

## MONEYLETTER HOTLINE 7/13/04

### Earnings Season Brings Clouds of Uncertainty

The earnings season has begun and it is earnings that are going to be the chief mover of the market over the next 2-3 weeks. Today the market held its breath until Intel's earnings were released after the bell. The earnings met expectations, but the details did not satisfy, and down went the stock. The market has been in a negative mood anyhow concerning technology and Intel, with the flaws in its report, just perpetuated the mood. But this is all short-term stuff.

What the market needs is some certainty about the outlooks for the economy and profits, and all it has right now is uncertainty. The latest economic numbers have been troubling, as we said in the last Hotline, and nothing has come along since to change that perception. Most on Wall Street are still optimistic, but one or two voices are now sounding less so.

Looking further ahead the Presidential election season will shortly be upon us. Unless the polls break one way or the other, the election uncertainty will also restrain market activity. We still believe that the economy is stronger than the recent numbers depict and that we will see strong profit growth over the rest of this year.

There is no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, five funds are now rated holds: Artisan Small Cap, Vanguard Capital Opportunity, Wasatch Small Cap Value, American Century Vista and Royce Opportunity. Two funds are now rated sells: Baron Small Cap and T. Rowe Price New Horizons. There are no changes for international stock funds.

**The Economy** – There has been little economic news so far this week. Starting tomorrow, with retail sales, the pace picks up. We expect the sales number to be soggy. Meanwhile, the weekly store surveys say that sales were sluggish the first week of July. We continue to look for good economic growth over the year ahead.

**The Stock Market** – As the technicians are pointing out, the market is in an extended trading range. The result has been that value funds are rising to the top in our stock tables. With a few exceptions virtually all the top 20 funds in our domestic list are value funds. It shows that risk-taking is taking a holiday. Until that changes market gains will be limited. Look for a better market over the next six months.

**The Bond Market** – The bond market has been much less troubled than the stock market over the past few weeks. There is less concern about the Fed now. We look for rates to hold at about 4.5%.

## MONEYLETTER HOTLINE 7/9/04

### June Swoon?

We are still trying to figure out what happened to the economy and business last month. Things slowed in June. The stock market has been concentrating on technology, particularly software, where all the warnings have been concentrated. (We should mention that retail firms also warned.) But it would be wrong to think the slowing was just in technology. Remember last week's employment report. Then there were the monthly supply managers' surveys. They were positive, but noticeably less so than for some months before.

Amid the warnings, GE came out today saying that business is just fine and the company is sailing along. No mention of a June swoon here. The software companies are telling us that everything was fine for them too last quarter until June, when customers hesitated to order at the end of the month. At that very time the Fed was meeting, and our initial thought is that business was concerned about how severe the Fed would be in both action and commentary. In fact, the Fed was not severe. If we are right, we should see the pace pick up again, starting this month. Stay tuned.

There is no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, six funds are now rated buys: Third Avenue Small Cap Value, Artisan Mid Cap Value, ABN Amro Mid Cap, T. Rowe Price Small Cap Value (closed), Ariel Fund and WPG Tudor. Two funds are now rated holds: Wells Fargo Montgomery Small Cap and Baron Small Cap. One fund is now rated sell: Janus Special Equity. There are no changes again for international stock funds.

**The Economy** – There was little economic news here in the U.S. since the last Hotline. What news there was, such as new claims for unemployment insurance (they dropped sharply), was distorted by July 4<sup>th</sup>. We continue to look for good economic growth over the year ahead.

**The Stock Market** – Despite today's gain, this was a very tough patch for the stock market. The Nasdaq was hit badly. We believe stocks are oversold and undervalued. We take GE as a good omen for second quarter earnings which will be pouring out shortly. We could use better economic news. It will come, but slowly. Now is the time for patience. We see higher prices over the next six months.

**Select Portfolio** – All shares of ICM Isabelle should be sold and the proceeds invested in Fidelity Select Wireless.

## Domestic Stock Funds — data as of 7/9/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Third Avenue Value (1%r<60d)	B	2.7%	8.5%	29.1%	51	Fidelity Contrafund	H	0.1	2.9	18.7
2	Baron Partners	B	-3.9	11.8	30.4	52	American Century Vista	H	-2.0	3.2	21.0
3	Artisan Mid Cap Value	B	2.3	8.6	27.8	53	Janus Enterprise	H	-1.5	3.7	18.7
4	Strong Mid Cap Disciplined	B	1.0	8.2	30.0	54	Royce Total Return (1%r<180d)	H	0.6	2.8	16.9
5	Berwyn Fund (1%r<180d)	B	2.9	4.0	35.5	55	Mutual Shares(1%)CIZ	S	1.1	2.4	17.0
6	Royce Premier (1%r<180d)	B	1.6	7.5	28.3	56	Neuberger Berman Fasciano Inv	H	0.4	2.4	18.0
7	RS Partners	B	0.2	5.6	32.5	57	American Century Equity Income	H	0.6	3.2	15.5
8	MainStay Small Cap Opportunity	B	1.8	4.1	32.7	58	Safeco Growth Opportunities	H	-1.0	2.0	20.7
9	Neuberger Berman Genesis	H	1.5	6.8	24.4	59	Royce Opportunity (closed,1%	H	-0.5	-2.2	30.5
10	Buffalo Small Cap(closed)	B	-2.1	6.8	28.9	60	Dodge & Cox Stock (closed)	H	-0.7	2.0	20.3
11	RS Contrarian Value	H	1.1	2.6	33.8	61	Boston Pttrs Smlcap Val	H	-1.1	0.9	23.3
12	Ariel Fund	B	0.6	7.5	22.0	62	Wasatch Core Growth	H	-1.4	3.8	16.3
13	CRM Mid Cap Value Inv	B	-0.7	5.6	28.2	63	Strong Opportunity	H	-0.5	2.1	19.0
14	Third Avenue Small-Cap Value	B	2.4	3.9	27.9	64	ABN Amro Mid Cap	H	-2.2	2.2	20.8
15	PIMCO PEA Value D	B	0.3	5.1	27.0	65	Dreyfus New Leaders	S	0.5	1.7	18.1
16	Janus Mid Cap Value	B	0.4	5.1	26.1	66	Oakmark Equity&Income (2%	S	-0.7	3.7	14.8
17	T. Rowe Price S-C Value	B	1.2	5.0	24.9	67	Nicholas II	S	-1.7	2.7	18.8
18	Fidelity Leveraged Co	B	1.6	1.2	33.3	68	Baron Growth	H	-2.9	4.4	15.9
19	TCW Galileo Diversified Value N	B	-0.3	5.1	26.3	69	Vanguard SmallCap Index	H	-0.2	0.5	21.6
20	Vanguard Small-Cap Value Index	H	1.8	3.9	25.5	70	MSI Mid Cap Growth	H	-1.8	2.9	17.9
21	Aegis Value Fund	H	2.6	4.4	22.4	71	Janus Twenty(closed)	H	-2.5	5.0	13.2
22	Henlopen Fund (1%r<30d)	B	0.6	-1.2	38.6	72	Loomis Sayles Value	S	-0.4	2.8	15.5
23	Fidelity Value	H	1.3	4.1	23.3	73	MSI Value Portfolio	S	0.3	1.6	17.7
24	Royce Special Equity (1%r<180d)	H	-0.2	6.0	20.1	74	Longleaf Partners Smallcap	S	-0.7	0.9	20.6
25	T.Rowe Price Mid Cap Value	B	-0.1	3.4	26.4	75	Royce Low Priced Stock (1%	S	0.9	-0.8	22.0
26	FBR Small Cap Value A (1%	H	0.1	5.3	20.7	76	Buffalo Mid Cap	H	-2.6	2.0	20.2
27	Royce Penn Mutual(1%r<180d)	H	1.1	2.8	25.3	77	Selected American Shares	S	-1.1	1.8	17.8
28	WmBlair S-C Growth N	B	-1.0	2.7	28.8	78	Vanguard Value Index	H	0.2	1.5	16.6
29	TCW Galileo Dividend Focused N	H	-0.4	3.7	25.1	79	Sound Shore	S	-0.3	1.8	16.7
30	Baron Asset	H	-0.9	5.8	19.4	80	T.Rowe Price Mid Cap Growth	S	-0.7	1.8	17.1
31	WPG Tudor	B	1.6	3.4	21.4	81	Strong Multi-Cap Value	S	3.8	-2.4	20.7
32	ICM/Isabelle Small Cap Value	H	1.0	1.8	25.5	82	CGM Focus	S	1.7	-1.1	20.3
33	Fidelity L P Stock (closed,1.5%	H	0.3	2.9	23.9	83	Columbia Disciplined Value CIZ	S	-0.1	2.0	15.0
34	CRM Small Cap Value Inv	H	-0.1	2.9	23.5	84	TCW Galileo Opportunity N	H	0.6	-1.4	22.4
35	MSI Small Cap Value(closed)	H	1.5	3.2	20.2	85	Meridian Fund	H	-1.5	-0.4	22.6
36	Vanguard Windsor II	H	0.4	4.4	18.6	86	Vanguard Mid-Cap Index	H	-0.8	0.8	18.7
37	Boston Partners Mid Cap Value	H	-0.6	3.9	21.3	87	T. Rowe Price Small Cap Stock	H	-0.6	1.1	17.4
38	Loomis Sayles Small Cap Value	H	1.0	3.3	19.9	88	Dreyfus Mid Cap Index	S	-1.0	0.9	18.3
39	American Century Value	H	-0.6	4.2	19.9	89	Neuberger Berman Partners	S	-0.6	2.2	14.6
40	Muhlenkamp Fund	H	1.0	2.8	20.7	90	T. Rowe Price Equity-Income	S	0.0	1.6	14.9
41	Artisan Small Cap	H	-0.7	3.9	20.1	91	TCW Galileo Value Opportuni-	H	-2.0	-0.1	21.9
42	Vanguard Cap Opp (closed,	H	-0.8	1.9	24.8	92	Vanguard Extended Market	S	-0.8	0.2	19.2
43	T. Rowe Price Cap Appreciation	H	1.9	2.8	18.3	93	Baron Small Cap	S	-4.7	3.0	18.0
44	Fidelity Small Cap Stock (2%	H	0.1	0.4	26.6	94	Cambiar Opportunity	S	-2.4	1.1	19.1
45	Mutual Beacon(1%)CIZ	H	1.4	2.5	18.9	95	Vanguard Strategic Equity	H	-1.1	0.4	18.7
46	Vanguard PRIMECAP(closed,	H	-0.6	2.9	20.2	96	Scudder Large Co Value	S	-0.8	0.6	16.7
47	Value Line Special Situations	H	-0.7	3.5	18.9	97	Fidelity Equity-Income	H	-0.5	0.6	16.2
48	Wasatch Small Cap Value	H	-1.4	1.5	24.9	98	Neuberger Berman Guardian	S	-0.8	1.2	15.3
49	Homestead Value	H	0.6	3.2	17.4	99	Gabelli Asset	S	-0.7	1.1	15.2
50	Mutual Qualified(1%)CIZ	H	1.5	2.2	18.7	100	American Century Income &	S	-0.6	1.2	14.8

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

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

## Domestic Stock Funds continued — data as of 7/9/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	Harbor Value	S	-0.9	1.6	13.9	151	SIT Large Cap Growth (2%	S	-2.0	0.4	11.2
102	Salomon Brothers Opportunity	S	0.2	0.6	14.5	152	Domini Social Equity Fund (2%	S	-1.9	-0.1	12.1
103	MSI Mid Cap Value	S	-0.3	0.0	16.7	153	Fidelity Disciplined Equity	S	-1.6	-0.1	11.1
104	American Century Equity Growth	S	-0.7	1.3	14.1	154	Fidelity Trend	S	-1.3	-0.4	11.4
105	C&B Mid Cap Value	S	-1.5	0.1	18.2	155	Vanguard Convertible Securities	S	0.4	-2.4	13.6
106	Neuberger Berman Manhattan	S	-0.2	1.5	12.6	156	Legg Mason Opportunity Trust	S	-1.9	-2.0	16.0
107	Janus Special Equity	S	-2.5	-1.0	22.1	157	Selected Special Shares	S	-3.1	-1.8	17.2
108	Vanguard Equity-Income	S	-0.1	1.2	12.7	158	Bogle Small Cap Growth(closed)	H	-0.5	-4.9	21.2
109	Fidelity Focused Stock (.75%	S	-0.1	1.1	13.0	159	RS Smaller Company Growth	H	-2.2	-4.2	21.8
110	Century Select Small Cap (1%	S	-0.5	-1.7	20.6	160	USAA Capital Growth	S	-1.7	-3.4	19.2
111	SIT Mid Cap Growth (2%r<30d)	S	-1.9	1.0	15.6	161	Yacktman Fund	S	-0.1	-0.9	10.5
112	Hussman Strategic Growth (1.5%	S	0.1	2.3	8.5	162	American Century Select	S	-1.1	0.1	8.9
113	Marsico 21st Century (2%r<30d)	S	-1.4	-0.5	17.8	163	Columbia Asset Allocation CIZ	S	0.0	-0.6	8.7
114	Oakmark Fund (2%r<90d)	S	-1.3	1.8	11.7	164	Vanguard Small Cap Growth	S	-2.2	-2.9	17.7
115	Fidelity Small Cap Ind.(1.5%	S	-1.3	-0.1	16.1	165	Janus Venture (closed)	S	-4.4	-2.2	19.1
116	Northeast Investors Growth	S	-1.0	0.4	14.5	166	TCW Galileo Select Equity	S	-2.2	-0.9	12.4
117	Federated Kaufmann Fund(0.2%)	S	-1.2	-0.2	16.1	167	Dreyfus-Founders Discovery	S	-1.5	-2.6	15.4
118	Weitz Value Fund	S	-1.1	1.4	12.1	168	WellsFargo Montgomery Small	H	-4.0	-1.9	17.3
119	Fidelity Export & Multinat'l(.75%	S	-0.5	-0.3	15.4	169	RS Value+Growth	S	-0.6	-2.8	14.4
120	Vanguard Windsor	S	-0.6	-0.9	16.7	170	CS Warburg Pincus Emerging	S	-2.3	-2.3	15.6
121	Vanguard Capital Value	S	-0.4	-1.1	16.7	171	Fidelity Growth & Income	S	-1.4	0.1	8.3
122	T. Rowe Price New Horizons	S	-2.5	-0.4	18.3	172	Clipper Fund	S	1.3	-1.4	7.9
123	Dreyfus Appreciation	S	-0.8	1.3	11.0	173	Scudder Growth & Income	S	-1.9	-0.8	10.7
124	Vanguard U.S. Value	H	-0.9	-0.4	15.5	174	Scudder Capital Growth AARP	S	-2.2	-0.4	10.1
125	Nicholas Fund	S	-2.5	1.3	13.7	175	Fidelity Stock Selector	S	-1.5	-1.3	10.6
126	Tweedy, Browne American Value	S	-0.6	-0.2	14.5	176	Fidelity Convertible Securities	S	-0.5	-1.9	10.7
127	USAA Growth & Income	S	-0.9	0.4	13.3	177	Columbia Small Company Equity	S	-2.0	-3.7	16.7
128	Preferred Value	S	0.3	-0.5	13.1	178	Strong Advisor Common Stock	S	-0.9	-2.9	12.9
129	Needham Small Cap Growth	H	-3.2	-3.1	24.8	179	Strong Advisor Midcap Growth	S	-0.4	-0.8	7.0
130	Fidelity Aggressive Growth(1.5%	H	-1.9	0.1	14.8	180	Strong Growth	S	-1.9	-1.0	9.4
131	T. Rowe Price Dividend Growth	S	-0.5	0.2	12.1	181	T. Rowe Price Growth Stock	S	-1.9	-1.6	10.7
132	Vanguard Total Stk Mkt	S	-1.4	0.0	14.0	182	Oakmark Select(closed) (2%	S	-2.0	-0.4	7.8
133	Bonnel Growth Fund (.25%r<30d)	S	-1.8	-0.9	16.8	183	Legg Mason Value	S	-1.9	-1.8	11.2
134	Vanguard Growth & Income	S	-1.5	-0.1	14.1	184	Janus Growth & Income	S	-1.5	-1.9	10.6
135	Fidelity Capital Appreciation	S	-1.0	-1.3	16.3	185	Safeco Equity	S	-2.0	-0.9	8.6
136	Thompson Plumb Growth	S	-2.4	0.8	12.7	186	Dreyfus Fund	S	-1.2	-1.9	9.7
137	RS MidCap Opportunities	S	-0.2	-2.3	17.3	187	Fidelity Equity-Income II	S	-0.5	-2.6	10.4
138	Ariel Appreciation	S	-1.8	-0.1	14.1	188	PBHG Small Cap Value	S	-2.3	-3.8	15.5
139	Fidelity Fund	S	-1.3	-0.1	13.2	189	Vanguard Explorer	S	-2.3	-3.7	15.1
140	Salomon Brothers Investors	S	-0.4	-0.8	13.5	190	Fidelity Growth Company	S	-2.5	-2.5	12.1
141	American Century Ultra	S	-1.9	1.3	10.6	191	Westport Small Cap R	S	-2.8	-2.7	13.2
142	Longleaf Partners	S	-0.7	-1.4	15.2	192	Janus Olympus	S	-2.0	-2.8	11.9
143	Strong Discovery	S	0.0	-2.6	17.1	193	Marsico Growth & Income (2%	S	-2.2	-1.8	9.8
144	T. Rowe Price Growth & Income	S	-0.4	-0.9	13.4	194	Harbor Capital Appreciation	S	-2.0	-2.4	10.8
145	T. Rowe Price New America	S	-2.0	0.1	13.2	195	Janus Fund	S	-1.7	-3.1	11.9
146	Vanguard 500 Index	S	-1.5	-0.1	12.8	196	Vanguard/Morgan Growth	S	-3.1	-2.1	11.2
147	Fidelity Spartan 500 Index (.5%	S	-1.5	-0.1	12.8	197	Oakmark Small Cap (2%r<90d)	S	-3.4	-2.6	13.1
148	Legg Mason Special Investment	H	-2.2	-1.4	17.1	198	Fidelity Magellan (closed)	S	-2.2	-1.6	8.8
149	Artisan Midcap(closed)	S	-2.1	-0.8	15.2	199	CS Warburg Pincus Capital	S	-2.2	-1.5	8.2
150	Schwab 1000 Fund (.75%r<180d)	S	-1.6	-0.3	12.5	200	Dreyfus Premier Third Century	S	-2.5	-2.2	10.3

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

## Domestic Stock Funds continued — data as of 7/9/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Bridgeway Aggressive Investors 2	S	-0.3	-3.4	10.0	251	Scudder Development (closed)	S	-3.5	-8.8	3.0
202	Fidelity Large Cap Stock	S	-1.6	-2.5	9.5	252	Oberweis Emerging Growth (1%)	S	-3.5	-12.2	6.1
203	Matrix Advisors Value (.75%)	S	-1.9	-4.1	13.9	253	Undiscovered Small Cap Growth	S	-5.0	-14.1	9.4
204	Columbia Common Stock	S	-2.2	-2.4	9.9	254	Neuberger Berman Focus	S	-8.5	-13.6	7.4
205	Fidelity Blue Chip Growth	S	-2.2	-1.9	8.4	255	PBHG Emerging Growth	S	-4.2	-15.2	0.0
206	Preferred Growth	S	-2.0	-2.7	10.1	256	Van Wagoner Emerging Growth	S	-8.6	-25.9	-11.9
207	Vanguard Growth Index	S	-3.0	-1.8	9.3						
208	Dreyfus Growth & Income	S	-1.7	-2.7	9.2						
209	USAA Aggressive Growth	S	-1.9	-2.0	7.6						
210	American Century Growth	S	-1.5	-2.6	8.3						
211	Dreyfus Growth Opportunity (2%)	S	-1.7	-2.7	8.6						
212	INVESCO Dynamics	S	-3.0	-3.4	12.1						
213	UMB Scout Stock	S	-1.8	-2.3	7.3						
214	Strong Growth 20	S	-1.7	-2.5	7.3						
215	Fidelity Independence	S	-1.7	-2.9	7.7						
216	American Century Heritage	S	-2.1	-3.2	8.9						
217	Fidelity Mid-Cap Stock (.75%)	S	-1.8	-4.1	10.7						
218	Strong Large Cap Growth	S	-1.7	-2.2	5.6						
219	Scudder Large Company Growth	S	-2.7	-2.7	8.2						
220	Wasatch Small Cap Grth	S	-1.7	-2.9	7.0						
221	Columbia Growth	S	-2.5	-2.5	6.9						
222	Gabelli Growth	S	-1.7	-4.2	9.9						
223	Janus Mercury	S	-2.6	-3.9	10.1						
224	USAA Growth	S	-2.5	-2.8	6.6						
225	Columbia Large Cap Growth ClZ	S	-2.4	-2.8	5.6						
226	WPG Large Cap Growth	S	-3.2	-3.7	8.9						
227	Fidelity Dividend Growth	S	-3.0	-2.9	5.6						
228	Vanguard Growth Equity	S	-3.0	-4.5	9.5						
229	Fidelity Growth & Income II	S	-2.8	-2.6	4.4						
230	Vanguard U.S. Growth	S	-3.7	-3.7	8.4						
231	Turner Mid Cap Growth	S	-3.7	-5.5	11.1						
232	INVESCO Core Equity	S	-2.4	-4.1	5.4						
233	Marsico Focus (2%r<30d)	S	-2.3	-4.4	5.3						
234	William Blair Growth (1%r<60d)	S	-2.9	-4.1	5.5						
235	Value Line Fund	S	-1.0	-4.1	2.3						
236	Value Line Leveraged Growth	S	-1.4	-3.9	2.4						
237	Needham Growth Fund (.75%)	S	-3.0	-7.8	12.8						
238	Fidelity OTC Portfolio	S	-2.5	-7.1	9.4						
239	RS Emerging Growth(closed)	S	-2.8	-6.9	9.3						
240	INVESCO Small Company	S	-2.7	-6.3	7.5						
241	Fidelity New Millennium (closed)	S	-0.2	-8.6	8.0						
242	Undiscovered Behavioral Growth	S	-3.3	-7.3	8.2						
243	TCW Galileo Small Cap Growth	S	-4.3	-8.1	11.1						
244	PBHG Growth	S	-3.4	-5.7	3.7						
245	Fidelity Fifty (.75%r<30d)	S	-2.3	-5.8	1.6						
246	TCW Galileo Aggressive Growth	S	-4.6	-6.2	6.0						
247	SIT Small Cap Growth (2%r<30d)	S	-1.7	-7.6	3.2						
248	RS Diversified Growth (closed)	S	-2.4	-10.4	10.9						
249	Pin Oak Aggressive Stock	S	-4.9	-10.3	14.2						
250	Columbia Special	S	-2.3	-7.7	2.9						

### 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 7/9/04

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	3.3%	14.6%	53.1%	51	Matthews Pacific Tiger (2%	S	0.4	-6.6	27.3
2	T. Rowe Price Japan	H	3.6	12.5	46.3	52	Guinness China & Hong Kong	S	-0.1	-7.0	28.6
3	Amer.Cent.Intl Opportunity (2%	H	4.5	7.1	54.5	53	American Century Intl Growth	S	0.0	-2.8	17.8
4	Fidelity Intl Small Cap (2%r<90d)	H	4.0	6.9	53.1	54	Fidelity Worldwide (1%r<30d)	S	-0.4	-2.6	17.3
5	Artisan Intl Value (2%r<90d)	H	2.2	9.2	42.1	55	T.Rowe Price Latin America (2%	S	2.0	-8.1	27.5
6	T.Rowe Price Intl Disc. (2%r<1yr)	H	3.9	5.4	47.2	56	Driehaus Emerging Mkts Gr (2%	S	1.6	-7.9	27.1
7	Oakmark Intl Small Cap	H	3.5	6.2	45.6	57	American Century Global	S	-1.7	-2.6	17.2
8	Dodge&Cox Intl. Stock	H	2.7	6.0	43.7	58	Scudder Global	S	-0.2	-4.0	16.4
9	Vanguard Intl Explorer	H	2.4	5.8	41.0	59	Vanguard Emerging Mkts Stk	S	-0.1	-8.0	26.1
10	Wasatch International Growth	H	1.1	5.2	38.6	60	Janus Overseas(closed,2%	S	-1.0	-6.2	22.5
11	Tweedy, Browne Global Value	H	0.0	8.7	30.7	61	SIT International Growth (2%	S	-0.3	-5.0	17.2
12	Fidelity Japan(1.5%<90d)	H	1.7	6.2	28.2	62	T. Rowe Price New Asia	S	-0.4	-9.8	23.7
13	Japan Fund (Scudder) (2%	H	1.4	3.3	35.4	63	Scudder Pacific Opportunity (2%	S	-1.2	-8.0	20.3
14	Artisan Intl Small Cap(closed,2%	H	1.5	0.8	36.8	64	Scudder Latin America	S	1.5	-11.0	21.5
15	Vanguard Pacific Stock Index (2%	H	2.3	3.5	28.3	65	Fidelity Aggressive Intl. (1%	S	-2.0	-7.2	13.0
16	Fidelity Europe (1%r<30d)	H	2.2	0.5	32.9	66	Fidelity Emerging Mkts (1.5%	S	-1.5	-11.0	20.5
17	Matthews Asia G & I (closed,2%	H	1.2	2.3	27.4	67	Fidelity SE Asia (1.5%r<90d)	S	-1.9	-11.3	20.6
18	Longleaf Partners International	H	0.2	4.0	24.3	68	Janus Worldwide (2%r<90d)	S	-1.7	-7.4	8.3
19	Preferred International	H	0.7	1.1	30.3						
20	Oakmark International (2%r<90d)	H	0.9	1.4	29.1						
21	Fidelity Diversified Intl (1%r<30d)	H	0.9	1.0	28.0						
22	USAA World Growth	H	0.4	3.6	21.7						
23	USAA International	H	0.5	1.7	25.5						
24	Vanguard European Stock Index	H	0.8	0.1	28.8						
25	Fidelity International G & I (1%	H	1.0	-0.5	29.5						
26	Julius Baer Intl Equity A (2%	H	1.6	-0.8	28.6						
27	Vanguard International Value (2%	H	0.7	-0.4	28.8						
28	Gabelli Intl Growth (2%r<60d)	H	0.4	-0.2	28.8						
29	Harbor International (2%r<60d)	S	1.5	-0.7	27.7						
30	Schwab International Index (1.5%	S	1.1	0.2	25.0						
31	Oakmark Global (2%r<90d)	H	-1.0	0.5	25.1						
32	Wm. Blair Intl Growth N	S	1.6	-1.5	25.5						
33	Artisan International (2%r<90d)	H	0.4	-0.7	25.1						
34	Scudder Global Discovery(closed)	H	-0.9	-0.9	25.7						
35	Vanguard International Growth	S	0.2	-1.1	23.5						
36	Fidelity Pacific Basin (1.5%r<90d)	S	0.7	-0.7	21.8						
37	T. Rowe Price European	S	0.3	-1.8	25.2						
38	Dreyfus Emerging Market(1%r)	S	1.3	-4.0	27.5						
39	Fidelity Global Balanced (1%	S	0.7	-0.3	18.4						
40	CS Warburg Pincus Japan Grth	H	-1.1	-0.7	21.9						
41	Fidelity Europe Capital App. (1%	S	0.9	-3.6	25.7						
42	Fidelity Latin Amer.(1.5%<90d)	H	3.1	-7.8	32.8						
43	Columbia Intl Equity CIZ	S	0.6	-2.5	21.7						
44	Columbia International Stock (2%	S	0.5	-2.5	21.5						
45	Driehaus Int'l Discovery (2%	S	2.0	-5.6	26.0						
46	Loomis Sayles International Eq-	S	0.8	-3.6	22.7						
47	T. Rowe Price Intl Stock	S	0.0	-2.3	19.9						
48	Scudder International (2%r<180d)	S	0.3	-2.3	18.5						
49	Fidelity Overseas (1%r<30d)	S	-0.2	-4.1	22.7						
50	Scudder Greater Europe (2%	S	0.3	-3.8	21.1						

**Next Issue of  
MONEYLETTER Plus  
Will Be Available:  
Wednesday  
July 21, 2004  
by Midnight**

Total Return % - 6/30/04					
1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
1.6	ML Conservative	2.2	14.5	28.8	2.2
2.4	Fidelity Conservative	3.1	13.1	9.4	3.1
1.9	Vanguard Conservative	2.6	13.3	4.8	2.6
2.6	ML Moderate	3.5	27.7	47.5	3.5
3.3	Fidelity Moderate	4.2	22.0	31.2	4.2
2.5	Vanguard Moderate	2.4	21.0	13.8	2.4
2.8	ML Venturesome	4.4	32.2	47.1	4.4
3.6	Fidelity Venturesome	4.3	24.7	27.2	4.3
2.9	Vanguard Venturesome	2.3	24.4	13.7	2.3
4.7	ML Select	2.7	22.1	n/a	2.7
Benchmarks					
1.9	S&P 500	3.6	19.2	-2.1	3.6
1.6	Asset Allocation Funds Avg (36)	2.2	14.6	7.8	2.2

**SPECIALTY FUNDS  
On Next Page**

## Specialty Funds — data as of 7/9/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	INVESCO Energy Inv	*	10.4%	18.2%	36.1%	51	Fidelity Balanced	B	0.6	-1.1	11.7
2	Vanguard Energy (1%r<1yr)	*	7.3	15.7	40.1	52	Vanguard Precious Metals	*	6.8	-14.3	34.4
3	Fidelity Natural Gas (.75%r<30d)	*	10.2	14.7	34.5	53	Vanguard Balanced Index	B	0.0	0.0	8.9
4	Rydex Energy	*	8.4	13.9	34.5	54	Vanguard Health Care	*	-2.8	0.5	11.8
5	Fidelity Energy (.75%r<30d)	*	8.4	13.6	31.8	55	U.S.Global Gold Shares (.25%	*	7.6	-18.7	43.3
6	Fidelity Wireless (.75%r<30d)	*	0.8	8.5	46.3	56	Fidelity Banking (.75%r<30d)	*	-1.4	-1.1	12.2
7	T. Rowe Price New Era	*	7.2	8.0	35.8	57	Fidelity Finl Serv (.75%r<30d)	*	-1.7	-1.2	12.2
8	Fidelity Natrl Resources (.75%	*	7.5	8.4	31.5	58	Rydex Retailing	*	-4.5	0.7	11.1
9	Rydex Energy Services	*	10.4	11.1	19.0	59	Fidelity Leisure (.75%r<30d)	*	-4.0	-0.7	13.7
10	Cohen & Steers Realty Shares	*	4.4	9.1	32.1	60	Rydex Health Care	*	-3.2	0.4	9.7
11	Fidelity Med Del (.75%r<30d)	*	0.6	10.5	33.1	61	Fidelity Health Care (.75%r<30d)	*	-3.1	2.0	5.0
12	Fidelity Energy Services (.75%	*	10.6	10.3	17.6	62	Fidelity Bus Services (.75%	*	-3.2	-1.1	12.5
13	T.Rowe Price Real Estate (1%	*	4.2	9.2	25.8	63	INVESCO Leisure Inv	*	-3.4	-1.7	11.9
14	Fidelity Defense & Aero (.75%	*	3.5	5.8	32.4	64	INVESCO Health Sciences Inv	*	-2.9	-0.3	7.4
15	Fidelity Real Estate (.75%r<90d)	*	4.7	7.5	25.4	65	Amer. Cent. Global Gold (1%	*	11.5	-16.4	25.5
16	Fidelity Cyclical Ind (.75%r<30d)	*	2.0	5.2	32.5	66	INVESCO Financial Serv Inv	*	-3.0	-2.4	10.6
17	Fidelity Chemicals (.75%r<30d)	*	2.5	4.1	33.5	67	T.Rowe Price Financial Services	*	-2.2	-3.3	11.5
18	Vanguard REIT Index (1%r<1yr)	*	4.2	6.3	23.3	68	Merger Fund (closed,2%r<30d)	*	-2.0	-0.8	4.2
19	Cohen & Steers Equity Income	*	3.9	6.5	23.3	69	Rydex Internet	*	-4.7	-5.0	16.8
20	Fidelity Medical Equip (.75%	*	-0.6	9.5	21.3	70	Fidelity Automotive (.75%r<30d)	*	-1.3	-6.4	14.9
21	Alpine U.S. Real Estate Equity	*	-0.3	6.1	29.2	71	Rydex Precious Metals	*	11.5	-18.2	23.7
22	Rydex Consumer Products	*	-0.2	9.3	20.3	72	Rydex Juno	*	-4.5	0.6	0.7
23	Rydex Basic Materials	*	3.8	2.7	29.7	73	Fidelity Telecomm (.75%r<30d)	*	-1.5	-5.1	8.1
24	Stratton Mthly Div REIT (1.5%	*	3.9	4.1	18.3	74	Fidelity Developing Comm (.75%	*	-2.0	-11.6	24.9
25	Fidelity Food & Agr (.75%r<30d)	*	-0.3	7.2	16.6	75	Rydex Telecommunications	*	-1.8	-7.3	11.6
26	Fidelity Indust Matrls (.75%r<30d)	*	5.3	-4.3	36.5	76	Fidelity Consumer Ind (.75%	*	-4.6	-3.6	6.1
27	Fidelity Const & Housing (.75%	*	-0.6	3.9	24.4	77	Rydex Ursa	*	1.5	-0.3	-12.1
28	T.Rowe Price Media & Telecom-	*	-1.3	1.7	30.7	78	Fidelity Pharmaceuticals (.75%	*	-1.6	-3.7	0.8
29	Fidelity Industrial Equip (.75%	*	0.5	-0.6	33.5	79	ProFunds Bear Inv	*	1.6	-0.4	-12.4
30	Fidelity Insurance (.75%r<30d)	*	-0.1	4.4	18.3	80	Rydex Biotechnology	*	-2.4	-6.4	-0.6
31	Fidelity Retailing (.75%r<30d)	*	-0.5	5.3	16.2	81	Prudent Bear	*	1.6	-7.9	-3.4
32	CGM Realty	*	-2.6	3.2	24.4	82	Fidelity Gold (.75%r<30d)	*	9.7	-19.4	13.3
33	Scudder Gold (closed)	*	10.5	-18.3	57.4	83	T.Rowe Price Science & Tech	*	-5.0	-10.8	8.2
34	Fidelity Biotechnology (.75%	*	-0.5	6.5	10.9	84	Fidelity Multimedia (.75%r<30d)	*	-5.4	-9.8	3.6
35	Fidelity Home Finance (.75%	*	-0.3	2.8	19.9	85	Rydex Technology	*	-5.5	-12.7	5.9
36	Fidelity Transportation (.75%	*	1.4	3.1	14.9	86	RS Internet Age	*	-7.7	-14.3	12.2
37	Fidelity Air Transport (.75%r<30d)	*	1.2	4.3	11.4	87	Fidelity Brokerage (.75%r<30d)	*	-6.0	-10.5	0.0
38	INVESCO Utilities Inv	*	2.8	2.8	12.9	88	Fidelity Technology (.75%r<30d)	*	-4.9	-13.9	6.0
39	Fidelity Paper & Forest (.75%	*	-0.3	0.8	21.7	89	RS Information Age	*	-7.6	-14.3	10.9
40	T.Rowe Price Health Sciences	*	-2.3	4.3	13.2	90	INVESCO Technology Inv	*	-4.8	-13.5	2.8
41	Rydex Banking	*	-0.9	2.1	16.2	91	Fidelity Software (.75%r<30d)	*	-7.7	-11.7	0.2
42	Rydex Leisure	*	-3.2	2.0	18.5	92	Fidelity Electronics (.75%r<30d)	*	-7.5	-17.6	8.2
43	Rydex Utilities	*	2.3	2.2	9.7	93	Fidelity Computers (.75%r<30d)	*	-6.1	-17.2	3.9
44	Rydex Financial Services	*	-1.0	2.0	14.8	94	Royce Technology Value (2%	*	-7.4	-18.9	6.7
45	Rydex Transportation	*	0.5	2.4	11.5	95	Fidelity Networking (.75%r<30d)	*	-5.7	-17.7	0.0
46	INVESCO Gold Inv	*	11.2	-12.8	32.7	96	Rydex Electronics	*	-7.8	-24.4	-0.7
47	Fidelity Utilities Growth (.75%	*	1.3	1.6	9.8						
48	Fidelity Environmental Ser (.75%	*	-0.2	-0.1	14.0						
49	Gateway Fund	B	0.1	2.2	7.1						
50	AXARosenberg Value L/S (2%	*	1.2	3.5	1.0						

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

\* = **Not Recommended**

**BOND FUNDS  
On Next Page**

## Bond Funds — data as of 7/9/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	1.7	-1.0	-1.1	PIMCO Real Return	H	2.3	0.9	4.1
American Century Inflation Adj	B	2.3	1.7	5.4	PIMCO Total Return	H	2.0	-0.5	0.0
American Century Intl Bond	*	3.3	-2.0	10.6	PIMCO Total Return Mortgage	H	2.0	-0.3	1.0
American Century Target 2010	*	2.8	-0.5	-0.9	Safeco U.S. Government (2%	H	1.5	-1.6	-2.4
American Century Target 2015	*	4.7	-0.1	-1.0	Schwab S-T Bond Mkt Index	B	1.0	-0.8	-0.6
American Century Target 2020	*	5.9	0.0	-1.6	Scudder Global Bond S-T	*	1.9	-2.6	3.1
American Century Target 2025	*	6.6	0.2	-2.3	Scudder Income (closed)	H	1.9	-0.1	2.1
American Government Bond	H	1.3	-1.3	-1.7	Scudder Short-Term Bond	B	0.8	0.1	1.1
BBH Inflation Indexed Sec	B	2.3	2.2	5.4	Strong Corporate Bond	*	2.0	-2.9	-0.4
Buffalo High-Yield(2%r<180d)	S	0.8	1.6	8.6	Strong Govt Securities	H	1.9	-1.4	-1.2
Columbia Fixed Income Sec	H	1.4	-2.0	-1.8	Strong High Yield Bond (1%	*	1.8	-1.4	6.4
Columbia High Yield	S	1.2	-2.6	0.3	Strong S-T Bond	B	1.0	-0.6	-0.1
Columbia Income CIZ	H	2.0	-2.3	0.3	Strong S-T High Yield	*	0.9	-0.2	2.2
Columbia Intermediate Bond CIZ	H	1.7	-2.2	-0.1	T. Rowe Price Corporate Inc	*	1.9	-2.1	0.7
Columbia S-T Bond	B	0.5	-1.0	-1.0	T. Rowe Price GNMA	*	1.8	-0.9	-0.6
Dodge & Cox Income	H	1.3	-0.5	2.2	T. Rowe Price High Yld	S	1.6	-2.2	5.0
Dreyfus 100 Treasury L-T	*	3.5	-4.5	-5.9	T. Rowe Price Int'l Bond	*	2.8	-3.1	8.4
Dreyfus A Bonds Plus	*	2.0	-2.8	-1.5	T. Rowe Price New Income	*	1.8	-1.3	-0.4
Dreyfus GNMA	*	1.7	0.1	2.0	T. Rowe Price Spectrum Income	*	1.5	-1.4	4.4
Dreyfus Short-Term Income	B	0.9	-2.1	-3.0	T. Rowe Price S-T Bond	B	0.6	-1.0	-0.7
Dreyfus Strategic Income	*	1.8	-3.4	-2.6	T. Rowe Price U.S. Treas. L-T	*	3.1	-2.0	-3.6
Federated Total Return Govt	H	1.8	-1.4	-1.9	TCW Galileo High Yield Bond	S	1.8	-0.1	9.0
Federated U.S. Govt Sec. 1-3	B	0.6	-0.7	-0.7	TCW Galileo Total Return Bond	H	1.7	0.7	2.2
Fidelity Capital & Income (1%	*	2.1	-3.1	6.8	USAA Income	H	1.8	0.0	1.6
Fidelity Floating Rate High Inc(1%	B	0.3	0.5	2.9	Value Line Aggressive Inc (1%	*	1.4	0.2	5.9
Fidelity GNMA	*	1.8	-0.4	0.3	Value Line U.S. Govt Sec	H	1.5	-0.6	-0.3
Fidelity Government Income	*	1.9	-1.1	-1.0	Vanguard Bond Market	H	2.0	0.0	1.5
Fidelity High Income (1%r<90d)	S	1.2	-1.4	8.3	Vanguard GNMA	B	2.1	-0.5	-1.1
Fidelity Inflation-Protected Bond	B	2.2	1.2	4.8	Vanguard High Yield Corporate	S	1.8	0.5	7.9
Fidelity Intermediate Bond	H	1.2	-1.7	-1.1	Vanguard Inflation Protected	B	2.3	2.2	6.2
Fidelity Intermediate Govt	H	1.4	-0.4	0.2	Vanguard Intermediate Treas.	H	1.7	-2.2	-4.0
Fidelity Investment Grade	H	1.9	0.1	1.7	Vanguard Long-Term Corporate	*	3.0	-3.0	-4.4
Fidelity New Markets Income (1%	*	1.9	-7.7	4.4	Vanguard L-T Treasury	*	3.0	-2.6	-5.5
Fidelity Short-Term Bond	B	0.6	-0.8	-0.3	Vanguard Short-Term Corporate	B	0.5	-1.2	-1.4
Fidelity Strategic Income	B	2.1	-1.7	6.4	Vanguard S-T Federal	*	0.6	-1.2	-1.6
FifthThird Bond	*	1.8	-0.5	0.5	Vanguard S-T Treasury	B	0.5	-1.2	-1.4
Fremont Bond	H	1.9	-0.4	0.9	WellsFargo Montgomery S Dur	B	0.7	-0.1	0.1
Janus Flexible Income	*	1.6	-2.1	-1.2	WellsFargo Montgomery Total	H	1.9	-0.2	0.3
Janus High Yield (2%r<90d)	S	1.9	-1.7	3.3	Westcore Plus Bond (2%r<90d)	*	1.9	0.7	6.5
Janus S-T Bond	B	0.6	-0.2	1.2	WPG Core Bond	H	1.9	-0.6	0.2
Loomis Sayles Bond Retail	B	3.3	-2.2	9.9					
Managers Bond	*	2.1	-1.1	2.8					
Managers Int. Duration Govt	*	1.8	0.4	2.5					
Managers Short Duration Govt	B	0.2	0.4	1.3					
MetroWest Low Duration	B	0.4	-1.0	-0.3					
MetroWest Total Return	*	1.5	-2.1	1.1					
Northeast Investors Trust	*	1.9	4.7	14.3					
Payden Global Fixed Income	*	1.1	-0.8	-0.3					
PIMCO High Yield	S	1.9	-2.7	5.7					
PIMCO Low Duration	B	0.8	-0.4	-0.8					

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

\* = **Not Recommended**

**PORTFOLIO HOLDINGS**  
On Next Page

## Weekly Performance of ML Model Holdings — data as of 7/9/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	-0.36%	VBINX Vanguard Balanced	-0.81
AIOIX Amer. Cent Intl Opportunities	-1.55	VBMFX Vanguard Total Bond	0.00
BPTRX Baron Partners	-2.07	VIPSX Van. Inflation Protected Bond	-0.16
DODIX Dodge & Cox Income	0.00	VISVX Vanguard Small Cap Value	-2.02
FBALX Fidelity Balanced	-1.18	VIVAX Vanguard Value Index	-0.62
FBNDX Fidelity Inv Grade Bond	-0.13	VWEHX Vanguard High Yield Corp.	0.32
FCNTX Fidelity Contrafund	-1.14	VUVLX Vanguard US Value	-1.27
FEQIX Fidelity Equity-Income	-0.82	VWNFX Vanguard Windsor II	-0.36
FLVCX Fidelity Leveraged Company	-1.46		
FSTGX Fidelity Intermediate Gov't	0.00		
FSLCX Fidelity Small Cap Stock	-2.37		
FSICX Fidelity Strategic Income	0.20		
FDVLX Fidelity Value	-1.30		
FWRLX Fidelity Wireless	-1.98		
GATEX Gateway Fund	-0.21		
HENLX Henlopen Fund	-2.67		
IZZYX ICM/Isabelle SC Value	-2.24		
LSBRX Loomis Sayles Bond	0.39		
MJFOX Matthews Japan	-0.64		
RSPFX RS Partners	-0.90		
RSSGX RS Smaller Co. Growth	-3.36		
SMCDX Strong Mid Cap Disciplined	-0.62		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	-0.68
		NASDAQ	-3.01
		S&P 500	-1.12

### 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.