there are two new buys: Vanguard International Explorer and Longleaf Partners International. There is one new sell: Fidelity Europe.

The Economy – Defense and aircraft accounted for a fair part of the durable goods gains. They mean little on a month-to-month basis, being volatile. The investment orders section of the report rose only modestly. And the true message of the report was just that, modest gains. We do look for steadily improving numbers.

The Stock Market – One pressure on the market this week has come from some institutions selling stock and buying bonds to meet allocation guidelines, as bond prices dropped. Profit-taking is not the only selling at work this week. We expect a another leg of the rally later this year.

The Bond Market – The bond market is settling down. As we have said, yields may move slightly higher, but the major move up is behind us for some time.

The Select Portfolio – There are no changes.

Domestic Stock Funds — data as of 7/25/03

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Oberweis Emerging Growth	B	12.0%	47.6%	55.4%	51 Vanguard Growth Equity	H	5.5	23.5	28.1
2 RS Diversified Growth	B	11.0	42.8	38.0	52 Vanguard Small Cap Growth	H	6.3	23.1	27.7
3 Undiscovered Small Cap Growth	B	7.7	39.7	49.7	53 American Century Vista	H	5.7	26.5	19.9
4 Legg Mason Opportunity Trust	B	-1.2	39.8	62.3	54 Vanguard Extended Market	H	4.5	23.8	28.0
5 Undiscovered Behavioral Growth	B	7.8	34.7	48.9	55 CRM Small Cap Value Inv	H	4.6	26.1	22.1
6 WmBlair S-C Growth N (1%r<60d)	B	8.3	37.0	41.8	56 T.Rowe Price Mid Cap Growth	H	3.7	23.5	28.4
7 TCW Galileo Aggressive Growth	B	6.7	30.2	55.6	57 Muhlenkamp Fund	H	1.2	24.2	30.1
8 FBR Small Cap Value A (1%	B	3.9	29.6	59.6	58 Vanguard SmallCap Index	H	5.3	24.1	23.9
9 Buffalo Small Cap	B	7.8	36.3	34.6	59 Vanguard Capital Value	H	3.8	22.0	30.4
10 Neuberger Berman Focus	B	5.5	34.9	40.5	60 Vanguard Strategic Equity	H	4.3	23.2	26.6
11 Legg Mason Special Investment	B	5.2	31.4	48.8	61 T. Rowe Price New America	H	3.7	22.2	29.9
12 Heartland Value (1%r<90d)	B	7.0	33.5	39.3	62 Selected Special Shares	S	3.3	23.4	27.2
13 Royce Opportunity (1%r<180d)	B	8.8	33.1	34.0	63 Meridian Fund	H	3.5	25.2	22.5
14 RS Partners	B	4.6	30.4	46.0	64 Fidelity OTC Portfolio	S	6.9	20.9	27.8
15 PBHG Emerging Growth(closed)	B	9.5	31.9	32.8	65 SIT Small Cap Growth	H	4.9	23.5	23.9
16 Bridgeway Aggressive Investors 2	H	5.6	33.2	35.4	66 MSI Mid Cap Value	S	4.2	22.6	26.5
17 RS Smaller Company Growth	B	8.5	34.5	27.4	67 Strong Advisor Common Stock	S	3.3	21.3	31.0
18 Janus Venture (closed)	B	7.8	32.0	34.0	68 MSI Small Cap Value(closed)	H	4.7	22.0	26.7
19 Pin Oak Aggressive Stock	H	8.9	32.4	28.0	69 Vanguard PRIMECAP	S	4.8	22.2	25.8
20 T. Rowe Price New Horizons	B	5.2	30.2	36.8	70 SIT Mid Cap Growth	S	4.1	22.9	24.3
21 Montgomery Small Cap	B	5.9	30.3	34.1	71 INVESCO Small Company	S	6.7	21.5	23.4
22 Marsico 21st Century	B	7.6	29.4	33.2	72 Boston Partners Mid Cap Value	S	3.4	20.6	29.9
23 Federated Kaufmann Fund(0.2%)	B	6.3	30.6	31.3	73 Strong Opportunity	S	4.0	21.6	25.6
24 Legg Mason Value	H	5.0	25.0	45.8	74 Neuberger Berman Partners	S	3.4	22.7	23.4
25 Wasatch Small Cap Value (2%	H	8.7	31.8	22.6	75 Scudder Development (closed)	S	4.1	20.4	28.2
26 Wasatch Small Cap Grth	B	7.1	28.2	32.8	76 Fidelity Equity-Income II	S	3.3	20.9	27.6
27 RS Emerging Growth(closed)	H	7.9	29.1	29.1	77 Janus Enterprise	S	3.3	21.3	26.0
28 Boston Ptnrs Smlcap Val	B	6.2	30.5	27.6	78 Vanguard/Morgan Growth	S	3.8	20.5	27.4
29 Turner Mid Cap Growth	H	7.5	28.2	31.2	79 INVESCO Dynamics	S	4.3	20.6	26.0
30 Bogle Small Cap Growth(closed)	H	7.8	29.2	26.7	80 C&B Mid Cap Value	S	4.4	22.8	20.1
31 TCW Galileo Small Cap Growth	H	7.1	28.3	29.6	81 Strong Discovery	S	5.6	20.3	24.0
32 Artisan Small Cap	H	4.2	28.2	31.1	82 Strong Mid Cap Disciplined	S	3.9	19.1	29.7
33 Janus Special Equity	H	5.4	27.8	30.1	83 Eclipse Small Cap Value	S	5.0	22.9	18.4
34 RS MidCap Opportunities	B	4.7	26.3	34.9	84 Fidelity Export & Multina'l(.75%	S	2.6	18.3	32.7
35 TCW Galileo Value Opportunities	H	5.4	26.7	31.7	85 Royce Low Priced Stock (1%	S	4.4	20.5	24.4
36 Needham Growth Fund (.75%	H	6.3	25.5	31.5	86 USAA Aggressive Growth	S	4.8	21.9	20.3
37 Fidelity Growth Company	H	5.7	25.8	31.3	87 Royce Premier (1%r<180d)	S	3.8	20.4	25.3
38 Vanguard Cap Opp (\$25,000&1%	H	3.8	25.9	33.4	88 Baron Growth	S	4.5	21.3	20.4
39 Fidelity Capital Appreciation	H	4.3	24.9	34.2	89 Strong Growth	S	4.8	20.7	21.4
40 WPG Tudor	H	7.6	24.0	31.6	90 MSI Value Portfolio	S	3.1	20.6	23.5
41 Century Select Small Cap	H	5.6	23.2	36.1	91 Marsico Focus	S	5.1	21.9	17.2
42 CS Warburg Pincus Emerging	H	5.2	25.3	31.5	92 Weitz Value Fund	S	1.5	18.2	31.4
43 Safeco Growth Opportunities	H	7.0	28.5	19.8	93 Strong Advisor Midcap Growth	S	2.6	21.0	22.5
44 RS Value+Growth	H	5.1	25.2	29.4	94 Thompson Plumb Growth	S	1.1	16.5	36.1
45 Wasatch Core Growth(closed,2%	H	6.4	27.9	18.9	95 Ariel Appreciation	S	3.6	21.2	20.3
46 Liberty Small Company Equity CIZ	H	5.0	25.3	27.2	96 T. Rowe Price Growth Stock	S	3.0	19.1	26.6
47 MSI Mid Cap Growth	H	5.7	25.0	26.2	97 Gabelli Growth	S	5.1	18.3	25.1
48 Baron Small Cap	H	4.5	26.5	23.5	98 Royce Penn Mutual(1%r<180d)	S	4.6	19.7	22.0
49 Vanguard Explorer	H	5.4	24.5	26.7	99 Vanguard Windsor	S	3.1	19.1	25.3
50 CGM Focus	H	1.5	28.1	23.3	100 Longleaf Partners Smallcap	S	-0.5	24.7	16.5

DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 7/25/03

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 Marsico Growth & Income	S	4.8	21.2	17.1	151 Scudder Capital Growth AARP	S	3.5	17.4	19.3
102 Neuberger Berman Guardian	S	1.6	21.9	19.9	152 Vanguard Mid-Cap Index	S	3.3	17.4	19.5
103 Artisan Mid Cap Value	S	1.3	18.2	29.7	153 Gabelli Asset	S	2.9	16.5	22.1
104 T. Rowe Price S-C Value	S	4.1	19.3	21.5	154 Schwab 1000 Fund (.75%)	S	2.7	17.0	21.1
105 Nicholas II	S	3.8	19.0	22.6	155 Fidelity Fund	S	3.1	17.0	20.0
106 CS Warburg Pincus Capital Ap-	S	4.5	17.7	23.7	156 Vanguard 500 Index	S	2.5	16.9	21.1
107 T. Rowe Price Small Cap Stock	S	4.8	18.6	21.2	157 Fidelity Spartan 500 Index	S	2.5	16.9	21.1
108 Artisan Midcap(closed)	S	3.7	18.4	23.1	158 Salomon Brothers Investors	S	1.2	16.9	23.0
109 Fidelity L P Stock(1.5%r<90d)	S	4.7	19.6	18.5	159 State Street Mid-Cap Value	S	4.1	18.1	15.7
110 Janus Mercury	S	2.4	17.6	26.7	160 Vanguard Growth Index	S	3.6	16.8	19.6
111 Fidelity Aggressive Growth(0.75%)	S	3.1	17.1	26.9	161 USAA Growth	S	3.2	17.5	18.5
112 INVESCO Blue Chip Growth	S	4.6	19.1	19.1	162 Dreyfus New Leaders	S	3.1	17.2	19.3
113 Neuberger Berman Genesis	S	4.4	17.4	23.2	163 Third Avenue Value	S	3.4	17.8	17.3
114 Van Wagoner Emerging Growth	S	9.1	18.2	14.1	164 Sound Shore	S	1.1	16.4	24.1
115 American Century Ultra	S	4.0	19.0	19.4	165 Third Avenue Small-Cap Value	S	3.6	17.5	17.5
116 Fidelity Small Cap Stock (2%)	H	5.4	17.6	20.7	166 Strong Multi-Cap Value	S	2.9	18.0	17.1
117 Neuberger Berman Manhattan	S	3.7	18.9	20.0	167 American Century Select	S	1.9	17.5	19.5
118 Dreyfus-Founders Discovery	S	5.6	19.5	15.5	168 Vanguard Growth & Income	S	2.9	16.9	19.5
119 Aegis Value Fund	S	4.7	18.0	20.5	169 Strong Large Cap Growth	S	3.4	17.5	17.0
120 Berwyn Fund (1%r<180d)	S	2.3	20.1	18.8	170 William Blair Growth (1%r<60d)	S	4.7	16.5	17.3
121 Vanguard Total Stk Mkt	S	2.9	18.2	22.2	171 Fidelity Dividend Growth	S	1.1	15.0	26.2
122 Ariel Fund	S	3.2	19.1	18.8	172 Scudder Large Co Value	S	3.7	16.3	18.9
123 Preferred Growth	S	4.7	18.6	17.9	173 Safeco Equity	S	2.5	16.7	19.6
124 Dreyfus Mid Cap Index	S	3.1	18.5	20.4	174 Fidelity Value	S	2.0	17.1	19.1
125 Dodge & Cox Stock	S	4.2	16.8	22.8	175 Vanguard Convertible Securities	S	2.2	14.3	25.8
126 WPG Large Cap Growth	S	4.5	18.5	18.2	176 Fidelity Magellan (closed)	S	2.2	16.3	20.7
127 Fidelity Mid-Cap Stock (.75%)	S	3.6	17.6	21.5	177 Vanguard Small-Cap Value	S	4.3	17.5	14.6
128 Harbor Capital Appreciation	S	4.7	18.6	17.5	178 Royce Total Return (1%r<180d)	S	2.6	16.2	20.2
129 SIT Large Cap Growth	S	3.2	17.5	22.3	179 Fidelity Equity-Income	S	2.4	16.9	19.0
130 T.Rowe Price Mid Cap Value	S	2.8	17.2	23.0	180 Nicholas Fund	S	2.9	17.6	16.2
131 Fidelity Growth & Income II	S	2.5	17.6	22.8	181 Baron Asset	S	4.5	19.7	8.6
132 Fidelity Stock Selector	S	2.7	17.1	23.6	182 Janus Twenty(closed)	S	2.6	16.0	20.3
133 PBHG Small Cap Value	S	3.9	18.6	18.1	183 American Century Income &	S	1.5	16.3	20.7
134 CRM Mid Cap Value Ins	S	2.0	19.1	19.4	184 Value Line Special Situations	S	4.2	16.6	15.9
135 Columbia Growth	S	3.4	17.5	21.3	185 Strong Growth 20	S	5.0	18.0	11.2
136 Domini Social Equity Fund	S	3.8	16.9	22.0	186 Fidelity Blue Chip Growth	S	2.5	16.2	19.2
137 Northeast Investors Growth	S	4.0	17.2	20.9	187 Dreyfus Growth Opportunity (2%)	S	2.2	16.7	18.2
138 Yacktman Fund	S	-0.7	13.2	37.7	188 Scudder Large Company Growth	S	3.5	15.4	18.9
139 Vanguard Value Index	S	1.5	17.6	23.3	189 Scudder Growth & Income	S	3.1	16.5	16.8
140 CRM Mid Cap Value Inv	S	1.9	19.0	19.1	190 INVESCO Core Equity	S	2.8	16.6	16.7
141 Fidelity Trend	S	2.1	16.9	23.8	191 Fidelity Disciplined Equity	S	2.3	16.3	18.1
142 Janus Olympus	S	3.5	19.0	16.5	192 Columbia Special	S	2.6	16.8	16.2
143 Oakmark Select(closed) (2%)	S	1.3	17.9	22.5	193 Selected American Shares	S	1.9	16.1	18.7
144 Fidelity New Millennium (closed)	S	1.6	18.9	19.5	194 Fidelity Contrafund	S	3.7	16.0	16.1
145 Westport Small Cap R	S	3.9	16.0	22.9	195 Vanguard Windsor II	S	0.6	16.3	19.7
146 Vanguard U.S. Growth	S	4.1	16.8	20.5	196 Fidelity Small Cap Ind.(1.5%)	S	3.9	16.8	13.2
147 Janus Fund	S	4.3	17.0	19.5	197 Royce Special Equity (1%)	S	2.9	14.4	20.8
148 American Century Equity Growth	S	2.3	17.2	21.7	198 American Century Value	S	2.0	16.1	17.6
149 Loomis Sayles Small Cap Value	S	3.6	17.8	18.1	199 T. Rowe Price Growth & Income	S	2.2	15.0	20.0
150 USAA Growth & Income	S	3.2	17.3	20.0	200 Fidelity Convertible Securities	S	0.5	14.0	25.1

DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 7/25/03

Fund	Advice	1 month	6 month	1 year					
201 UMB Scout Stock	S	2.5	16.0	16.5	250 Bonnel Growth Fund (.25%	S	4.1	3.9	3.2
202 Dreyfus Premier Third Century	S	3.0	15.9	16.1	251 Gintel Fund (2%r<45d)	S	-0.1	2.4	2.0
203 Montgomery Growth	S	0.0	16.4	18.4	252 Van Wagoner Mid-Cap	S	-0.6	-3.1	-4.6
204 Columbia Common Stock	S	2.4	14.4	19.5					
205 American Century Growth	S	3.5	15.0	16.3					
206 T. Rowe Price Dividend Growth	S	1.7	15.4	17.8					
207 Fidelity Large Cap Stock	S	3.5	15.2	15.4					
208 Dreyfus Growth & Income	S	1.8	15.5	16.7					
209 Longleaf Partners	S	0.4	15.3	19.1					
210 PBHG Growth	S	3.4	15.7	13.1					
211 Harbor Value	S	2.1	15.2	16.2					
212 Vanguard U.S. Value	S	1.0	15.0	17.8					
213 Loomis Sayles Value	S	1.2	14.5	19.0					
214 Oakmark Equity&Income	S	1.3	13.5	21.1					
215 T. Rowe Price Equity-Income	S	1.3	14.2	19.0					
216 Liberty Equity Growth CIZ	S	1.6	14.8	16.9					
217 Dreyfus Fund	S	2.0	14.8	16.1					
218 INVESCO Value Equity	S	1.4	14.8	16.7					
219 Neuberger Berman Fasciano Inv	S	2.4	15.3	14.0					
220 Janus Growth & Income	S	2.6	14.0	16.7					
221 Babson Growth	S	4.0	12.7	17.7					
222 Fidelity Fifty (.75%r<30d)	S	1.4	12.8	20.9					
223 Oakmark Small Cap (2%r<90d)	S	5.2	14.6	10.8					
224 Liberty Equity Value CIZ	S	1.7	15.3	13.8					
225 American Century Equity Income	S	0.6	13.7	18.8					
226 Fidelity Independence(ret.only)	S	2.5	13.2	16.1					
227 Homestead Value	S	0.7	14.1	16.5					
228 Hussman Strategic Growth (1.5%	S	4.1	13.5	12.8					
229 Oakmark Fund	S	0.4	14.3	16.1					
230 Vanguard Equity-Income	S	0.5	13.8	16.1					
231 Babson Value	S	2.9	15.5	7.7					
232 Mutual Qualified(1%)CIZ	S	1.6	13.6	13.7					
233 Vontobel U.S. Value (2%r<360d)	S	3.9	11.9	13.7					
234 Mutual Beacon(1%)CIZ	S	1.4	12.7	14.3					
235 T. Rowe Price Cap Appreciation	S	1.2	10.6	19.3					
236 Fidelity Growth & Income(3%)	S	1.4	12.2	14.6					
237 Value Line Leveraged Growth	S	2.5	12.9	10.4					
238 Fidelity Contrafund II	S	0.1	10.2	20.4					
239 Value Line Fund	S	2.3	12.4	9.8					
240 Mutual Shares(1%)CIZ	S	0.8	11.8	13.7					
241 American Century Heritage	S	2.4	11.1	12.8					
242 Liberty Asset Allocation CIZ	S	0.9	11.2	14.1					
243 T. Rowe Price New Era	S	-0.7	11.6	15.3					
244 Dreyfus Appreciation	S	0.0	12.1	12.3					
245 Preferred Value	S	1.2	10.3	14.8					
246 Tweedy, Browne American Value	S	2.2	11.6	9.8					
247 Fidelity Focused Stock (.75%	S	2.1	12.0	5.4					
248 Clipper Fund	S	1.2	7.8	14.3					
249 ICM/Isabelle Small Cap Value	S	2.4	12.6	-0.4					
250 Salomon Brothers Opportunity	S	1.4	10.2	6.2					

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INTERNATIONAL STOCK FUNDS
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International Stock Funds — data as of 7/25/03

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Fidelity Latin Amer.(1.5%<90d)	H	5.2%	34.7%	31.5%	51 Artisan International	S	1.8	14.6	2.9
2 T.Rowe Price Latin America (2%	H	4.4	33.3	27.0	52 Columbia International Stock	S	1.9	13.4	5.1
3 Scudder Latin America	H	4.5	32.4	28.7	53 Fidelity Japan(1.5%<90d)	S	8.5	10.5	0.9
4 Oakmark Global (2%r<90d)	B	2.7	26.0	32.7	54 T. Rowe Price Japan	S	8.6	12.7	-5.6
5 Artisan Intl Small Cap (2%r<90d)	B	3.1	26.3	31.0	55 Vanguard Pacific Stock Index	S	6.2	10.1	1.3
6 T.Rowe Price Intl Disc. (2%r<1yr)	B	6.1	25.3	23.3	56 Montgomery Emerging Mkts	S	0.0	11.0	8.4
7 Fidelity Aggressive Intl. (1%r<30d)	B	6.7	25.2	18.2	57 Scudder International (2%	S	1.4	11.6	4.6
8 Scudder Global Discovery(closed)	B	4.5	23.6	23.9	58 SIT International Growth	S	-0.1	12.1	4.7
9 Vanguard Emerging Mkts Stk	B	6.5	21.4	20.6	59 Tweedy, Browne Global Value	S	2.7	10.0	5.3
10 Vanguard Intl. Explorer	B	5.2	24.3	15.1	60 American Century Intl Growth	S	1.6	10.1	3.7
11 Matthews Pacific Tiger (2%r<90d)	B	7.7	22.6	15.6	61 Vontobel International Equity	S	-1.3	10.7	5.8
12 Dreyfus Emerging Market(1%r)	B	4.6	22.4	18.5	62 Babson-Stewart Ivory Intl	S	0.4	10.1	2.7
13 Longleaf Partners International	B	7.6	20.6	16.0	63 INVESCO European (2%r<90d)	S	-1.2	9.6	3.7
14 Investec China & Hong Kong	B	5.2	19.5	17.4					
15 Fidelity Worldwide (1%r<30d)	H	3.9	19.1	18.7					
16 Harbor International	H	3.8	18.5	19.3					
17 Fidelity Diversified Intl (1%r<30d)	H	3.5	17.3	16.2					
18 Fidelity Overseas (1%r<30d)	H	6.0	18.0	10.4					
19 Fidelity Europe (1%r<90d)	H	1.5	19.0	14.0					
20 Vanguard International Value	H	5.5	18.1	9.9					
21 Fidelity Emerging Mkts (1.5%	H	5.5	17.1	12.1					
22 T. Rowe Price European	H	0.4	18.7	15.4					
23 T. Rowe Price New Asia	H	9.6	16.4	6.7					
24 Oakmark Intl Small Cap	H	3.9	18.2	10.0					
25 Vanguard European Stock Index	H	0.2	17.9	14.3					
26 Japan Fund (Scudder) (2%	H	12.0	14.4	4.5					
27 Wm. Blair Intl. Growth Stock N	S	4.1	17.0	9.3					
28 Fidelity International G & I	S	3.8	16.2	11.1					
29 American Century Global Growth	S	4.0	16.5	9.5					
30 Fidelity SE Asia (1.5%r<90d)	H	7.2	16.1	2.3					
31 Oakmark International (2%r<90d)	S	1.7	15.0	10.7					
32 T. Rowe Price Intl Stock	S	1.3	15.6	9.7					
33 USAA World Growth	S	0.9	13.4	15.7					
34 Matthews Japan Fund (2%r<90d)	H	10.6	14.5	-1.9					
35 Schwab International Index (1.5%	S	1.3	15.2	10.3					
36 Preferred International	S	4.2	14.3	7.6					
37 Vanguard International Growth	S	2.4	13.9	11.1					
38 Loomis Sayles International Eq-	S	1.6	15.0	9.0					
39 USAA International	S	0.7	13.4	14.1					
40 Scudder Pacific Opportunity (2%	H	7.1	12.7	5.2					
41 Matthews Asia Growth&Income	H	2.5	11.9	13.1					
42 Scudder Greater Europe (2%	S	-0.2	15.2	8.6					
43 Janus Overseas(closed)	S	2.6	13.9	7.4					
44 Gabelli Intl. Growth	S	3.0	13.0	9.0					
45 Liberty Intl Equity CIZ	S	2.0	14.2	7.1					
46 Scudder Global	S	2.8	11.8	11.7					
47 Fidelity Pacific Basin (1.5%r<90d)	H	7.1	11.9	3.9					
48 Janus Worldwide	S	2.0	12.8	7.9					
49 Julius Baer International Equity A	S	1.0	11.9	11.5					
50 CS Warburg Pincus Japan Grth	S	11.1	11.1	-2.2					

**Next Issue of
MONEYLETTER *Plus*
Will Be Up:**

**Wednesday
August 6, 2003
by Midnight**

Total Return % - 6/30/03					
1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
1.1	ML Conservative	6.7	2.1	5.7	6.7
1.1	Fidelity Conservative	7.2	-0.9	-12.2	7.2
0.9	Vanguard Conservative	9.1	1.5	-16.0	9.1
2.8	ML Moderate	14.9	9.9	-7.1	14.9
1.6	Fidelity Moderate	10.6	1.5	-3.3	10.6
2.0	Vanguard Moderate	13.5	4.3	-16.8	13.5
3.5	ML Venturesome	14.9	6.6	-10.4	14.9
0.9	Fidelity Venturesome	9.3	-1.9	-1.1	9.3
1.4	Vanguard Venturesome	12.7	0.2	-20.4	12.7
2.2	ML Select	10.9	n/a	n/a	10.9
Benchmarks					
1.3	S&P 500	11.8	0.3	-30.0	11.8
1.4	Asset Allocation Funds Avg (45)	10.4	2.0	-16.6	10.4

**SPECIALTY FUNDS
On Next Page**

Specialty Funds — data as of 7/25/03

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Rydex Biotechnology	Select	6.9%	36.9%	45.3%	51 INVESCO Health Sciences Inv	*	1.4	19.7	17.9
2 Fidelity Computers (3%&.75%	*	8.6	36.2	37.8	52 INVESCO Leisure Inv	*	2.9	16.4	23.9
3 Fidelity Wireless	*	7.1	36.6	36.1	53 Fidelity Utilities Growth (3%	*	-3.6	17.6	30.2
4 Rydex Internet	*	4.7	26.4	64.8	54 Fidelity Environmental Ser (3%	*	4.2	14.8	25.1
5 T.Rowe Price Media & Telecom-	*	5.3	27.4	58.9	55 Fidelity Insurance (3%&.75%	*	1.6	16.0	22.5
6 CGM Realty	*	-1.3	36.7	44.7	56 Rydex Leisure	*	3.0	20.0	9.1
7 Fidelity Developing Comm (3%	*	6.4	29.6	50.8	57 Fidelity Bus Services (3%&.75%	*	2.1	16.6	17.4
8 Fidelity Electronics (3%&.75%	*	10.2	39.5	19.8	58 Vanguard Health Care	*	0.3	15.7	21.6
9 Rydex Electronics	*	12.2	39.5	16.1	59 Vanguard Precious Metals	*	8.1	5.8	34.0
10 Fidelity Technology (3%	*	7.2	31.3	43.3	60 Fidelity Balanced	B	1.1	15.1	21.0
11 Rydex Technology	*	7.1	31.7	42.5	61 Amer. Cent. Global Gold (1%	*	8.1	1.4	43.6
12 Fidelity Biotechnology (3%&.75%	*	8.3	30.0	44.8	62 Fidelity Indust MatrIs (3%&.75%	*	7.3	10.7	20.0
13 Fidelity Brokerage (3%&.75%	*	6.1	29.4	39.1	63 Rydex Transportation	*	7.4	14.2	10.6
14 Fidelity Networking	*	6.9	30.3	33.8	64 INVESCO Gold Inv	*	8.5	2.1	38.7
15 Fidelity Multimedia (3%&.75%	*	3.6	19.2	66.1	65 Fidelity Defense & Aero (3%	*	4.3	16.8	7.4
16 T.Rowe Price Health Sciences	*	5.1	28.5	34.8	66 Fidelity Health Care (3%&.75%	*	0.3	13.1	22.2
17 Fidelity Transportation (3%&.75%	*	5.9	29.6	21.7	67 U.S.Global Gold Shares (.25%	*	10.2	-0.7	41.7
18 T.Rowe Price Science & Tech	*	5.0	24.8	33.7	68 Rydex Precious Metals	*	10.1	0.7	37.3
19 Fidelity Software (3%&.75%	*	5.4	18.2	49.8	69 Fidelity Chemicals (3%&.75%	*	7.4	13.4	7.5
20 Fidelity Air Transport (3%&.75%	*	3.9	31.4	18.7	70 Vanguard Energy (1%r<1yr)	*	-3.3	14.1	21.6
21 T.Rowe Price Financial Services	*	6.0	23.6	31.7	71 Fidelity Consumer Ind (3%	*	1.5	13.7	13.1
22 RS Contrarian	*	1.7	23.5	38.4	72 Fidelity Gold (3%&.75%r<30d)	*	8.0	-1.4	37.6
23 Fidelity Leisure (3%&.75%r<30d)	*	3.4	22.5	37.5	73 Vanguard Balanced Index	B	0.8	11.5	16.0
24 Fidelity Medical Equip (3%&.75%	*	2.8	21.9	38.6	74 Rydex Consumer Products	*	2.1	12.2	11.0
25 Cohen & Steers Realty Shares	*	5.0	24.4	27.7	75 Rydex Utilities	*	-4.5	13.8	16.0
26 Scudder Gold (closed)	*	11.5	9.4	53.5	76 Gateway Fund	B	1.5	8.1	17.6
27 Fidelity Automotive (3%&.75%	*	8.3	24.3	20.0	77 Fidelity Natrl Resources (3%	*	-3.0	11.1	15.6
28 INVESCO Real Estate Inv	*	4.4	23.8	25.8	78 Rydex Basic Materials	*	4.7	11.3	2.8
29 T.Rowe Price Real Estate	*	5.4	22.6	27.0	79 Rydex Energy	*	-5.5	9.6	16.4
30 Rydex Health Care	*	3.7	21.7	31.6	80 Merger Fund	*	1.3	5.6	14.7
31 Rydex Retailing	*	5.7	25.6	19.0	81 Fidelity Energy (3%&.75%r<30d)	*	-5.7	9.6	13.4
32 Vanguard REIT Index (1%r<1yr)	*	5.2	22.9	25.0	82 INVESCO Utilities Inv	*	-4.8	8.1	15.9
33 Cohen & Steers Equity Income	*	4.1	22.8	25.0	83 INVESCO Energy Inv	*	-6.7	7.9	16.7
34 Fidelity Telecomm (3%&.75%	*	-2.9	9.6	64.9	84 Fidelity Natural Gas (3%&.75%	*	-8.5	9.1	15.8
35 Fidelity Real Estate (.75%r<90d)	*	4.9	20.9	24.4	85 Fidelity Med Del (3%&.75%	*	7.8	7.1	-10.4
36 Fidelity Retailing (3%&.75%r<30d)	*	3.1	25.7	14.4	86 Fidelity Food & Agr (3%&.75%	*	0.1	5.1	2.1
37 INVESCO Technology Inv	*	6.2	21.6	19.4	87 Fidelity Paper & Forest (3%	*	3.4	1.5	0.2
38 Stratton Mthly Div REIT (1.5%	*	4.3	20.9	23.3	88 Rydex Energy Services	*	-9.6	3.7	11.2
39 INVESCO Financial Serv Inv	*	5.9	19.7	22.9	89 Fidelity Energy Services (3%	*	-10.4	3.8	12.0
40 Fidelity Finl Serv (3%&.75%	*	5.0	18.6	26.6	90 AXARosenberg Value L/S (2%	*	-2.5	-7.4	-9.4
41 Fidelity Banking (3%&.75%r<30d)	*	6.2	18.7	23.9	91 Prudent Bear	*	-0.5	-15.7	-14.1
42 Fidelity Const & Housing (3%	*	3.0	23.1	17.6	92 Rydex Ursa	*	-2.6	-15.8	-21.4
43 Rydex Telecommunications	*	0.8	14.4	41.0	93 ProFunds Bear Inv	*	-2.7	-16.1	-22.3
44 Fidelity Industrial Equip (3%	*	5.9	20.1	17.2					
45 Rydex Banking	*	5.2	17.5	21.7					
46 Rydex Financial Services	*	4.9	18.3	19.9					
47 Fidelity Home Finance (3%&.75%	*	5.1	17.7	20.3					
48 Fidelity Pharmaceuticals (3%	*	-1.1	18.6	26.8					
49 Fidelity Cyclical Ind (3%&.75%	*	5.0	18.6	16.4					
50 INVESCO Telecommunications	*	2.5	16.1	26.4					

BOND FUNDS
On Next Page

Bond Funds — data as of 7/25/03

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 INVESCO High Yield	*	0.8%	14.1%	28.7%	51 PIMCO Total Return	*	-2.2	1.6	6.0
2 Fidelity High Income (1%r<90d)	B	0.3	14.1	29.3	52 PIMCO Real Return	*	-3.5	1.3	8.7
3 Fidelity New Markets Income	*	-2.5	15.8	28.8	53 Fidelity Intermediate Bond	*	-2.0	1.5	5.8
4 PIMCO High Yield	B	-0.6	11.6	27.1	54 Managers Short Duration Govt	*	0.1	1.3	2.8
5 Buffalo High-Yield(2%r<180d)	B	0.8	12.8	20.2	55 Eclipse Indexed Bond	*	-2.4	1.4	6.2
6 Value Line Aggressive Inc	B	0.6	12.0	17.5	56 Amer. Cent. Target 2010	*	-5.2	1.8	9.3
7 TCW Galileo High Yield Bond	B	0.1	11.5	16.8	57 FifthThird Bond	*	-2.3	1.2	6.2
8 Strong High Yield Bond(1%r)	*	0.2	10.1	19.1	58 Managers Int. Duration Govt	*	-0.6	1.0	4.0
9 T. Rowe Price High Yield	B	0.3	9.0	15.1	59 Strong S-T Bond	*	-0.5	1.2	3.1
10 Vanguard High Yield Corporate	B	-0.7	7.8	16.5	60 Vanguard Bond Market	*	-2.3	1.4	5.3
11 Amer. Cent. Int'l Bond	*	-2.5	5.7	18.6	61 Montgomery Total Return	B	-2.2	1.1	5.7
12 T. Rowe Price Spectrum Income	B	-1.1	5.9	12.0	62 Vanguard S-T Treasury	*	-0.6	0.8	3.3
13 Janus High Yield	B	-0.3	5.8	10.2	63 PIMCO Low Duration	*	-0.8	0.8	3.6
14 Liberty Income CIZ	*	-2.0	6.0	11.9	64 American Government Bond	B	-1.5	0.5	4.7
15 INVESCO Select Income	*	-2.0	4.5	14.1	65 PIMCO Total Return Mortgage	B	-0.9	0.4	3.6
16 Columbia High Yield	B	-1.0	4.9	11.3	66 Value Line U.S. Govt Sec	B	-2.5	0.8	4.7
17 T. Rowe Price Int'l Bond	*	-2.2	4.4	14.3	67 Columbia S-T Bond	*	-1.0	0.7	2.7
18 Strong Corporate Bond	*	-3.2	5.2	13.9	68 Fidelity Intermediate Govt	B	-2.1	0.7	4.2
19 MetroWest Total Return	*	-1.0	4.6	11.4	69 Dreyfus Short-Term Income	*	-0.5	1.2	0.6
20 Westcore Plus Bond	*	-1.1	5.5	9.3	70 Vanguard S-T Federal	*	-0.7	0.4	2.6
21 Liberty Intermediate Bond CIZ	B	-1.4	5.3	10.1	71 Dreyfus 100 Treasury L-T	B	-3.6	1.6	3.9
22 Managers Bond	B	-3.3	5.1	12.9	72 Montgomery Sht Duration Govt	*	-0.4	0.3	2.3
23 Northeast Investors Trust	B	0.6	6.0	4.6	73 Columbia Fixed Income Sec	*	-2.2	0.8	3.7
24 T. Rowe Price Corporate Inc	*	-3.0	5.0	11.8	74 Strong Govt Securities	*	-2.4	0.4	4.1
25 Strong S-T High Yield	*	-0.1	3.4	7.9	75 Federated U.S. Govt Sec. 1-3	*	-0.2	0.2	1.1
26 Scudder Global Bond S-T (closed)	*	-2.1	3.1	10.9	76 Vanguard Long-Term Corporate	*	-6.8	1.1	8.7
27 Dodge & Cox Income	B	-1.5	2.7	8.9	77 Vanguard Intermediate Treas.	*	-3.1	0.3	4.7
28 Vanguard Inflation Protected Sec	*	-3.5	2.6	10.2	78 Fidelity GNMA	*	-0.5	-0.3	1.4
29 BBH Inflation Indexed Sec	B	-3.4	2.3	10.7	79 Safeco I-T U.S. Treasury	B	-2.8	-0.2	4.0
30 Dreyfus A Bonds Plus	*	-2.6	2.4	8.8	80 Dreyfus GNMA	*	-1.6	-0.4	2.6
31 Dreyfus Strategic Income	*	-2.1	2.9	6.2	81 Amer. Cent. Target 2015	*	-9.7	1.1	11.1
32 Fidelity Inflation-Protected Bond	*	-3.6	2.2	9.5	82 Babson Bond Trust	*	-2.5	0.1	2.7
33 Scudder Income (closed)	B	-2.2	2.3	7.3	83 T. Rowe Price GNMA	*	-1.1	-0.4	1.9
34 Payden Global Fixed Income	*	-2.1	2.2	7.3	84 INVESCO U.S. Govt Sec	*	-2.7	-0.1	3.5
35 MetroWest Low Duration	*	-0.1	2.0	4.8	85 Managers Intermediate Bond	*	-2.0	0.0	1.6
36 Fidelity Investment Grade	*	-2.2	2.1	7.3	86 Amer. Cent. Ginnie Mae	*	-0.8	-0.8	1.4
37 USAA Income	B	-2.5	2.1	7.3	87 Vanguard GNMA	*	-1.5	-0.9	1.8
38 Amer. Cent. Inflation Adj	B	-3.6	2.1	8.8	88 Safeco U.S. Government	B	-2.3	-0.8	2.6
39 Scudder Short-Term Bond	*	-0.3	1.9	4.5	89 Federated Total Return Govt	B	-3.4	-0.6	3.2
40 Janus Flexible Income	B	-2.4	2.1	6.9	90 Fidelity Government Income	*	-3.4	-0.4	2.7
41 Vanguard Short-Term Corporate	*	-0.4	1.6	4.9	91 Amer. Cent. Target 2020	*	-12.0	0.3	12.6
42 Eclipse Bond	B	-2.6	1.7	7.9	92 T. Rowe Price U.S. Treas. L-T	*	-5.7	-0.7	5.6
43 TCW Galileo Total Return Bond	B	-0.7	1.2	5.5	93 Vanguard L-T Treasury	*	-7.0	-0.5	6.2
44 Janus S-T Bond	*	-0.5	1.7	3.8	94 Amer. Cent. Target 2025	*	-13.5	-1.0	12.6
45 T. Rowe Price S-T Bond	*	-0.6	1.5	4.4					
46 Fidelity Short-Term Bond	*	-0.7	1.3	4.9					
47 Fremont Bond	B	-2.6	1.5	7.2					
48 WPG Core Bond	*	-2.2	1.6	6.3					
49 Schwab S-T Bond Mkt Index	*	-0.9	1.4	4.9					
50 T. Rowe Price New Income	*	-2.3	1.6	6.2					

PORTFOLIO HOLDINGS
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Weekly Performance of ML Model Holdings — data as of 7/25/03

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	-0.83%	VBINX Vanguard Balanced	-0.12%
BUFHX Buffalo High Yield	-0.09	VCVLX Vanguard Capital Value	0.34
DODIX Dodge & Cox Income	-0.31	VEIEX Vanguard Emerg. Mkts. Stock	1.74
FBRVX FBR Small Cap Value	0.73	VEXPX Vanguard Explorer Index	0.51
FBALX Fidelity Balanced	0.00	VEXMX Vanguard Extended Market	0.57
FDCAX Fidelity Capital Appreciation	1.28	VWEHX Vanguard High Yield Corp.	-0.48
FCV SX Fidelity Convertible Sec.	0.54	VIPSX Van. Inflation Protected Bond	-0.75
FDEGX Fidelity Aggr. Growth	0.46	VISGX Vanguard Small Cap Growth	0.91
FDGRX Fidelity Growth Company	1.14	NAESX Vanguard Small Cap IndesX	0.74
SPHIX Fidelity High Income	-0.35	VSEQX Vanguard Strategic Equity	0.63
FSTGX Fidelity Intermediate Gov't	-0.48	VBMFX Vanguard Total Bond	-0.68
FBNDX Fidelity Inv Grade Bond	-0.66	WBSNX WmBlair Small Cap N	2.64
FIVFX Fidelity Aggr. Int'l	1.86		
GATEX Gateway Fund	0.22		
HRTVX Heartland Value	0.98		
LMASX Legg Mason Special	1.30		
LMOPX Legg Mason Opportunity Tr	0.43		
MAPTX Matthews Pacific Tiger	-0.39		
PHYDX Pimco High Yield D	-0.53		
RYPNX Royce Opportunity	0.10		
RSCOX RS Contrarian	0.38		
RSPFX RS Partners	1.33		
RYOIX Rydex Biotechnology	1.30		
TGANX TCW Galileo Aggr. Growth	1.73		
FOCPX Fidelity OTC	0.93		
		Indices	
		DOW JONES INDUSTRIALS	1.05
		S&P 500	0.54
		NASDAQ	1.30

Editorial Questions?

Phone: 800-890-9670
 Fax: 508-429-0940
 E-mail: service@moneyletter.com

Contact Us!

Address: 360 Woodland Street
 P.O. Box 6020
 Holliston, MA 01746

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