

## MONEYLETTER HOTLINE 2/17/04

### Merger Mania

Who would have thought after Friday's close, that the market would open with a bang today. Actually, long before our market opened, the foreign markets were strong, but it is hard to translate that strength into today's rally.

The big news today was the merger activity. Two of the three deals were in the banking sector. The other, of course, was Cingular's purchase of AT&T Wireless. The AT&T deal was not a surprise, though the ultimate purchaser was in doubt.

The economic news was good but not great. The headline numbers on industrial production, for example, were a bit deceiving. We do not see today's rally as the start of anything big. The only way the rally could be a start is if we see another round of mergers. Otherwise, we expect the market to drift. The market needs a caffeine jolt, but the economic numbers aren't offering it at the moment. As we said last week, inventories may play that role.

Given the economic news so far, it is hard to see the next round of earnings reports containing many upside surprises. We will probably have to wait a few more months for the next important advance.

There is no change in our recommended allocations

**New Fund Recommendations** – For domestic stock funds there is one new buy: TCW Galileo Value Opportunities. There is one new sell: Needham Growth Fund For international stock funds, there is one new buy: Vanguard International Explorer. Fidelity Europe, a buy last week, has moved into the hold category. Matthews Japan is another new hold. There is one new sell: T. Rowe Price Japan.

**The Economy** – There was some evidence in a report from the N.Y. Fed on manufacturing activity there that the inventory push we have been expecting may be under way. But so far the push is not very strong.

The big number today was industrial production which came in at a brisk 0.8%. But part of the rise came from utility output, which reflected the cold weather more than economic activity. We still look for the economy to pick up speed as we move into the spring.

**The Stock Market** – The technically minded have been pointing out that on good market days such as today, the volume has not been overwhelming. This suggests that institutional investors are biding their time, for the moment. We believe they are waiting for evidence that earnings will be better than now estimated. The first evidence will be better economic news than we are now receiving. That is only a matter of time. We remain positive on global stock markets.

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

## MONEYLETTER HOTLINE 2/13/04

### Two Steps Forward, One Back

We have had a strange market during the second half of the week. We find ourselves a little baffled by the market's response to the daily news. Alan Greenspan gave his eagerly awaited testimony Wednesday, and said nothing unpredictable.

The market rallied strongly. Of course, Comcast's blockbuster offer for Disney hit the wires the same morning. Yesterday, the market sold off gently on a less than glowing retail sales report for January. That was understandable. Today, the selling was stronger in response to a sharp drop in the mid-month Michigan Consumer Sentiment report. Investors surely have learned by now that the sentiment numbers are poor indicators of consumer spending over the shorter-run. Yet here they are with a knee-jerk reaction to the monthly readings.

Of course, the market is showing fatigue. The rally's momentum had been broken. The market's price-earnings ratio has risen to the higher end of the comfort range. The earnings season is almost over. The economic numbers are good, but not red-hot. All that says is that the dynamic phase of the new bull market is over. The market is settling down to make its gains the old-fashioned way, two steps forward and one step back. With interest rates low, and the economy continuing to recover we continue to see higher prices ahead over the intermediate-term.

There is no change in our recommended allocations.

**New Fund Recommendations** – For domestic stock funds there is one new hold: Legg Mason Opportunity Trust. For international stock funds, there is one new buy: Fidelity Europe.

**The Economy** – The economy has slowed somewhat this first quarter. But so far we are not troubled by what we see. Aside from anything else, the latest inventory numbers point to an inventory surge sometime soon. This should give the economy a caffeine jolt sometime over the next few months. The Federal Reserve in its semiannual report looks for growth of about 5% this year. We agree. Expect solid growth ahead.

**The Stock Market** – With the market slow over the past two days, there has been much technical chatter about a double top as the S&P stalls in 1150-1160 area. We just do not see it. We could see a correction, as more profit-taking sets in, but we even doubt that, with the merger action heating up. We remain positive on global stock markets.

**The Bond Market** – After a Greenspan rally, the bond market has snoozed through the rest of the week. We expect the quiet to continue for a time.

**The Select Portfolio** – There are no changes.

# Domestic Stock Funds — data as of 2/13/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
1	Fidelity Leveraged Company	B	2.4%	39.6%	120.0%	51	TCW Galileo Aggressive Growth	H	1.2	23.3	67.5
2	Royce Opportunity (1%r<180d)	B	1.1	37.7	98.1	52	Vanguard Extended Market	H	2.3	24.4	62.6
3	Heartland Value (closed,1%	S	1.9	36.4	95.8	53	Vanguard Small-Cap Value	H	2.4	26.6	56.9
4	Neuberger Berman Focus	B	4.6	32.3	100.5	54	Matrix Advisors Value	H	2.6	23.7	63.8
5	Undiscovered Small Cap Growth	B	0.1	32.9	104.1	55	Vanguard Explorer	H	0.6	24.6	64.7
6	Henlopen Fund (1%r<30d)	B	2.6	32.2	88.9	56	Selected Special Shares	H	3.9	23.5	62.3
7	Mainstay Small Cap Opp	B	2.5	37.8	71.7	57	Strong Multi-Cap Value	H	1.3	25.9	59.6
8	CGM Focus	H	2.4	31.0	84.2	58	Dreyfus-Founders Discovery	H	3.0	24.1	61.0
9	Wasatch Small Cap Value	B	4.4	30.2	82.2	59	Longleaf Partners Smallcap	H	0.6	24.8	62.7
10	Buffalo Small Cap(closed)	B	6.1	28.0	84.6	60	Vanguard Strategic Equity	H	2.1	24.9	59.5
11	Bogle Small Cap Growth(closed)	B	1.0	33.3	78.3	61	Artisan Small Cap	H	2.4	22.0	66.2
12	RS Smaller Company Growth	B	1.3	29.2	87.7	62	T.Rowe Price Mid Cap Value	S	3.2	25.5	56.0
13	WmBlair S-C Growth N	B	0.7	28.8	88.6	63	American Century Vista	S	2.2	23.8	61.7
14	RS Diversified Growth	B	-1.8	26.7	94.1	64	PBHG Emerging Growth	H	-1.8	21.0	73.7
15	ICM/Isabelle Small Cap Value	B	1.6	32.8	71.5	65	Wasatch Core Growth	S	4.0	21.0	65.1
16	Berwyn Fund (1%r<180d)	B	2.0	33.4	68.6	66	TCW Galileo Diversified Value N	S	3.8	24.5	56.3
17	Pin Oak Aggressive Stock	B	-0.9	30.6	79.1	67	Vanguard Capital Value	S	2.6	23.2	59.7
18	Needham Small Cap Growth	B	0.2	27.9	83.6	68	Turner Mid Cap Growth	H	1.2	22.3	63.9
19	Vanguard Cap Opp (\$25,000,1%	B	3.2	31.1	70.5	69	PBHG Small Cap Value	S	1.9	23.3	60.2
20	Janus Venture (closed)	B	1.6	26.0	83.0	70	Third Avenue Small-Cap Value	H	0.5	25.6	56.6
21	Oberweis Emerging Growth (1%	B	-1.9	22.2	97.8	71	Strong Mid Cap Disciplined	S	3.7	21.7	61.5
22	RS Partners	B	2.8	27.5	76.3	72	Fidelity L P Stock (closed,1.5%	S	2.5	23.3	58.6
23	Muhlenkamp Fund	H	5.5	28.2	69.2	73	Fidelity New Millennium (closed)	S	0.9	24.9	56.7
24	TCW Galileo Value Opportunities	B	3.6	28.2	71.6	74	Safeco Growth Opportunities	S	1.3	21.2	65.3
25	Boston Ptnrs Smlcap Val	B	2.5	26.4	77.6	75	MSI Mid Cap Value	S	3.5	21.9	60.0
26	Fidelity Small Cap Stock (2%	B	2.3	29.4	66.1	76	Needham Growth Fund (.75%	S	-0.2	22.3	64.2
27	Meridian Fund	B	2.2	27.3	71.3	77	Cambiar Opportunity	S	3.8	23.5	53.8
28	TCW Galileo Small Cap Growth	B	0.0	26.1	75.4	78	RS Value+Growth	S	0.4	22.4	61.0
29	Janus Special Equity	H	2.3	27.0	69.2	79	Artisan Midcap(closed)	S	3.5	23.0	52.9
30	CRM Small Cap Value Inv	H	3.4	25.3	71.7	80	Dreyfus Mid Cap Index	S	3.2	22.7	53.5
31	WPG Tudor	H	3.5	26.6	68.0	81	Royce Penn Mutual(1%r<180d)	S	0.9	22.6	57.1
32	RS Emerging Growth(closed)	H	0.6	25.6	72.7	82	Nicholas II	S	4.5	21.9	52.7
33	TCW Galileo Opportunity N	H	0.7	26.9	67.4	83	Third Avenue Value	S	1.9	23.8	51.6
34	Legg Mason Opportunity Trust	H	-2.1	23.5	79.8	84	Boston Partners Mid Cap Value	S	2.9	21.7	55.3
35	Century Select Small Cap	B	2.3	26.7	64.4	85	Fidelity Value	S	2.8	22.5	52.7
36	T. Rowe Price New Horizons	H	1.6	24.3	71.3	86	MSI Small Cap Value(closed)	S	2.0	21.4	56.5
37	Vanguard SmallCap Index	H	1.7	26.4	65.3	87	Vanguard Mid-Cap Index	S	2.6	22.8	52.0
38	USAA Capital Growth	B	-0.6	25.3	70.8	88	Westport Small Cap R	S	4.0	22.4	50.6
39	Legg Mason Special Investment	H	-0.4	25.1	70.6	89	Van Wagoner Emerging Growth	H	-5.4	25.3	56.6
40	Montgomery Small Cap	H	0.4	25.3	68.7	90	C&B Mid Cap Value	S	1.8	21.0	56.5
41	Undiscovered Behavioral Growth	H	0.4	22.2	76.5	91	Federated Kaufmann Fund	S	1.8	17.6	65.0
42	Columbia Small Company Equity	H	0.2	25.8	66.8	92	MSI Mid Cap Growth	S	2.2	20.3	57.5
43	Bridgeway Aggressive Investors 2	H	0.6	25.1	67.5	93	Fidelity OTC Portfolio	H	-0.3	22.5	55.6
44	Royce Low Priced Stock (1%	H	1.1	25.0	66.0	94	MSI Value Portfolio	S	3.8	20.7	53.8
45	Vanguard Small Cap Growth In-	H	1.0	26.2	63.0	95	TCW Galileo Dividend Focused	S	3.4	22.8	48.6
46	Fidelity Capital Appreciation	H	2.0	24.9	64.5	96	Artisan Mid Cap Value	S	4.2	21.6	50.4
47	CRM Mid Cap Value Ins	H	3.4	26.5	58.2	97	Vanguard Windsor	S	1.9	21.7	52.9
48	CRM Mid Cap Value Inv	H	3.3	26.3	57.8	98	FBR Small Cap Value A (1%	S	2.4	17.9	61.2
49	CS Warburg Pincus Emerging	H	2.2	24.4	64.1	99	Vanguard PRIMECAP	S	2.1	20.9	54.1
50	RS MidCap Opportunities	H	1.0	24.5	65.1	100	Strong Opportunity	S	2.0	20.6	55.0

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

## Domestic Stock Funds continued — data as of 2/13/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
101	Fidelity Small Cap Ind.(1.5%	H	2.0	22.6	50.0	151	Neuberger Berman Guardian	S	1.7	17.3	49.3
102	Strong Discovery	S	1.0	20.9	55.5	152	Weitz Value Fund	S	2.7	18.1	45.8
103	Neuberger Berman Partners	S	5.2	19.2	53.1	153	T. Rowe Price Growth & Income	S	2.8	18.8	43.3
104	Strong Advisor Common Stock	S	2.5	20.5	53.8	154	Oakmark Select(closed) (2%	S	4.6	17.8	42.9
105	T. Rowe Price S-C Value	S	1.1	21.5	52.3	155	Scudder Large Co Value	S	2.7	18.5	44.1
106	Dodge & Cox Stock (closed)	S	3.4	21.2	49.4	156	Neuberger Berman Fasciano Inv	S	0.7	18.6	46.5
107	Vanguard U.S. Value	S	2.6	22.7	47.0	157	Vanguard Growth & Income	S	2.0	18.7	43.5
108	Fidelity Growth Company	S	0.7	19.7	56.9	158	SIT Small Cap Growth	S	-0.1	17.0	50.4
109	INVESCO Dynamics	S	1.2	20.8	53.4	159	T. Rowe Price Growth Stock	S	2.4	17.1	46.1
110	Selected American Shares	S	3.9	21.8	46.7	160	Scudder Development (closed)	S	1.0	17.6	46.9
111	Marsico 21st Century	S	-0.1	18.5	60.7	161	Gabelli Asset	S	2.0	17.9	44.4
112	Baron Asset	S	4.1	19.0	52.5	162	USAA Growth & Income	S	2.3	17.7	44.4
113	T. Rowe Price New Era	S	1.9	23.5	44.6	163	T. Rowe Price Equity-Income	S	2.7	18.0	41.5
114	Salomon Brothers Investors	S	3.2	20.7	49.5	164	Fidelity Equity-Income II	S	1.4	15.9	48.3
115	Sound Shore	S	3.1	19.5	51.7	165	Neuberger Berman Manhattan	S	1.5	17.1	44.8
116	T.Rowe Price Mid Cap Growth	S	2.1	18.6	55.4	166	Schwab 1000 Fund (.75%	S	2.3	17.3	42.7
117	INVESCO Small Company	S	1.6	19.8	52.5	167	<b>Vanguard 500 Index</b>	S	2.3	17.4	42.5
118	Dreyfus New Leaders	S	2.4	21.2	47.9	168	Fidelity Spartan 500 Index	S	2.3	17.4	42.5
119	Royce Premier (1%r<180d)	S	1.9	19.0	54.0	169	Columbia Disciplined Value CIZ	S	2.3	17.2	42.8
120	Baron Small Cap	S	3.0	16.5	58.2	170	Loomis Sayles Value	S	3.0	17.2	41.5
121	Vanguard Windsor II	S	4.0	20.9	45.2	171	Northeast Investors Growth	S	2.1	16.8	43.5
122	Ariel Appreciation	S	3.5	17.9	53.4	172	Strong Growth	S	1.9	16.0	45.9
123	Aegis Value Fund	S	1.8	19.6	51.5	173	Gabelli Growth	S	0.6	16.2	47.3
124	Thompson Plumb Growth	S	3.5	19.0	49.9	174	Strong Advisor Midcap Growth	S	1.3	16.4	45.6
125	Legg Mason Value	S	-0.1	18.8	55.6	175	Mutual Qualified(1%)CIZ	S	2.1	18.2	39.7
126	Baron Growth	S	4.6	17.5	51.8	176	Mutual Beacon(1%)CIZ	S	2.4	18.0	38.8
127	Vanguard Growth Equity	S	1.7	18.7	52.8	177	Harbor Capital Appreciation	S	1.7	16.3	44.2
128	Fidelity Aggressive Growth(0.75%	H	2.9	19.9	48.1	178	Fidelity Contrafund	S	2.2	17.3	40.6
129	Fidelity Export & Multinat!(.75%	S	1.8	19.8	49.2	179	Oakmark Small Cap (2%r<90d)	S	1.1	16.7	43.8
130	Vanguard/Morgan Growth	S	2.1	19.6	49.3	180	Homestead Value	S	1.1	17.7	41.2
131	Fidelity Mid-Cap Stock (.75%	S	2.0	20.0	48.2	181	WPG Large Cap Growth	S	2.0	16.5	42.6
132	TCW Galileo Select Equity	S	-1.6	18.0	58.3	182	Harbor Value	S	2.3	16.5	41.8
133	Wasatch Small Cap Grth	S	0.9	14.9	61.9	183	Longleaf Partners	S	-1.1	17.8	43.7
134	Loomis Sayles Small Cap Value	S	1.3	20.0	48.1	184	Preferred Growth	S	1.5	15.9	43.8
135	Vanguard Value Index	S	2.7	19.0	48.2	185	Preferred Value	S	2.2	17.1	39.6
136	American Century Value	S	3.7	19.6	45.2	186	Royce Special Equity (1%	S	2.8	16.9	39.3
137	Janus Enterprise	S	2.1	18.5	50.0	187	Yacktman Fund	S	2.2	17.0	40.0
138	T. Rowe Price New America	S	1.9	17.7	51.7	188	Tweedy, Browne American	S	2.5	17.6	38.0
139	Neuberger Berman Genesis	S	3.0	19.2	45.8	189	Fidelity Disciplined Equity	S	2.2	17.2	39.2
140	SIT Mid Cap Growth	S	1.3	17.9	51.2	190	Columbia Common Stock	S	2.1	16.7	40.7
141	Janus Mercury	S	0.5	19.7	48.1	191	Fidelity Fund	S	2.3	16.3	41.1
142	Vanguard Convertible Securities	S	2.0	22.1	39.3	192	Royce Total Return (1%r<180d)	S	1.7	16.5	41.8
143	Value Line Special Situations	S	2.8	19.5	44.3	193	Oakmark Fund	S	3.1	16.1	40.0
144	T. Rowe Price Small Cap Stock	S	1.0	19.1	47.9	194	Fidelity Stock Selector	S	1.6	16.1	41.7
145	Fidelity Equity-Income	S	2.5	18.9	45.8	195	Fidelity Trend	S	1.9	16.2	40.8
146	Nicholas Fund	S	4.4	17.5	46.2	196	Domini Social Equity Fund	S	1.7	16.2	40.9
147	Vanguard Total Stk Mkt	S	2.3	18.8	46.3	197	Columbia Special	S	0.5	15.6	44.0
148	American Century Equity Growth	S	2.3	19.3	44.2	198	T. Rowe Price Dividend Growth	S	2.6	15.8	40.1
149	Ariel Fund	S	3.1	17.5	47.3	199	Dreyfus Premier Third Century	S	1.6	16.0	40.2
150	American Century Income &	S	1.9	19.4	44.0	200	Janus Olympus	S	-0.6	16.3	42.9

**DOMESTIC STOCK FUNDS**  
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## Domestic Stock Funds continued — data as of 2/13/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
201	Fidelity Large Cap Stock	S	1.6	16.6	38.7	251	INVESCO Core Equity	S	0.5	11.7	34.7
202	Fidelity Dividend Growth	S	3.1	15.4	39.5	252	Hussman Strategic Growth	S	3.0	11.7	26.9
203	Vanguard U.S. Growth	S	1.3	16.0	40.7	253	Fidelity Fifty (.75%r<30d)	S	-0.3	11.8	31.3
204	Marsico Growth & Income	S	1.0	14.7	44.1	254	Value Line Leveraged Growth	S	0.5	8.8	27.1
205	Dreyfus Growth & Income	S	1.2	16.0	40.3	255	Value Line Fund	S	0.3	8.9	25.8
206	American Century Ultra	S	2.6	14.8	41.1						
207	Vanguard Growth Index	S	2.0	16.2	38.5						
208	Scudder Growth & Income	S	1.4	15.9	40.0						
209	Babson Value	S	2.9	15.3	39.0						
210	SIT Large Cap Growth	S	1.9	15.1	40.7						
211	American Century Growth	S	1.6	16.3	37.8						
212	Janus Twenty(closed)	S	3.0	15.7	36.9						
213	American Century Select	S	3.0	14.4	40.1						
214	Mutual Shares(1%)CIZ	S	2.4	16.7	35.2						
215	Salomon Brothers Opportunity	S	2.6	16.7	34.7						
216	Dreyfus Growth Opportunity (2%)	S	1.3	15.3	39.7						
217	American Century Heritage	S	1.3	15.7	37.4						
218	Fidelity Magellan (closed)	S	2.2	14.7	38.5						
219	T. Rowe Price Cap Appreciation	S	1.4	17.0	34.0						
220	Dreyfus Fund	S	1.5	15.3	38.1						
221	Fidelity Blue Chip Growth	S	1.9	14.9	38.3						
222	Columbia Growth	S	1.6	14.2	39.8						
223	PBHG Growth	S	0.3	15.2	39.2						
224	Vanguard Equity-Income	S	2.5	15.3	35.5						
225	Fidelity Focused Stock (.75%)	S	1.1	16.1	35.5						
226	Dreyfus Appreciation	S	3.3	15.4	33.9						
227	Scudder Capital Growth AARP	S	2.3	14.0	38.2						
228	Janus Growth & Income	S	0.9	15.6	36.2						
229	Fidelity Convertible Securities	S	1.2	16.4	33.4						
230	CS Warburg Pincus Capital Ap-	S	0.9	14.5	38.5						
231	Babson Growth	S	2.3	14.7	35.6						
232	Strong Large Cap Growth	S	1.2	14.3	37.3						
233	American Century Equity Income	S	1.9	14.9	34.4						
234	Janus Fund	S	-2.5	14.3	42.6						
235	Fidelity Independence(ret.only)	S	0.5	15.0	36.0						
236	Safeco Equity	S	2.3	13.5	37.1						
237	USAA Aggressive Growth	S	0.9	12.4	41.3						
238	Columbia Large Cap Growth CIZ	S	1.6	13.8	36.0						
239	Oakmark Equity&Income	S	2.1	14.1	34.1						
240	Marsico Focus	S	-0.1	12.3	41.1						
241	William Blair Growth (1%r<60d)	S	1.7	11.8	39.3						
242	Bonnel Growth Fund (.25%r<30d)	S	-0.9	19.3	24.4						
243	USAA Growth	S	1.3	13.2	36.3						
244	Scudder Large Company Growth	S	1.1	13.0	35.4						
245	Clipper Fund	S	1.5	12.3	34.6						
246	Strong Growth 20	S	-2.9	14.7	34.5						
247	Fidelity Growth & Income(3%)	S	2.6	12.9	30.5						
248	UMB Scout Stock	S	0.9	12.0	34.2						
249	Fidelity Growth & Income II	S	2.3	11.1	34.3						
250	Columbia Asset Allocation CIZ	S	1.4	13.6	29.0						

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# International Stock Funds — data as of 2/13/04

Rank	Fund	Venturesome	1 month	6 month	1 year	Rank	Fund	Venturesome	1 month	6 month	1 year
1	Fidelity Latin Amer.(1.5%<90d)	H	-0.7%	41.8%	94.2%	51	USAA International	S	2.4	24.5	47.8
2	Fidelity Intl Small Cap (2%<r<90d)	B	3.8	39.0	91.6	52	Columbia International Stock	S	1.4	24.6	48.8
3	Amer.Cent.Intl Opportunity (2%	B	4.2	38.6	90.7	53	Vanguard Pacific Stock Index	S	0.2	26.8	44.8
4	T.Rowe Price Latin America (2%	H	0.2	39.4	87.3	54	T. Rowe Price Japan	S	-2.2	25.9	49.1
5	Oakmark Intl Small Cap	B	3.6	38.4	75.4	55	T. Rowe Price Intl Stock	S	1.9	23.7	48.3
6	T.Rowe Price Intl Disc. (2%<r<1yr)	B	3.7	35.9	80.8	56	Fidelity Pacific Basin (1.5%	S	0.4	23.5	46.7
7	Vanguard Emerging Mkts Stk	B	2.6	36.7	79.0	57	SIT International Growth	S	0.7	23.1	44.0
8	Driehaus Emerging Mkts Gr	B	1.0	36.8	79.4	58	Scudder International (2%	S	2.3	22.3	43.0
9	Matthews Pacific Tiger (2%<r<90d)	B	2.6	35.9	77.8	59	American Century Intl Growth	S	2.4	22.4	41.4
10	Fidelity SE Asia (1.5%<r<90d)	B	4.4	35.8	74.5	60	Babson-Stewart Ivory Intl	S	0.8	22.9	42.1
11	Vanguard Intl Explorer	B	4.0	34.8	75.8	61	USAA World Growth	S	3.1	20.7	44.1
12	Artisan Intl Small Cap(closed,2%	B	3.4	33.9	78.9	62	Longleaf Partners International	S	1.9	16.4	55.7
13	Guinness China & Hong Kong	B	3.9	36.4	70.8	63	Scudder Global	S	1.9	21.8	42.0
14	Scudder Latin America	H	-1.0	34.7	77.9	64	Janus Worldwide	S	1.7	20.1	42.2
15	T. Rowe Price New Asia	B	2.8	34.6	69.8	65	Fidelity Global Balanced	S	0.9	20.0	38.9
16	Fidelity Emerging Mkts (1.5%	H	2.9	34.5	69.4	66	Fidelity Japan(1.5%<90d)	S	-2.3	17.0	36.2
17	Scudder Pacific Opportunity (2%	H	4.5	35.2	64.2	67	CS Warburg Pincus Japan Grth	S	-3.5	17.7	35.8
18	Dreyfus Emerging Market(1%<r)	H	2.0	33.9	68.7						
19	Dodge&Cox Intl. Stock	H	2.5	32.9	69.8						
20	Fidelity Europe (1%<r<90d)	H	3.8	31.8	69.6						
21	Fidelity Europe Capital App.	H	4.4	33.7	61.1						
22	Driehaus Int'l Discovery	H	2.1	28.0	73.3						
23	Oakmark Global (2%<r<90d)	H	2.4	26.6	73.4						
24	Janus Overseas(closed)	H	2.5	31.3	60.2						
25	Fidelity International G & I	H	2.2	31.4	60.3						
26	Matthews Japan Fund (2%<r<90d)	H	-1.7	32.9	62.4						
27	Scudder Global Discovery(closed)	H	2.5	28.0	67.5						
28	Vanguard International Value	H	2.6	28.8	60.4						
29	Fidelity Overseas (1%<r<30d)	H	1.0	28.8	60.2						
30	Vanguard European Stock Index	S	2.4	28.7	57.8						
31	Fidelity Diversified Intl (1%<r<30d)	S	2.8	28.4	57.5						
32	Harbor International	S	1.8	27.5	59.5						
33	Julius Baer International Equity A	S	2.1	30.1	52.0						
34	Oakmark International (2%<r<90d)	S	2.9	26.7	59.0						
35	T. Rowe Price European	S	2.8	27.7	56.4						
36	Gabelli Intl. Growth	S	2.2	29.0	52.7						
37	Artisan International	S	3.6	27.0	55.2						
38	Preferred International	S	1.5	28.2	54.8						
39	Wm. Blair Intl Growth Stock N	S	1.9	27.1	56.1						
40	Japan Fund (Scudder) (2%	H	-3.5	28.7	56.7						
41	Matthews Asia G & I (closed,2%	S	4.0	27.6	46.9						
42	Scudder Greater Europe (2%	S	2.0	25.6	52.7						
43	Loomis Sayles International Eq-	S	1.6	26.6	50.8						
44	Vanguard International Growth	S	1.7	26.0	50.0						
45	Fidelity Worldwide (1%<r<30d)	S	1.7	23.5	55.5						
46	Fidelity Aggressive Intl. (1%<r<30d)	S	2.0	22.4	57.5						
47	American Century Global Growth	S	2.3	24.0	50.0						
48	Schwab International Index (1.5%	S	1.5	24.8	49.0						
49	Tweedy, Browne Global Value	S	5.0	23.9	45.9						
50	Columbia Intl Equity CIZ	S	1.3	24.6	49.8						

**Next Issue of**  
***MONEYLETTER Plus***  
**Will Be Available:**  
  
**Wednesday**  
**February 24, 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**  
**On Next Page**

## Specialty Funds — data as of 2/13/04

Rank	Fund	Conservative	1 month	6 month	1 year	Rank	Fund	Conservative	1 month	6 month	1 year
1	Fidelity Developing Comm (.75%	*	4.7%	52.1%	111.0%	51	Fidelity Multimedia (.75%r<30d)	*	-0.7	18.3	55.2
2	Fidelity Wireless	*	4.4	45.6	105.6	52	Rydex Banking	*	4.9	20.2	41.8
3	RS Internet Age	*	-0.7	36.3	124.7	53	Rydex Precious Metals	*	-1.8	23.8	42.7
4	RS Information Age	*	-0.8	34.6	119.7	54	Rydex Health Care	*	5.3	17.3	47.8
5	CGM Realty	*	7.8	39.1	93.6	55	Vanguard Health Care	*	4.9	19.6	41.8
6	Scudder Gold (closed)	*	-3.7	47.9	87.9	56	Vanguard Energy (1%r<1yr)	*	1.6	21.2	42.9
7	Alpine U.S. Real Estate Equity	*	6.8	34.7	92.1	57	INVESCO Health Sciences Inv	*	4.9	18.8	42.7
8	Fidelity Electronics (.75%r<30d)	*	-1.6	34.3	101.0	58	Fidelity Medical Equip (.75%	*	5.0	16.7	47.5
9	Rydex Internet	*	-1.6	37.2	86.0	59	Fidelity Chemicals (.75%r<30d)	*	-0.5	21.5	42.8
10	Fidelity Networking	*	2.3	34.7	83.6	60	Fidelity Air Transport (.75%	*	2.4	14.3	55.8
11	Royce Technology Value	*	-3.0	27.0	103.6	61	Fidelity Software (.75%r<30d)	*	0.6	18.2	47.0
12	T.Rowe Price Media & Telecom-	*	2.1	33.4	78.9	62	INVESCO Leisure Inv	*	1.5	17.9	45.5
13	U.S.Global Gold Shares (.25%	*	-3.4	41.7	61.7	63	Rydex Energy	*	1.6	20.8	38.1
14	Rydex Electronics	*	-5.5	27.6	90.3	64	Rydex Energy Services	*	7.9	20.1	29.9
15	Fidelity Computers (.75%r<30d)	*	-2.8	28.4	82.5	65	Fidelity Banking (.75%r<30d)	*	4.0	17.4	41.9
16	Rydex Telecommunications	*	1.6	32.8	56.4	66	Rydex Consumer Products	*	5.0	18.4	36.2
17	Vanguard Precious Metals	*	-1.2	33.7	57.1	67	Fidelity Natural Gas (.75%r<30d)	*	1.4	19.8	37.7
18	RS Contrarian	*	2.1	26.3	69.6	68	Fidelity Natrl Resources (.75%	*	1.5	19.4	38.1
19	Fidelity Home Finance (.75%	*	7.9	27.8	52.8	69	Fidelity Retailing (.75%r<30d)	*	3.5	11.4	53.5
20	Fidelity Technology (.75&r<30d)	*	-3.1	26.0	74.0	70	Fidelity Biotechnology (.75%	*	6.3	13.0	45.1
21	Rydex Technology	*	-2.1	25.3	73.8	71	Rydex Retailing	*	3.9	11.5	51.7
22	Cohen & Steers Realty Shares	*	5.3	26.7	58.7	72	Fidelity Balanced	B	1.7	17.4	39.6
23	Fidelity Telecomm (.75%r<30d)	*	3.7	30.6	51.1	73	Fidelity Utilities Growth (.75%	*	0.7	17.0	41.0
24	Fidelity Const & Housing (.75%	*	4.8	24.8	62.5	74	Fidelity Energy Services (.75%	*	7.2	17.8	28.4
25	Fidelity Med Del (.75%r<30d)	*	4.9	30.5	47.5	75	Fidelity Bus Services (.75%	*	0.2	14.3	47.3
26	Fidelity Indust Matrls (.75%r<30d)	*	0.2	30.3	51.0	76	INVESCO Energy Inv	*	1.8	19.0	32.2
27	Fidelity Brokerage (.75%r<30d)	*	5.4	20.1	68.5	77	Fidelity Energy (.75%r<30d)	*	2.0	17.8	33.5
28	Fidelity Industrial Equip (.75%	*	0.0	25.7	62.3	78	Rydex Utilities	*	1.4	14.2	40.5
29	INVESCO Gold Inv	*	-1.3	30.3	47.3	79	Fidelity Environmental Ser (3%	*	-0.5	16.3	35.2
30	Fidelity Defense & Aero (.75%	*	1.7	26.7	51.7	80	Fidelity Gold (.75%r<30d)	*	-2.7	19.2	31.1
31	Rydex Leisure	*	4.5	22.1	57.7	81	Fidelity Consumer Ind (.75%	*	2.5	13.5	36.4
32	Cohen & Steers Equity Income	*	5.7	23.3	50.9	82	Fidelity Transportation (.75%	*	-1.5	10.6	47.4
33	Rydex Biotechnology	*	4.3	18.1	64.2	83	INVESCO Utilities Inv	*	1.8	15.3	30.4
34	T.Rowe Price Science & Tech	*	-2.2	22.7	61.8	84	Fidelity Food & Agr (.75%r<30d)	*	4.2	14.7	26.8
35	T.Rowe Price Health Sciences	*	5.9	20.1	55.5	85	Fidelity Pharmaceuticals (.75%	*	2.7	12.9	32.4
36	Fidelity Insurance (.75%r<30d)	*	4.9	21.6	51.6	86	Fidelity Health Care (.75%r<30d)	*	5.3	12.6	29.3
37	Fidelity Cyclical Ind (.75%r<30d)	*	1.2	23.0	53.2	87	Vanguard Balanced Index	B	1.5	13.2	28.1
38	T.Rowe Price Financial Services	*	3.5	20.0	56.8	88	Fidelity Paper & Forest (.75%	*	-2.0	16.7	23.9
39	Fidelity Leisure (.75%r<30d)	*	2.8	19.6	58.6	89	Rydex Transportation	*	-2.7	7.1	27.8
40	Vanguard REIT Index (1%r<1yr)	*	4.7	21.3	48.4	90	Gateway Fund	B	0.9	4.9	18.2
41	Fidelity Real Estate (.75%r<90d)	*	5.4	21.5	46.5	91	Merger Fund	*	0.5	5.2	12.2
42	INVESCO Technology Inv	*	-3.3	22.8	54.8	92	AXARosenberg Value L/S (2%	*	1.5	1.5	-8.2
43	Rydex Financial Services	*	5.0	20.3	47.6	93	Prudent Bear	*	-2.1	-1.3	-17.2
44	Amer. Cent. Global Gold (1%	*	-2.5	25.4	45.9	94	Rydex Juno	*	-0.7	-10.7	-4.8
45	INVESCO Financial Serv Inv	*	4.9	19.7	48.2	95	Rydex Ursa	*	-2.4	-15.3	-31.2
46	Fidelity Finl Serv (.75%r<30d)	*	5.0	19.5	48.5	96	ProFunds Bear Inv	*	-2.4	-15.4	-31.6
47	T.Rowe Price Real Estate	*	5.0	20.0	47.1						
48	Rydex Basic Materials	*	0.1	22.8	45.2						
49	Stratton Mthly Div REIT (1.5%	*	4.1	20.3	44.5						
50	Fidelity Automotive (.75%r<30d)	*	-1.2	18.4	56.7						

**BOND FUNDS  
On Next Page**

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

\* = **Not Recommended**

# Bond Funds — data as of 2/13/04

Rank	Fund	Conservative	1 month	6 month	1 year	Rank	Fund	Conservative	1 month	6 month	1 year
1	Amer. Cent. Target 2015	*	0.5%	11.5%	6.2%	51	PIMCO Real Return	H	0.9	7.6	5.3
2	American Century Ginnie Mae	*	0.4	2.6	0.6	52	PIMCO Total Return	H	0.1	4.6	3.8
3	American Century Inflation Adj	*	0.8	8.2	7.0	53	PIMCO Total Return Mortgage	H	0.0	3.4	2.4
4	American Century Intl Bond	*	0.6	14.7	18.8	54	Safeco U.S. Government	H	-0.1	2.2	0.0
5	American Century Target 2010	*	0.3	6.4	4.8	55	Schwab S-T Bond Mkt Index	B	-0.2	1.7	1.9
6	American Century Target 2020	*	1.0	15.5	6.8	56	Scudder Global Bond S-T	*	0.1	7.3	9.0
7	American Century Target 2025	*	1.5	18.7	6.9	57	Scudder Income (closed)	H	0.2	5.7	5.9
8	American Government Bond	H	0.2	2.2	1.2	58	Scudder Short-Term Bond	B	0.2	2.0	3.1
9	Babson Bond Trust	*	0.0	3.3	1.4	59	Strong Corporate Bond	*	-0.1	7.2	9.4
10	BBH Inflation Indexed Sec	B	0.8	7.6	6.6	60	Strong Govt Securities	H	0.1	3.6	2.3
11	Buffalo High-Yield(2%r<180d)	B	0.5	8.8	20.9	61	Strong High Yield Bond(1%r)	*	-1.2	9.7	19.3
12	Columbia Fixed Income Sec	H	0.2	3.9	2.5	62	Strong S-T Bond	B	0.0	1.7	2.2
13	Columbia High Yield	B	-0.2	6.8	9.1	63	Strong S-T High Yield	*	-0.5	2.9	5.9
14	Columbia Income CIZ	H	-0.6	6.1	9.5	64	T. Rowe Price Corporate Inc	*	0.1	7.7	10.2
15	Columbia Intermediate Bond CIZ	H	-0.2	4.9	8.1	65	T. Rowe Price GNMA	*	0.0	2.5	0.9
16	Columbia S-T Bond	B	0.1	1.6	1.3	66	T. Rowe Price High Yield	B	-1.1	9.0	16.8
17	Dodge & Cox Income	H	0.2	5.4	6.7	67	T. Rowe Price Int'l Bond	*	0.4	13.1	16.9
18	Dreyfus 100 Treasury L-T	*	-2.2	1.1	-0.6	68	T. Rowe Price New Income	*	0.0	4.0	4.0
19	Dreyfus A Bonds Plus	*	-0.5	3.9	4.5	69	T. Rowe Price Spectrum Income	*	0.2	8.5	14.1
20	Dreyfus GNMA	*	0.6	5.1	3.2	70	T. Rowe Price S-T Bond	B	0.0	1.3	2.0
21	Dreyfus Short-Term Income	B	-0.6	-0.4	-0.2	71	T. Rowe Price U.S. Treas. L-T	*	0.2	5.9	1.5
22	Dreyfus Strategic Income	*	-0.9	3.2	4.6	72	TCW Galileo High Yield Bond	B	-1.0	12.8	22.9
23	Federated Total Return Govt	H	0.0	3.8	1.2	73	TCW Galileo Total Return Bond	H	0.6	3.8	3.5
24	Federated U.S. Govt Sec. 1-3	B	-0.1	0.6	0.3	74	USAA Income	H	0.5	5.8	5.5
25	Fidelity Capital & Income	*	-1.3	13.0	36.7	75	Value Line Aggressive Inc	*	-0.2	8.6	19.6
26	Fidelity Floating Rate High Inc(1%	B	-0.1	2.5	5.2	76	Value Line U.S. Govt Sec	H	0.2	3.7	2.5
27	Fidelity GNMA	*	0.2	2.8	1.3	77	Vanguard Bond Market	H	0.3	5.2	4.9
28	Fidelity Government Income	*	0.1	4.2	1.9	78	Vanguard GNMA	*	-0.3	2.7	-0.1
29	Fidelity High Income (1%r<90d)	B	-0.2	12.6	26.6	79	Vanguard High Yield Corporate	B	-0.6	10.6	16.5
30	Fidelity Inflation-Protected Bond	B	0.7	7.8	6.7	80	Vanguard Inflation Protected	B	1.0	8.3	7.6
31	Fidelity Intermediate Bond	H	-0.1	3.4	3.3	81	Vanguard Intermediate Treas.	H	-0.1	2.2	0.4
32	Fidelity Intermediate Govt	H	0.1	3.5	2.8	82	Vanguard Long-Term Corporate	*	0.1	7.9	3.8
33	Fidelity Investment Grade	H	0.3	5.5	5.5	83	Vanguard L-T Treasury	*	0.2	6.4	1.2
34	Fidelity New Markets Income	*	-2.5	11.8	25.3	84	Vanguard Short-Term Corporate	B	0.0	1.2	1.7
35	Fidelity Short-Term Bond	B	0.0	1.8	2.3	85	Vanguard S-T Federal	*	0.0	0.9	0.5
36	FifthThird Bond	*	0.3	5.2	3.6	86	Vanguard S-T Treasury	B	-0.1	0.9	0.9
37	Fremont Bond	H	0.3	5.6	4.7	87	Wells Fargo Montgomery Total	H	0.4	4.2	3.3
38	Janus Flexible Income	*	-0.2	4.1	4.1	88	Westcore Plus Bond	*	0.2	8.3	12.8
39	Janus High Yield	B	-1.3	7.8	11.3	89	WPG Core Bond	H	0.3	4.6	4.0
40	Janus S-T Bond	B	0.0	1.7	3.5						
41	Managers Bond	*	0.2	9.1	11.4						
42	Managers Int. Duration Govt	*	0.4	4.2	3.7						
43	Managers Short Duration Govt	B	0.4	1.3	2.4						
44	MetroWest Low Duration	B	0.3	2.7	3.8						
45	MetroWest Total Return	*	0.5	7.6	10.9						
46	Montgomery Sht Duration Govt	B	0.2	1.5	1.1						
47	Northeast Investors Trust	*	1.3	13.1	19.4						
48	Payden Global Fixed Income	*	-0.1	2.7	3.0						
49	PIMCO High Yield	B	-1.0	11.7	21.6						
50	PIMCO Low Duration	B	0.1	1.3	0.9						

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

**PORTFOLIO HOLDINGS**  
On Next Page

\* = **Not Recommended**

## Weekly Performance of ML Model Holdings — data as of 2/13/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	0.27%	USRLX Undiscovered Small Cap Gr	-0.09
AIOIX Amer. Cent Intl Opportunities	2.98	VBINX Vanguard Balanced	0.43
BUFHX Buffalo High Yield	0.18	VEIEX Vanguard Emerg. Mkts. Stock	4.55
DODIX Dodge & Cox Income	0.38	VEXPX Vanguard Explorer Index	0.45
FDEGX Fidelity Aggr. Growth	1.23	VEXMX Vanguard Extended Market	0.94
FBALX Fidelity Balanced	1.16	VWEHX Vanguard High Yield Corp.	0.47
FDCAX Fidelity Capital Appreciation	1.12	VIPSX Van. Inflation Protected Bond	0.40
SPHIX Fidelity High Income	0.67	VISGX Vanguard Small Cap Growth	0.51
FSTGX Fidelity Intermediate Gov't	0.29	VSEQX Vanguard Strategic Equity	0.51
FISMX Fidelity Intl Small Cap	1.52	VBMFX Vanguard Total Bond	0.29
FBNDX Fidelity Inv Grade Bond	0.39	VTRIX Vanguard Int'l Value	2.05
FLVCX Fidelity Leveraged Company	2.24		
FSEAX Fidelity SE Asia	2.48		
FSLCX Fidelity Small Cap Stock	1.41		
FDSCX Fidelity Small Cap Ind.	1.08		
GATEX Gateway Fund	-0.04		
HENLX Henlopen Fund	1.78		
ICHKX Guinness China & Hong Kong	4.00		
LMAXX Legg Mason Special	0.63		
MAPTX Matthews Pacific Tiger	3.10		
NEGSX Needham Small Cap Growth	0.34		
PHYDX Pimco High Yield D	0.51		
RYPNX Royce Opportunity	0.70		
RSPFX RS Partners	1.76		
RSSGX RS Smaller Co. Growth	0.23		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	0.33%
		NASDAQ	-0.51
		S&P 500	0.27

### Editorial Questions?

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