

## MONEYLETTER HOTLINE 2/3/04

### Looks Like a Correction

The market is in something resembling a correction. The technically minded keep pointing out that the market has actually held up fairly well so that, in that sense, we are not in a correction. At the same time, though the market's advance has stalled and there is a great deal of profit-taking. Time and again during this earnings season, good earnings have been met by selling. It happened this evening with Cisco.

We see three things as bothering the market. First, the Fed upset a complacent market with the wording of its latest press release. Second, the economic numbers have been tamer than expected. The recovery has lost some steam. Finally, this is a Presidential election year, and uncertainty is just creeping in over the eventual results.

As for the Fed, after the initial shock, the bond market appears to have settled down. We think it should because nothing has changed. What was implicit earlier in recent Fed comments is now explicit. At some point, rates will rise. The issue is when.

As for the economy, the official statistics have been disappointing. But the private data says activity is thriving. We lean toward the private data, until further notice. As for the election, that is simply a given for this year. All in all, we think we are going through a simple, mild, overdue correction. We see higher prices ahead over the intermediate-term.

There is no change in our recommended allocations

**New Fund Recommendations** – There are no changes for domestic stock funds. For international stock funds, there is one new buy: Driehaus Emerging Markets Growth There is one new hold: Fidelity Emerging Markets.

**The Economy** – The Supply Managers report for manufacturing in January was strong, but not quite what Wall Street expected. So be it. New orders remained very strong, backlogs continue to grow, and new hiring remained slightly positive for the third straight month. Something good is happening in manufacturing. The weekly store surveys suggest January sales were moderately ahead of December. We see activity picking up as the country thaws.

**The Stock Market** – While the market is stalling, it has shown no signs of breaking down. In fact, some technical work suggests that we are approaching an oversold condition. With earnings coming through, we see higher prices ahead.

**The Select Portfolio** – There are no changes for this portfolio.

## MONEYLETTER HOTLINE 1/30/04

### Fed Speak Causes Stir

Let's cut to the chase. The Fed spooked the markets on Wednesday when it changed the wording of its guidance about monetary policy going forward. Chicken Little was heard to cry "Rates are rising." Well, yes, but what else is new? Of course, rates are going to rise, sometime. The question is when. And we don't believe the change in the Fed's wording brings the moment of a rate rise one day closer. It will all depend on what is happening to jobs and to prices.

One month ago the economy looked red-hot. Since then the numbers show some cooling has taken place. The new numbers would actually put off the time that the Fed would most likely raise rates. But there are many players in the bond market who are using strategies relying on a 1% fed funds rate, and just the mere change in the Fed's wording is causing them to bail out. But that's the bond market.

The stock market is not unwinding anything. What it has been doing is correcting, as well it might after the great run of recent weeks. We think the Fed merely gave the correction another push. We don't think the correction has much further to run. In any case, that is a short-term consideration. We view the correction positively. We see higher prices ahead over the intermediate-term.

There is no change in our recommended allocations

**New Fund Recommendations** – For domestic stock funds, there are three new buys: TCW Galileo Small Cap Growth, Vanguard Capital Opportunity and Janus Venture (the fund is closed). There is one new hold: Janus Special Equity. There are two new sells: Safeco Growth Opportunities and Marsico 21<sup>st</sup> Century. For international stock funds, there are two new holds: Vanguard International Explorer and Japan Fund.

In line with our policy of removing newly closed funds from our model portfolios we are making some substitutions for William Blair Small Cap Growth N, Fidelity Low Priced Stock and Eclipse Small Cap Value (now Mainstay Small Cap Opportunity). Please note that these swaps are not sell recommendations. We are in no way changing our advice for these funds simply because they have closed. If you hold them, and they are not sells (none are) continue to hold them until our advice changes.

Here are the swaps we are making. For William Blair Small Cap Growth in the MONEYLETTER Venturesome and Moderate portfolios we are substituting Fidelity Leveraged Company. In the Conservative Portfolio we are substituting Needham Small Cap Growth. Mainstay Small Cap Opportunity is also in the MONEYLETTER Conservative Portfolio. We will substitute Royce Opportunity for it. Fidelity Low Priced Stock is in the Fidelity Venturesome Portfolio. We will substitute Fidelity OTC Portfolio for it.

**The Select Portfolio** – There are no changes for this portfolio.

## Domestic Stock Funds — data as of 1/30/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
1	Fidelity Leveraged Company	B	4.2%	37.1%	100.8%	51	CRM Mid Cap Value Ins	H	3.0	24.3	48.1
2	Undiscovered Small Cap Growth	B	9.1	31.8	92.3	52	CRM Small Cap Value Inv	H	3.8	20.5	56.3
3	Neuberger Berman Focus	B	8.7	34.1	83.5	53	Fidelity New Millennium (closed)	H	3.6	23.6	48.3
4	Royce Opportunity (1%r<180d)	B	5.2	33.9	85.1	54	CRM Mid Cap Value Inv	H	2.9	24.1	47.6
5	Heartland Value (closed,1%	S	5.1	32.2	80.1	55	Vanguard Explorer	H	3.6	21.2	53.8
6	Henlopen Fund (1%r<30d)	B	5.3	29.2	78.3	56	Selected Special Shares	H	3.3	22.0	50.8
7	Pin Oak Aggressive Stock	B	6.5	29.6	73.6	57	Vanguard Strategic Equity	H	3.3	22.3	49.9
8	RS Smaller Company Growth	B	5.5	28.5	76.5	58	TCW Galileo Aggressive Growth	H	4.8	18.9	55.7
9	Bogle Small Cap Growth(closed)	B	6.5	29.7	70.3	59	Vanguard Extended Market	H	3.6	21.1	51.9
10	Mainstay Small Cap Opp (closed)	B	5.4	32.4	64.8	60	Fidelity Capital Appreciation	H	1.4	21.4	54.0
11	Oberweis Emerging Growth (1%	B	5.7	21.4	87.1	61	RS MidCap Opportunities	H	2.0	20.7	54.3
12	WmBlair S-C Growth N	B	4.8	26.7	74.2	62	Royce Penn Mutual(1%r<180d)	H	3.4	21.8	48.9
13	Needham Small Cap Growth	B	5.3	26.2	69.8	63	Vanguard Small-Cap Value	H	2.7	22.7	46.9
14	Vanguard Cap Opp (\$25,000,1%	B	6.4	28.0	60.9	64	Turner Mid Cap Growth	H	3.2	19.5	53.8
15	RS Diversified Growth	B	2.5	22.6	80.1	65	Bridgeway Aggressive Investors	H	3.3	18.4	56.0
16	Wasatch Small Cap Value	B	5.5	25.7	67.9	66	Strong Multi-Cap Value	H	2.4	22.2	47.3
17	Legg Mason Opportunity Trust	B	3.3	24.7	72.3	67	Vanguard Capital Value	S	2.3	21.3	48.7
18	ICM/Isabelle Small Cap Value	B	4.2	30.4	56.5	68	Fidelity L P Stock (closed,1.5%	H	2.7	21.1	48.1
19	Berwyn Fund (1%r<180d)	B	2.9	29.3	59.8	69	Third Avenue Value	S	3.4	21.7	45.5
20	Buffalo Small Cap(closed)	B	6.4	22.5	69.3	70	PBHG Small Cap Value	S	2.6	20.9	47.7
21	Meridian Fund	B	4.7	25.7	61.3	71	Dreyfus-Founders Discovery	S	3.8	20.7	46.3
22	TCW Galileo Small Cap Growth	B	6.9	23.6	63.0	72	T.Rowe Price Mid Cap Value	S	2.4	22.2	44.7
23	Boston Ptnrs Smlcap Val	B	4.8	23.4	66.1	73	Matrix Advisors Value	S	2.3	19.6	51.1
24	RS Partners	B	1.2	24.6	65.5	74	Cambiar Opportunity	S	2.6	22.2	42.5
25	USAA Capital Growth	B	3.7	23.6	63.4	75	Strong Mid Cap Disciplined	S	2.9	20.1	46.8
26	Century Select Small Cap	B	5.0	24.7	56.2	76	Strong Opportunity	S	4.0	19.1	46.7
27	TCW Galileo Value Opportunities	H	3.7	23.9	60.0	77	Strong Discovery	H	3.8	18.8	47.7
28	Montgomery Small Cap	H	5.8	22.1	61.1	78	T. Rowe Price S-C Value	S	3.1	19.9	45.7
29	RS Emerging Growth(closed)	H	6.1	22.2	60.4	79	MSI Small Cap Value(closed)	S	3.3	18.7	47.9
30	Janus Venture (closed)	B	2.6	22.2	65.0	80	Fidelity OTC Portfolio	H	3.6	18.8	46.2
31	TCW Galileo Opportunity N	H	2.9	24.7	58.3	81	Safeco Growth Opportunities	S	1.8	17.2	52.8
32	Undiscovered Behavioral Growth	H	5.4	20.0	65.3	82	TCW Galileo Diversified Value N	H	2.7	20.5	43.0
33	Muhlenkamp Fund	H	2.2	25.9	54.9	83	Dodge & Cox Stock (closed)	S	4.0	20.2	41.8
34	Legg Mason Special Investment	H	4.1	22.7	58.8	84	Vanguard Windsor	S	2.6	20.3	43.4
35	Fidelity Small Cap Stock (2%	B	3.0	25.5	52.5	85	Fidelity Small Cap Ind.(1.5%	H	3.3	20.5	41.7
36	Vanguard Small Cap Growth In-	H	5.1	23.4	54.4	86	RS Value+Growth	S	1.8	18.3	49.6
37	Columbia Small Company Equity	H	4.2	22.6	57.1	87	Vanguard PRIMECAP	S	3.6	18.8	45.4
38	CGM Focus	H	-5.0	25.5	63.6	88	Artisan Midcap(closed)	S	4.6	19.6	41.9
39	PBHG Emerging Growth	H	3.0	20.4	64.4	89	American Century Vista	S	3.1	17.6	49.1
40	Vanguard SmallCap Index	H	3.9	23.1	55.6	90	FBR Small Cap Value A (1%	S	2.7	17.6	49.5
41	Third Avenue Small-Cap Value	H	4.8	24.5	50.8	91	Fidelity Growth Company	S	2.9	17.1	49.6
42	WPG Tudor	H	4.7	22.8	55.2	92	Wasatch Core Growth	S	3.4	17.0	48.9
43	Needham Growth Fund (.75%	H	5.9	21.0	56.8	93	MSI Mid Cap Growth	S	2.7	17.9	47.5
44	Longleaf Partners Smallcap	H	2.6	22.9	56.0	94	Vanguard Mid-Cap Index	S	2.6	20.2	41.8
45	Janus Special Equity	H	1.9	22.6	57.4	95	Fidelity Value	S	2.4	20.1	42.3
46	T. Rowe Price New Horizons	H	4.3	20.3	59.4	96	Boston Partners Mid Cap Value	S	3.1	18.5	44.7
47	Van Wagoner Emerging Growth	H	6.9	23.2	48.0	97	MSI Mid Cap Value	S	1.6	18.5	47.0
48	Royce Low Priced Stock (1%	H	3.5	23.0	52.8	98	Royce Premier (1%r<180d)	S	2.4	18.3	45.3
49	Artisan Small Cap	H	5.5	20.5	56.2	99	T. Rowe Price New Era	S	-0.9	23.7	36.7
50	CS Warburg Pincus Emerging	H	5.8	21.4	52.7	100	Aegis Value Fund	S	3.0	18.3	43.5

**DOMESTIC STOCK FUNDS**  
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Advice **B = Buy, H = Hold, S = Sell**

# Domestic Stock Funds continued — data as of 1/30/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
101	INVESCO Small Company	S	5.0	16.8	44.1	151	Thompson Plumb Growth	S	1.2	16.2	37.3
102	Federated Kaufmann Fund(0.2%)	S	2.2	14.7	53.2	152	American Century Equity Growth	S	1.8	16.5	35.3
103	TCW Galileo Select Equity	S	1.1	15.5	52.7	153	Fidelity Equity-Income	S	1.1	16.7	36.0
104	C&B Mid Cap Value	S	1.4	18.2	45.3	154	Scudder Development (closed)	S	2.2	14.6	39.6
105	Nicholas II	S	3.7	18.1	42.0	155	Ariel Fund	S	2.6	14.4	38.4
106	Vanguard U.S. Value	S	2.9	20.0	37.9	156	Fidelity Equity-Income II	S	1.0	14.8	39.2
107	Artisan Mid Cap Value	S	1.6	19.4	41.1	157	Weitz Value Fund	S	3.1	15.0	35.0
108	Dreyfus Mid Cap Index	S	2.1	18.7	41.9	158	Vanguard Growth & Income	S	1.0	16.3	34.8
109	INVESCO Dynamics	S	2.6	18.0	42.5	159	T. Rowe Price Growth & Income	S	1.6	15.9	33.3
110	Salomon Brothers Investors	S	3.7	18.5	39.2	160	Nicholas Fund	S	2.4	14.7	35.3
111	MSI Value Portfolio	S	2.5	17.8	41.6	161	Scudder Large Co Value	S	1.0	15.9	34.3
112	Vanguard Convertible Securities	S	4.3	19.0	35.4	162	Columbia Disciplined Value CIZ	S	1.9	15.7	32.9
113	Vanguard Growth Equity	S	3.3	16.2	44.0	163	Fidelity Spartan 500 Index	S	1.8	15.1	34.4
114	Legg Mason Value	S	1.1	16.8	45.5	164	Harbor Value	S	3.1	14.8	33.3
115	Neuberger Berman Guardian	S	2.4	17.4	41.8	165	Mutual Qualified(1%)CIZ	S	1.0	16.3	32.8
116	TCW Galileo Dividend Focused N	H	1.8	19.2	37.6	166	<b>Vanguard 500 Index</b>	<b>S</b>	<b>1.8</b>	<b>15.1</b>	<b>34.4</b>
117	Neuberger Berman Fasciano Inv	S	2.6	18.2	39.0	167	T. Rowe Price Growth Stock	S	1.8	14.4	35.8
118	Dreyfus New Leaders	S	1.9	18.5	38.8	168	Janus Olympus	S	1.3	14.4	36.6
119	Strong Advisor Common Stock	S	1.7	16.8	43.0	169	Gabelli Asset	S	1.7	15.1	34.2
120	Sound Shore	S	2.8	17.6	39.2	170	USAA Growth & Income	S	1.4	14.9	35.0
121	Selected American Shares	S	2.3	18.6	37.1	171	Northeast Investors Growth	S	1.7	14.9	34.4
122	Westport Small Cap R	S	3.0	17.8	38.2	172	Gabelli Growth	S	0.8	14.3	37.3
123	T. Rowe Price Small Cap Stock	S	2.5	17.1	40.5	173	Schwab 1000 Fund (.75%)	S	1.8	14.9	34.4
124	Loomis Sayles Small Cap Value	S	2.3	17.2	40.3	174	Royce Total Return (1%r<180d)	S	1.7	14.4	35.4
125	Baron Small Cap	S	3.8	14.5	44.8	175	Oakmark Select(closed) (2%)	S	2.2	14.8	33.5
126	Marsico 21st Century	S	-0.4	15.1	49.5	176	Harbor Capital Appreciation	S	1.9	13.8	36.1
127	SIT Mid Cap Growth	S	2.4	16.3	41.9	177	T. Rowe Price Equity-Income	S	1.7	15.5	31.4
128	Baron Asset	S	3.7	16.0	40.0	178	Bonnel Growth Fund (.25%)	S	2.9	18.1	22.8
129	T.Rowe Price Mid Cap Growth	S	2.3	15.3	43.6	179	Columbia Special	S	2.2	14.3	33.3
130	Janus Mercury	S	3.1	16.4	38.4	180	Mutual Beacon(1%)CIZ	S	0.4	16.1	31.4
131	Vanguard Windsor II	S	2.5	17.8	35.5	181	Preferred Growth	S	1.8	13.5	35.7
132	Vanguard Value Index	S	1.6	17.2	38.2	182	Vanguard U.S. Growth	S	3.0	13.6	33.1
133	Vanguard/Morgan Growth	S	2.4	16.2	39.4	183	Preferred Value	S	0.9	16.6	28.9
134	Value Line Special Situations	S	3.1	16.9	36.3	184	Homestead Value	S	0.2	15.6	32.1
135	Ariel Appreciation	S	2.2	15.8	40.4	185	Loomis Sayles Value	S	1.3	15.3	30.9
136	Neuberger Berman Partners	S	2.7	14.9	41.4	186	Fidelity Large Cap Stock	S	2.4	14.3	31.9
137	Baron Growth	S	4.2	14.3	40.5	187	Domini Social Equity Fund	S	2.0	13.8	33.4
138	American Century Income &	S	2.0	17.4	36.0	188	Yacktman Fund	S	1.2	15.7	29.8
139	Fidelity Mid-Cap Stock (.75%)	S	1.9	16.6	38.1	189	Fidelity Disciplined Equity	S	1.6	14.5	31.9
140	Janus Enterprise	S	2.1	15.7	40.1	190	WPG Large Cap Growth	S	1.3	13.5	34.7
141	Oakmark Small Cap (2%r<90d)	S	4.6	15.9	35.8	191	Tweedy, Browne American	S	2.0	15.1	29.5
142	Longleaf Partners	S	1.1	17.5	36.5	192	Fidelity Fund	S	1.3	14.0	33.2
143	Vanguard Total Stk Mkt	S	2.2	16.3	37.8	193	Scudder Growth & Income	S	1.8	13.8	32.7
144	T. Rowe Price New America	S	2.6	14.8	40.9	194	Fidelity Stock Selector	S	1.8	13.6	33.2
145	Neuberger Berman Genesis	S	1.6	16.7	37.8	195	PBHG Growth	S	3.3	13.5	31.3
146	American Century Value	S	1.6	17.6	35.2	196	Dreyfus Growth & Income	S	1.1	14.3	32.2
147	Fidelity Export & Multinat'l(.75%)	S	1.6	16.6	37.7	197	Fidelity Trend	S	1.6	13.7	32.9
148	SIT Small Cap Growth	S	2.4	14.2	41.8	198	Neuberger Berman Manhattan	S	1.3	13.3	34.4
149	Wasatch Small Cap Grth	S	2.2	12.2	47.0	199	Janus Fund	S	0.3	13.7	34.6
150	Fidelity Aggressive Growth(0.75%)	H	2.3	16.0	37.2	200	Vanguard Growth Index	S	2.3	13.5	32.1

**DOMESTIC STOCK FUNDS**  
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Advice **B = Buy, H = Hold, S = Sell**

## Domestic Stock Funds continued — data as of 1/30/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
201	American Century Growth	S	3.1	13.4	31.1	251	Strong Growth 20	S	-1.1	9.3	28.6
202	Strong Growth	S	2.4	11.7	36.1	252	Fidelity Fifty (.75%r<30d)	S	1.7	9.3	23.3
203	Dreyfus Premier Third Century	S	2.0	13.6	32.0	253	Hussman Strategic Growth	S	1.2	8.9	23.1
204	Royce Special Equity (1%r<180d)	S	0.9	14.0	32.3	254	Value Line Fund	S	0.6	6.3	19.1
205	Columbia Common Stock	S	1.1	14.3	31.2	255	Value Line Leveraged Growth	S	0.4	6.0	19.6
206	T. Rowe Price Cap Appreciation	S	1.0	15.3	27.8						
207	Mutual Shares(1%)CIZ	S	0.8	14.8	28.7						
208	SIT Large Cap Growth	S	2.4	12.3	32.5						
209	T. Rowe Price Dividend Growth	S	1.2	13.7	30.8						
210	Oakmark Fund	S	1.2	13.8	30.4						
211	Fidelity Contrafund	S	0.0	13.9	31.9						
212	Dreyfus Growth Opportunity (2%	S	0.6	13.5	31.7						
213	Marsico Growth & Income	S	0.5	11.8	35.9						
214	Strong Advisor Midcap Growth	S	1.7	11.3	35.2						
215	Fidelity Dividend Growth	S	1.9	13.3	29.5						
216	Janus Twenty(closed)	S	2.3	12.9	29.9						
217	Fidelity Blue Chip Growth	S	2.1	12.6	31.0						
218	Fidelity Convertible Securities	S	1.6	13.6	28.8						
219	Dreyfus Fund	S	1.2	13.2	30.1						
220	Salomon Brothers Opportunity	S	0.9	14.5	26.3						
221	American Century Ultra	S	2.3	10.9	32.7						
222	Columbia Growth	S	1.8	11.6	31.6						
223	Fidelity Magellan (closed)	S	1.3	12.5	30.0						
224	Scudder Capital Growth AARP	S	1.7	11.9	30.6						
225	American Century Select	S	2.2	11.5	31.0						
226	American Century Heritage	S	1.1	13.7	27.0						
227	Janus Growth & Income	S	1.1	13.0	28.5						
228	Vanguard Equity-Income	S	0.8	13.2	27.3						
229	American Century Equity Income	S	0.1	13.4	27.7						
230	Scudder Large Company Growth	S	1.7	11.6	29.5						
231	Dreyfus Appreciation	S	1.1	13.0	25.9						
232	Safeco Equity	S	1.1	11.6	29.3						
233	Babson Value	S	0.3	12.1	29.4						
234	Fidelity Independence(ret.only)	S	1.9	12.0	27.0						
235	Fidelity Focused Stock (.75%	S	-0.1	13.0	26.5						
236	Oakmark Equity&Income	S	1.4	12.1	26.4						
237	Marsico Focus	S	-0.2	10.1	33.7						
238	Columbia Large Cap Growth CIZ	S	1.7	11.2	28.0						
239	USAA Aggressive Growth	S	0.3	9.8	33.5						
240	Strong Large Cap Growth	S	1.3	10.4	30.3						
241	William Blair Growth (1%r<60d)	S	1.4	10.4	30.0						
242	Babson Growth	S	0.7	12.0	26.8						
243	USAA Growth	S	1.1	10.4	29.3						
244	CS Warburg Pincus Capital Ap-	S	1.8	9.7	29.8						
245	Clipper Fund	S	0.5	12.7	23.0						
246	Columbia Asset Allocation CIZ	S	1.6	11.4	23.7						
247	INVESCO Core Equity	S	1.0	10.1	27.6						
248	UMB Scout Stock	S	0.6	10.0	27.5						
249	Fidelity Growth & Income(3%)	S	1.4	10.7	23.6						
250	Fidelity Growth & Income II	S	1.1	8.7	27.3						

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**INTERNATIONAL STOCK FUNDS**  
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# International Stock Funds — data as of 1/30/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
1	Fidelity Intl Small Cap (2%r<90d)	B	4.5%	41.1%	85.8%	51	Vanguard International Growth	S	2.3	22.5	42.3
2	Amer.Cent.Intl Opportunity (2%	B	5.6	39.6	83.3	52	Fidelity Japan(1.5%r<90d)	S	-0.7	23.9	42.1
3	Oakmark Intl Small Cap	B	5.0	37.3	65.3	53	Fidelity Aggressive Intl. (1%	S	1.2	18.8	50.2
4	T.Rowe Price Intl Disc. (2%r<1yr)	B	3.7	34.9	72.1	54	Schwab International Index	S	0.8	22.2	42.1
5	Matthews Japan Fund (2%r<90d)	B	1.4	38.6	66.1	55	CS Warburg Pincus Japan Grth	S	-0.8	23.7	40.5
6	Matthews Pacific Tiger (2%r<90d)	B	5.1	34.0	68.9	56	USAA International	S	1.6	22.5	39.9
7	Fidelity Latin Amer.(1.5%r<90d)	H	1.1	33.1	74.4	57	T. Rowe Price Intl Stock	S	1.2	21.5	39.0
8	Japan Fund (Scudder) (2%	H	0.1	37.1	65.1	58	SIT International Growth	S	1.8	21.2	36.8
9	Fidelity SE Asia (1.5%r<90d)	B	6.2	34.3	60.9	59	Scudder International (2%	S	2.5	19.9	36.1
10	Artisan Intl Small Cap(closed,2%	B	3.2	32.4	70.1	60	American Century Intl Growth	S	2.9	19.6	34.9
11	Driehaus Emerging Mkts Gr	B	1.9	33.4	69.0	61	Babson-Stewart Ivory Intl	S	0.4	20.5	35.1
12	Vanguard Intl Explorer	H	4.3	30.5	67.6	62	Scudder Global	S	1.4	20.0	34.5
13	Guinness China & Hong Kong	B	1.8	33.2	63.4	63	Fidelity Global Balanced	S	1.9	19.7	34.5
14	T. Rowe Price New Asia	B	4.9	32.6	57.5	64	Longleaf Partners International	S	0.2	15.8	45.2
15	Fidelity Europe (1%r<90d)	H	4.5	31.4	60.8	65	USAA World Growth	S	1.8	18.6	35.3
16	Vanguard Emerging Mkts Stk	B	3.1	31.4	62.4	66	Janus Worldwide	S	2.0	16.2	32.8
17	T.Rowe Price Latin America (2%	H	1.6	30.0	67.4						
18	Scudder Pacific Opportunity (2%	H	6.5	31.3	52.0						
19	Driehaus Int'l Discovery	H	3.7	26.6	67.1						
20	Fidelity Emerging Mkts (1.5%	H	3.5	30.3	55.1						
21	Dreyfus Emerging Market(1%r)	H	2.7	28.6	58.4						
22	T. Rowe Price Japan	H	1.0	31.4	53.8						
23	Fidelity International G & I	H	2.9	29.3	52.5						
24	Oakmark Global (2%r<90d)	H	3.2	25.7	59.6						
25	Scudder Global Discovery(closed)	H	3.6	25.6	57.1						
26	Scudder Latin America	H	0.7	25.5	61.4						
27	Fidelity Europe Capital App.	H	4.8	28.7	46.9						
28	Fidelity Overseas (1%r<30d)	H	2.3	27.2	53.0						
29	Janus Overseas(closed)	H	2.8	28.1	48.9						
30	Vanguard International Value	H	2.6	25.2	51.6						
31	Preferred International	S	2.5	26.4	48.5						
32	Harbor International	S	1.7	25.3	51.1						
33	Vanguard Pacific Stock Index	S	2.0	27.3	45.4						
34	Oakmark International (2%r<90d)	S	3.3	25.5	47.6						
35	Wm. Blair Intl Growth Stock N	S	1.7	25.1	50.1						
36	Fidelity Diversified Intl (1%r<30d)	S	1.7	25.5	48.4						
37	Gabelli Intl. Growth	S	1.4	26.7	44.1						
38	Matthews Asia G & I (closed,2%	S	3.0	25.7	42.3						
39	Julius Baer International Equity A	S	1.8	26.2	42.7						
40	Vanguard European Stock Index	S	1.1	23.9	47.2						
41	T. Rowe Price European	S	1.7	24.4	45.2						
42	Fidelity Pacific Basin (1.5%r<90d)	S	1.2	25.0	44.3						
43	Loomis Sayles International Eq-	S	0.7	24.5	45.0						
44	Columbia Intl Equity CIZ	S	2.0	23.0	43.6						
45	Fidelity Worldwide (1%r<30d)	S	2.3	21.4	45.8						
46	Columbia International Stock	S	2.2	22.9	42.2						
47	Artisan International	S	3.2	21.6	43.9						
48	American Century Global Growth	S	3.5	21.7	43.0						
49	Tweedy, Browne Global Value	S	5.5	22.3	38.5						
50	Scudder Greater Europe (2%	S	2.5	22.6	42.1						

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

**Wednesday**  
**February 11, 2004**  
by Midnight

### Total Return % - 1/31/04

1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
1.9	ML Conservative	14.4	24.1	31.5	1.9
1.4	Fidelity Conservative	11.5	20.5	3.6	1.4
2.3	Vanguard Conservative	13.3	23.9	-0.5	2.3
3.7	ML Moderate	24.2	49.3	36.7	3.7
2.7	Fidelity Moderate	18.8	34.2	28.3	2.7
3.2	Vanguard Moderate	19.4	38.8	8.3	3.2
4.3	ML Venturesome	27.3	56.1	41.9	4.3
3.2	Fidelity Venturesome	20.2	37.0	28.9	3.2
3.3	Vanguard Venturesome	21.5	42.6	8.3	3.3
5.8	ML Select	21.6	37.0	n/a	5.8
<b>Benchmarks</b>					
1.9	S&P 500	15.2	34.4	-13.2	1.9
1.5	Asset Allocation Funds Avg (36)	13.4	28.1	-1.1	1.5

**SPECIALTY FUNDS**  
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## Specialty Funds — data as of 1/30/04

Rank	Fund	Conservative	1 month	6 month	1 year	Rank	Fund	Conservative	1 month	6 month	1 year
1	Fidelity Developing Comm (.75%)	*	18.4%	47.1%	94.8%	51	Rydex Financial Services	*	3.8	16.3	36.9
2	Fidelity Wireless	*	12.7	39.3	91.3	52	Fidelity Finl Serv (.75%r<30d)	*	2.8	16.2	37.1
3	RS Internet Age	*	7.9	31.7	113.2	53	Fidelity Natrl Resources (.75%)	*	-1.3	20.3	31.5
4	RS Information Age	*	7.8	30.5	108.0	54	Rydex Energy Services	*	6.7	19.4	21.6
5	Scudder Gold (closed)	*	-8.7	53.5	72.4	55	INVESCO Energy Inv	*	1.3	20.3	26.8
6	Fidelity Electronics (.75%r<30d)	*	6.1	33.0	90.5	56	Fidelity Energy (.75%r<30d)	*	0.8	20.1	27.8
7	Fidelity Networking	*	14.1	30.9	78.0	57	INVESCO Financial Serv Inv	*	3.6	14.9	36.4
8	Royce Technology Value	*	4.2	27.4	92.8	58	Rydex Banking	*	1.9	16.4	35.0
9	Rydex Internet	*	7.0	31.7	75.9	59	Fidelity Multimedia (.75%r<30d)	*	0.0	15.6	39.3
10	Rydex Electronics	*	2.6	28.9	86.4	60	Fidelity Energy Services (.75%)	*	6.9	18.2	21.0
11	CGM Realty	*	-4.0	32.1	80.7	61	Rydex Basic Materials	*	-3.4	18.0	35.8
12	Alpine U.S. Real Estate Equity	*	-0.9	30.5	78.0	62	Vanguard Health Care	*	3.1	15.2	33.0
13	Fidelity Computers (.75%r<30d)	*	5.9	25.4	76.3	63	Fidelity Balanced	*	1.9	15.4	32.5
14	T.Rowe Price Media & Telecom-	*	4.4	27.4	62.4	64	Rydex Health Care	*	3.9	12.4	37.1
15	Rydex Technology	*	5.4	24.3	68.2	65	INVESCO Leisure Inv	*	0.9	15.2	34.4
16	Fidelity Technology (.75%r<30d)	*	4.8	24.2	68.6	66	Fidelity Bus Services (.75%)	*	1.1	14.3	35.5
17	U.S.Global Gold Shares (.25%)	*	-11.3	43.0	44.6	67	Amer. Cent. Global Gold (1%)	*	-11.4	24.2	29.1
18	Rydex Telecommunications	*	10.7	27.7	46.7	68	INVESCO Health Sciences Inv	*	3.6	13.4	33.2
19	RS Contrarian	*	0.3	27.8	60.5	69	Fidelity Air Transport (.75%)	*	-0.2	10.6	44.8
20	Vanguard Precious Metals	*	-6.7	36.8	44.1	70	Fidelity Banking (.75%r<30d)	*	1.1	13.8	33.7
21	Fidelity Industrial Equip (.75%)	*	0.6	25.8	52.4	71	Rydex Utilities	*	1.8	14.5	30.9
22	Cohen & Steers Realty Shares	*	3.6	22.9	53.7	72	Fidelity Retailing (.75%r<30d)	*	0.5	10.8	41.8
23	Fidelity Med Del (.75%r<30d)	*	5.7	27.5	34.3	73	Fidelity Chemicals (.75%r<30d)	*	-2.4	15.6	33.1
24	T.Rowe Price Science & Tech	*	1.9	21.1	55.0	74	Rydex Precious Metals	*	-11.4	23.1	27.3
25	Fidelity Telecomm (.75%r<30d)	*	8.0	24.3	36.0	75	Fidelity Utilities Growth (.75%)	*	0.9	14.1	31.3
26	INVESCO Technology Inv	*	3.9	21.0	50.1	76	Rydex Consumer Products	*	1.9	14.3	28.4
27	Fidelity Home Finance (.75%)	*	3.6	22.8	42.8	77	Fidelity Environmental Ser (3%)	*	-0.9	13.9	31.8
28	Fidelity Brokerage (.75%r<30d)	*	5.8	17.6	51.0	78	Rydex Retailing	*	-0.6	9.9	38.9
29	Cohen & Steers Equity Income	*	3.8	19.5	47.2	79	INVESCO Utilities Inv	*	1.3	14.3	23.4
30	Fidelity Const & Housing (.75%)	*	-1.8	21.1	50.6	80	Fidelity Transportation (.75%)	*	-3.2	9.6	40.7
31	Fidelity Automotive (.75%r<30d)	*	0.2	19.5	50.3	81	Fidelity Consumer Ind (.75%)	*	0.0	11.3	27.9
32	Vanguard REIT Index (1%r<1yr)	*	4.3	18.6	45.4	82	Vanguard Balanced Index	*	1.7	11.4	23.7
33	Fidelity Real Estate (.75%r<90d)	*	4.4	19.1	43.6	83	Fidelity Gold (.75%r<30d)	*	-9.1	19.1	20.0
34	Fidelity Defense & Aero (.75%)	*	0.4	22.2	40.9	84	Fidelity Paper & Forest (.75%)	*	-4.0	14.8	20.8
35	Rydex Leisure	*	3.1	18.5	45.0	85	Fidelity Biotechnology (.75%)	*	3.6	3.7	36.9
36	Stratton Mthly Div REIT (1.5%)	*	4.8	17.7	42.8	86	Fidelity Pharmaceuticals (.75%)	*	2.2	9.2	24.5
37	Vanguard Energy (1%r<1yr)	*	0.4	22.7	36.4	87	Fidelity Food & Agr (.75%r<30d)	*	0.3	11.8	19.5
38	Fidelity Indust MatrIs (.75%r<30d)	*	-6.4	24.9	40.7	88	Fidelity Health Care (.75%r<30d)	*	3.2	7.8	19.7
39	Fidelity Software (.75%r<30d)	*	4.1	17.9	41.7	89	Rydex Transportation	*	-4.7	6.0	21.5
40	T.Rowe Price Real Estate	*	3.7	17.3	43.7	90	Merger Fund	*	1.1	5.4	11.7
41	Fidelity Leisure (.75%r<30d)	*	2.8	17.3	44.6	91	Gateway Fund	*	0.4	4.5	13.4
42	Fidelity Cyclical Ind (.75%r<30d)	*	-0.7	19.8	42.8	92	AXARosenberg Value L/S (2%)	*	-0.6	1.6	-7.2
43	T.Rowe Price Financial Services	*	3.8	16.5	44.2	93	Prudent Bear	*	-2.6	0.6	-15.2
44	INVESCO Gold Inv	*	-8.8	28.4	33.0	94	Rydex Juno	*	-2.3	-9.2	-4.5
45	Fidelity Natural Gas (.75%r<30d)	*	0.9	22.6	31.0	95	Rydex Ursa	*	-2.0	-13.5	-26.9
46	Fidelity Insurance (.75%r<30d)	*	4.9	17.6	37.3	96	ProFunds Bear Inv	*	-1.9	-13.8	-27.4
47	Rydex Biotechnology	*	5.1	8.8	57.3						
48	T.Rowe Price Health Sciences	*	6.1	12.3	45.8						
49	Fidelity Medical Equip (.75%)	*	5.5	14.5	41.1						
50	Rydex Energy	*	1.3	21.4	29.9						

**BOND FUNDS  
On Next Page**

Advice **B = Buy, H = Hold, S = Sell**

\* = **Not Recommended**

# Bond Funds — data as of 1/30/04

Rank	Fund	Conservative	1 month	6 month	1 year	Rank	Fund	Conservative	1 month	6 month	1 year
1	Amer. Cent. Target 2015	*	2.1%	9.0%	6.7%	51	PIMCO Low Duration	B	0.2	0.9	0.8
2	American Century Ginnie Mae	*	0.1	1.6	0.0	52	PIMCO Real Return	H	1.1	7.2	6.3
3	American Century Inflation Adj	B	1.2	7.8	8.1	53	PIMCO Total Return	H	0.5	3.6	3.2
4	American Century Intl Bond	*	0.2	12.7	16.8	54	PIMCO Total Return Mortgage	H	0.3	3.6	2.3
5	American Century Target 2010	*	1.2	5.2	4.9	55	Safeco U.S. Government	H	0.2	1.5	-0.1
6	American Century Target 2020	*	2.8	12.1	7.0	56	Schwab S-T Bond Mkt Index	B	0.1	1.1	2.0
7	American Century Target 2025	*	3.3	14.0	6.6	57	Scudder Global Bond S-T	*	0.7	6.7	8.9
8	American Government Bond	H	0.2	1.1	1.1	58	Scudder Income (closed)	H	0.9	4.8	5.8
9	Babson Bond Trust	*	0.7	2.6	1.4	59	Scudder Short-Term Bond	B	0.4	1.8	3.2
10	BBH Inflation Indexed Sec	B	1.1	7.2	7.5	60	Strong Corporate Bond	*	0.8	6.0	9.5
11	Buffalo High-Yield(2%r<180d)	B	1.0	7.6	20.8	61	Strong Govt Securities	H	0.6	2.8	2.0
12	Columbia Fixed Income Sec	H	0.4	2.8	2.3	62	Strong High Yield Bond(1%r)	*	0.9	8.6	19.5
13	Columbia High Yield	B	0.5	4.6	8.0	63	Strong S-T Bond	B	0.2	1.3	2.2
14	Columbia Income CIZ	H	0.7	5.1	10.2	64	Strong S-T High Yield	*	-0.1	2.3	5.8
15	Columbia Intermediate Bond CIZ	H	0.7	4.1	8.4	65	T. Rowe Price Corporate Inc	*	0.9	6.2	9.8
16	Columbia S-T Bond	B	0.1	1.3	1.3	66	T. Rowe Price GNMA	*	0.3	2.0	0.8
17	Dodge & Cox Income	H	0.7	4.8	6.4	67	T. Rowe Price High Yield	B	1.0	7.8	17.3
18	Dreyfus 100 Treasury L-T	*	-1.7	1.0	1.2	68	T. Rowe Price Int'l Bond	*	-0.1	11.5	15.1
19	Dreyfus A Bonds Plus	*	0.4	3.7	5.0	69	T. Rowe Price New Income	*	0.3	3.1	3.7
20	Dreyfus GNMA	*	0.5	3.9	2.6	70	T. Rowe Price Spectrum Income	*	0.6	6.6	12.8
21	Dreyfus Short-Term Income	B	-0.2	-0.4	0.2	71	T. Rowe Price S-T Bond	B	0.0	0.7	2.0
22	Dreyfus Strategic Income	*	-0.3	2.5	4.4	72	T. Rowe Price U.S. Treas. L-T	*	1.0	4.5	1.7
23	Federated Total Return Govt	H	0.5	3.0	1.3	73	TCW Galileo High Yield Bond	B	1.3	10.8	22.7
24	Federated U.S. Govt Sec. 1-3	B	-0.1	0.3	0.3	74	TCW Galileo Total Return Bond	H	0.9	3.0	3.3
25	Fidelity Capital & Income	*	1.2	11.7	34.4	75	USAA Income	H	0.8	4.9	5.5
26	Fidelity Floating Rate High Inc(1%	B	0.4	2.4	5.4	76	Value Line Aggressive Inc	*	1.2	7.4	19.3
27	Fidelity GNMA	*	0.3	1.7	0.8	77	Value Line U.S. Govt Sec	H	0.5	3.0	2.7
28	Fidelity Government Income	*	0.5	3.2	1.7	78	Vanguard Bond Market	H	0.5	4.0	4.4
29	Fidelity High Income (1%r<90d)	B	0.9	10.5	24.5	79	Vanguard GNMA	*	0.2	2.2	-0.3
30	Fidelity Inflation-Protected Bond	B	1.0	7.3	7.6	80	Vanguard High Yield Corporate	B	0.3	8.1	15.8
31	Fidelity Intermediate Bond	H	0.3	2.6	3.2	81	Vanguard Inflation Protected	B	1.2	7.8	8.7
32	Fidelity Intermediate Govt	H	0.3	2.6	2.5	82	Vanguard Intermediate Treas.	H	0.4	1.2	0.4
33	Fidelity Investment Grade	H	0.5	4.4	5.1	83	Vanguard Long-Term Corporate	*	1.4	6.5	4.1
34	Fidelity New Markets Income	*	-0.3	11.0	24.8	84	Vanguard L-T Treasury	*	1.3	4.7	1.2
35	Fidelity Short-Term Bond	B	0.1	1.3	2.3	85	Vanguard Short-Term Corporate	B	0.1	0.5	1.7
36	FifthThird Bond	*	0.8	4.2	3.8	86	Vanguard S-T Federal	*	0.2	0.6	0.5
37	Fremont Bond	H	0.6	4.4	4.0	87	Vanguard S-T Treasury	B	0.0	0.5	1.0
38	Janus Flexible Income	*	0.4	3.0	4.4	88	Westcore Plus Bond	*	1.2	8.1	12.8
39	Janus High Yield	B	0.3	6.0	11.2	89	WPG Core Bond	H	0.6	3.5	3.7
40	Janus S-T Bond	B	0.3	1.4	3.8						
41	Managers Bond	*	1.0	7.8	10.8						
42	Managers Int. Duration Govt	*	0.5	3.5	3.5						
43	Managers Short Duration Govt	B	0.2	1.2	2.4						
44	MetroWest Low Duration	B	1.0	2.2	3.6						
45	MetroWest Total Return	*	1.5	6.9	10.0						
46	Montgomery Sht Duration Govt	B	0.2	1.2	0.8						
47	Montgomery Total Return	H	0.5	3.3	3.0						
48	Northeast Investors Trust	*	1.9	10.9	16.7						
49	Payden Global Fixed Income	*	0.2	1.7	2.8						
50	PIMCO High Yield	B	0.3	9.9	20.2						

Advice **B = Buy, H = Hold, S = Sell**

**PORTFOLIO HOLDINGS**  
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\* = **Not Recommended**

## Weekly Performance of ML Model Holdings — data as of 1/30/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	0.09%	USRLX Undiscovered Small Cap Gr	-2.15
AIOIX Amer. Cent Intl Opportunities	-1.90	VBINX Vanguard Balanced	-0.75
BUFHX Buffalo High Yield	-0.36	VEIEX Vanguard Emerg. Mkts. Stock	-2.40
DODIX Dodge & Cox Income	-0.23	VEXPX Vanguard Explorer Index	-2.90
FDEGX Fidelity Aggr. Growth	-1.42	VEXMX Vanguard Extended Market	-1.92
FBALX Fidelity Balanced	-1.39	VWEHX Vanguard High Yield Corp.	-0.63
FDCAX Fidelity Capital Appreciation	-1.93	VIPSX Van. Inflation Protected Bond	-0.16
SPHIX Fidelity High Income	-0.78	VISGX Vanguard Small Cap Growth	-2.69
FSTGX Fidelity Intermediate Gov't	-0.15	VSEQX Vanguard Strategic Equity	-1.98
FISMX Fidelity Intl Small Cap	-0.31	VBMFX Vanguard Total Bond	-0.01
FBNDX Fidelity Inv Grade Bond	0.03	VTRIX Vanguard Int'l Value	-2.68
FLVCX Fidelity Leveraged Company	-3.21		
FSEAX Fidelity SE Asia	-1.65		
FSLCX Fidelity Small Cap Stock	-2.11		
FDSCX Fidelity Small Cap Ind.	-1.64		
GATEX Gateway Fund	-0.13		
HENLX Henlopen Fund	-2.35		
ICHKX Guinness China & Hong Kong	-3.93		
LMAXX Legg Mason Special	-1.99		
MAPTX Matthews Pacific Tiger	-2.12		
NEGSX Needham Small Cap Growth	-1.88		
PHYDX Pimco High Yield D	-0.89		
RYPNX Royce Opportunity	-3.48		
RSPFX RS Partners	-2.54		
RSSGX RS Smaller Co. Growth	-1.50		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	-0.76%
		NASDAQ	-2.72
		S&P 500	-0.91

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