

## MONEYLETTER HOTLINE 4/6/04

### Tone Deaf?

After last week's gains stocks are settling down somewhat. There is a certain bearish tone to some Wall Street commentary as if stocks have moved too far, too fast. Actually, all the broad market has done is to recover from the punishing March losses. Of course, it has done that in a hurry, but we haven't seen breakouts to new highs. The one exception to all this is the Russell 2000, the small stock index. There has been a breakout to a new high here, as the *Wall Street Journal* pointed out today. The Russell's strength says something about our portfolio's performance so far this year.

The bearish tone from the Street is a reflection of the constant problem of valuation. There is also the fact that the market is now overbought, but that is a very short-term consideration. For other than traders the issue is can the market continue to rise without becoming overvalued. We believe it can. But we are speaking of a modest rise, say 10% or so from here. Profits are booming, and we believe analysts are still underestimating the profit growth ahead. While rates will be rising, they will still be historically low. The new bull market is intact.

There is no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, three funds are now rated Hold: Fidelity Small Cap Stock, Strong Mid Cap Disciplined (a very recent buy), and Muhlenkamp Fund. For international stock funds, three funds are now rated Buy: Matthews Japan, Japan Fund, and Fidelity Emerging Markets. Scudder Pacific Opportunity has been downgraded to Sell.

**The Economy** – The monthly survey of the services industries followed the manufacturing survey in depicting a strong economy. Activity clearly picked up last month throughout the entire economy. With the new employment numbers, growth appears to be moving at a 4-5% rate. We believe this is faster than Wall Street assumed. This is one reason we think profit estimates may be too low. The economy is finally moving on all cylinders.

**The Stock Market** – While we think Wall Street is underestimating profits growth, we also think that the huge profit gains we have seen will be fading away. Profit growth from now on will be closer to normal, though still brisk, as hiring picks up and productivity slows some. We remain positive on the outlook for the rest of this year.

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

## MONEYLETTER HOTLINE 4/2/04

### Recovery Has Legs

Well, well, well, look at what April brought. Today was a unique day, not in terms of the market's rise, but that it confirmed that we really did have a recovery, and that the old verities still hold. The verities have their pluses and minuses. Rest assured, at this stage the pluses are more important than the minuses. The biggest plus is that we are still in the youthful phase of a recovery. We should see more than a few quarters of increasing profits, as the recovery rolls on. The minus is obvious, as the recovery continues interest rates will rise. They are not going to rise immediately at least with respect to the Fed and very short-term rates. It will take some months of extended employment gains before the Fed raises short-term rates. The bond market, however, works to anticipate the Fed and the 10-year rate jumped today and is back over 4%.

Today also answered one question: yes Virginia, the March correction is over. It was not a day for the bears. Aside from the huge rise in the Nasdaq, the revised employment gains scotched the bears argument that the recovery would peter out in the second half. Sorry, but it looks as if the recovery has legs.

There is no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, three funds are now rated Buy: RS Contrarian Value, Vanguard Small Cap Value Index, and Strong Mid Cap Disciplined. Legg Mason Opportunity Trust is now rated a Hold. For international stock funds, five funds are now rated Holds: Artisan International Small Cap, Artisan International Value, Vanguard Emerging Markets Stock Index, Dreyfus Emerging Market, and Guinness China & Hong Kong

Fidelity OTC Portfolio, in the Fidelity Venturesome Portfolio, is rated Sell and is deep in the rankings. We will sell the fund and buy Fidelity Small Cap Independence.

**The Economy** – The reported employment gains for March are a little misleading. Some of the service sector gains were simply striking workers returning. The construction job gains had some weather component. Combined with the upward revisions for the last two months, this was a strong report. The jobs drought appears over. The economy is moving.

**The Stock Market** – Technically, this week's gains has put the market in good shape, as we read the technicians' comments. Meanwhile, the news out of Asia has been very positive. China's growth continues strong, and the reports from Japan solidify the view that a true recovery is underway. We remain positive on the outlook for the rest of this year.

**The Bond Market** – Unless there is a surprise reversal, the bond market is now in play. Expect more volatility as the Fed guessing game heats up. We do not see a big rise in rates over the next two months.

**The Select Portfolio** – No changes for this portfolio.

## Domestic Stock Funds — data as of 4/2/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Buffalo Small Cap(closed)	B	4.4%	29.9%	85.9%	51	Artisan Small Cap	H	1.3	19.4	55.9
2	Fidelity Leveraged Co	B	-1.9	28.3	95.8	52	Vanguard Extended Market	H	1.4	19.6	55.2
3	Royce Opportunity (1%r<180d)	B	1.2	26.0	94.0	53	Fidelity L P Stock (closed,1.5%	H	0.7	19.3	56.5
4	Undiscovered Small Cap Growth	B	2.0	23.6	89.8	54	Oberweis Emerging Growth (1%	H	1.3	10.2	77.7
5	Henlopen Fund (1%r<30d)	B	1.5	25.1	85.1	55	T.Rowe Price Mid Cap Value	H	-0.8	21.6	52.1
6	WmBlair S-C Growth N	B	3.0	24.2	82.6	56	Vanguard Explorer	H	1.4	18.3	57.0
7	MainStay Small Cap Opportunity	B	2.7	29.8	67.7	57	Strong Multi-Cap Value	H	-0.2	19.6	55.8
8	RS Partners	B	1.4	26.5	76.5	58	Muhlenkamp Fund	H	-0.5	19.0	57.2
9	CGM Focus	B	1.1	22.2	84.7	59	T. Rowe Price S-C Value	H	2.5	19.9	50.3
10	Wasatch Small Cap Value	B	1.6	24.7	77.0	60	USAA Capital Growth	H	0.7	17.5	58.9
11	CRM Small Cap Value Inv	B	4.2	25.3	71.1	61	Wasatch Core Growth	H	1.1	17.0	59.2
12	Boston Ptnrs Smlcap Val	B	2.1	23.1	73.1	62	Third Avenue Small-Cap Value	H	1.1	18.4	54.1
13	ICM/Isabelle Small Cap Value	B	1.2	23.1	74.1	63	Century Select Small Cap (1%	H	1.1	18.3	53.2
14	Montgomery Small Cap	H	5.0	24.5	64.6	64	PBHG Small Cap Value	H	-0.1	19.9	50.7
15	Bogle Small Cap Growth(closed)	B	1.1	23.2	72.2	65	Artisan Mid Cap Value	H	0.8	20.5	47.3
16	RS Smaller Company Growth	B	1.3	19.3	80.6	66	C&B Mid Cap Value	H	1.8	18.9	49.7
17	Neuberger Berman Focus	B	1.2	20.1	78.7	67	TCW Galileo Diversified Value N	H	0.2	19.9	49.6
18	WPG Tudor	B	2.2	24.6	65.3	68	Loomis Sayles Small Cap Value	S	2.4	19.5	47.0
19	Royce Low Priced Stock (1%	B	3.4	22.6	67.8	69	Vanguard Strategic Equity	H	1.6	18.0	51.7
20	Buffalo Mid Cap	H	2.4	25.0	62.0	70	Fidelity Small Cap Ind.(1.5%	H	1.9	20.0	45.8
21	Columbia Small Company Equity	H	3.1	24.7	61.6	71	Boston Partners Mid Cap Value	S	1.3	18.9	48.4
22	RS Diversified Growth	H	2.5	17.9	79.4	72	Cambiar Opportunity	S	-0.2	19.9	47.6
23	Berwyn Fund (1%r<180d)	B	0.3	26.8	59.7	73	Baron Asset	S	2.5	18.2	47.3
24	Vanguard Cap Opp (closed,	B	0.6	23.9	63.8	74	Fidelity Capital Appreciation	H	1.8	15.9	54.1
25	RS Contrarian Value	B	0.1	23.4	64.4	75	FBR Small Cap Value A (1%	H	1.8	16.7	51.9
26	Safeco Growth Opportunities (2%	B	3.2	19.2	70.4	76	Longleaf Partners Smallcap	S	0.6	16.5	52.4
27	TCW Galileo Opportunity N	B	1.2	22.3	65.4	77	Marsico 21st Century (2%r<30d)	S	1.6	15.1	54.4
28	Janus Venture (closed)	H	2.3	19.7	69.4	78	Baron Small Cap	S	4.3	15.5	48.9
29	T. Rowe Price New Horizons	H	2.2	22.1	62.2	79	RS MidCap Opportunities	S	0.4	16.9	51.0
30	Meridian Fund	H	1.5	23.5	58.6	80	Fidelity Value	S	0.2	19.1	45.4
31	American Century Vista	H	4.0	22.9	54.5	81	MSI Mid Cap Growth	S	2.0	17.1	47.4
32	Janus Special Equity	H	1.9	20.9	62.5	82	Oakmark Small Cap (2%r<90d)	S	1.0	17.9	46.7
33	Royce Penn Mutual(1%r<180d)	H	3.6	21.1	59.2	83	T. Rowe Price Small Cap Stock	S	1.4	18.2	44.4
34	Vanguard Small-Cap Value Index	B	2.0	22.8	56.9	84	Strong Opportunity	S	0.5	16.9	48.8
35	Vanguard SmallCap Index	H	2.0	21.3	60.6	85	Turner Mid Cap Growth	S	0.7	15.9	51.2
36	Needham Small Cap Growth	H	0.2	15.9	76.5	86	Dreyfus-Founders Discovery	S	0.6	17.0	48.2
37	Pin Oak Aggressive Stock	H	1.9	20.3	62.5	87	SIT Mid Cap Growth (2%r<30d)	S	2.4	17.4	44.4
38	TCW Galileo Small Cap Growth	H	3.8	18.1	64.9	88	Vanguard Capital Value	S	0.0	16.7	49.6
39	Fidelity Small Cap Stock (2%	H	0.6	22.1	59.2	89	Selected Special Shares	S	-1.0	16.8	50.7
40	Royce Premier (1%r<180d)	H	4.3	21.0	54.2	90	Undiscovered Behavioral Growth	S	1.8	11.8	58.7
41	CS Warburg Pincus Emerging	H	2.0	21.4	55.2	91	TCW Galileo Dividend Focused	S	-0.4	19.2	43.4
42	Strong Mid Cap Disciplined	H	1.6	20.1	58.5	92	Neuberger Berman Partners	S	0.6	18.6	43.2
43	Legg Mason Special Investment	H	2.0	17.7	62.9	93	Strong Discovery	S	1.1	16.6	47.1
44	RS Emerging Growth(closed)	H	3.4	17.2	62.1	94	Janus Enterprise	S	2.9	17.4	42.2
45	Vanguard Small Cap Growth In-	H	1.9	20.0	57.2	95	Dodge & Cox Stock (closed)	S	-0.2	18.4	44.2
46	CRM Mid Cap Value Inv	H	1.8	21.6	53.1	96	Bridgeway Aggressive Investors	S	0.5	12.5	57.8
47	MSI Small Cap Value(closed)	H	2.3	20.9	53.7	97	Neuberger Berman Genesis	S	0.7	18.4	42.5
48	TCW Galileo Value Opportunities	H	0.4	19.7	59.0	98	Dreyfus Mid Cap Index	S	0.5	17.1	46.0
49	Third Avenue Value (1%r<60d)	H	3.8	18.4	55.6	99	Vanguard Mid-Cap Index	S	0.3	17.8	44.8
50	Legg Mason Opportunity Trust	H	0.6	15.8	66.5	100	Aegis Value Fund	H	1.1	14.6	51.3

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

## Domestic Stock Funds continued — data as of 4/2/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	TCW Galileo Aggressive Growth	S	1.8	16.9	44.7	151	Fidelity New Millennium (closed)	S	-1.9	13.8	42.3
102	Dreyfus New Leaders	S	0.0	18.1	43.7	152	Wasatch Small Cap Grth	S	0.4	11.1	45.4
103	Vanguard PRIMECAP(closed)	S	0.4	17.8	43.7	153	Vanguard/Morgan Growth	S	0.7	14.1	37.6
104	Matrix Advisors Value (.75%)	S	-1.4	16.3	49.6	154	Vanguard Value Index	S	-1.1	14.7	38.5
105	Baron Growth	S	1.8	16.2	44.5	155	Legg Mason Value	S	0.2	11.8	43.9
106	Neuberger Berman Fasciano Inv	S	1.7	16.6	43.8	156	Mutual Shares(1%)CIZ	S	0.6	15.6	33.3
107	Federated Kaufmann Fund(0.2%)	S	1.4	11.7	56.4	157	Scudder Large Co Value	S	-1.0	14.9	35.9
108	Ariel Fund	S	1.3	16.6	43.6	158	Fidelity Export & Multinat'l(.75%)	S	-0.4	14.4	36.2
109	INVESCO Dynamics	S	0.8	17.4	42.2	159	Vanguard Total Stk Mkt	S	-0.1	14.2	36.2
110	MSI Mid Cap Value	S	-1.1	15.5	50.0	160	Homestead Value	S	-0.1	14.4	35.1
111	Nicholas II	S	0.4	17.5	41.5	161	American Century Income &	S	-0.7	14.8	34.5
112	Artisan Midcap(closed)	S	0.2	17.3	41.8	162	Bonnel Growth Fund (.25%)	S	1.4	14.4	32.4
113	Vanguard U.S. Value	S	-0.7	17.9	41.4	163	Strong Advisor Midcap Growth	S	1.9	12.8	35.5
114	RS Value+Growth	S	-0.3	15.8	45.9	164	Vanguard Growth Equity	S	0.1	12.2	39.4
115	Value Line Special Situations	S	2.2	17.1	38.6	165	Columbia Disciplined Value CIZ	S	-0.8	14.3	35.0
116	Vanguard Windsor II	S	0.0	18.0	39.1	166	Vanguard Convertible Securities	S	0.4	14.3	33.0
117	Westport Small Cap R	S	1.3	15.5	43.3	167	PBHG Emerging Growth	S	-1.7	5.6	57.7
118	Strong Advisor Common Stock	S	0.1	16.2	43.2	168	Van Wagoner Emerging Growth	S	-2.1	7.2	54.1
119	T.Rowe Price Mid Cap Growth	S	0.6	15.7	43.3	169	Columbia Special	S	0.4	13.5	34.3
120	Royce Special Equity (1%r<180d)	S	1.4	17.3	37.8	170	T. Rowe Price Cap Appreciation	S	-0.1	14.6	32.0
121	Vanguard Windsor	S	-0.3	16.2	43.1	171	Strong Growth 20	S	3.8	13.6	28.2
122	Fidelity Aggressive Growth(1.5%)	H	1.2	16.4	40.2	172	T. Rowe Price Growth & Income	S	-1.2	14.5	33.1
123	MSI Value Portfolio	S	-2.5	16.3	45.1	173	Longleaf Partners	S	0.0	13.1	34.6
124	Ariel Appreciation	S	1.0	14.4	43.6	174	American Century Equity Growth	S	-0.2	13.7	33.5
125	Mutual Qualified(1%)CIZ	S	0.5	16.8	37.9	175	Harbor Value	S	-0.1	13.4	33.5
126	Selected American Shares	S	-0.9	17.0	39.6	176	USAA Growth & Income	S	-0.3	13.2	34.1
127	Needham Growth Fund (.75%)	S	-0.3	10.4	54.9	177	Babson Value	S	0.0	13.5	32.9
128	Sound Shore	S	-0.7	15.1	42.7	178	SIT Large Cap Growth (2%)	S	1.2	13.3	31.5
129	Mutual Beacon(1%)CIZ	S	0.4	16.5	37.6	179	Vanguard Growth & Income	S	-0.3	13.4	33.4
130	INVESCO Small Company	S	0.2	14.0	43.7	180	Janus Olympus	S	1.7	12.9	31.2
131	Neuberger Berman Guardian	S	1.0	15.6	38.4	181	Oakmark Equity&Income (2%)	S	1.1	13.6	30.3
132	Fidelity Growth Company	S	1.3	12.9	44.0	182	T. Rowe Price Growth Stock	S	0.2	12.7	33.3
133	Fidelity Mid-Cap Stock (.75%)	S	0.4	15.0	40.2	183	T. Rowe Price Equity-Income	S	-1.3	13.6	33.0
134	Janus Mercury	S	1.3	16.2	35.7	184	Gabelli Growth	S	-0.6	11.7	36.0
135	Thompson Plumb Growth	S	0.4	14.7	40.6	185	Fidelity Equity-Income II	S	-0.7	11.7	36.1
136	American Century Value	S	-0.5	16.3	37.9	186	Schwab 1000 Fund (.75%)	S	-0.3	12.9	32.2
137	Royce Total Return (1%r<180d)	S	1.4	14.4	38.9	187	Marsico Growth & Income (2%)	S	1.4	10.7	34.7
138	TCW Galileo Select Equity	S	3.2	11.6	42.3	<b>188</b>	<b>Fidelity Spartan 500 Index</b>	<b>S</b>	<b>-0.5</b>	<b>12.8</b>	<b>31.7</b>
139	SIT Small Cap Growth (2%r<30d)	S	1.4	12.9	41.7	<b>189</b>	<b>Vanguard 500 Index</b>	<b>S</b>	<b>-0.5</b>	<b>12.8</b>	<b>31.7</b>
140	Salomon Brothers Investors	S	-2.1	15.8	39.2	190	Fidelity Disciplined Equity	S	0.3	12.9	30.2
141	Fidelity OTC Portfolio	S	0.4	12.4	43.8	191	Janus Growth & Income	S	1.2	13.4	27.4
142	Gabelli Asset	S	0.2	15.0	37.2	192	Salomon Brothers Opportunity	S	-0.7	12.9	31.2
143	Janus Twenty(closed)	S	2.7	15.9	31.1	193	Columbia Common Stock	S	0.0	12.6	30.8
144	Loomis Sayles Value	S	0.4	15.5	35.6	194	Northeast Investors Growth	S	-0.4	12.4	31.7
145	Weitz Value Fund	S	0.1	15.3	36.4	195	American Century Ultra	S	1.4	12.4	28.9
146	Fidelity Equity-Income	S	-0.6	15.1	37.8	196	Domini Social Equity Fund (2%)	S	0.0	12.2	31.2
147	Nicholas Fund	S	0.3	14.9	36.9	197	Fidelity Independence	S	1.0	11.1	32.3
148	T. Rowe Price New America	S	0.5	14.5	37.6	198	Harbor Capital Appreciation	S	-0.1	11.8	32.0
149	Neuberger Berman Manhattan	S	1.1	15.1	34.8	199	Dreyfus Premier Third Century	S	0.2	12.6	29.3
150	Fidelity Contrafund	S	1.8	14.5	34.9	200	American Century Heritage	S	0.2	12.7	28.9

**DOMESTIC STOCK FUNDS**  
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## Domestic Stock Funds continued — data as of 4/2/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Oakmark Select(closed) (2%	S	-1.2	12.7	30.2	251	Value Line Fund	S	1.2	6.9	18.7
202	Preferred Growth	S	-0.1	11.5	31.0	252	Value Line Leveraged Growth	S	1.3	6.6	18.2
203	Fidelity Stock Selector	S	-0.2	11.9	30.1	253	Fidelity Growth & Income II	S	-1.5	6.7	21.1
204	Fidelity Trend	S	-0.4	12.2	29.7	254	Clipper Fund	S	-2.0	4.7	26.6
205	T. Rowe Price Dividend Growth	S	-0.5	11.9	30.4						
206	Tweedy, Browne American Value	S	-0.7	12.1	30.0						
207	Fidelity Convertible Securities	S	0.6	12.0	28.2						
208	Dreyfus Growth & Income	S	-0.3	11.8	29.8						
209	Oakmark Fund (2%r<90d)	S	-1.0	11.9	30.2						
210	Preferred Value	S	-1.5	11.2	32.2						
211	Hussman Strategic Growth (1.5%	S	-0.2	11.2	30.2						
212	Fidelity Fund	S	-0.7	12.4	27.9						
213	Vanguard Equity-Income	S	-1.1	12.2	28.7						
214	American Century Equity Income	S	-0.7	12.1	28.4						
215	PBHG Growth	S	0.6	9.7	32.1						
216	Strong Growth	S	0.3	9.8	32.3						
217	WPG Large Cap Growth	S	-0.2	10.8	30.3						
218	American Century Growth	S	0.5	11.8	26.8						
219	USAA Aggressive Growth	S	1.6	9.4	30.3						
220	Dreyfus Growth Opportunity (2%	S	-0.3	11.1	28.5						
221	Vanguard U.S. Growth	S	0.8	11.1	26.5						
222	Vanguard Growth Index	S	0.1	11.3	26.8						
223	Dreyfus Fund	S	-0.6	11.0	28.6						
224	Columbia Growth	S	0.6	10.5	27.9						
225	Fidelity Large Cap Stock	S	-0.4	11.2	27.5						
226	Fidelity Magellan (closed)	S	-0.3	11.1	27.1						
227	Marsico Focus (2%r<30d)	S	0.9	9.3	29.9						
228	Janus Fund	S	0.8	9.8	28.7						
229	CS Warburg Pincus Capital Ap-	S	0.3	10.5	27.7						
230	Fidelity Fifty (.75%r<30d)	S	1.6	9.6	28.1						
231	Scudder Growth & Income	S	-0.9	11.2	27.4						
232	Babson Growth	S	0.1	11.2	25.3						
233	Fidelity Focused Stock (.75%	S	-0.7	11.0	26.9						
234	Fidelity Dividend Growth	S	-1.1	10.7	28.2						
235	American Century Select	S	-0.1	10.2	27.9						
236	UMB Scout Stock	S	0.4	9.5	27.5						
237	Columbia Asset Allocation CIZ	S	0.5	10.3	24.6						
238	Fidelity Blue Chip Growth	S	-0.4	10.0	26.1						
239	Columbia Large Cap Growth CIZ	S	0.3	10.0	25.0						
240	Yacktman Fund	S	-2.1	8.4	32.5						
241	Scudder Capital Growth AARP	S	-0.2	9.7	26.4						
242	Safeco Equity	S	-0.5	9.4	27.5						
243	William Blair Growth (1%r<60d)	S	0.0	7.6	30.9						
244	Scudder Development (closed)	S	-0.9	8.1	30.0						
245	INVESCO Core Equity	S	-0.1	8.9	25.3						
246	Strong Large Cap Growth	S	-0.1	8.8	25.5						
247	USAA Growth	S	0.7	8.6	24.7						
248	Dreyfus Appreciation	S	-1.3	10.1	23.8						
249	Fidelity Growth & Income	S	-0.5	9.8	21.0						
250	Scudder Large Company Growth	S	-0.4	8.3	23.4						

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**INTERNATIONAL STOCK FUNDS**  
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## International Stock Funds — data as of 4/2/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Matthews Japan Fund (2%r<90d)	B	18.1%	23.9%	108.5%	51	Tweedy, Browne Global Value	S	0.2	19.9	46.8
2	Fidelity Intl Small Cap (2%r<90d)	B	4.4	30.0	105.1	52	Matthews Asia G & I (closed,2%	S	1.2	17.3	51.5
3	Amer.Cent.Intl Opportunity (2%	B	5.7	29.7	101.9	53	Columbia Intl Equity CIZ	S	1.8	17.8	48.5
4	Japan Fund (Scudder) (2%	B	16.3	23.4	101.0	54	USAA International	S	0.6	19.5	45.3
5	T. Rowe Price Japan	H	15.6	24.2	82.6	55	Columbia International Stock	S	1.9	17.4	47.8
6	Fidelity Latin Amer.(1.5%<90d)	H	1.9	33.2	79.6	56	American Century Global	S	1.8	17.5	47.4
7	Driehaus Int'l Discovery (2%	H	5.1	26.7	83.2	57	American Century Intl Growth	S	1.8	18.5	44.5
8	T.Rowe Price Intl Disc. (2%r<1yr)	B	3.6	25.1	86.3	58	Schwab International Index	S	0.2	17.6	49.0
9	Vanguard Intl Explorer	B	3.0	25.7	85.2	59	T. Rowe Price Intl Stock	S	0.8	16.6	48.6
10	Fidelity Emerging Mkts (1.5%	B	1.9	28.0	77.0	60	Fidelity Worldwide (1%r<30d)	S	0.5	16.0	49.8
11	Driehaus Emerging Mkts Gr (2%	B	0.5	26.4	82.7	61	Janus Worldwide (2%r<90d)	S	2.0	17.7	41.0
12	Fidelity Japan(1.5%<90d)	H	15.6	21.5	69.5	62	Scudder Greater Europe (2%	S	-2.2	18.6	44.1
13	T.Rowe Price Latin America (2%	H	0.6	29.8	70.2	63	SIT International Growth (2%	S	0.8	17.2	42.7
14	Vanguard Emerging Mkts Stk	H	-0.3	26.7	79.2	64	Scudder Global	S	1.1	15.9	43.9
15	Janus Overseas(closed,2%r<90d)	H	4.7	27.5	68.5	65	Scudder International (2%	S	0.4	16.3	43.4
16	Dodge&Cox Intl. Stock	H	1.9	24.0	80.5	66	USAA World Growth	S	0.8	17.1	38.9
17	Oakmark Intl Small Cap	B	-0.7	24.2	83.8	67	Fidelity Global Balanced (1%	S	2.1	14.1	38.6
18	Artisan Intl Value (2%r<90d)	H	1.5	25.4	76.7						
19	Dreyfus Emerging Market(1%r)	H	1.2	25.6	75.1						
20	Fidelity SE Asia (1.5%r<90d)	H	-1.2	24.0	80.4						
21	Matthews Pacific Tiger (2%r<90d)	H	-0.1	20.9	84.6						
22	Artisan Intl Small Cap(closed,2%	H	1.2	22.2	79.5						
23	Guinness China & Hong Kong	H	-1.8	24.3	77.6						
24	Scudder Latin America	H	0.4	27.3	63.8						
25	Vanguard Pacific Stock Index (2%	H	9.4	19.7	65.8						
26	CS Warburg Pincus Japan Grth	H	11.8	15.9	71.4						
27	Fidelity Europe (1%r<30d)	H	0.3	23.3	70.2						
28	T. Rowe Price New Asia	H	-1.2	21.0	77.1						
29	Fidelity Pacific Basin (1.5%r<90d)	H	7.7	19.6	67.1						
30	Fidelity Overseas (1%r<30d)	H	2.6	21.5	67.8						
31	Fidelity International G & I (1%	S	1.6	21.8	62.7						
32	Fidelity Diversified Intl (1%r<30d)	S	2.3	21.8	60.8						
33	Scudder Pacific Opportunity (2%	S	-2.8	21.6	68.2						
34	Wm. Blair Intl Growth N	S	3.5	20.5	60.5						
35	Vanguard International Value (2%	H	0.1	21.4	62.2						
36	Scudder Global Discovery(closed)	S	1.3	19.4	64.4						
37	Harbor International (2%r<60d)	S	0.6	21.3	60.2						
38	Longleaf Partners International	S	3.4	16.3	67.3						
39	Oakmark Global (2%r<90d)	S	1.2	17.4	67.7						
40	Artisan International	S	1.0	21.7	56.9						
41	Fidelity Aggressive Intl. (1%r<30d)	S	3.3	18.3	60.3						
42	Fidelity Europe Capital App. (1%	S	-2.4	22.6	57.4						
43	Julius Baer Intl Equity A (2%	S	1.2	21.5	54.0						
44	Loomis Sayles International Eq-	S	2.3	20.3	52.8						
45	Vanguard International Growth	S	1.8	20.0	53.5						
46	Oakmark International (2%r<90d)	S	-0.1	18.4	60.1						
47	Preferred International	S	0.5	17.3	57.6						
48	Gabelli Intl Growth (2%r<60d)	S	0.4	18.8	53.6						
49	Vanguard European Stock Index	S	-2.0	20.6	51.5						
50	T. Rowe Price European	S	-1.5	19.9	49.7						

**Next Issue of**  
***MONEYLETTER Plus***  
**Will Be Available:**  
  
**Wednesday**  
**April 14, 2004**  
**by Midnight**

### Total Return % - 3/31/04

1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
0.2	ML Conservative	11.9	27.8	36.2	3.5
0.2	Fidelity Conservative	9.1	22.6	13.0	2.9
0.4	Vanguard Conservative	11.4	25.1	10.0	3.8
0.2	ML Moderate	20.8	55.9	60.8	6.0
0.1	Fidelity Moderate	16.5	38.8	39.5	4.9
0.3	Vanguard Moderate	17.5	41.2	22.4	4.9
0.5	ML Venturesome	24.6	62.7	71.2	7.4
-0.6	Fidelity Venturesome	17.1	41.0	37.8	4.6
0.3	Vanguard Venturesome	19.6	45.7	24.9	5.4
-0.2	ML Select	21.0	51.8	n/a	7.8
	<b>Benchmarks</b>				
-1.5	S&P 500	14.1	35.2	1.9	1.8
-0.3	Asset Allocation Funds Avg (36)	11.9	29.3	12.4	2.6

**SPECIALTY FUNDS**  
**On Next Page**

## Specialty Funds — data as of 4/2/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	Scudder Gold (closed)	*	8.4%	27.9%	119.6%	51	INVESCO Leisure Inv	*	1.5	16.9	38.5
2	Fidelity Wireless (.75%r<30d)	*	1.8	40.9	96.9	52	Fidelity Bus Services (.75%	*	4.2	14.6	39.9
3	U.S.Global Gold Shares (.25%	*	8.3	31.0	94.4	53	Fidelity Natrl Resources (.75%	*	-1.1	19.2	35.7
4	Fidelity Developing Comm (.75%	*	-3.7	32.8	85.0	54	Rydex Financial Services	*	-0.9	16.7	40.8
5	Alpine U.S. Real Estate Equity	*	1.5	26.2	91.3	55	T.Rowe Price Financial Services	*	-1.4	15.4	44.1
6	CGM Realty	*	1.0	25.9	90.2	56	Rydex Energy	*	-2.8	20.3	33.1
7	RS Internet Age	*	2.7	21.6	94.8	57	T.Rowe Price Science & Tech	*	0.6	12.6	44.1
8	Rydex Internet	*	4.3	27.4	77.8	58	Rydex Biotechnology	*	1.6	9.8	49.4
9	RS Information Age	*	2.4	20.3	86.3	59	Fidelity Natural Gas (.75%r<30d)	*	-2.8	19.3	32.2
10	Rydex Precious Metals	*	7.8	22.1	70.6	60	INVESCO Technology Inv	*	0.2	12.8	43.8
11	T.Rowe Price Media & Telecom-	*	1.0	26.3	67.7	61	INVESCO Financial Serv Inv	*	-0.6	15.5	37.9
12	INVESCO Gold Inv	*	4.9	21.3	73.3	62	Rydex Consumer Products	*	1.2	15.3	35.7
13	Amer. Cent. Global Gold (1%	*	7.4	17.6	72.3	63	Fidelity Finl Serv (.75%r<30d)	*	-0.5	15.2	38.3
14	Cohen & Steers Realty Shares	*	4.3	25.9	55.5	64	Fidelity Multimedia (.75%r<30d)	*	0.5	10.1	48.5
15	Fidelity Electronics (.75%r<30d)	*	0.5	20.5	70.7	65	Fidelity Energy (.75%r<30d)	*	-1.4	18.7	29.2
16	Fidelity Industrial Equip (.75%	*	2.2	24.3	56.6	66	Fidelity Paper & Forest (.75%	*	-0.6	16.2	31.4
17	Vanguard Precious Metals	*	1.1	18.4	71.5	67	Fidelity Medical Equip (.75%	*	1.5	13.5	34.8
18	Fidelity Indust Matrln (.75%r<30d)	*	-0.2	22.8	59.9	68	Fidelity Retailing (.75%r<30d)	*	-0.9	11.1	44.3
19	Rydex Leisure	*	2.4	23.3	54.0	69	Rydex Banking	*	-2.1	14.3	36.4
20	Fidelity Const & Housing (.75%	*	1.3	20.7	58.7	70	Fidelity Banking (.75%r<30d)	*	-1.4	13.2	38.0
21	Cohen & Steers Equity Income	*	3.3	21.9	48.0	71	Rydex Retailing	*	-0.6	10.7	41.7
22	Rydex Telecommunications	*	-1.6	22.8	52.5	72	Fidelity Air Transport (.75%	*	1.7	6.5	46.5
23	Fidelity Chemicals (.75%r<30d)	*	2.4	26.3	36.0	73	INVESCO Health Sciences Inv	*	0.2	14.4	27.7
24	Rydex Basic Materials	*	0.8	22.1	47.6	74	Fidelity Food & Agr (.75%r<30d)	*	-0.1	13.2	30.1
25	Fidelity Med Del (.75%r<30d)	*	1.6	24.2	40.7	75	Fidelity Balanced	B	-0.6	12.4	32.9
26	Fidelity Defense & Aero (.75%	*	0.6	21.1	48.9	76	Rydex Health Care	*	-0.1	10.8	34.9
27	Fidelity Real Estate (.75%r<90d)	*	4.0	20.7	44.1	77	Fidelity Utilities Growth (.75%	*	-2.1	13.0	31.8
28	T.Rowe Price Real Estate (1%	*	4.4	20.1	44.6	78	Vanguard Health Care	*	-1.2	12.7	30.3
29	Vanguard REIT Index (1%r<1yr)	*	3.4	20.0	45.7	79	Fidelity Consumer Ind (.75%	*	0.6	11.4	29.6
30	Fidelity Networking (.75%r<30d)	*	-3.8	15.8	64.7	80	Fidelity Transportation (.75%	*	2.4	6.7	37.2
31	Fidelity Telecomm (.75%r<30d)	*	-3.5	24.9	41.0	81	Fidelity Environmental Ser (.75%	*	0.3	10.1	30.8
32	Rydex Electronics	*	-0.9	14.7	62.6	82	Rydex Energy Services	*	-7.2	18.0	21.2
33	Fidelity Computers (.75%r<30d)	*	-0.8	14.9	61.5	83	Rydex Utilities	*	0.3	8.7	31.3
34	T. Rowe Price New Era	*	-0.7	22.5	42.2	84	INVESCO Utilities Inv	*	-0.1	11.2	25.7
35	Vanguard Energy (1%r<1yr)	*	-0.3	22.7	40.9	85	Vanguard Balanced Index	B	-0.2	9.1	22.6
36	Fidelity Cyclical Ind (.75%r<30d)	*	0.6	20.0	45.5	86	Fidelity Energy Services (.75%	*	-7.3	14.4	17.2
37	Rydex Technology	*	0.9	14.0	59.2	87	Fidelity Health Care (.75%r<30d)	*	-0.1	9.2	18.0
38	Fidelity Leisure (.75%r<30d)	*	2.0	17.2	49.1	88	Rydex Transportation	*	2.9	3.8	24.1
39	T.Rowe Price Health Sciences	*	3.0	18.7	43.7	89	Fidelity Pharmaceuticals (.75%	*	-1.5	5.8	20.9
40	Stratton Mthly Div REIT (1.5%	*	3.0	18.7	43.3	90	Merger Fund (closed,2%r<30d)	*	0.6	4.2	12.3
41	Fidelity Automotive (.75%r<30d)	*	1.4	14.9	52.4	91	Gateway Fund	B	0.6	4.4	11.6
42	Fidelity Technology (.75%r<30d)	*	0.2	13.5	56.8	92	AXARosenberg Value L/S (2%	*	0.0	2.5	-5.8
43	Fidelity Biotechnology (.75%	*	4.6	16.6	40.3	93	Rydex Juno	*	0.7	-2.6	-5.5
44	Fidelity Insurance (.75%r<30d)	*	0.3	19.0	40.5	94	Prudent Bear	*	1.9	-6.1	-9.5
45	Royce Technology Value (2%	*	-2.5	7.3	73.6	95	Rydex Ursa	*	0.3	-11.8	-25.0
46	Fidelity Gold (.75%r<30d)	*	5.3	10.7	53.3	96	ProFunds Bear Inv	*	0.4	-11.8	-25.3
47	Fidelity Home Finance (.75%	*	-1.2	18.6	43.2						
48	Fidelity Brokerage (.75%r<30d)	*	-1.9	14.8	51.4						
49	Fidelity Software (.75%r<30d)	*	1.7	16.4	42.2						
50	INVESCO Energy Inv	*	-0.5	21.9	29.4						

**BOND FUNDS  
On Next Page**

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

\* = **Not Recommended**

## Bond Funds — data as of 4/2/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	-0.1%	0.0%	0.3%	PIMCO High Yield	S	-0.3	5.3	14.2
American Century Inflation Adj	B	-0.1	5.4	9.0	PIMCO Low Duration	B	-0.3	0.1	0.2
American Century Intl Bond	*	0.4	6.4	16.4	PIMCO Real Return	H	-0.4	4.5	7.7
American Century Target 2010	*	-0.3	1.5	4.2	PIMCO Total Return	H	-0.3	1.3	2.7
American Century Target 2015	*	-0.5	2.8	6.0	PIMCO Total Return Mortgage	H	-0.7	0.9	1.9
American Century Target 2020	*	-1.2	3.9	7.2	Safeco U.S. Government (2%	H	-0.5	-0.6	-0.3
American Century Target 2025	*	-1.5	3.9	7.4	Schwab S-T Bond Mkt Index	B	0.0	-0.1	1.6
American Government Bond	H	-0.3	-0.2	0.6	Scudder Global Bond S-T	*	0.7	2.9	7.7
Babson Bond Trust	*	-0.6	-0.3	0.7	Scudder Income (closed)	H	0.0	2.6	5.6
BBH Inflation Indexed Sec	B	-0.1	5.1	8.4	Scudder Short-Term Bond	B	0.1	0.9	3.0
Buffalo High-Yield(2%r<180d)	S	0.2	5.8	17.7	Strong Corporate Bond	*	-0.5	1.8	6.5
Columbia Fixed Income Sec	H	-0.4	0.3	1.7	Strong Govt Securities	H	-0.3	0.6	1.8
Columbia High Yield	S	0.3	2.9	5.7	Strong High Yield Bond (1%	*	0.5	5.2	14.4
Columbia Income CIZ	H	-0.3	1.8	7.7	Strong S-T Bond	B	0.2	0.7	2.3
Columbia Intermediate Bond CIZ	H	-0.4	1.2	6.2	Strong S-T High Yield	*	0.4	1.3	4.7
Columbia S-T Bond	B	-0.2	0.2	0.8	T. Rowe Price Corporate Inc	*	-0.3	3.1	8.1
Dodge & Cox Income	H	-0.1	2.3	5.8	T. Rowe Price GNMA	*	-0.1	0.4	0.6
Dreyfus 100 Treasury L-T	*	-0.9	-5.7	-1.9	T. Rowe Price High Yld	S	0.4	4.5	12.9
Dreyfus A Bonds Plus	*	-0.4	-0.6	2.8	T. Rowe Price Int'l Bond	*	1.6	4.9	14.6
Dreyfus GNMA	*	-0.3	2.3	3.2	T. Rowe Price New Income	*	-0.2	0.9	3.4
Dreyfus Short-Term Income	B	-0.3	-1.9	-1.2	T. Rowe Price Spectrum Income	*	0.1	4.3	11.6
Dreyfus Strategic Income	*	-0.5	-1.4	2.4	T. Rowe Price S-T Bond	B	0.0	0.0	1.5
Federated Total Return Govt	H	-0.2	0.4	1.5	T. Rowe Price U.S. Treas. L-T	*	-0.5	0.5	1.6
Federated U.S. Govt Sec. 1-3	B	-0.1	-0.1	0.3	TCW Galileo High Yield Bond	S	0.7	8.1	17.3
Fidelity Capital & Income (1%	*	-0.2	5.9	23.2	TCW Galileo Total Return Bond	H	0.1	2.3	3.7
Fidelity Floating Rate High Inc(1%	B	0.4	1.6	5.0	USAA Income	H	0.1	2.5	5.4
Fidelity GNMA	*	-0.1	0.2	0.9	Value Line Aggressive Inc (1%	*	0.8	5.0	15.2
Fidelity Government Income	*	-0.3	0.8	1.9	Value Line U.S. Govt Sec	H	-0.2	1.0	2.5
Fidelity High Income (1%r<90d)	S	-0.1	6.6	19.3	Vanguard Bond Market	H	-0.1	2.0	4.5
Fidelity Inflation-Protected Bond	B	-0.3	4.9	8.4	Vanguard GNMA	B	-0.1	-0.3	-0.6
Fidelity Intermediate Bond	H	-0.2	0.7	2.6	Vanguard High Yield Corporate	S	0.6	6.4	14.1
Fidelity Intermediate Govt	H	-0.2	1.2	2.5	Vanguard Inflation Protected	B	-0.2	5.7	9.4
Fidelity Investment Grade	H	-0.1	2.1	4.7	Vanguard Intermediate Treas.	H	-0.2	-0.9	0.0
Fidelity New Markets Income (1%	*	1.5	6.8	18.8	Vanguard Long-Term Corporate	*	-0.6	0.7	3.4
Fidelity Short-Term Bond	B	0.0	0.6	1.9	Vanguard L-T Treasury	*	-0.5	-0.3	1.2
Fidelity Strategic Income	B	0.2	5.1	14.0	Vanguard Short-Term Corporate	B	0.1	0.1	1.5
FifthThird Bond	*	-0.3	1.6	3.3	Vanguard S-T Federal	*	0.0	-0.1	0.4
Fremont Bond	H	0.0	2.1	3.8	Vanguard S-T Treasury	B	0.0	-0.3	0.8
Janus Flexible Income	*	-0.2	0.7	3.7	Wells Fargo Montgomery Total	H	-0.2	1.2	3.2
Janus High Yield (2%r<90d)	S	0.2	3.3	7.8	Westcore Plus Bond (2%r<90d)	*	0.1	4.6	12.4
Janus S-T Bond	B	0.2	0.7	3.2	WPG Core Bond	H	-0.2	1.6	3.8
Loomis Sayles Bond Retail	B	0.4	7.9	22.3					
Managers Bond	*	-0.2	3.7	9.7					
Managers Int. Duration Govt	*	-0.1	1.9	3.6					
Managers Short Duration Govt	B	0.1	1.0	2.1					
MetroWest Low Duration	B	-0.3	1.3	3.4					
MetroWest Total Return	*	-0.5	3.7	9.5					
Montgomery Sht Duration Govt	B	0.1	0.6	1.1					
Northeast Investors Trust	*	0.3	9.6	17.3					
Payden Global Fixed Income	*	0.2	1.5	3.2					

**PORTFOLIO HOLDINGS**  
On Next Page

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

\* = **Not Recommended**

## Weekly Performance of ML Model Holdings — data as of 4/2/04

Fund	Last Week	Fund	Last Week
EUEYX Alpine US Real Estate	-0.21%	VBINX Vanguard Balanced	1.57
ACITX Amer. Cent. Inflation Adj.	-1.00	VEIEX Vanguard Emerg. Mkts. Stock	4.69
AIOIX Amer. Cent Intl Opportunities	6.89	VEXPX Vanguard Explorer Index	5.40
DODIX Dodge & Cox Income	-0.69	VEXMX Vanguard Extended Market	4.51
FDEGX Fidelity Aggr. Growth	4.90	VWEHX Vanguard High Yield Corp.	0.62
FBALX Fidelity Balanced	2.36	VIPSX Van. Inflation Protected Bond	-1.41
FDCAX Fidelity Capital Appreciation	4.64	VTRIX Vanguard Int'l Value	4.05
FSTGX Fidelity Intermediate Gov't	-0.82	VISGX Vanguard Small Cap Value	4.44
FISMX Fidelity Intl Small Cap	3.58	VISVX Vanguard Strategic Equity	4.20
FBNDX Fidelity Inv Grade Bond	-0.74	VBMFX Vanguard Total Bond	-0.74
FLVCX Fidelity Leveraged Company	4.28		
FSEAX Fidelity SE Asia	4.60		
FDSCX Fidelity Small Cap Ind.	5.16		
FSLCX Fidelity Small Cap Stock	4.41		
FSICX Fidelity Strategic Income	0.13		
GATEX Gateway Fund	1.39		
ICHKX Guinness China & Hong Kong	3.83		
HENLX Henlopen Fund	4.84		
LMAXX Legg Mason Special	5.59		
LSBRX Loomis Sayles Bond	-0.37		
MAPTX Matthews Pacific Tiger	4.06		
NESGX Needham Small Cap Growth	5.37		
RYPNX Royce Opportunity	5.11		
RSPFX RS Partners	4.11		
RSSGX RS Smaller Co. Growth	4.78		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	2.52%
		NASDAQ	4.96
		S&P 500	3.05

### Editorial Questions?

Phone: 800-890-9670  
 Fax: 508-429-0940  
 E-mail: [service@moneyletter.com](mailto:service@moneyletter.com)

### Contact Us!

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

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