

## MONEYLETTER HOTLINE 6/22/04

### Markets Adrift

The markets, both stock and bond, continue to drift. The only explanation we can come up with is that there is deep uncertainty about the sustainability of the low inflation, high profit economy we now have. We know the standard explanation is that investors are waiting for the outcome of the Fed meeting on June 30. We believe that is unlikely. Investors already know that rates will rise, and the odds are high the increase will be only ¼%. Fed spokesmen have been very open over the past month, and little has happened to suggest that they are about to change their minds.

So far this week there has been a paucity of economic news to move the markets. Even the warnings season has brought little information. In a sense that is good news. Earnings are coming through. But even there, except in rare cases such as Palm One, Wall Street is not responding to good news. It is not selling off as it has in the past, it is just not paying attention. Wall Street just doesn't believe. We believe this quarter's earnings reports coming next month will help. But we may have to get through the next quarter and its earnings before the Street will respond. Equities remain our asset of choice.

There is no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, two funds are now rated Buy: Third Avenue Value and Baron Small Cap. Two funds are now rated Hold: TCW Galileo Value Opportunities and Buffalo Mid Cap. Once more, there are no new ratings for international stock funds.

**The Economy** – Inflation is still Topic No. 1 for Street pundits. Some are convinced that the recovery is also restoring pricing power to business. We think some of the recent price numbers reflect energy not only directly but also indirectly. We think the inflation fears are overblown. Meanwhile, the retail sales surveys suggest that last week was positive but slow. We see good growth ahead.

**The Stock Market** – The Asian markets have settled down, but they are still struggling with the puzzle of China. Only the Japanese market has acted well. The news from China tells us that there is progress in slowing the economy, but it is too early for any conclusion. Asia remains a potentially attractive investment choice.

## MONEYLETTER HOTLINE 6/18/04

### The Wait is On

The listless, drifting trading range market continues. Investors continue to hesitate to pull the trigger. Of course, the activity over the past few days has been heavily influenced by the fact that this is triple-witching week. The averages did manage to work their way up, but we would not attach much significance to the move. It is difficult to know how much of the move was due simply to the squaring of positions by options and futures traders. We'll have a better feel for the market next week.

The market appears to be hypnotized by the Fed with a meeting coming up on June 30. Why the market puts so much weight on the Fed meeting is a puzzle. It is not as if the Fed hasn't been doing its best to relieve anxieties about the Fed's intentions. Speaker after speaker, including Mr. Greenspan, has said that rates have to rise, but that the rise will be "measured" (meaning in small increments). Many on Wall Street want more, and the Street seems to believe that is a realistic possibility. We believe the Street is overplaying the inflationary threat. Equities remain our asset of choice.

There is no change in our allocations.

**New Fund Ratings** – For domestic stock funds, four funds are now rated Buy: American Century Vista, Janus Venture (closed), WellsFargo Montgomery Small Cap (closed), and TCW Galileo Value Opportunities. Two funds are now rated Hold: ICM/Isabelle Small Cap Value and CRM Small Cap Value. One fund has been lowered to Sell: Royce Low Priced Stock. Again, there are no new ratings for international stock funds.

**The Economy** – The economic news, especially about manufacturing, continues strong, but contained. By that we mean the economy is not running at a rate to disturb the Fed. Industrial production was brisk last month. The Philadelphia Fed's manufacturing survey showed a pickup last month, but the level was midrange. The delayed producer price index could have spooked the bond market, but it did not. We see good growth ahead.

**The Stock Market** – The warnings season has begun, and so far the warnings have been few and far between. The market needs a catalyst, and the first possibility we see is the earnings season starting in early July. Meanwhile, as earnings estimates improve and the market dithers, market valuations are getting cheaper. We look for modestly higher prices ahead.

## Domestic Stock Funds — data as of 6/18/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Baron Partners	B	4.3%	18.5%	43.8%	51	Strong Opportunity	H	4.8	8.8	22.7
2	WmBlair S-C Growth N	B	7.0	11.3	41.3	52	Vanguard SmallCap Index	H	5.6	6.4	27.4
3	Buffalo Small Cap(closed)	B	3.4	14.0	38.7	53	Legg Mason Opportunity Trust	H	8.1	7.8	20.0
4	Fidelity Leveraged Co	B	9.2	9.8	37.9	54	Longleaf Partners Smallcap	H	5.1	7.7	24.2
5	Henlopen Fund (1%r<30d)	B	6.2	5.8	46.7	55	Royce Special Equity (1%	H	4.6	8.4	22.9
6	ABN Amro Mid Cap	H	6.1	13.1	27.8	56	Boston Partners Mid Cap Value	H	5.2	7.8	22.9
7	Third Avenue Value (1%r<60d)	B	8.5	10.4	30.8	57	MSI Mid Cap Growth	H	4.6	7.5	24.4
8	RS Partners	B	4.3	10.4	37.0	58	Buffalo Mid Cap	H	2.1	8.1	26.4
9	Royce Premier (1%r<180d)	B	5.6	12.1	30.2	59	RS Smaller Company Growth	H	4.4	3.7	33.8
10	Royce Opportunity (closed,1%	B	7.3	5.7	42.6	60	Wasatch Core Growth	H	6.2	7.1	22.5
11	PIMCO PEA Value D	B	5.5	12.0	28.9	61	Meridian Fund	H	4.7	6.0	27.4
12	Strong Mid Cap Disciplined	B	3.7	11.7	31.6	62	Vanguard Strategic Equity	H	5.9	6.2	25.2
13	CRM Mid Cap Value Inv	B	5.3	10.7	31.1	63	Dodge & Cox Stock (closed)	H	4.6	8.2	21.9
14	MainStay Small Cap Opportunity	B	6.6	7.6	36.6	64	Value Line Special Situations	H	4.9	7.7	22.8
15	Baron Small Cap	B	4.9	12.7	26.2	65	Janus Twenty(closed)	H	3.1	11.0	17.0
16	TCW Galileo Diversified Value N	B	6.3	10.7	28.0	66	TCW Galileo Opportunity N	H	6.6	5.2	26.2
17	Artisan Mid Cap Value	H	6.0	10.5	28.3	67	T. Rowe Price New Horizons	H	3.5	7.2	25.6
18	Berwyn Fund (1%r<180d)	B	5.4	7.7	35.7	68	Vanguard Small Cap Growth	H	4.8	6.2	26.0
19	WPG Tudor	H	7.3	8.6	29.9	69	T. Rowe Price Small Cap Stock	S	5.7	6.5	23.3
20	Artisan Small Cap	B	5.8	10.4	27.4	70	American Century Value	S	4.6	8.2	20.5
21	T. Rowe Price S-C Value	H	6.2	9.2	28.9	71	Loomis Sayles Small Cap Value	S	5.7	6.2	23.5
22	Third Avenue Small-Cap Value	H	6.3	8.5	30.0	72	Vanguard PRIMECAP(closed,	H	3.3	7.8	22.5
23	Vanguard Cap Opp (closed,	B	3.8	10.9	27.3	73	MSI Small Cap Value(closed)	S	4.9	6.1	23.9
24	ICM/Isabelle Small Cap Value	H	3.5	8.5	32.6	74	T.Rowe Price Mid Cap Growth	S	4.9	7.1	20.9
25	T.Rowe Price Mid Cap Value	B	5.7	8.9	27.9	75	Vanguard Windsor II	H	4.5	8.5	17.7
26	RS Contrarian Value	B	5.1	6.3	34.9	76	Strong Discovery	S	6.1	5.0	24.1
27	Boston Ptnrs Smlcap Val	B	5.5	7.7	30.6	77	Nicholas II	S	3.9	7.1	22.0
28	American Century Vista	B	3.7	10.7	25.8	78	Bogle Small Cap Growth(closed)	S	6.0	2.6	30.2
29	Fidelity Small Cap Stock (2%	H	7.4	5.6	32.8	79	Vanguard Extended Market	S	4.8	5.5	24.2
30	Ariel Fund	H	5.8	10.0	24.0	80	Muhlenkamp Fund	S	6.9	4.8	22.8
31	Janus Mid Cap Value	B	5.3	8.5	28.2	81	Federated Kaufmann Fund	S	5.8	5.5	21.8
32	Janus Venture (closed)	B	6.0	6.7	31.2	82	Royce Low Priced Stock (1%	S	3.5	5.2	25.9
33	Baron Asset	H	3.8	10.4	25.1	83	Century Select Small Cap (1%	S	5.9	2.9	27.5
34	Needham Small Cap Growth	H	7.8	4.8	32.9	84	Vanguard Mid-Cap Index	H	5.3	5.4	21.7
35	WellsFargo Montgomery Small	B	5.9	8.5	26.4	85	Legg Mason Value	S	7.4	6.3	15.9
36	Safeco Growth Opportunities (2%	H	6.0	7.4	28.8	86	Selected Special Shares	S	4.9	5.2	22.4
37	Baron Growth	H	4.5	10.2	23.9	87	CS Warburg Pincus Emerging	S	4.4	5.7	21.6
38	Wasatch Small Cap Value	B	3.8	6.6	33.9	88	Oakmark Equity&Income (2%	S	3.3	7.9	17.5
39	Fidelity Value	H	6.7	8.3	25.2	89	USAA Capital Growth	S	5.5	2.8	26.9
40	Vanguard Small-Cap Value Index	H	6.5	6.8	28.9	90	Fidelity Small Cap Ind.(1.5%	S	4.0	5.2	23.0
41	Neuberger Berman Genesis	H	5.0	8.5	26.8	91	Dreyfus Mid Cap Index	S	5.0	5.0	22.1
42	TCW Galileo Dividend Focused N	H	5.4	8.5	25.5	92	Cambiar Opportunity	S	2.9	6.3	21.7
43	Fidelity L P Stock (closed,1.5%	H	5.5	7.6	27.5	93	Fidelity Contrafund	H	4.1	6.7	18.8
44	Royce Penn Mutual(1%r<180d)	H	4.2	7.9	28.3	94	MSI Value Portfolio	S	3.7	6.6	19.3
45	Janus Enterprise	H	5.7	9.2	22.5	95	Artisan Midcap(closed)	S	4.7	5.9	19.4
46	CRM Small Cap Value Inv(closed)	H	3.3	8.3	28.3	96	Thompson Plumb Growth	S	4.0	7.6	16.1
47	Janus Special Equity	H	6.5	6.7	27.1	97	Royce Total Return (1%r<180d)	S	5.0	5.8	19.0
48	TCW Galileo Value Opportunities	H	5.1	7.4	26.9	98	Aegis Value Fund	S	2.5	5.3	24.1
49	Legg Mason Special Investment	H	7.1	7.5	23.6	99	Sound Shore	S	5.5	6.1	17.6
50	FBR Small Cap Value A (1%	H	3.9	8.5	24.8	100	Selected American Shares	S	4.5	6.1	18.7

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

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

## Domestic Stock Funds continued — data as of 6/18/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	Neuberger Berman Partners	S	5.3	6.6	16.1	151	PBHG Small Cap Value	S	5.1	2.0	21.7
102	Homestead Value	S	5.3	6.4	16.4	152	USAA Growth & Income	S	5.2	4.4	15.3
103	Vanguard Explorer	S	4.9	4.3	22.4	153	RS Value+Growth	S	5.0	3.6	17.6
104	Fidelity Capital Appreciation	S	4.2	4.7	22.4	154	Domini Social Equity Fund (2%	S	4.2	5.3	14.5
105	Harbor Value	S	4.8	6.9	15.8	155	Northeast Investors Growth	S	4.0	5.0	15.4
106	Dreyfus-Founders Discovery	S	4.9	3.7	23.4	156	CGM Focus	S	5.8	-0.3	26.0
107	Loomis Sayles Value	S	4.4	7.0	15.8	157	Scudder Large Co Value	S	3.3	4.5	17.5
108	American Century Income &	S	4.8	6.5	16.4	158	Janus Olympus	S	5.6	4.0	15.4
109	MSI Mid Cap Value	S	5.2	4.6	20.6	159	SIT Large Cap Growth (2%	S	3.2	6.3	13.1
110	Neuberger Berman Fasciano Inv	S	4.9	4.8	20.3	160	Oakmark Fund (2%r<90d)	S	3.8	5.9	12.9
111	Neuberger Berman Manhattan	S	6.2	5.8	15.9	161	Fidelity Growth Company	S	2.2	4.9	17.4
112	Bonnel Growth Fund (.25%r<30d)	S	5.2	5.0	19.3	162	Pin Oak Aggressive Stock	S	5.2	0.8	23.2
113	TCW Galileo Small Cap Growth	S	3.9	4.9	21.5	163	Neuberger Berman Guardian	S	3.8	4.9	14.9
114	SIT Mid Cap Growth (2%r<30d)	S	3.0	6.3	18.7	<b>164</b>	<b>Vanguard 500 Index</b>	<b>S</b>	<b>4.1</b>	<b>5.0</b>	<b>14.1</b>
115	T. Rowe Price New America	S	4.2	6.2	17.4	165	American Century Equity Income	S	3.8	5.0	14.6
116	Vanguard Capital Value	S	5.6	4.4	19.6	<b>166</b>	<b>Fidelity Spartan 500 Index</b>	<b>S</b>	<b>4.1</b>	<b>5.0</b>	<b>14.1</b>
117	Columbia Small Company Equity	S	3.8	4.3	22.7	167	Mutual Shares(1%)CIZ	S	3.3	4.5	16.6
118	American Century Equity Growth	S	4.8	6.2	16.2	168	Westport Small Cap R	S	4.0	3.4	18.2
119	Dreyfus New Leaders	S	3.6	5.6	19.5	169	CS Warburg Pincus Capital	S	4.6	5.5	11.7
120	Ariel Appreciation	S	3.7	6.1	17.7	170	Strong Advisor Common Stock	S	5.2	3.3	16.3
121	Vanguard Windsor	S	5.4	4.9	18.4	171	Fidelity Trend	S	4.4	4.9	13.0
122	Strong Multi-Cap Value	S	7.1	3.3	19.7	172	Schwab 1000 Fund (.75%	S	4.1	4.6	14.1
123	Columbia Disciplined Value CIZ	S	4.7	6.1	15.8	173	Vanguard/Morgan Growth	S	3.8	4.3	15.1
124	Weitz Value Fund	S	3.5	7.1	15.3	174	Fidelity Fund	S	4.0	4.5	14.1
125	Vanguard U.S. Value	H	4.7	5.5	17.3	175	Harbor Capital Appreciation	S	4.7	3.9	14.5
126	Fidelity Aggressive Growth(1.5%	H	3.3	6.0	18.2	176	Scudder Growth & Income	S	4.5	4.4	13.4
127	Marsico 21st Century (2%r<30d)	S	4.9	3.4	21.8	177	Janus Mercury	S	4.3	4.2	13.8
128	RS Emerging Growth(closed)	S	5.5	3.5	20.2	178	Vanguard Equity-Income	S	4.1	5.0	11.8
129	Fidelity Equity-Income	H	4.7	5.3	16.9	179	Fidelity Disciplined Equity	S	4.3	4.4	13.0
130	Fidelity Focused Stock (.75%	S	7.0	4.9	14.1	180	Fidelity OTC Portfolio	S	4.6	2.5	17.3
131	Vanguard Value Index	H	4.6	5.4	16.2	181	T. Rowe Price Growth Stock	S	4.2	4.3	13.1
132	RS MidCap Opportunities	S	4.7	4.1	19.5	182	INVESCO Dynamics	S	3.1	3.2	17.4
133	C&B Mid Cap Value	S	5.5	3.6	19.6	183	Fidelity Stock Selector	S	4.2	4.4	12.7
134	TCW Galileo Select Equity	S	3.2	5.1	19.1	184	T. Rowe Price Dividend Growth	S	4.1	4.4	12.8
135	Fidelity Export & Multinat'l(.75%	S	4.6	5.7	15.7	185	Preferred Growth	S	4.6	3.6	13.7
136	Gabelli Asset	S	4.9	4.7	17.2	186	Strong Advisor Midcap Growth	S	5.3	4.5	10.2
137	T. Rowe Price Cap Appreciation	S	3.7	5.4	17.0	187	T. Rowe Price Growth & Income	S	4.0	3.7	14.0
138	Nicholas Fund	S	2.7	6.1	16.5	188	Preferred Value	S	4.9	3.7	12.7
139	Strong Growth	S	5.3	5.3	14.5	189	Needham Growth Fund (.75%	S	3.8	1.2	20.2
140	Salomon Brothers Investors	S	5.1	5.3	14.7	190	Matrix Advisors Value (.75%	S	4.1	2.4	16.9
141	Vanguard Growth & Income	S	4.3	5.0	16.2	191	Janus Fund	S	5.4	2.6	14.0
142	Oakmark Small Cap (2%r<90d)	S	4.3	4.0	18.7	192	Vanguard Growth Index	S	3.6	4.2	12.5
143	T. Rowe Price Equity-Income	S	3.9	5.9	14.5	193	TCW Galileo Aggressive Growth	S	3.0	3.8	14.4
144	Vanguard Total Stk Mkt	S	4.3	5.0	16.1	194	Tweedy, Browne American	S	2.6	4.3	13.7
145	Wasatch Small Cap Grth	S	7.4	2.9	16.7	195	Oakmark Select(closed) (2%	S	3.9	4.7	10.8
146	Mutual Qualified(1%)CIZ	S	4.0	4.1	18.6	196	American Century Select	S	4.1	4.7	10.5
147	American Century Ultra	S	3.7	6.4	13.4	197	RS Diversified Growth (closed)	S	6.2	-1.6	23.0
148	Mutual Beacon(1%)CIZ	S	4.0	4.1	18.6	198	Scudder Capital Growth AARP	S	3.1	4.3	12.5
149	Longleaf Partners	S	5.1	4.0	16.8	199	INVESCO Small Company	S	5.1	1.6	16.0
150	Bridgeway Aggressive Investors 2	S	6.7	2.9	17.3	200	Turner Mid Cap Growth	S	3.8	1.2	18.5

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

## Domestic Stock Funds continued — data as of 6/18/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Fidelity Independence	S	4.7	3.8	10.0	251	Marsico Focus (2%r<30d)	S	2.5	-0.4	8.0
202	Janus Growth & Income	S	4.1	3.3	11.9	252	Value Line Fund	S	5.1	-0.2	1.8
203	Dreyfus Premier Third Century	S	3.7	3.6	11.8	253	Columbia Special	S	3.2	-1.5	7.8
204	Fidelity Magellan (closed)	S	3.7	4.0	10.8	254	Scudder Development (closed)	S	2.1	-2.7	8.7
205	Strong Growth 20	S	4.2	3.2	12.0	255	PBHG Emerging Growth	S	4.8	-7.1	12.8
206	Fidelity Growth & Income	S	3.7	4.6	9.3	256	Van Wagoner Emerging Growth	S	7.6	-11.2	1.1
207	Dreyfus Appreciation	S	3.2	4.6	10.0						
208	Columbia Common Stock	S	3.9	3.0	12.9						
209	Salomon Brothers Opportunity	S	3.8	2.8	13.5						
210	Vanguard U.S. Growth	S	3.7	3.8	10.8						
211	Fidelity Large Cap Stock	S	4.2	3.2	11.5						
212	Fidelity Blue Chip Growth	S	3.7	3.9	10.5						
213	Safeco Equity	S	3.8	3.7	10.8						
214	Columbia Growth	S	4.0	3.7	9.9						
215	Fidelity Equity-Income II	S	4.3	2.4	12.6						
216	Hussman Strategic Growth (1.5%)	S	0.5	5.1	11.3						
217	American Century Heritage	S	5.0	1.8	12.5						
218	Vanguard Convertible Securities	S	2.6	2.1	15.5						
219	WPG Large Cap Growth	S	4.1	2.3	12.4						
220	Dreyfus Fund	S	4.0	3.0	10.6						
221	Oberweis Emerging Growth (1%)	S	7.1	-3.6	22.1						
222	Undiscovered Small Cap Growth	S	3.2	-0.9	21.1						
223	Fidelity Dividend Growth	S	3.1	3.9	8.5						
224	Vanguard Growth Equity	S	2.8	2.1	13.4						
225	American Century Growth	S	4.2	2.5	10.3						
226	Neuberger Berman Focus	S	2.8	-0.5	19.5						
227	Columbia Large Cap Growth CIZ	S	4.0	3.5	7.9						
228	Fidelity Mid-Cap Stock (.75%)	S	3.8	0.8	14.6						
229	Dreyfus Growth & Income	S	4.0	2.3	10.5						
230	Marsico Growth & Income (2%)	S	2.7	2.2	12.2						
231	Undiscovered Behavioral Growth	S	5.3	-0.5	15.2						
232	Columbia Asset Allocation CIZ	S	3.5	3.0	9.0						
233	Scudder Large Company Growth	S	2.8	2.5	10.6						
234	Strong Large Cap Growth	S	4.4	2.7	7.8						
235	Dreyfus Growth Opportunity (2%)	S	3.7	2.2	10.0						
236	Fidelity Convertible Securities	S	2.8	2.3	10.9						
237	USAA Growth	S	3.1	2.6	8.6						
238	UMB Scout Stock	S	2.8	2.2	9.5						
239	Gabelli Growth	S	2.6	0.9	13.0						
240	USAA Aggressive Growth	S	2.8	1.9	9.6						
241	Yacktman Fund	S	4.3	0.1	10.0						
242	Fidelity Growth & Income II	S	2.9	1.8	6.9						
243	PBHG Growth	S	3.0	0.7	9.0						
244	William Blair Growth (1%r<60d)	S	2.9	0.4	8.8						
245	Fidelity New Millennium (closed)	S	5.6	-2.3	11.4						
246	INVESCO Core Equity	S	3.3	0.8	7.0						
247	Fidelity Fifty (.75%r<30d)	S	3.6	1.7	4.1						
248	Clipper Fund	S	3.5	0.7	6.2						
249	SIT Small Cap Growth (2%r<30d)	S	2.7	-0.5	10.1						
250	Value Line Leveraged Growth	S	4.3	0.8	2.8						

### PRI Financial Advisors Inc.

#### *The "MONEYLETTER Managed Account Program"*<sup>1</sup>

*Portfolio Management Services*

For more information, contact us:

**Toll-Free:** (800) 707-2060

**Fax:** (508) 429-0940

**E-mail:** [info@priadvisors.com](mailto:info@priadvisors.com)

**Website:** [www.priadvisors.com](http://www.priadvisors.com)

**Write:** PRI Financial Advisors  
360 Woodland St  
Holliston, MA 01746

Call PRI and Ask for a Free Portfolio Review.

*Minimum investment is \$100,000  
for all managed accounts.*

1 As an independent Registered Investment Advisor PRI Financial Advisors Inc. will exercise discretion with regard to asset allocation and fund selection, and may make investment decisions for client accounts that differ from recommendations found in *MONEYLETTER*.

If you would like to receive Moneyletter Plus via email, drop us a line at [service@moneyletter.com](mailto:service@moneyletter.com). Or, you can always go to [www.moneyletter.com](http://www.moneyletter.com), click "Subscribers", enter your Account # (upper case "A" followed by 7 digits in the Username field) and 5-digit zip code (in the Password field). For further help call toll-free 800-890-9670.

**INTERNATIONAL STOCK FUNDS**  
On Next Page

## International Stock Funds — data as of 6/18/04

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)	H	14.5%	22.3%	69.7%	51	Fidelity Global Balanced (1%	S	5.1	3.9	19.6
2	T. Rowe Price Japan	H	14.6	20.5	57.5	52	Scudder International (2%	S	6.2	4.3	16.5
3	Japan Fund (Scudder) (2%	H	13.1	14.3	57.9	53	Fidelity Worldwide (1%r<30d)	S	4.4	3.6	18.9
4	Amer.Cent.Intl Opportunity (2%	H	10.8	15.4	56.4	54	Scudder Greater Europe (2%	S	5.9	3.7	15.9
5	Fidelity Intl Small Cap (2%r<90d)	H	9.6	12.6	54.5	55	Matthews Pacific Tiger (2%	S	4.8	-1.7	30.1
6	Fidelity Japan(1.5%<90d)	H	12.7	13.1	41.0	56	Janus Overseas(closed,2%	S	4.2	1.9	20.5
7	Artisan Intl Value (2%r<90d)	H	7.4	16.1	40.7	57	Scudder Latin America	S	5.9	-0.2	22.1
8	Dodge&Cox Intl. Stock	H	8.4	11.5	44.7	58	SIT International Growth (2%	S	5.4	3.3	13.3
9	T.Rowe Price Intl Disc. (2%r<1yr)	H	9.5	10.2	44.7	59	Vanguard Emerging Mkts Stk	S	4.2	-1.9	27.3
10	Vanguard Intl Explorer	H	7.3	11.8	40.5	60	Driehaus Emerging Mkts Gr (2%	S	4.2	-3.2	26.6
11	Oakmark Intl Small Cap	H	6.2	11.9	41.7	61	Fidelity Aggressive Intl. (1%	S	3.2	1.3	16.7
12	Wasatch International Growth	H	7.3	12.2	37.4	62	Scudder Pacific Opportunity (2%	S	3.0	-1.5	22.9
13	Vanguard Pacific Stock Index (2%	H	10.7	10.4	36.7	63	Scudder Global	S	4.2	0.8	14.9
14	CS Warburg Pincus Japan Grth	H	9.9	10.3	36.6	64	Guinness China & Hong Kong	S	6.6	-5.4	24.8
15	Tweedy, Browne Global Value	H	3.4	12.4	29.2	65	Fidelity Emerging Mkts (1.5%	S	2.9	-3.0	23.9
16	Artisan Intl Small Cap(closed,2%	H	7.3	6.5	36.3	66	T. Rowe Price New Asia	S	3.6	-5.2	26.4
17	Oakmark International (2%r<90d)	H	7.0	9.0	25.5	67	Janus Worldwide (2%r<90d)	S	3.8	0.1	8.6
18	Preferred International	H	7.1	7.4	28.9	68	Fidelity SE Asia (1.5%r<90d)	S	1.1	-8.0	19.1
19	Oakmark Global (2%r<90d)	H	6.2	8.6	26.3						
20	Fidelity Pacific Basin (1.5%r<90d)	H	8.4	5.8	29.7						
21	Vanguard International Value (2%	H	6.9	6.5	27.7						
22	Fidelity International G & I (1%	H	6.7	5.9	29.0						
23	Fidelity Diversified Intl (1%r<30d)	H	5.6	7.1	27.6						
24	Longleaf Partners International	H	4.6	7.7	27.4						
25	Julius Baer Intl Equity A (2%	H	6.5	7.0	25.3						
26	Wm. Blair Intl Growth N	H	8.6	5.2	26.7						
27	Artisan International (2%r<90d)	H	8.1	7.5	21.1						
28	Scudder Global Discovery(closed)	H	5.9	6.2	27.3						
29	Vanguard International Growth	S	7.1	7.1	22.4						
30	Harbor International (2%r<60d)	H	6.7	5.9	25.5						
31	Vanguard European Stock Index	S	6.5	7.1	22.6						
32	Columbia International Stock (2%	S	7.5	6.7	21.7						
33	Schwab International Index (1.5%	S	6.9	7.0	21.6						
34	Columbia Intl Equity CIZ	S	7.7	6.3	21.7						
35	Fidelity Latin Amer.(1.5%<90d)	H	7.3	2.1	32.2						
36	USAA International	H	5.9	6.9	21.8						
37	Gabelli Intl Growth (2%r<60d)	S	5.5	5.8	24.7						
38	Matthews Asia G & I (closed,2%	S	5.3	5.2	26.3						
39	USAA World Growth	H	5.4	7.7	19.2						
40	Fidelity Europe (1%r<30d)	S	6.4	3.5	27.2						
41	Loomis Sayles International Eq-	S	8.3	3.5	21.0						
42	Fidelity Overseas (1%r<30d)	S	4.8	3.7	25.6						
43	Fidelity Europe Capital App. (1%	S	6.4	4.3	21.2						
44	T. Rowe Price European	S	6.0	5.0	19.4						
45	T.Rowe Price Latin America (2%	S	6.5	1.6	26.8						
46	Driehaus Int'l Discovery (2%	S	6.6	1.5	27.0						
47	T. Rowe Price Intl Stock	S	6.4	5.0	17.8						
48	American Century Global Growth	S	4.7	4.9	20.6						
49	American Century Intl Growth (2%	S	6.7	5.0	17.1						
50	Dreyfus Emerging Market(1%r)	S	4.6	1.6	28.1						

**Next Issue of**  
***MONEYLETTER Plus***  
**Will Be Available:**  
  
**Wednesday**  
**June 30, 2004**  
**by Midnight**

### Total Return % - 5/31/04

1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
0.1	ML Conservative	3.5	13.9	22.7	0.6
0.2	Fidelity Conservative	2.8	11.6	4.5	0.7
0.5	Vanguard Conservative	2.2	12.2	1.8	0.7
-0.8	ML Moderate	4.7	27.9	41.2	0.9
-0.8	Fidelity Moderate	4.4	20.0	24.8	0.8
-0.7	Vanguard Moderate	2.0	20.4	10.0	-0.1
-1.2	ML Venturesome	5.1	33.1	44.9	1.5
-0.7	Fidelity Venturesome	3.8	21.5	21.2	0.7
-0.3	Vanguard Venturesome	1.3	22.6	9.7	-0.6
-2.2	ML Select	-0.3	19.1	22.7	-1.9
	<b>Benchmarks</b>				
1.4	S&P 500	6.9	18.4	-6.2	1.6
0.5	Asset Allocation Funds Avg (36)	4.4	14.2	4.8	0.6

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

# Specialty Funds — data as of 6/18/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	Fidelity Wireless (.75%r<30d)	*	6.1%	25.5%	50.2%	51	Rydex Telecommunications	*	2.9	5.3	14.9
2	Vanguard Energy (1%r<1yr)	*	7.6	16.2	33.3	52	Rydex Banking	*	3.7	3.6	18.0
3	INVESCO Energy Inv	*	8.6	17.1	28.2	53	Vanguard Health Care	*	2.6	6.4	12.4
4	Fidelity Med Del (.75%r<30d)	*	8.2	13.1	35.4	54	Rydex Transportation	*	7.2	1.3	15.5
5	Fidelity Natural Gas (.75%r<30d)	*	9.0	14.4	29.3	55	Rydex Health Care	*	1.5	5.7	12.9
6	T.Rowe Price Media & Telecom-	*	6.2	11.8	36.1	56	Fidelity Automotive (.75%r<30d)	*	6.4	-0.7	21.5
7	Rydex Energy	*	7.9	14.1	27.5	57	INVESCO Leisure Inv	*	3.3	3.6	14.4
8	Fidelity Energy (.75%r<30d)	*	7.1	13.8	25.1	58	INVESCO Financial Serv Inv	*	3.4	3.8	13.5
9	Fidelity Medical Equip (.75%	*	4.7	13.7	23.0	59	Fidelity Finl Serv (.75%r<30d)	*	4.2	2.9	13.9
10	Cohen & Steers Realty Shares	*	7.3	7.1	33.9	60	INVESCO Utilities Inv	*	4.8	4.8	7.9
11	T. Rowe Price New Era	*	7.4	8.6	29.7	61	T.Rowe Price Financial Services	*	3.6	2.1	14.7
12	Fidelity Defense & Aero (.75%	*	8.5	7.6	30.0	62	Fidelity Health Care (.75%r<30d)	*	1.1	7.0	5.4
13	Fidelity Cyclical Ind (.75%r<30d)	*	7.9	7.9	29.1	63	Rydex Utilities	*	5.2	4.3	6.1
14	Rydex Energy Services	*	9.3	12.3	14.6	64	Fidelity Balanced	B	3.8	2.3	12.3
15	Fidelity Natrl Resources (.75%	*	7.0	8.9	25.3	65	INVESCO Health Sciences Inv	*	1.5	4.7	8.7
16	T.Rowe Price Real Estate (1%	*	7.3	7.1	28.5	66	Fidelity Banking (.75%r<30d)	*	3.2	1.4	13.5
17	Alpine U.S. Real Estate Equity	*	5.6	5.3	33.0	67	Fidelity Consumer Ind (.75%	*	3.8	2.0	10.2
18	Fidelity Energy Services (.75%	*	9.4	11.2	12.2	68	Vanguard Balanced Index	B	2.7	2.7	9.1
19	Fidelity Chemicals (.75%r<30d)	*	5.9	6.8	27.8	69	Fidelity Pharmaceuticals (.75%	*	2.4	6.0	0.5
20	Fidelity Developing Comm (.75%	*	6.6	5.8	28.4	70	Gateway Fund	B	2.5	3.0	7.5
21	Fidelity Retailing (.75%r<30d)	*	5.7	9.1	21.1	71	Rydex Technology	*	3.3	-1.1	16.1
22	Rydex Internet	*	4.9	8.4	24.0	72	T.Rowe Price Science & Tech	*	3.6	-1.2	15.5
23	Fidelity Industrial Equip (.75%	*	6.8	4.0	31.2	73	Fidelity Software (.75%r<30d)	*	3.9	-0.4	11.2
24	Fidelity Real Estate (.75%r<90d)	*	7.5	5.4	26.2	74	Scudder Gold (closed)	*	6.5	-15.8	44.4
25	Rydex Consumer Products	*	2.7	10.4	20.0	75	Fidelity Multimedia (.75%r<30d)	*	3.4	-0.6	10.8
26	Rydex Leisure	*	3.8	7.7	24.5	76	Fidelity Technology (.75%r<30d)	*	3.5	-2.3	14.7
27	Rydex Basic Materials	*	8.6	3.5	27.2	77	Rydex Juno	*	-1.5	3.2	8.2
28	Fidelity Paper & Forest (.75%	*	6.8	5.2	25.5	78	Royce Technology Value (2%	*	4.0	-6.0	21.7
29	T.Rowe Price Health Sciences	*	1.1	11.7	17.3	79	Merger Fund (closed,2%r<30d)	*	0.6	1.7	7.0
30	Vanguard REIT Index (1%r<1yr)	*	7.2	4.7	25.7	80	Fidelity Networking (.75%r<30d)	*	5.8	-3.9	10.0
31	Cohen & Steers Equity Income	*	6.1	5.0	25.9	81	INVESCO Technology Inv	*	2.1	-2.8	10.5
32	Fidelity Const & Housing (.75%	*	7.0	3.7	27.5	82	Fidelity Brokerage (.75%r<30d)	*	1.3	-1.4	7.3
33	Fidelity Leisure (.75%r<30d)	*	4.9	7.3	20.6	83	Fidelity Computers (.75%r<30d)	*	2.7	-4.9	13.4
34	Fidelity Insurance (.75%r<30d)	*	4.4	8.6	17.8	84	Rydex Biotechnology	*	-3.6	0.9	4.1
35	Rydex Retailing	*	6.6	5.6	19.8	85	U.S.Global Gold Shares (.25%	*	5.3	-15.8	31.9
36	Fidelity Biotechnology (.75%	*	-1.2	12.2	15.0	86	Vanguard Precious Metals	*	6.7	-12.7	22.1
37	RS Internet Age	*	5.7	1.4	29.3	87	AXARosenberg Value L/S (2%	*	1.3	-0.8	-0.8
38	Fidelity Food & Agr (.75%r<30d)	*	2.7	8.3	15.9	88	Fidelity Electronics (.75%r<30d)	*	-2.0	-6.8	18.3
39	Fidelity Air Transport (.75%r<30d)	*	7.5	5.5	14.3	89	INVESCO Gold Inv	*	7.6	-13.4	18.3
40	Stratton Mthly Div REIT (1.5%	*	6.6	3.2	21.4	90	Amer. Cent. Global Gold (1%	*	5.4	-16.3	11.9
41	Fidelity Home Finance (.75%	*	4.8	3.8	21.9	91	Rydex Electronics	*	-0.5	-13.3	11.2
42	RS Information Age	*	6.0	1.0	26.8	92	Rydex Precious Metals	*	3.8	-17.8	10.1
43	Fidelity Indust Matrls (.75%r<30d)	*	9.4	-2.4	28.8	93	Rydex Ursa	*	-3.9	-5.1	-13.2
44	Fidelity Telecomm (.75%r<30d)	*	3.9	8.0	11.1	94	ProFunds Bear Inv	*	-4.0	-5.2	-13.6
45	Fidelity Environmental Ser (.75%	*	6.4	3.4	17.4	95	Prudent Bear	*	-3.6	-9.4	-6.9
46	Fidelity Transportation (.75%	*	7.3	3.4	15.9	96	Fidelity Gold (.75%r<30d)	*	5.1	-19.3	1.0
47	CGM Realty	*	4.8	0.7	26.4						
48	Rydex Financial Services	*	3.4	5.1	16.8						
49	Fidelity Bus Services (.75%r<30d)	*	4.0	5.4	14.4						
50	Fidelity Utilities Growth (.75%	*	3.9	7.1	9.9						

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

\* = **Not Recommended**

**BOND FUNDS  
On Next Page**

## Bond Funds — data as of 6/18/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	0.3	-2.1	-1.8	PIMCO Real Return	H	-0.2	-0.3	0.0
American Century Inflation Adj	B	0.5	0.6	1.3	PIMCO Total Return	H	0.2	-1.2	-2.4
American Century Intl Bond	*	2.1	-0.8	4.4	PIMCO Total Return Mortgage	H	0.4	-1.2	-0.4
American Century Target 2010	*	0.4	-1.7	-4.9	Safeco U.S. Government (2%	H	-0.1	-2.5	-4.1
American Century Target 2015	*	1.4	-2.1	-8.0	Schwab S-T Bond Mkt Index	B	-0.2	-1.5	-1.7
American Century Target 2020	*	2.0	-2.8	-10.6	Scudder Global Bond S-T	*	1.1	-2.2	-0.6
American Century Target 2025	*	3.2	-3.6	-12.3	Scudder Income (closed)	H	0.6	-0.5	-0.2
American Government Bond	H	0.0	-2.0	-3.2	Scudder Short-Term Bond	B	-0.1	-0.2	0.4
BBH Inflation Indexed Sec	B	0.3	1.1	1.4	Strong Corporate Bond	*	0.3	-3.4	-3.5
Buffalo High-Yield(2%r<180d)	S	1.0	2.3	7.8	Strong Govt Securities	H	0.1	-2.3	-3.4
Columbia Fixed Income Sec	H	0.0	-2.5	-3.6	Strong High Yield Bond (1%	*	1.5	-1.1	5.0
Columbia High Yield	S	1.1	-2.7	-1.5	Strong S-T Bond	B	-0.2	-1.1	-0.9
Columbia Income CIZ	H	0.2	-3.3	-1.9	Strong S-T High Yield	*	0.4	-0.5	1.4
Columbia Intermediate Bond CIZ	H	0.0	-2.9	-1.9	T. Rowe Price Corporate Inc	*	0.6	-2.5	-2.1
Columbia S-T Bond	B	-0.2	-1.1	-1.6	T. Rowe Price GNMA	*	0.1	-1.9	-2.0
Dodge & Cox Income	H	0.4	-0.6	0.5	T. Rowe Price High Yld	S	1.3	-1.8	3.5
Dreyfus 100 Treasury L-T	*	0.0	-7.8	-10.1	T. Rowe Price Int'l Bond	*	2.4	-2.0	3.0
Dreyfus A Bonds Plus	*	-0.1	-3.7	-4.3	T. Rowe Price New Income	*	0.2	-2.1	-2.8
Dreyfus GNMA	*	0.4	-0.5	0.6	T. Rowe Price Spectrum Income	*	1.3	-0.8	2.1
Dreyfus Short-Term Income	B	-0.4	-2.8	-4.0	T. Rowe Price S-T Bond	B	-0.2	-1.2	-1.5
Dreyfus Strategic Income	*	0.1	-4.3	-4.9	T. Rowe Price U.S. Treas. L-T	*	0.4	-3.9	-8.1
Federated Total Return Govt	H	0.1	-2.5	-4.5	TCW Galileo High Yield Bond	S	2.1	0.9	7.3
Federated U.S. Govt Sec. 1-3	B	-0.3	-1.2	-1.4	TCW Galileo Total Return Bond	H	0.0	-0.1	0.5
Fidelity Capital & Income (1%	*	2.8	-2.3	5.7	USAA Income	H	0.7	-0.7	-0.5
Fidelity Floating Rate High Inc(1%	B	0.4	0.6	3.1	Value Line Aggressive Inc (1%	*	1.4	0.2	4.8
Fidelity GNMA	*	0.0	-1.7	-1.0	Value Line U.S. Govt Sec	H	0.2	-1.2	-2.4
Fidelity Government Income	*	0.0	-2.0	-3.9	Vanguard Bond Market	H	0.5	-0.7	-0.8
Fidelity High Income (1%r<90d)	S	1.6	-0.5	7.6	Vanguard GNMA	B	0.7	-1.7	-2.6
Fidelity Inflation-Protected Bond	B	0.1	0.2	0.9	Vanguard High Yield Corporate	S	2.1	0.8	6.1
Fidelity Intermediate Bond	H	0.1	-2.0	-2.7	Vanguard Inflation Protected	B	0.3	1.1	2.2
Fidelity Intermediate Govt	H	0.0	-0.8	-1.7	Vanguard Intermediate Treas.	H	-0.1	-3.4	-6.2
Fidelity Investment Grade	H	0.7	-0.6	-0.5	Vanguard Long-Term Corporate	*	0.8	-4.4	-8.9
Fidelity New Markets Income (1%	*	0.6	-6.1	-1.5	Vanguard L-T Treasury	*	0.6	-4.6	-10.1
Fidelity Short-Term Bond	B	-0.1	-0.8	-0.7	Vanguard Short-Term Corporate	B	-0.3	-1.4	-1.9
Fidelity Strategic Income	B	1.9	-1.5	3.4	Vanguard S-T Federal	*	-0.2	-1.4	-2.2
FifthThird Bond	*	0.3	-1.1	-1.7	Vanguard S-T Treasury	B	-0.3	-1.4	-1.9
Fremont Bond	H	0.2	-1.1	-2.0	WellsFargo Montgomery S Dur	B	-0.1	-0.5	-0.5
Janus Flexible Income	*	0.0	-2.8	-3.6	WellsFargo Montgomery Total	H	0.4	-1.1	-2.0
Janus High Yield (2%r<90d)	S	1.4	-1.9	1.5	Westcore Plus Bond (2%r<90d)	*	0.9	0.5	4.4
Janus S-T Bond	B	0.0	-0.5	0.5	WPG Core Bond	H	0.2	-1.4	-2.1
Loomis Sayles Bond Retail	B	2.1	-1.7	4.6					
Managers Bond	*	0.7	-1.5	-0.7					
Managers Int. Duration Govt	*	0.4	-0.3	1.4					
Managers Short Duration Govt	B	0.2	0.4	1.4					
MetroWest Low Duration	B	-0.5	-0.9	-0.7					
MetroWest Total Return	*	-0.3	-2.3	-0.6					
Northeast Investors Trust	*	2.5	5.5	12.9					
Payden Global Fixed Income	*	0.4	-0.9	-2.5					
PIMCO High Yield	S	1.5	-1.9	3.5					
PIMCO Low Duration	B	-0.1	-0.7	-1.7					

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

\* = **Not Recommended**

**PORTFOLIO HOLDINGS**  
On Next Page

## Weekly Performance of ML Model Holdings — data as of 6/18/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	0.65%	VBINX Vanguard Balanced	0.16
AIOIX Amer. Cent Intl Opportunities	0.58	VBMFX Vanguard Total Bond	0.40
BPTRX Baron Partners	-0.70	VIPSX Van. Inflation Protected Bond	0.65
DODIX Dodge & Cox Income	0.32	VISVX Vanguard Small Cap Value	1.01
FBALX Fidelity Balanced	0.48	VIVAX Vanguard Value Index	0.47
FBNDX Fidelity Inv Grade Bond	0.55	VWEHX Vanguard High Yield Corp.	0.16
FCNTX Fidelity Contrafund	0.00	VUVLX Vanguard US Value	0.24
FEQIX Fidelity Equity-Income	0.30	VWNFX Vanguard Windsor II	0.64
FLVCX Fidelity Leveraged Company	1.84		
FSTGX Fidelity Intermediate Gov't	0.20		
FSLCX Fidelity Small Cap Stock	0.47		
FSICX Fidelity Strategic Income	0.40		
FDVLX Fidelity Value	1.12		
GATEX Gateway Fund	0.25		
HENLX Henlopen Fund	1.02		
IZZYX ICM/Isabelle SC Value	1.34		
LSBRX Loomis Sayles Bond	0.31		
MJFOX Matthews Japan	0.46		
RSPFX RS Partners	0.10		
RSSGX RS Smaller Co. Growth	0.67		
SMCDX Strong Mid Cap Disciplined	0.96		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	0.06%
		NASDAQ	-0.66
		S&P 500	-0.13

### 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

**MONEYLETTER Plus** is published weekly for \$135 per year (52 issues) by PRI Financial Publishing Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020. *Assistant Editor:* Christa Mohr. *Chief Investment Officer/Chief Economist:* Walter Frank. *Publisher:* Brian W. Kelly. Address all subscription and editorial inquiries to PRI Financial Publishing, Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020, (800) 890-9670. Paid advertising which appears in or accompanies this publication does not constitute an endorsement of products or services offered. Employees and staff of **MONEYLETTER** may from time to time maintain positions in recommended securities. PRI Financial Publishing, Inc. is affiliated with PRI Financial Advisors Inc., a registered investment advisor. Walter Frank also serves as an independent economic consultant to PRI Financial Advisors Inc. **MONEYLETTER Plus** is not produced as a solicitation for PRI Financial Advisors Inc. Views presented are the opinion of the Chief Investment Officer/Chief Economist and contributing editors, and should not be treated as fact. **MONEYLETTER Plus** does not purport to provide legal, tax or individual investment advice. While carefully screened, the accuracy of the statistical data in **MONEYLETTER** cannot be guaranteed. Readers should carefully review investment prospectuses before investing. Twice-weekly Hotline: call (410) 528-1804. Reproduction in whole or in part by any means is strictly forbidden without written permission. © Copyright 2004 PRI Financial Publishing Inc.