

MONEYLETTER HOTLINE 7/20/04

Fed Optimistic on Economy

Today it was earnings and Greenspan. The market liked both, especially Greenspan. Greenspan did not say all that much about the economy, except to assure everyone that the expansion would move on, and that in his judgment the puzzling June weakness was temporary. As important as his testimony, was a report that the Fed makes for Congress to accompany this semiannual testimony. The report includes the Fed's consensus estimates for growth and inflation over the rest of this year and next.

The Fed's forecast is for much more rapid growth than Wall Street projects, and we mean much more. We think the Fed forecast is too high, but more important is that the Fed thinks the June slowing was an aberration. And that is what the market wanted to hear. After the close, the market received another piece of excellent news from Microsoft. Mr. Softee is putting its huge cash hoard to work with a gigantic stock buyback and a special dividend. This should keep the market hopping.

There's no change in our recommended allocations.

New Fund Ratings – For domestic stock funds, two funds are now rated Buy: Neuberger Berman Genesis (closed) and Vanguard Small Cap Value Index. Two funds are now rated Hold: WPG Tudor and William Blair Small Cap Growth (closed). Four funds are now rated Sell: Buffalo Mid Cap, TCW Galileo Value Opportunities, RS Smaller Company Growth, and WellsFargo Montgomery Small Cap. There are no changes again for international stock funds.

The Economy – Housing starts dropped sharply in June. Is this a new trend or a new level, with mortgage rates higher? We think a new lower level. The weekly retail store sales surveys continue to show sluggish sales so far this month. We continue to look for good economic growth over the year ahead.

The Stock Market – The outsized strength in the Nasdaq today was surely due to short-covering. We were told that there was a great deal of short selling the past few weeks. Earnings are coming through, and we saw some response today. Skepticism has built up in the market though, and we need strong economic news to counter it. We see higher prices over the next six months.

The Bond Market – The bond market reaction to Greenspan was relatively mild. Long rates are slightly lower than we expected.

The Select Portfolio – There are no changes.

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Earnings Guidance Mixed

The earnings season so far has not been kind to stock investors. In general, but not in all cases, a negative interpretation has been put on the guidance coming from companies, particularly if they happen to be in the tech sector. What is strange is that the guidance coming from the tech sector has been mixed, with very positive statements from some of the biggies, IBM and Dell, and warnings from some of the smaller players that things are not as boomy as projected. Pessimism has built up and clearly the piling on has begun as analysts lower their ratings and cut earnings forecasts. We are in some sort of correction once again.

Meanwhile, the very thing which set off the pessimism on the Street, the poor June economic numbers, are beginning to look like the aberration we expected they might be. We have had two reports from two Fed regions saying that July manufacturing was stronger than expected. Of course, in its understandable preoccupation with earnings, the market paid no attention. If these reports are precursors of peppier subsequent reports, as we think they are, Wall Street will ultimately wake up the fact that the pessimistic scenario which now prevails is incorrect. But it will take some weeks for a change of views. Also, the market will be running into the conventions shortly. We are in a choppy period and this is going to last for a while. This is exactly the time for patience. Following our allocations now will pay dividends in the reasonably near future. The economy continues to perform well. As long as it does, stocks are the asset of choice.

There is no change in our recommended allocations.

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

The Economy – The price numbers came out late this week, and they showed inflation abating. They appear to confirm that inflation has not dug itself into the economy. This is very good news, and the bond market noticed. We continue to look for good noninflationary economic growth over the year ahead.

The Stock Market – According to *The Wall Street Journal* one very large hedge fund is either liquidating or about to liquidate. That is one reason given for the persistent selling in technology. Whether or not that is the case, we have seen the market turn negative on technology before, only to reverse itself some months later. We are in a very peculiar period. We look for a better market over the next six months.

The Select Portfolio – There is no change.

Domestic Stock Funds — data as of 7/16/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Artisan Mid Cap Value	B	1.4%	8.4%	29.4%	51	Sound Shore	H	-1.1	0.2	19.9
2	Strong Mid Cap Disciplined	B	0.7	7.8	31.8	52	Value Line Special Situations	H	-1.7	0.9	18.8
3	RS Contrarian Value	H	2.4	3.8	36.3	53	Weitz Value Fund	H	0.4	1.3	14.7
4	Third Avenue Value (1%r<60d)	B	1.6	6.6	29.5	54	Safeco Growth Opportunities	H	-1.7	0.7	18.9
5	RS Partners	B	0.6	5.4	33.6	55	Oakmark Equity&Income (2%	H	-1.8	2.2	15.2
6	Berwyn Fund (1%r<180d)	B	1.7	2.8	35.1	56	ICM/Isabelle Small Cap Value	H	-1.5	-2.4	25.5
7	Baron Partners	B	-4.6	7.9	29.4	57	Boston Ptnrs Smlcap Val	H	-1.7	-1.4	23.1
8	Royce Premier (1%r<180d)	B	-0.6	5.5	27.8	58	Loomis Sayles Value	H	-1.2	0.9	16.4
9	CRM Mid Cap Value Inv	B	-0.4	4.2	30.3	59	CRM Small Cap Value Inv	H	-1.7	-0.9	21.7
10	MainStay Small Cap Opportunity	B	1.8	1.4	33.8	60	WmBlair S-C Growth N	H	-4.2	-2.0	27.8
11	Fidelity Leveraged Co	B	0.8	0.2	35.5	61	Dreyfus New Leaders	H	-0.8	-0.4	19.0
12	Neuberger Berman Genesis	B	-0.3	5.1	24.2	62	Janus Twenty(closed)	H	-3.2	2.8	14.4
13	Janus Mid Cap Value	B	-0.1	3.4	27.2	63	Vanguard Value Index	H	-0.6	-0.3	18.0
14	CGM Focus	S	3.0	2.3	25.3	64	Strong Multi-Cap Value	H	1.8	-3.7	22.5
15	Ariel Fund	B	-0.1	5.3	21.0	65	Janus Enterprise	H	-3.2	0.9	18.3
16	Aegis Value Fund	H	2.3	3.3	22.3	66	Neuberger Berman Fasciano Inv	H	-0.6	-0.5	17.7
17	T. Rowe Price S-C Value	B	0.1	3.4	25.4	67	Wasatch Small Cap Value	H	-2.5	-2.3	24.5
18	Vanguard Small-Cap Value Index	B	1.2	2.0	26.4	68	Strong Opportunity	H	-1.6	-1.0	19.7
19	Fidelity Value	H	0.3	2.7	25.6	69	Royce Low Priced Stock (1%	S	-0.8	-2.7	22.6
20	FBR Small Cap Value A (1%	H	0.7	4.2	20.5	70	Wasatch Core Growth	H	-1.5	0.3	16.0
21	PIMCO PEA Value D	B	-0.8	1.4	28.4	71	Baron Growth	S	-3.5	1.3	16.3
22	Third Avenue Small-Cap Value	B	0.9	0.8	27.1	72	T. Rowe Price Equity-Income	S	-0.8	-0.3	16.2
23	Muhlenkamp Fund	H	0.8	1.8	24.3	73	Columbia Disciplined Value CIZ	S	-1.0	-0.2	15.8
24	T.Rowe Price Mid Cap Value	B	-0.9	1.5	26.5	74	American Century Vista	H	-3.3	-1.1	21.0
25	Mutual Beacon(1%)CIZ	H	1.4	2.6	19.7	75	Selected American Shares	S	-2.1	-0.3	17.2
26	Vanguard Windsor II	H	-0.3	2.8	21.2	76	Vanguard PRIMECAP(closed,	H	-2.2	-1.0	18.5
27	T. Rowe Price Cap Appreciation	H	1.2	2.4	19.5	77	Vanguard Mid-Cap Index	S	-1.6	-1.8	19.6
28	Royce Special Equity (1%r<180d)	H	-1.4	3.9	19.5	78	Vanguard Equity-Income	S	-0.8	-0.2	14.1
29	TCW Galileo Diversified Value N	B	-1.7	1.4	25.3	79	Vanguard Strategic Equity	S	-1.8	-2.0	20.0
30	Mutual Qualified(1%)CIZ	H	1.5	1.8	19.2	80	TCW Galileo Opportunity N	S	-0.6	-3.6	22.2
31	Mutual Shares(1%)CIZ	H	1.2	2.5	17.9	81	Dreyfus Mid Cap Index	S	-1.9	-1.4	18.3
32	Henlopen Fund (1%r<30d)	B	-1.0	-4.6	38.8	82	MSI Mid Cap Growth	S	-3.1	-0.5	17.6
33	Royce Penn Mutual(1%r<180d)	H	-0.4	0.5	24.9	83	Gabelli Asset	S	-1.5	-0.6	15.5
34	Fidelity L P Stock (closed,1.5%	H	-0.2	0.9	23.4	84	T.Rowe Price Mid Cap Growth	S	-2.3	-0.6	16.6
35	Homestead Value	H	0.3	1.9	19.4	85	Vanguard SmallCap Index	S	-1.7	-2.9	21.5
36	TCW Galileo Dividend Focused N	H	-1.5	0.9	24.4	86	Fidelity Equity-Income	H	-1.3	-1.2	16.6
37	Buffalo Small Cap(closed)	B	-4.0	1.3	26.0	87	Hussman Strategic Growth	S	-0.3	1.0	9.6
38	Baron Asset	H	-2.1	2.8	18.7	88	Salomon Brothers Opportunity	S	0.3	-1.5	14.5
39	American Century Value	H	-1.7	1.6	20.6	89	Neuberger Berman Partners	S	-1.6	-0.3	14.5
40	Longleaf Partners Smallcap	H	-0.5	0.6	21.4	90	Neuberger Berman Guardian	S	-1.7	-0.9	16.1
41	WPG Tudor	H	-1.0	0.7	21.4	91	Harbor Value	S	-1.6	-0.7	15.0
42	American Century Equity Income	H	-0.1	2.0	16.6	92	Nicholas II	S	-3.0	-0.7	17.0
43	MSI Small Cap Value(closed)	H	-0.2	0.7	20.2	93	Fidelity Focused Stock (.75%	S	-0.5	-1.0	13.9
44	Boston Partners Mid Cap Value	H	-1.4	1.0	21.0	94	C&B Mid Cap Value	S	-1.6	-2.3	18.3
45	Fidelity Contrafund	H	-0.7	1.5	18.5	95	Nicholas Fund	S	-2.1	-0.3	14.1
46	Royce Total Return (1%r<180d)	H	-0.1	1.5	17.2	96	MSI Mid Cap Value	S	-1.3	-2.3	17.9
47	Loomis Sayles Small Cap Value	H	-0.2	0.4	19.7	97	T. Rowe Price Small Cap Stock	H	-2.3	-1.6	16.8
48	MSI Value Portfolio	H	-0.4	0.7	19.0	98	Cambiar Opportunity	S	-3.3	-2.2	19.8
49	Fidelity Small Cap Stock (2%	H	-0.8	-2.0	26.0	99	Oakmark Fund (2%r<90d)	S	-1.9	-0.1	12.1
50	Dodge & Cox Stock (closed)	H	-1.0	-0.3	21.9	100	American Century Equity Growth	S	-1.8	-1.0	14.2

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

Domestic Stock Funds continued — data as of 7/16/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	ABN Amro Mid Cap	H	-4.7	-1.5	19.8	151	Fidelity Trend	S	-2.8	-2.8	11.1
102	American Century Income &	S	-2.0	-1.3	15.1	152	Fidelity Disciplined Equity	S	-2.7	-2.9	10.8
103	Artisan Small Cap	H	-3.7	-1.3	17.8	153	Strong Advisor Midcap Growth	S	-1.4	-3.2	8.9
104	Vanguard U.S. Value	H	-1.4	-2.4	17.0	154	Selected Special Shares	S	-3.6	-4.9	16.2
105	Vanguard Cap Opp (closed,	H	-3.4	-3.7	23.1	155	Northeast Investors Growth	S	-3.3	-3.3	11.8
106	Janus Special Equity	S	-2.9	-3.4	21.4	156	Bonnel Growth Fund (.25%	S	-3.2	-4.9	15.3
107	Vanguard Extended Market Index	S	-1.9	-2.9	18.7	157	American Century Ultra	S	-3.7	-2.2	9.0
108	Dreyfus Appreciation	S	-1.8	0.1	11.0	158	T. Rowe Price Growth Stock	S	-2.8	-3.3	10.2
109	Scudder Large Co Value	S	-2.0	-1.8	15.8	159	SIT Large Cap Growth (2%	S	-3.6	-2.7	9.8
110	Baron Small Cap	S	-6.3	0.1	17.3	160	Fidelity Equity-Income II	S	-1.4	-4.7	11.3
111	Vanguard Capital Value	S	-1.2	-2.8	16.8	161	Fidelity Stock Selector	S	-2.8	-3.6	10.1
112	Tweedy, Browne American Value	S	-0.9	-1.9	13.6	162	Dreyfus Fund	S	-2.3	-3.8	9.6
113	Longleaf Partners	S	-1.6	-2.6	16.2	163	Marsico Growth & Income (2%	S	-2.1	-4.0	9.9
114	Vanguard Windsor	S	-1.8	-3.1	17.4	164	Strong Advisor Common Stock	S	-2.3	-5.3	13.4
115	Fidelity Export & Multinat'l(.75%	S	-2.0	-2.0	15.2	165	Domini Social Equity Fund (2%	S	-3.5	-3.4	10.4
116	Fidelity Small Cap Ind.(1.5%	S	-1.7	-2.8	16.7	166	Legg Mason Value	S	-2.7	-4.8	12.2
117	Thompson Plumb Growth	S	-3.3	-0.6	12.6	167	Fidelity Aggressive Growth(1.5%	H	-4.4	-4.3	13.2
118	T. Rowe Price Dividend Growth	S	-1.7	-1.5	12.0	168	Safeco Equity	S	-3.1	-3.0	7.8
119	Preferred Value	S	-1.1	-2.7	13.8	169	Scudder Growth & Income	S	-3.2	-4.2	10.6
120	Royce Opportunity (closed,1%	H	-2.8	-7.2	27.5	170	Janus Growth & Income	S	-2.7	-4.2	9.8
121	Vanguard Convertible Securities	S	0.1	-3.7	14.4	171	Scudder Capital Growth AARP	S	-3.8	-3.3	8.6
122	Vanguard Growth & Income	S	-2.6	-1.9	13.7	172	Westport Small Cap R	S	-3.4	-5.3	12.9
123	Salomon Brothers Investors	S	-1.4	-3.2	14.8	173	Artisan Midcap(closed)	S	-4.0	-5.7	14.8
124	T. Rowe Price Growth & Income	S	-1.5	-2.6	13.4	174	Columbia Common Stock	S	-3.2	-4.4	10.1
125	T. Rowe Price New Horizons	S	-3.4	-3.4	18.0	175	Legg Mason Opportunity Trust	S	-4.3	-6.4	16.4
126	American Century Select	S	-1.5	-1.4	10.0	176	Fidelity Magellan (closed)	S	-3.6	-3.7	8.1
127	Ariel Appreciation	S	-2.6	-2.5	14.2	177	PBHG Small Cap Value	S	-3.6	-6.4	14.8
128	Legg Mason Special Investment	S	-2.7	-4.0	17.6	178	Needham Small Cap Growth	S	-5.4	-8.1	21.3
129	Century Select Small Cap (1%	S	-1.7	-5.6	19.8	179	Bogle Small Cap Growth(closed)	S	-2.4	-9.3	19.8
130	Vanguard Total Stk Mkt	S	-2.5	-2.7	13.7	180	RS MidCap Opportunities	S	-3.4	-7.0	15.4
131	Columbia Asset Allocation ClZ	S	-0.9	-1.9	8.9	181	RS Smaller Company Growth	S	-3.9	-8.3	19.4
132	Meridian Fund	S	-3.4	-5.0	20.4	182	Dreyfus Growth & Income	S	-2.8	-5.1	9.3
133	Buffalo Mid Cap	S	-4.4	-3.4	17.7	183	Strong Discovery	S	-4.5	-7.1	16.8
134	Yacktman Fund	S	-1.3	-2.5	10.5	184	Dreyfus Growth Opportunity (2%	S	-2.7	-4.9	8.4
135	TCW Galileo Value Opportunities	S	-4.4	-5.0	21.1	185	USAA Aggressive Growth	S	-2.5	-4.6	7.1
136	Fidelity Fund	S	-2.8	-2.5	12.4	186	USAA Capital Growth	S	-3.8	-8.3	17.9
137	Clipper Fund	S	0.3	-2.9	8.9	187	Dreyfus-Founders Discovery	S	-4.1	-7.0	13.9
138	T. Rowe Price New America	S	-3.4	-2.0	12.2	188	Vanguard Small Cap Growth	S	-4.6	-7.8	16.4
139	Vanguard 500 Index	S	-2.7	-2.6	12.5	189	UMB Scout Stock	S	-3.1	-4.8	6.5
140	Fidelity Spartan 500 Index (.5%	S	-2.7	-2.6	12.5	190	Fidelity Independence	S	-2.5	-5.4	7.1
141	Fidelity Capital Appreciation	S	-2.9	-4.3	16.9	191	Fidelity Blue Chip Growth	S	-3.9	-4.8	7.5
142	Schwab 1000 Fund (.75%r<180d)	S	-2.7	-2.8	12.2	192	Strong Growth	S	-4.5	-4.7	8.1
143	Federated Kaufmann Fund(0.2%)	S	-3.3	-3.1	14.0	193	Vanguard/Morgan Growth	S	-4.5	-5.4	9.7
144	Fidelity Convertible Securities	S	-0.9	-3.3	10.9	194	Janus Olympus	S	-3.6	-6.4	10.6
145	Fidelity Growth & Income	S	-2.3	-1.7	8.8	195	Oakmark Small Cap (2%r<90d)	S	-4.0	-6.5	11.5
146	Oakmark Select(closed) (2%	S	-1.9	-2.3	9.6	196	CS Warburg Pincus Emerging	S	-4.8	-7.3	14.5
147	Neuberger Berman Manhattan	S	-2.4	-2.7	11.4	197	Janus Mercury	S	-3.1	-6.7	10.6
148	SIT Mid Cap Growth (2%r<30d)	S	-3.7	-3.1	14.3	198	Dreyfus Premier Third Century	S	-4.1	-5.4	8.5
149	Marsico 21st Century (2%r<30d)	S	-2.3	-4.5	15.4	199	RS Value+Growth	S	-3.8	-7.4	12.9
150	USAA Growth & Income	S	-2.9	-3.1	12.5	200	American Century Growth	S	-2.8	-6.0	7.7

DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 7/16/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	American Century Heritage	S	-3.4	-6.1	8.9	251	Pin Oak Aggressive Stock	S	-8.6	-18.3	12.3
202	Janus Venture (closed)	S	-7.2	-6.9	16.3	252	Oberweis Emerging Growth (1%)	S	-7.2	-17.9	4.3
203	Janus Fund	S	-3.5	-6.8	10.5	253	Neuberger Berman Focus	S	-9.7	-18.0	3.8
204	Vanguard Growth Index	S	-4.6	-5.0	7.5	254	Undiscovered Small Cap Growth	S	-10.3	-22.0	5.3
205	Strong Growth 20	S	-3.8	-5.5	7.5	255	PBHG Emerging Growth	S	-7.7	-22.1	-2.7
206	Fidelity Dividend Growth	S	-4.2	-4.6	5.4	256	Van Wagoner Emerging Growth	S	-14.4	-35.5	-17.4
207	Harbor Capital Appreciation	S	-4.6	-5.7	7.9						
208	WellsFargo Montgomery Small	S	-6.4	-7.3	14.7						
209	INVESCO Dynamics	S	-4.4	-7.5	12.1						
210	TCW Galileo Select Equity	S	-5.5	-6.0	10.0						
211	Fidelity Large Cap Stock	S	-3.7	-6.3	7.9						
212	Vanguard Explorer	S	-4.4	-8.4	13.9						
213	Gabelli Growth	S	-3.4	-6.4	7.4						
214	Marsico Focus (2%r<30d)	S	-2.3	-6.4	5.5						
215	Strong Large Cap Growth	S	-3.9	-5.2	4.8						
216	Fidelity Growth & Income II	S	-3.4	-5.1	3.6						
217	CS Warburg Pincus Capital Ap-	S	-4.5	-5.7	6.8						
218	Bridgeway Aggressive Investors 2	S	-3.2	-7.7	9.6						
219	Columbia Growth	S	-4.3	-5.5	5.6						
220	Scudder Large Company Growth	S	-4.5	-5.7	6.4						
221	Preferred Growth	S	-4.6	-6.0	7.2						
222	Fidelity Mid-Cap Stock (.75%	S	-3.5	-7.5	9.3						
223	USAA Growth	S	-4.1	-5.6	5.1						
224	Wasatch Small Cap Grth	S	-3.6	-6.7	6.6						
225	Columbia Small Company Equity	S	-4.9	-9.1	13.8						
226	Columbia Large Cap Growth ClZ	S	-4.3	-5.8	4.4						
227	Fidelity Growth Company	S	-5.7	-7.3	9.7						
228	INVESCO Core Equity	S	-3.7	-7.1	4.5						
229	William Blair Growth (1%r<60d)	S	-4.0	-7.0	3.5						
230	Value Line Leveraged Growth	S	-3.2	-6.6	0.7						
231	Vanguard U.S. Growth	S	-5.6	-7.7	6.0						
232	Value Line Fund	S	-3.1	-7.1	0.5						
233	WPG Large Cap Growth	S	-5.9	-7.7	6.1						
234	Matrix Advisors Value (.75%	S	-5.8	-9.3	9.9						
235	Fidelity Fifty (.75%r<30d)	S	-2.9	-7.7	1.5						
236	Turner Mid Cap Growth	S	-5.6	-10.4	9.7						
237	Vanguard Growth Equity	S	-5.6	-9.6	6.7						
238	INVESCO Small Company	S	-4.6	-11.0	6.5						
239	Fidelity New Millennium (closed)	S	-2.9	-13.2	8.2						
240	RS Emerging Growth(closed)	S	-5.7	-12.3	8.1						
241	Fidelity OTC Portfolio	S	-5.9	-11.9	6.9						
242	SIT Small Cap Growth (2%r<30d)	S	-3.9	-11.6	2.5						
243	Needham Growth Fund (.75%	S	-6.7	-13.6	8.3						
244	RS Diversified Growth (closed)	S	-5.0	-14.8	8.6						
245	Columbia Special	S	-5.2	-12.2	2.2						
246	PBHG Growth	S	-6.8	-11.4	1.8						
247	Undiscovered Behavioral Growth	S	-5.5	-13.9	5.8						
248	Scudder Development (closed)	S	-5.0	-13.1	2.2						
249	TCW Galileo Small Cap Growth	S	-8.1	-14.9	8.0						
250	TCW Galileo Aggressive Growth	S	-7.9	-13.8	3.6						

PRI Financial Advisors Inc.

*The "MONEYLETTER Managed Account Program"*¹

Portfolio Management Services

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INTERNATIONAL STOCK FUNDS
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International Stock Funds — data as of 7/16/04

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	0.9%	13.6%	54.5%	51	Columbia International Stock	S	-0.7	-2.5	20.9
2	T. Rowe Price Japan	H	1.6	13.5	49.1	52	Columbia Intl Equity CIZ	S	-0.8	-2.7	20.8
3	Fidelity Intl Small Cap (2%r<90d)	H	2.4	6.7	51.8	53	Janus Overseas(closed,2%	S	1.3	-5.2	23.0
4	Amer.Cent.Intl Opportunity (2%	H	2.1	6.2	51.2	54	Loomis Sayles International	S	-0.2	-4.1	22.7
5	Artisan Intl Value (2%r<90d)	H	1.7	9.1	42.3	55	Driehaus Int'l Discovery (2%	S	1.3	-6.1	24.1
6	Dodge&Cox Intl. Stock	H	3.6	7.1	43.2	56	Scudder Greater Europe (2%	S	-0.7	-3.6	20.8
7	T.Rowe Price Intl Disc. (2%r<1yr)	H	3.0	5.9	44.3	57	Scudder Global	S	0.7	-3.0	17.2
8	Oakmark Intl Small Cap	H	2.9	5.7	45.1	58	Fidelity Overseas (1%r<30d)	S	-0.8	-4.7	22.7
9	Vanguard Intl Explorer	H	2.6	6.8	40.7	59	SIT International Growth (2%	S	-0.5	-3.6	17.3
10	Wasatch International Growth	H	0.4	4.8	35.9	60	Fidelity Worldwide (1%r<30d)	S	-1.3	-4.1	17.4
11	Tweedy, Browne Global Value	H	-0.2	5.9	29.3	61	American Century Global	S	-2.2	-4.4	17.4
12	Artisan Intl Small Cap(closed,2%	H	1.8	1.8	35.3	62	Fidelity Emerging Mkts (1.5%	S	2.9	-8.8	20.6
13	Fidelity Latin Amer.(1.5%<90d)	H	6.7	-2.7	38.3	63	Matthews Pacific Tiger (2%	S	0.2	-8.0	22.0
14	Vanguard Pacific Stock Index (2%	H	0.5	3.9	30.5	64	Scudder Pacific Opportunity (2%	S	0.6	-8.9	16.2
15	Fidelity Japan(1.5%<90d)	H	-1.3	4.6	29.5	65	T. Rowe Price New Asia	S	0.9	-10.5	18.2
16	Japan Fund (Scudder) (2%	H	-2.5	1.8	36.9	66	Fidelity Aggressive Intl. (1%	S	-1.6	-6.9	12.4
17	Longleaf Partners International	H	-0.5	5.3	22.6	67	Janus Worldwide (2%r<90d)	S	-0.6	-7.3	8.6
18	Julius Baer Intl Equity A (2%	H	1.9	0.9	29.4	68	Fidelity SE Asia (1.5%r<90d)	S	1.5	-13.4	16.0
19	Preferred International	H	0.6	1.2	29.6						
20	T.Rowe Price Latin America (2%	H	5.8	-3.2	32.8						
21	Fidelity Diversified Intl (1%r<30d)	H	0.6	1.5	28.7						
22	Oakmark International (2%r<90d)	H	0.2	1.7	28.7						
23	Fidelity Europe (1%r<30d)	H	1.3	-0.5	32.1						
24	USAA International	H	0.8	2.1	26.3						
25	Vanguard European Stock Index	H	0.3	0.9	28.6						
26	USAA World Growth	H	0.3	3.3	22.4						
27	Gabelli Intl Growth (2%r<60d)	H	0.3	0.4	29.4						
28	Schwab International Index (1.5%	S	0.5	1.2	25.9						
29	Harbor International (2%r<60d)	S	1.1	0.1	27.6						
30	Vanguard International Value (2%	H	0.6	0.2	27.7						
31	Matthews Asia G & I (closed,2%	H	1.0	1.1	24.8						
32	Fidelity International G & I (1%	H	0.2	-0.9	28.7						
33	CS Warburg Pincus Japan Grth	S	-0.7	0.7	24.3						
34	Vanguard International Growth	S	0.4	0.1	24.0						
35	Dreyfus Emerging Market(1%r)	S	2.9	-2.6	26.5						
36	Wm. Blair Intl Growth N	S	0.5	-0.9	25.4						
37	Artisan International (2%r<90d)	S	0.3	-0.7	24.9						
38	T. Rowe Price European	S	-0.3	-1.3	24.9						
39	Fidelity Pacific Basin (1.5%r<90d)	S	0.2	-0.9	22.1						
40	Oakmark Global (2%r<90d)	S	-2.5	-0.5	25.0						
41	Scudder Latin America	S	5.4	-5.9	26.3						
42	Guinness China & Hong Kong	S	2.9	-4.1	25.6						
43	Scudder Global Discovery(closed)	S	-1.1	-2.3	24.8						
44	Driehaus Emerging Mkts Gr (2%	S	4.2	-6.4	25.7						
45	Fidelity Global Balanced (1%	S	-0.3	-1.0	18.7						
46	T. Rowe Price Intl Stock	S	-0.6	-1.6	20.5						
47	Scudder International (2%r<180d)	S	-0.1	-1.6	19.3						
48	Vanguard Emerging Mkts Stk	S	3.4	-6.1	25.1						
49	Fidelity Europe Capital App. (1%	S	-0.4	-4.2	25.4						
50	American Century Intl Growth (2%	S	0.0	-2.1	18.6						

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

**Wednesday
July 28, 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 7/16/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	INVESCO Energy Inv	*	7.2%	22.4%	46.2%	51	T.Rowe Price Health Sciences	*	-3.7	0.1	12.5
2	Fidelity Natural Gas (.75%r<30d)	*	7.6	20.6	47.0	52	Vanguard Health Care	*	-3.4	-0.4	12.5
3	Vanguard Energy (1%r<1yr)	*	5.9	18.7	46.1	53	Fidelity Balanced	B	-0.4	-2.6	12.4
4	Rydex Energy	*	6.2	17.5	42.2	54	Fidelity Environmental Ser (.75%	*	-1.9	-2.5	14.3
5	Fidelity Energy (.75%r<30d)	*	6.1	17.2	40.3	55	Vanguard Balanced Index	B	-0.7	-1.6	9.3
6	Rydex Energy Services	*	7.4	18.7	32.3	56	Fidelity Air Transport (.75%	*	-1.4	-1.1	9.0
7	Fidelity Energy Services (.75%	*	8.0	18.0	31.7	57	Fidelity Leisure (.75%r<30d)	*	-3.8	-2.1	14.2
8	T. Rowe Price New Era	*	7.2	12.9	42.6	58	Fidelity Banking (.75%r<30d)	*	-0.8	-2.8	11.0
9	Fidelity Natrl Resources (.75%	*	5.7	12.6	39.0	59	Fidelity Biotechnology (.75%	*	-4.3	1.1	6.2
10	Cohen & Steers Realty Shares	*	6.1	10.6	34.3	60	Fidelity Health Care (.75%r<30d)	*	-3.3	0.2	5.5
11	Fidelity Med Del (.75%r<30d)	*	3.9	6.9	41.3	61	Prudent Bear	*	4.5	-2.3	-1.1
12	T.Rowe Price Real Estate (1%	*	5.6	11.1	27.6	62	Fidelity Gold (.75%r<30d)	*	10.1	-13.1	16.9
13	Fidelity Real Estate (.75%r<90d)	*	6.1	9.0	27.0	63	Fidelity Finl Serv (.75%r<30d)	*	-1.7	-3.9	10.9
14	Alpine U.S. Real Estate Equity	*	2.3	7.5	35.3	64	Rydex Ursa	*	2.9	2.4	-11.9
15	Fidelity Chemicals (.75%r<30d)	*	4.7	6.0	34.7	65	Merger Fund (closed,2%r<30d)	*	-1.8	-1.1	3.8
16	Fidelity Indust Matrln (.75%r<30d)	*	6.6	0.7	41.1	66	ProFunds Bear Inv	*	2.8	2.2	-12.2
17	Vanguard REIT Index (1%r<1yr)	*	5.4	7.9	24.8	67	Fidelity Bus Services (.75%	*	-4.1	-2.8	10.0
18	Fidelity Wireless (.75%r<30d)	*	-1.4	3.7	45.5	68	Rydex Health Care	*	-4.2	-2.6	9.7
19	Cohen & Steers Equity Income	*	5.0	7.7	25.1	69	INVESCO Leisure Inv	*	-3.7	-4.2	10.9
20	Rydex Basic Materials	*	4.0	4.8	33.3	70	INVESCO Health Sciences Inv	*	-3.8	-3.2	8.1
21	CGM Realty	*	2.0	6.0	33.1	71	Rydex Juno	*	-4.6	0.4	-3.4
22	Scudder Gold (closed)	*	10.1	-11.9	59.5	72	Fidelity Telecomm (.75%r<30d)	*	-1.9	-8.2	12.4
23	Fidelity Cyclical Ind (.75%r<30d)	*	1.8	3.0	34.0	73	Fidelity Automotive (.75%r<30d)	*	-2.4	-9.1	15.5
24	Stratton Mthly Div REIT (1.5%	*	4.9	5.2	19.8	74	INVESCO Financial Serv Inv	*	-3.2	-5.8	7.7
25	Fidelity Defense & Aero (.75%	*	1.8	2.1	31.8	75	Rydex Retailing	*	-7.0	-3.4	7.5
26	Fidelity Const & Housing (.75%	*	1.1	3.9	27.7	76	Fidelity Consumer Ind (.75%	*	-4.6	-4.7	5.9
27	Fidelity Food & Agr (.75%r<30d)	*	-0.4	7.2	18.9	77	T.Rowe Price Financial Services	*	-2.8	-7.3	9.1
28	INVESCO Gold Inv	*	10.3	-5.8	34.9	78	Fidelity Pharmaceuticals (.75%	*	-5.8	-6.3	-0.2
29	INVESCO Utilities Inv	*	3.3	4.8	18.7	79	Rydex Telecommunications	*	-4.3	-13.5	12.4
30	Vanguard Precious Metals	*	9.1	-6.6	37.3	80	Rydex Internet	*	-8.4	-14.7	16.1
31	Rydex Consumer Products	*	-1.8	6.9	19.4	81	Fidelity Developing Comm (.75%	*	-5.2	-19.4	21.9
32	U.S.Global Gold Shares (.25%	*	8.1	-10.4	47.3	82	Fidelity Multimedia (.75%r<30d)	*	-6.3	-12.1	2.4
33	Fidelity Paper & Forest (.75%	*	0.9	1.7	27.6	83	Rydex Biotechnology	*	-5.5	-10.9	-2.0
34	Rydex Utilities	*	3.0	3.6	16.5	84	T.Rowe Price Science & Tech	*	-9.0	-16.4	3.6
35	T.Rowe Price Media & Telecom-	*	-1.3	0.6	29.5	85	Fidelity Brokerage (.75%r<30d)	*	-6.3	-16.3	-2.8
36	Fidelity Home Finance (.75%	*	1.3	1.9	21.0	86	Fidelity Software (.75%r<30d)	*	-9.6	-15.5	-2.3
37	Fidelity Medical Equip (.75%	*	-3.2	4.4	19.9	87	Rydex Technology	*	-10.0	-20.0	2.7
38	Fidelity Utilities Growth (.75%	*	1.3	2.4	14.7	88	INVESCO Technology Inv	*	-8.7	-20.1	-0.4
39	Amer. Cent. Global Gold (1%	*	9.6	-8.6	28.7	89	Fidelity Technology (.75%r<30d)	*	-9.9	-21.6	1.0
40	Fidelity Insurance (.75%r<30d)	*	-0.2	1.1	18.4	90	RS Internet Age	*	-12.5	-22.7	5.9
41	Fidelity Industrial Equip (.75%	*	-1.5	-3.9	32.5	91	RS Information Age	*	-12.2	-22.8	4.9
42	Rydex Banking	*	0.6	0.9	16.3	92	Fidelity Computers (.75%r<30d)	*	-10.5	-24.6	-1.6
43	Rydex Precious Metals	*	9.5	-9.2	28.1	93	Fidelity Electronics (.75%r<30d)	*	-13.1	-27.0	-0.5
44	Rydex Leisure	*	-2.1	0.1	19.9	94	Fidelity Networking (.75%r<30d)	*	-11.2	-27.9	-4.3
45	Fidelity Retailing (.75%r<30d)	*	-3.2	2.4	14.7	95	Royce Technology Value (2%	*	-14.5	-27.7	-1.5
46	Fidelity Transportation (.75%	*	-0.5	1.1	13.3	96	Rydex Electronics	*	-15.0	-33.3	-9.7
47	AXARosenberg Value L/S (2%	*	2.1	3.2	2.6						
48	Rydex Financial Services	*	-0.6	-1.1	14.0						
49	Gateway Fund	B	-0.7	1.4	6.4						
50	Rydex Transportation	*	-1.5	-0.1	9.9						

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

* = **Not Recommended**

**BOND FUNDS
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Bond Funds — data as of 7/16/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	1.5	-0.7	-0.4	PIMCO Real Return	H	2.1	0.6	4.8
American Century Inflation Adj	B	2.1	1.3	6.2	PIMCO Total Return	H	2.1	-0.3	1.0
American Century Intl Bond	*	4.2	1.5	12.9	PIMCO Total Return Mortgage	H	2.0	0.1	1.6
American Century Target 2010	*	2.8	-0.5	1.6	Safeco U.S. Government (2%	H	1.5	-1.4	-1.3
American Century Target 2015	*	4.6	0.0	3.5	Schwab S-T Bond Mkt Index	B	1.1	-0.8	-0.1
American Century Target 2020	*	5.8	-0.1	4.2	Scudder Global Bond S-T	*	2.3	-1.1	4.3
American Century Target 2025	*	6.7	0.0	4.4	Scudder Income (closed)	H	2.1	0.3	3.5
American Government Bond	H	1.4	-1.1	-0.8	Scudder Short-Term Bond	B	1.0	0.3	1.5
BBH Inflation Indexed Sec	B	2.5	2.2	6.5	Strong Corporate Bond	*	2.4	-2.5	1.4
Buffalo High-Yield(2%r<180d)	*	1.0	1.5	8.8	Strong Govt Securities	H	1.9	-1.4	-0.1
Columbia Fixed Income Sec	H	1.5	-1.8	-0.6	Strong High Yield Bond (1%	*	2.1	-1.2	6.7
Columbia High Yield	*	2.0	-2.2	1.2	Strong S-T Bond	B	1.0	-0.5	0.3
Columbia Income CIZ	H	2.2	-2.2	1.4	Strong S-T High Yield	*	1.0	-0.1	2.5
Columbia Intermediate Bond CIZ	H	2.0	-2.0	0.9	T. Rowe Price Corporate Inc	*	2.3	-1.9	2.3
Columbia S-T Bond	B	0.6	-0.8	-0.5	T. Rowe Price GNMA	*	1.8	-0.8	0.2
Dodge & Cox Income	H	1.6	-0.2	3.1	T. Rowe Price High Yld	*	2.1	-2.1	5.2
Dreyfus 100 Treasury L-T	*	3.6	-4.3	-4.8	T. Rowe Price Int'l Bond	*	3.8	-0.3	10.1
Dreyfus A Bonds Plus	*	2.3	-2.6	-0.3	T. Rowe Price New Income	*	1.9	-1.1	0.7
Dreyfus GNMA	*	1.6	0.4	3.1	T. Rowe Price Spectrum Income	*	1.8	-1.0	5.4
Dreyfus Short-Term Income	B	0.9	-1.9	-2.7	T. Rowe Price S-T Bond	B	0.6	-0.8	-0.5
Dreyfus Strategic Income	*	2.0	-2.9	-1.4	T. Rowe Price U.S. Treas. L-T	*	3.3	-1.9	-1.0
Federated Total Return Govt	H	2.0	-1.2	-0.3	TCW Galileo High Yield Bond	*	2.4	0.1	9.3
Federated U.S. Govt Sec. 1-3	B	0.6	-0.6	-0.6	TCW Galileo Total Return Bond	H	1.8	0.7	2.6
Fidelity Capital & Income (1%	*	2.3	-3.1	7.2	USAA Income	H	2.0	0.2	3.0
Fidelity Floating Rate High Inc(1%	B	0.3	0.5	2.9	Value Line Aggressive Inc (1%	*	1.6	0.0	6.1
Fidelity GNMA	*	1.7	-0.1	0.7	Value Line U.S. Govt Sec	H	1.6	-0.4	0.8
Fidelity Government Income	*	1.9	-1.1	0.2	Vanguard Bond Market	H	2.2	0.2	2.8
Fidelity High Income (1%r<90d)	*	1.3	-1.5	8.4	Vanguard GNMA	B	2.0	-0.2	-0.1
Fidelity Inflation-Protected Bond	B	2.3	1.2	5.9	Vanguard High Yield Corporate	*	2.2	0.7	8.4
Fidelity Intermediate Bond	H	1.4	-1.4	0.0	Vanguard Inflation Protected	B	2.2	2.0	7.1
Fidelity Intermediate Govt	H	1.5	-0.1	1.2	Vanguard Intermediate Treas.	H	1.8	-1.9	-2.6
Fidelity Investment Grade	H	2.2	0.3	3.0	Vanguard Long-Term Corporate	*	3.3	-2.8	-1.1
Fidelity New Markets Income (1%	*	4.1	-4.8	7.1	Vanguard L-T Treasury	*	3.3	-2.4	-2.4
Fidelity Short-Term Bond	B	0.7	-0.7	0.2	Vanguard Short-Term Corporate	B	0.6	-1.2	-1.2
Fidelity Strategic Income	B	2.6	-0.7	7.6	Vanguard S-T Federal	*	0.7	-1.2	-1.2
FifthThird Bond	*	2.0	-0.2	1.8	Vanguard S-T Treasury	B	0.6	-1.0	-1.0
Fremont Bond	H	2.2	-0.1	2.0	WellsFargo Montgomery S Dur	B	0.8	0.0	0.5
Janus Flexible Income	*	1.9	-2.0	0.0	WellsFargo Montgomery Total	H	2.0	0.0	1.5
Janus High Yield (2%r<90d)	*	2.3	-1.5	3.8	Westcore Plus Bond (2%r<90d)	*	2.2	1.0	7.7
Janus S-T Bond	B	0.6	-0.2	1.6	WPG Core Bond	H	2.1	-0.4	1.3
Loomis Sayles Bond Retail	B	4.3	-0.8	12.0					
Managers Bond	*	2.4	-0.8	4.3					
Managers Int. Duration Govt	*	1.9	0.7	3.1					
Managers Short Duration Govt	B	0.3	0.6	1.3					
MetroWest Low Duration	B	0.9	-0.9	0.1					
MetroWest Total Return	*	2.2	-1.7	2.3					
Northeast Investors Trust	*	2.2	4.4	14.6					
Payden Global Fixed Income	*	1.3	-0.7	0.5					
PIMCO High Yield	*	2.6	-2.2	6.6					
PIMCO Low Duration	B	0.9	-0.3	-0.4					

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

* = **Not Recommended**

PORTFOLIO HOLDINGS
On Next Page

Weekly Performance of ML Model Holdings — data as of 7/16/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	0.18%	VBINX Vanguard Balanced	-0.44
AIOIX Amer. Cent Intl Opportunities	-1.80	VWEHX Vanguard High Yield Corp.	0.48
BPTRX Baron Partners	-1.60	VIPSX Van. Inflation Protected Bond	0.33
DODIX Dodge & Cox Income	0.55	VISVX Vanguard Small Cap Value	-0.08
FBALX Fidelity Balanced	-0.54	VBMFX Vanguard Total Bond	0.39
FCNTX Fidelity Contrafund	-0.78	VIVAX Vanguard Value Index	-0.26
FEQIX Fidelity Equity-Income	-0.63	VUVLX Vanguard US Value	-0.24
FSTGX Fidelity Intermediate Gov't	0.29	VWNFX Vanguard Windsor II	-0.18
FBNDX Fidelity Inv Grade Bond	0.54		
FLVCX Fidelity Leveraged Company	0.25		
FSLCX Fidelity Small Cap Stock	-0.77		
FSICX Fidelity Strategic Income	0.59		
FDVLX Fidelity Value	-0.03		
FWRLX Fidelity Wireless	-2.62		
GATEX Gateway Fund	-0.51		
HENLX Henlopen Fund	-0.75		
IZZYX ICM/Isabelle SC Value	-2.36		
LSBRX Loomis Sayles Bond	0.85		
MJFOX Matthews Japan	-1.48		
RSPFX RS Partners	0.20		
RSSGX RS Smaller Co. Growth	-1.57		
SMCDX Strong Mid Cap Disciplined	0.29		
		Indices	
		DOW JONES INDUSTRIALS	-0.72%
		NASDAQ	-3.25
		S&P 500	-1.03

Editorial Questions?

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