

# MONEYLETTER *Plus*

September 2, 2004

Volume 8, Issue 36

Hotline # (410) 528-1804

## MONEYLETTER HOTLINE 8/31/04

### L...o...n...g Weekend

The month-end markup party took place today and the market managed to end in the green, although the economic background would suggest the opposite. This is a peculiar week. The Republican Convention has given Wall Street a good excuse to turn the Labor Day weekend into the Labor Day week. We are told that skeleton crews are manning the desks of the Street. Correspondingly, volume has been low this week. A low volume market lends itself to moves that have no force behind them and indicate very little about the underlying trend of the market. We see today's action in that light.

The economic news today was more of the same. The "soft patch" keeps being extended. The news is not downright bad. The economy is moving ahead, but it appears to have lost its zip. Blame it on oil. In a word, we are suffering from the hangover caused by oil prices zooming to \$50 per barrel. Prices have come down but the hangover will take some time to work through. We remain comfortable with our new cautious stance. We view our position now as one of cautious optimism.

There's no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, three funds are now rated buy: Vanguard Windsor II, Homestead Value and American Century Equity Income. One fund is now rated sell: Fidelity Small Cap Stock. There are no changes for international stock funds.

Fidelity Small Cap Stock is in the Fidelity family Venturesome and Moderate portfolios. We will sell the fund and switch into Fidelity Export and Multinational.

**The Economy** – The Chicago Purchasing Managers just confirmed what the New York and Philadelphia Fed surveys told us, manufacturing is still growing but considerably slower than before. As growth slows so does confidence, and consumer confidence dropped sharply, but is still high. The weekly retail surveys say August was sluggish. We still see growth picking up but not until late this year.

**The Stock Market** – Market interest rates have fallen as the economy slowing continues. Even allowing for some profit slippage, stocks are markedly undervalued. As the economy revives later this year, stocks will regain their attraction. Caution is called for until then.

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

## MONEYLETTER HOTLINE 8/27/04

### Oil Eases

On the surface, today's GDP report is positive, and the markets reacted accordingly. The Dow, S&P 500, and NASDAQ were all up between two-tenths and five-tenths of one percent today. But while the GDP number was slightly better than expected, upon closer inspection we think the report highlights the fact the economy has clearly slowed. Yes, the consumer component of GDP was above expectations, but business spending has not picked up the slack as many had hoped. The key question right now is will the economy pick up from here?

Another item on the positive side of the ledger is the decline in oil prices. After testing the \$50 per barrel barrier, oil prices have declined by about 15% over the last five days. Many analysts expect the trend to continue next week. According to one oil consultant, prices are slowly on their way to the mid-30s. This would be a huge boost for consumers that have been pinched by oil. We look for a better market over the six months ahead. But given the questions surrounding a third and fourth quarter economic pickup, we feel comfortable with our cautious, but optimistic view.

There is no change in our recommended allocations.

**Fund Ratings** – There are no ratings changes this week.

**The Economy** – Gross domestic product grew at a 2.8 percent annual rate in the second quarter, after a 4.5 percent first quarter. Of that 2.8 percent, a relatively large portion was due to inventory spending – a temporary boost. It looks like the third quarter is headed for sub-3% growth too, given what we know now. Durable goods new orders were disappointing, and have been for a few months. We think things will pick up later this year. How strongly that will be is open to debate.

**The Stock Market** – The S&P 500 enjoyed its third consecutive weekly gain. However, questions about the economy beget questions of corporate profits. We need to see increased business spending and continued confidence among consumers before we can feel better about outlook for profits. Today's action could hardly be considered a stampede, as volume was extremely light. Thin trading should continue next week as the Republican convention kicks off in New York, with many traders heading out of town. We still see stocks moving higher over the intermediate term, but the remaining months of 2004 are not a slam dunk.

**The Select Portfolio** – All Select investors should sell American Century International Opportunities. Invest the proceeds in Cohen & Steers Realty Shares.

## Domestic Stock Funds — data as of 8/27/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Berwyn Fund (1%r<180d)	B	2.0%	2.2%	35.2%	51	Vanguard PRIMECAP(closed,	H	1.8	-1.8	16.1
2	Third Avenue Value (1%r<60d)	B	2.3	5.1	25.5	52	Fidelity Export & Multinat'l(.75%	H	2.2	-2.1	15.5
3	FBR Small Cap (1%r<90d)	B	2.7	5.0	20.8	53	Neuberger Berman Fasciano Inv	H	0.3	-0.7	14.7
4	RS Partners (closed)	B	3.5	1.3	27.4	54	Neuberger Berman Guardian	H	1.9	-1.6	14.0
5	Strong Mid Cap Disciplined	B	2.0	3.0	24.0	55	Baron Asset	S	-0.1	-1.1	15.7
6	Artisan Mid Cap Value	B	1.0	2.7	25.6	56	MSI Small Cap Value(closed)	H	1.0	-1.8	15.8
7	Baron Partners	H	1.8	0.4	28.6	57	Oakmark Fund (2%r<90d)	H	0.9	-0.9	13.5
8	Ariel Fund	B	2.9	3.2	19.7	58	Selected American Shares	H	1.7	-3.2	18.1
9	PIMCO PEA Value D	B	2.6	0.4	26.3	59	Longleaf Partners Smallcap	H	-1.2	-1.6	17.9
10	Vanguard Small-Cap Value Index	B	2.7	0.6	23.8	60	Dodge & Cox Stock (closed)	H	0.7	-2.9	17.6
11	CRM Mid Cap Value Inv	B	1.3	0.2	24.8	61	American Century Equity Growth	H	0.6	-1.9	15.3
12	T. Rowe Price S-C Value	B	1.1	1.7	21.3	62	WPG Tudor	H	1.0	-3.6	18.4
13	Third Avenue Small-Cap Value	B	1.1	0.8	22.9	63	Vanguard Windsor	H	1.4	-3.3	16.8
14	Vanguard Windsor II	B	1.8	0.5	21.7	64	Vanguard Growth & Income	H	1.3	-2.4	14.6
15	MainStay Small Cap Opportunity	B	0.2	-2.1	30.3	65	T. Rowe Price Dividend Growth	S	1.7	-2.0	12.7
16	American Century Equity Income	B	2.2	2.0	16.9	66	Fidelity Contrafund	H	0.6	-1.7	13.4
17	Homestead Value	B	1.3	1.8	18.8	67	Fidelity Leveraged Co	H	-1.6	-6.0	27.4
18	Royce Premier (1%r<180d)	B	0.3	2.1	19.1	68	Ariel Appreciation	S	2.1	-2.4	12.8
19	RS Contrarian Value	B	2.9	-1.4	23.4	69	Oakmark Equity&Income (2%	H	0.0	-0.6	11.4
20	T. Rowe Price Cap Appreciation	B	1.4	1.2	18.2	70	Vanguard SmallCap Index	S	1.6	-3.6	16.6
21	Janus Twenty(closed)	H	3.8	0.5	16.5	71	Janus Enterprise	S	1.0	-1.8	13.0
22	Loomis Sayles Small Cap Value	H	2.9	0.6	17.4	72	Vanguard Strategic Equity	S	1.5	-3.6	16.3
23	Vanguard Value Index	H	2.4	0.2	19.1	73	Cambiar Opportunity	S	1.0	-3.8	17.6
24	Janus Mid Cap Value	B	0.9	0.3	21.1	74	Salomon Brothers Opportunity	S	2.0	-2.4	12.2
25	American Century Value (closed)	B	1.7	0.6	19.1	75	Vanguard Mid-Cap Index	S	1.6	-3.4	15.4
26	T.Rowe Price Mid Cap Value	B	1.4	-1.1	22.9	76	Fidelity Growth & Income	S	1.6	-1.6	10.8
27	Safeco Growth Opportunities (2%	H	2.3	0.2	18.1	77	Vanguard Convertible Securities	S	1.6	-3.3	15.0
28	TCW Galileo Dividend Focused N	H	1.3	-0.9	22.0	78	Boston Partners Mid Cap Value	S	0.2	-2.9	15.9
29	TCW Galileo Diversified Value N	B	0.7	-0.8	22.1	79	Preferred Value	S	1.7	-2.5	12.6
30	Vanguard Equity-Income	H	2.8	0.4	15.7	80	Vanguard Capital Value	S	1.7	-4.2	16.8
31	Aegis Value Fund	B	1.0	0.6	17.3	<b>81 Vanguard 500 Index</b>	<b>S</b>	<b>1.4</b>	<b>-2.5</b>	<b>12.9</b>	
32	Columbia Disciplined Value CIZ	H	2.0	0.0	16.7	<b>82 Fidelity Spartan 500 Index</b>	<b>S</b>	<b>1.4</b>	<b>-2.5</b>	<b>12.9</b>	
33	T. Rowe Price Equity-Income	H	1.9	-0.1	17.0	83	T.Rowe Price Mid Cap Growth	S	1.4	-2.3	12.2
34	Loomis Sayles Value	H	1.2	0.1	17.3	84	Buffalo Small Cap(closed)	S	1.3	-4.7	18.3
35	Fidelity Value	H	1.2	-0.8	19.3	85	Sound Shore	S	0.4	-2.6	14.2
36	Muhlenkamp Fund	H	1.4	-2.2	22.6	86	MSI Mid Cap Growth	S	1.0	-2.5	13.1
37	Neuberger Berman Genesis	H	0.9	-0.1	17.5	87	Thompson Plumb Growth	S	0.8	-2.8	13.8
38	Vanguard U.S. Value	H	2.0	-1.6	19.3	88	Baron Growth	S	0.7	-2.0	11.8
39	Mutual Qualified(1%)CIZ	H	2.2	-0.7	16.4	89	Neuberger Berman Partners	S	2.2	-3.7	13.7
40	Scudder Large Co Value	H	2.2	-0.8	16.6	90	Royce Special Equity (1%	H	-0.8	-2.0	14.0
41	MSI Value Portfolio	H	1.5	-1.4	18.7	91	Vanguard Total Stk Mkt	S	1.4	-3.0	13.1
42	Harbor Value	H	1.7	-0.6	14.9	92	Fidelity Equity-Income II	S	1.5	-2.6	11.9
43	Mutual Shares(1%)CIZ	H	1.6	-0.8	15.0	93	Strong Opportunity	S	-0.6	-2.5	14.6
44	Royce Total Return (1%r<180d)	H	1.2	-0.2	13.7	94	Wasatch Core Growth	S	1.6	-3.8	14.5
45	Weitz Value Fund	H	0.6	-0.7	15.9	95	Dreyfus Mid Cap Index	S	1.0	-3.4	14.5
46	Mutual Beacon(1%)CIZ	H	1.5	-1.3	15.9	96	Schwab 1000 Fund (.75%	S	1.4	-2.9	12.3
47	Fidelity Equity-Income	H	1.5	-1.5	16.3	97	Fidelity Fund	S	1.0	-2.6	12.1
48	Royce Penn Mutual(1%r<180d)	H	0.4	-1.3	17.2	98	T. Rowe Price Growth & Income	S	1.7	-3.6	13.7
49	American Century Income &	H	1.0	-1.6	16.9	99	Fidelity Small Cap Stock (2%	S	-0.3	-4.6	19.0
50	Fidelity L P Stock (closed,1.5%	H	0.8	-2.2	18.6	100	CGM Focus	H	1.5	-5.8	19.1

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

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

## Domestic Stock Funds continued — data as of 8/27/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	Artisan Small Cap	S	0.8	-2.9	12.9	151	Bonnel Growth Fund (.25%)	S	-0.2	-4.2	10.8
102	Fidelity Trend	S	1.3	-2.7	11.6	152	T. Rowe Price Growth Stock	S	1.0	-4.6	9.7
103	Domini Social Equity Fund (2%)	S	1.0	-2.6	11.4	153	Baron Small Cap	S	-1.6	-2.8	8.4
104	ABN Amro Mid Cap	S	0.8	-4.4	16.1	154	Fidelity Growth & Income II	S	1.5	-3.7	5.8
105	TCW Galileo Select Equity	S	2.1	-1.9	7.7	155	Janus Growth & Income	S	0.4	-4.2	8.3
106	Dreyfus New Leaders	S	1.8	-4.3	14.0	156	Scudder Capital Growth AARP	S	0.8	-4.1	7.3
107	Value Line Special Situations	S	-0.1	-3.1	13.6	157	Oakmark Select(closed) (2%)	S	-0.8	-4.4	10.1
108	Janus Special Equity	S	0.8	-3.8	14.1	158	Neuberger Berman Manhattan	S	-0.5	-3.9	8.1
109	Fidelity Focused Stock (.75%)	S	0.3	-2.7	11.9	159	Fidelity Capital Appreciation	S	0.8	-6.3	12.1
110	Fidelity Disciplined Equity	S	1.3	-3.4	12.2	160	Fidelity Small Cap Ind.(1.5%)	S	-0.6	-5.7	12.4
111	Marsico 21st Century (2%r<30d)	S	1.9	-3.9	12.6	161	Fidelity Blue Chip Growth	S	1.0	-4.8	7.3
112	Clipper Fund	S	1.4	-1.6	7.3	162	RS MidCap Opportunities	S	1.1	-6.7	11.6
113	WmBlair S-C Growth N	S	-0.8	-4.8	18.3	163	Fidelity Aggressive Growth(1.5%)	S	1.8	-6.2	9.1
114	Salomon Brothers Investors	S	1.4	-4.6	14.6	164	American Century Ultra	S	-0.2	-4.5	7.6
115	Tweedy, Browne American Value	S	1.1	-3.5	12.3	165	Century Select Small Cap (1%)	S	-0.2	-7.1	13.5
116	Fidelity Stock Selector	S	1.2	-3.1	11.0	166	Janus Fund	S	-0.8	-3.7	5.9
117	T. Rowe Price Small Cap Stock	S	0.4	-3.1	12.1	167	RS Value+Growth	S	0.6	-6.5	10.5
118	Columbia Asset Allocation CIZ	S	1.4	-2.5	9.2	168	Fidelity Independence	S	0.8	-4.9	6.1
119	Vanguard Extended Market Index	S	1.4	-4.7	14.6	169	INVESCO Core Equity	S	1.1	-4.6	4.8
120	Meridian Fund	S	1.0	-4.9	15.6	170	UMB Scout Stock	S	1.0	-5.0	5.4
121	Marsico Growth & Income (2%)	S	2.2	-3.2	9.4	171	Fidelity Large Cap Stock	S	0.8	-5.7	7.5
122	Dreyfus Fund	S	1.3	-3.1	10.2	172	Legg Mason Opportunity Trust	S	0.0	-7.0	11.8
123	Safeco Equity	S	1.2	-2.7	9.4	173	Marsico Focus (2%r<30d)	S	1.8	-5.3	4.9
124	Gabelli Asset	S	0.3	-3.1	11.9	174	American Century Vista	S	-1.3	-6.5	12.4
125	Vanguard Cap Opp (closed,	S	0.0	-5.7	18.6	175	Boston Ptnrs Smlcap Val	S	-2.1	-6.9	14.5
126	Dreyfus Appreciation	S	1.0	-3.4	11.3	176	Columbia Common Stock	S	0.9	-6.0	7.8
127	USAA Growth & Income	S	0.6	-3.4	11.8	177	Vanguard Growth Index	S	0.5	-5.6	6.9
128	Northeast Investors Growth	S	0.8	-3.6	11.8	178	Vanguard/Morgan Growth	S	0.5	-6.2	8.6
129	Yacktman Fund	S	1.6	-3.4	9.5	179	TCW Galileo Value Opportuni-	S	0.5	-7.8	12.3
130	Longleaf Partners	S	-1.0	-3.3	13.2	180	SIT Mid Cap Growth (2%r<30d)	S	0.2	-6.0	7.6
131	Scudder Growth & Income	S	1.1	-3.3	10.1	181	Janus Mercury	S	0.4	-6.2	7.8
132	Fidelity Convertible Securities	S	1.3	-3.5	10.2	182	Fidelity Growth Company	S	1.4	-6.3	6.4
133	T. Rowe Price New America	S	0.7	-3.3	10.4	183	Harbor Capital Appreciation	S	0.6	-5.8	6.3
134	Nicholas II	S	0.3	-4.2	13.1	184	Federated Kaufmann Fund	S	0.6	-6.0	6.6
135	C&B Mid Cap Value	S	0.0	-3.7	12.3	185	T. Rowe Price New Horizons	S	-0.8	-7.2	11.0
136	Dreyfus Growth Opportunity (2%)	S	1.6	-3.5	9.1	186	Scudder Large Company Growth	S	0.5	-5.3	4.1
137	Fidelity Magellan (closed)	S	1.4	-3.6	9.4	187	Dreyfus Premier Third Century	S	-0.7	-6.0	7.4
138	Dreyfus Growth & Income	S	1.1	-3.7	9.9	188	Legg Mason Special Investment	S	-1.3	-6.7	10.0
139	Legg Mason Value	S	1.2	-3.8	10.1	189	Strong Large Cap Growth	S	0.5	-5.4	4.3
140	MSI Mid Cap Value	S	0.5	-4.3	12.1	190	Preferred Growth	S	0.6	-6.0	5.6
141	American Century Growth	S	1.3	-3.5	8.9	191	USAA Growth	S	0.7	-5.8	4.5
142	CRM Small Cap Value Inv	S	-0.4	-5.0	15.0	192	Hussman Strategic Growth	S	-1.9	-4.8	5.8
143	Nicholas Fund	S	0.7	-4.1	10.8	193	USAA Capital Growth	S	0.0	-7.8	10.0
144	Wasatch Small Cap Value	S	-0.2	-6.6	18.3	194	CS Warburg Pincus Capital	S	-0.5	-5.7	5.1
145	Royce Low Priced Stock (1%)	S	0.9	-5.4	13.4	195	Westport Small Cap R	S	-0.2	-7.1	8.2
146	SIT Large Cap Growth (2%r<30d)	S	1.0	-3.8	9.0	196	Vanguard Small Cap Growth	S	0.3	-8.0	9.4
147	Royce Opportunity (closed,1%)	S	0.1	-7.4	19.2	197	Janus Olympus	S	-0.6	-5.8	5.2
148	Fidelity Dividend Growth	S	1.7	-4.3	9.1	198	Strong Multi-Cap Value	S	-0.2	-8.4	11.2
149	USAA Aggressive Growth	S	2.2	-3.7	6.7	199	American Century Select	S	-0.9	-5.7	5.5
150	TCW Galileo Opportunity N	S	1.0	-6.0	14.2	200	Columbia Growth	S	0.6	-6.1	4.1

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

## Domestic Stock Funds continued — data as of 8/27/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Gabelli Growth	S	0.1	-6.4	5.5	251	Oberweis Emerging Growth (1%	S	-0.2	-16.2	-7.4
202	Artisan Midcap(closed)	S	0.6	-7.9	8.3	252	RS Diversified Growth (closed)	S	-2.5	-17.1	-2.0
203	Buffalo Mid Cap	S	-0.1	-8.6	10.7	253	Undiscovered Small Cap Growth	S	1.2	-21.0	-2.1
204	Columbia Large Cap Growth CIZ	S	0.5	-6.3	3.7	254	PBHG Emerging Growth	S	-0.1	-19.2	-11.9
205	Vanguard U.S. Growth	S	0.7	-7.1	5.2	255	Van Wagoner Emerging Growth	S	0.9	-30.3	-20.8
206	ICM/Isabelle Small Cap Value	S	-1.4	-9.4	14.1						
207	Vanguard Explorer	S	0.4	-8.6	8.5						
208	Henlopen Fund (1%r<30d)	S	-1.5	-9.6	13.8						
209	PBHG Small Cap Value	S	-0.1	-8.6	8.9						
210	Strong Growth 20	S	-2.2	-5.6	4.3						
211	Matrix Advisors Value (.75%	S	0.8	-9.2	8.9						
212	William Blair Growth (1%r<60d)	S	0.2	-6.0	1.6						
213	Bogle Small Cap Growth(closed)	S	-0.1	-10.3	12.7						
214	Strong Advisor Midcap Growth	S	-1.3	-6.4	4.4						
215	INVESCO Dynamics	S	-0.2	-8.0	6.5						
216	Strong Advisor Common Stock	S	0.1	-8.6	7.2						
217	Value Line Leveraged Growth	S	1.2	-6.5	0.1						
218	Strong Growth	S	-1.1	-6.6	3.2						
219	Needham Small Cap Growth	S	0.0	-9.8	9.5						
220	Selected Special Shares	S	-0.3	-9.3	8.6						
221	Fidelity Fifty (.75%r<30d)	S	-0.1	-6.9	0.7						
222	Dreyfus-Founders Discovery	S	0.2	-9.5	6.0						
223	Fidelity Mid-Cap Stock (.75%	S	0.4	-9.1	4.8						
224	Value Line Fund	S	0.5	-7.2	-0.5						
225	WPG Large Cap Growth	S	0.2	-8.2	2.2						
226	Wasatch Small Cap Grth	S	-0.9	-7.5	1.5						
227	RS Smaller Company Growth	S	0.1	-11.4	8.4						
228	Columbia Small Company Equity	S	-0.1	-10.9	7.3						
229	CS Warburg Pincus Emerging	S	-0.8	-10.4	6.0						
230	Janus Venture (closed)	S	-1.9	-10.6	7.2						
231	Scudder Development (closed)	S	1.6	-10.0	0.2						
232	Bridgeway Aggressive Investors 2	S	-0.5	-11.0	5.5						
233	Vanguard Growth Equity	S	-0.2	-10.3	2.6						
234	American Century Heritage	S	-1.5	-9.3	1.3						
235	TCW Galileo Aggressive Growth	S	0.5	-10.9	0.4						
236	Turner Mid Cap Growth	S	0.1	-11.7	2.4						
237	Fidelity OTC Portfolio	S	-0.7	-11.4	2.4						
238	RS Emerging Growth(closed)	S	0.1	-11.9	2.4						
239	WellsFargo Montgomery Small	S	-2.7	-11.6	5.6						
240	INVESCO Small Company	S	0.7	-11.4	0.2						
241	Fidelity New Millennium (closed)	S	0.4	-12.5	3.0						
242	Strong Discovery	S	-2.0	-11.2	3.2						
243	Pin Oak Aggressive Stock	S	-1.9	-12.2	2.9						
244	TCW Galileo Small Cap Growth	S	0.2	-12.5	0.2						
245	Columbia Special	S	0.8	-11.9	-2.8						
246	SIT Small Cap Growth (2%r<30d)	S	0.5	-12.1	-2.2						
247	PBHG Growth	S	-0.3	-12.0	-3.7						
248	Neuberger Berman Focus	S	1.6	-16.7	2.4						
249	Needham Growth Fund (.75%	S	-0.8	-13.8	-1.8						
250	Undiscovered Behavioral Growth	S	-2.2	-13.1	-2.1						

### 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 8/27/04

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	1.0%	11.4%	39.6%	51	Fidelity Worldwide (1%r<30d)	S	1.5	-5.1	14.2
2	T. Rowe Price Japan	H	1.9	9.8	31.7	52	Scudder International (2%)	S	2.2	-5.8	14.1
3	Neuberger Berman International	H	1.8	1.7	35.4	53	Scudder Greater Europe (2%)	S	1.8	-6.8	17.1
4	Fidelity Latin Amer.(1.5%r<90d)	H	4.7	0.3	34.4	54	Fidelity Overseas (1%r<30d)	S	1.8	-6.8	16.8
5	Oakmark Intl Small Cap	H	1.3	1.0	36.8	55	Janus Overseas(closed,2%)	S	1.8	-7.3	17.7
6	Dodge&Cox Intl. Stock	H	2.4	2.0	32.4	56	Artisan International (2%r<90d)	S	0.2	-6.3	17.1
7	Japan Fund (Scudder) (2%)	H	1.2	4.1	23.0	57	Oakmark Global (2%r<90d)	S	-0.7	-5.1	14.7
8	Artisan Intl Value (2%r<90d)	H	0.0	0.6	33.3	58	Scudder Pacific Opportunity (2%)	S	4.4	-9.5	16.9
9	Vanguard Intl Explorer	H	1.1	-0.1	32.1	59	Fidelity Emerging Mkts (1.5%)	S	4.6	-9.8	16.0
10	Vanguard Pacific Stock Index (2%)	H	2.1	2.3	23.4	60	Loomis Sayles International	S	0.8	-7.5	15.0
11	T.Rowe Price Latin America (2%)	H	4.4	-1.9	30.3	61	T. Rowe Price New Asia	S	3.1	-9.3	15.5
12	Matthews Asia G & I (closed,2%)	H	3.1	1.0	24.7	62	SIT International Growth (2%)	S	1.1	-6.8	12.0
13	Fidelity Japan(1.5%r<90d)	H	1.2	4.3	18.1	63	American Century Intl Growth	S	0.4	-7.0	12.5
14	Tweedy, Browne Global Value	H	1.0	1.1	23.4	64	American Century Global	S	0.0	-7.8	10.9
15	T.Rowe Price Intl Disc. (2%r<1yr)	H	0.2	-1.9	30.0	65	Fidelity Europe Capital App. (1%)	S	-0.4	-11.7	19.0
16	Fidelity Intl Small Cap (2%r<90d)	H	0.1	-3.1	32.5	66	Fidelity SE Asia (1.5%r<90d)	S	4.0	-12.6	12.5
17	Preferred International	H	1.7	-0.7	23.7	67	Fidelity Aggressive Intl. (1%)	S	1.1	-9.3	8.0
18	Amer.Cent.Intl Opportunity (2%)	H	1.2	-3.0	29.6	68	Driehaus Int'l Discovery (2%)	S	0.0	-11.0	12.4
19	Vanguard International Value (2%)	H	3.1	-2.0	23.7	69	Janus Worldwide (2%r<90d)	S	-0.4	-9.4	6.8
20	Scudder Latin America	H	4.7	-3.3	24.6						
21	Schwab International Index (1.5%)	H	2.1	-2.1	20.9						
22	Gabelli Intl Growth (2%r<60d)	H	1.8	-2.6	21.7						
23	Vanguard European Stock Index	H	1.6	-3.5	23.8						
24	Harbor International (2%r<60d)	H	2.0	-3.1	21.8						
25	USAA World Growth	H	0.7	-1.6	19.4						
26	USAA International	H	0.9	-2.8	21.9						
27	Julius Baer Intl Equity A (2%)	H	1.4	-3.2	22.0						
28	Dreyfus Emerging Market(1%r)	H	3.4	-4.8	22.7						
29	Vanguard International Growth	S	2.5	-3.1	19.6						
30	Longleaf Partners International	H	0.5	-0.2	14.9						
31	Oakmark International (2%r<90d)	S	0.9	-3.0	21.2						
32	Fidelity Diversified Intl (1%r<30d)	H	1.4	-3.9	21.5						
33	CS Warburg Pincus Japan Grth	S	2.2	-0.6	11.8						
34	Fidelity Europe (1%r<30d)	S	1.1	-5.6	25.8						
35	Wasatch International Growth	H	-1.1	-3.3	23.2						
36	Vanguard Emerging Mkts Stk	S	4.9	-6.7	21.6						
37	Artisan Intl Small Cap(closed,2%)	H	0.2	-5.1	24.3						
38	Fidelity Pacific Basin (1.5%r<90d)	S	1.4	-2.4	15.5						
39	Matthews Pacific Tiger (2%r<90d)	S	3.3	-6.2	20.8						
40	Fidelity Global Balanced (1%)	S	0.8	-2.6	14.9						
41	Fidelity International G & I (1%)	S	0.9	-5.3	21.3						
42	Scudder Global Discovery(closed)	S	1.6	-5.4	18.2						
43	Guinness China & Hong Kong	S	1.9	-8.5	24.1						
44	Wm. Blair Intl Growth N	S	0.2	-5.1	17.9						
45	Driehaus Emerging Mkts Gr (2%)	S	2.5	-7.4	19.9						
46	T. Rowe Price European	S	1.0	-6.5	19.7						
47	Scudder Global	S	3.2	-5.3	12.9						
48	T. Rowe Price Intl Stock	S	1.7	-5.5	15.5						
49	Columbia International Stock (2%)	S	0.5	-5.1	16.2						
50	Columbia Intl Equity ClZ	S	0.6	-5.3	16.1						

**Next Issue of**  
***MONEYLETTER Plus***  
**Will Be Available:**  
**Wednesday**  
**September 8, 2004**  
**by Midnight**

Total Return % - 7/31/04					
1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
-1.1	ML Conservative	-0.9	13.4	26.7	1.1
-1.6	Fidelity Conservative	0.1	11.6	7.7	1.5
-0.9	Vanguard Conservative	-0.6	12.6	4.1	1.7
-2.8	ML Moderate	-3.0	20.4	42.3	0.6
-2.9	Fidelity Moderate	-1.5	17.0	27.6	1.2
-1.6	Vanguard Moderate	-2.4	16.6	12.4	0.7
-4.4	ML Venturesome	-4.4	21.7	41.3	-0.3
-3.9	Fidelity Venturesome	-2.9	16.8	22.0	0.3
-2.3	Vanguard Venturesome	-3.3	17.5	11.8	0.0
-6.6	ML Select	-9.3	10.3	n/a	-4.0
	<b>Benchmarks</b>				
-3.4	S&P 500	-1.7	13.5	-3.9	0.1
-2.4	Asset Allocation Funds Avg (84)	-1.7	11.3	6.2	-0.2

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

## Specialty Funds — data as of 8/27/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	Cohen & Steers Realty Shares	*	8.7%	10.0%	37.4%	51	Fidelity Health Care (.75%r<30d)	*	2.8	-2.8	10.1
2	T.Rowe Price Real Estate (1%	*	8.0	9.2	29.7	52	INVESCO Gold Inv	*	9.0	-7.6	11.9
3	Fidelity Chemicals (.75%r<30d)	*	4.9	9.2	30.5	53	Fidelity Balanced	B	1.7	-3.6	11.5
4	Fidelity Real Estate (.75%r<90d)	*	8.1	7.0	29.0	54	Fidelity Insurance (.75%r<30d)	*	0.2	-5.0	16.5
5	Vanguard Energy (1%r<1yr)	*	0.2	8.6	35.8	55	Fidelity Retailing (.75%r<30d)	*	0.4	-2.3	8.8
6	CGM Realty	*	9.1	1.6	40.0	56	Fidelity Food & Agr (.75%r<30d)	*	-1.6	-3.2	13.7
7	Alpine U.S. Real Estate Equity	*	6.8	2.9	39.6	57	Scudder Gold (closed)	*	9.0	-11.5	17.6
8	Fidelity Natural Gas (.75%r<30d)	*	-1.1	9.5	34.5	58	AXARosenberg Value L/S (2%	*	-1.1	0.3	2.7
9	Vanguard REIT Index (1%r<1yr)	*	8.1	6.1	27.6	59	Fidelity Leisure (.75%r<30d)	*	0.6	-4.6	12.0
10	INVESCO Energy Inv	*	-1.5	9.4	33.5	60	Rydex Health Care	*	2.5	-4.9	9.7
11	T. Rowe Price New Era	*	2.4	5.8	32.0	61	Amer. Cent. Global Gold (1%	*	10.8	-8.7	4.0
12	Cohen & Steers Equity Income	*	7.1	4.3	27.8	62	Merger Fund (closed,2%r<30d)	*	0.4	-2.0	2.6
13	Rydex Energy	*	-1.2	6.6	31.3	63	Rydex Leisure	*	-1.5	-6.5	14.6
14	Fidelity Wireless (.75%r<30d)	*	2.1	1.0	40.0	64	INVESCO Health Sciences Inv	*	1.5	-6.9	10.2
15	Fidelity Defense & Aero (.75%	*	1.8	6.7	26.1	65	Fidelity Environmental Ser (.75%	*	-0.6	-4.1	6.5
16	Fidelity Cyclical Ind (.75%r<30d)	*	2.3	5.9	25.2	66	Fidelity Pharmaceuticals (.75%	*	3.1	-6.4	5.8
17	Fidelity Const & Housing (.75%	*	5.9	3.1	26.9	67	Fidelity Automotive (.75%r<30d)	*	-0.2	-5.1	6.9
18	Fidelity Energy (.75%r<30d)	*	-1.5	6.3	28.5	68	Rydex Precious Metals	*	11.7	-10.7	2.1
19	Stratton Mthly Div REIT (1.5%	*	6.7	2.5	23.3	69	Rydex Ursa	*	-1.4	2.3	-12.1
20	Rydex Basic Materials	*	4.0	3.2	24.3	70	ProFunds Bear Inv	*	-1.5	2.1	-12.5
21	Fidelity Natrl Resources (.75%	*	0.2	4.0	26.4	71	INVESCO Leisure Inv	*	-0.4	-7.5	7.5
22	Fidelity Med Del (.75%r<30d)	*	1.2	1.4	31.3	72	Fidelity Telecomm (.75%r<30d)	*	-1.5	-9.3	13.8
23	Fidelity Utilities Growth (.75%	*	1.8	4.1	21.4	73	U.S.Global Gold Shares (.25%	*	8.9	-14.9	10.5
24	INVESCO Utilities Inv	*	3.9	3.3	19.7	74	Fidelity Brokerage (.75%r<30d)	*	5.9	-11.7	7.0
25	Rydex Energy Services	*	0.0	2.9	24.7	75	Fidelity Consumer Ind (.75%	*	0.5	-7.7	3.4
26	Rydex Banking	*	3.6	0.6	22.1	76	Rydex Retailing	*	-0.2	-7.3	1.9
27	Fidelity Energy Services (.75%	*	-0.7	2.7	22.2	77	Rydex Juno	*	-4.7	-0.5	-10.1
28	Fidelity Home Finance (.75%	*	3.1	-1.1	25.5	78	Fidelity Gold (.75%r<30d)	*	9.5	-11.5	-3.8
29	Rydex Utilities	*	3.8	1.7	16.4	79	Rydex Biotechnology	*	4.9	-10.9	1.3
30	Rydex Transportation	*	1.8	5.0	10.1	80	Prudent Bear	*	-0.7	-3.9	-8.3
31	Fidelity Indust Matrls (.75%r<30d)	*	4.2	-3.0	25.4	81	Rydex Internet	*	-2.5	-10.8	10.9
32	Fidelity Transportation (.75%	*	0.9	4.3	12.0	82	Rydex Telecommunications	*	0.1	-12.9	10.4
33	Rydex Financial Services	*	4.3	-2.1	19.4	83	Fidelity Multimedia (.75%r<30d)	*	-0.7	-10.0	-2.4
34	Fidelity Banking (.75%r<30d)	*	3.7	-1.3	17.8	84	T.Rowe Price Science & Tech	*	-1.3	-12.4	-1.6
35	Fidelity Industrial Equip (.75%	*	0.2	-0.3	18.8	85	INVESCO Technology Inv	*	-1.0	-15.2	-5.3
36	Fidelity Bus Services (.75%r<30d)	*	1.9	0.9	10.8	86	Fidelity Developing Comm (.75%	*	0.6	-22.6	9.7
37	Vanguard Health Care (\$25k&1%	*	2.7	-2.3	17.3	87	Fidelity Software (.75%r<30d)	*	-1.2	-16.5	-4.2
38	Fidelity Medical Equip (.75%	*	0.1	-0.1	15.3	88	Rydex Technology	*	-2.1	-16.5	-6.2
39	Rydex Consumer Products	*	0.9	-1.3	16.2	89	Fidelity Technology (.75%r<30d)	*	-2.7	-18.5	-5.7
40	Fidelity Finl Serv (.75%r<30d)	*	3.4	-3.5	16.6	90	RS Internet Age	*	-0.7	-22.0	-4.1
41	Vanguard Precious Metals	*	6.9	-6.4	17.8	91	RS Information Age	*	-0.7	-22.0	-5.0
42	T.Rowe Price Media & Telecom-	*	-1.9	-4.0	22.8	92	Fidelity Computers (.75%r<30d)	*	-2.5	-22.1	-9.1
43	INVESCO Financial Serv Inv	*	3.6	-4.4	15.6	93	Fidelity Networking (.75%r<30d)	*	0.0	-28.6	-13.6
44	Gateway Fund	B	0.7	1.3	5.6	94	Fidelity Electronics (.75%r<30d)	*	-3.9	-26.6	-13.6
45	T.Rowe Price Financial Services	*	3.6	-4.4	15.6	95	Royce Technology Value (2%	*	-2.9	-27.4	-17.8
46	Vanguard Balanced Index	B	1.7	-1.5	10.3	96	Rydex Electronics	*	-4.5	-30.3	-25.1
47	Fidelity Paper & Forest (.75%	*	-0.5	-2.4	15.7						
48	Fidelity Air Transport (.75%r<30d)	*	0.4	0.0	7.9						
49	T.Rowe Price Health Sciences	*	4.4	-4.5	12.8						
50	Fidelity Biotechnology (.75%	*	5.6	-3.4	7.8						

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

\* = **Not Recommended**

**BOND FUNDS  
On Next Page**

## Bond Funds — data as of 8/27/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	1.1	-0.6	1.5	PIMCO Real Return	H	2.7	-0.8	7.5
American Century Inflation Adj	B	3.1	0.6	9.6	PIMCO Total Return	H	2.1	0.3	4.7
American Century Intl Bond	*	1.2	-2.1	13.7	PIMCO Total Return Mortgage	H	1.5	0.6	3.8
American Century Target 2010	*	2.8	-0.1	7.1	Safeco U.S. Government (2%	H	1.6	-0.9	1.4
American Century Target 2015	*	4.7	0.9	12.6	Schwab S-T Bond Mkt Index	B	0.9	-0.5	1.6
American Century Target 2020	*	5.9	0.5	15.2	Scudder Global Bond S-T	*	1.7	-1.2	6.0
American Century Target 2025	*	6.9	0.4	16.7	Scudder Income (closed)	H	2.0	0.9	6.8
American Government Bond	H	1.3	-1.0	1.5	Scudder Short-Term Bond	B	0.9	0.3	2.5
BBH Inflation Indexed Sec	B	3.0	1.4	10.0	Strong Corporate Bond	*	2.1	-1.4	5.2
Buffalo High-Yield(2%r<180d)	*	0.3	1.1	9.2	Strong Govt Securities	H	1.6	-1.1	2.8
Columbia Fixed Income Sec	H	1.6	-1.5	2.2	Strong High Yield Bond (1%	*	0.9	1.0	8.8
Columbia High Yield	*	1.2	-0.9	4.4	Strong S-T Bond	B	0.7	-0.8	1.2
Columbia Income CIZ	H	1.9	-0.8	5.1	Strong S-T High Yield	*	0.4	0.3	2.8
Columbia Intermediate Bond CIZ	H	1.9	-0.9	4.1	T. Rowe Price Corporate Inc	*	2.1	-1.1	6.5
Columbia S-T Bond	B	0.6	-0.8	0.8	T. Rowe Price GNMA	*	1.2	-0.3	2.0
Dodge & Cox Income	H	1.6	0.3	5.4	T. Rowe Price High Yld	*	0.9	0.0	7.1
Dreyfus 100 Treasury L-T	*	3.0	-1.7	-0.6	T. Rowe Price Int'l Bond	*	1.2	-2.1	10.4
Dreyfus A Bonds Plus	*	1.8	-1.6	2.4	T. Rowe Price New Income	*	1.6	-0.6	3.5
Dreyfus GNMA	*	1.6	0.3	5.2	T. Rowe Price Spectrum Income	*	1.4	-0.5	7.3
Dreyfus Short-Term Income	B	0.5	-1.6	-1.8	T. Rowe Price S-T Bond	B	0.6	-0.8	0.7
Dreyfus Strategic Income	*	1.5	-1.9	1.0	T. Rowe Price U.S. Treas. L-T	*	2.9	-1.3	4.5
Federated Total Return Govt	H	1.6	-0.9	2.9	TCW Galileo High Yield Bond	*	1.7	2.9	13.4
Federated U.S. Govt Sec. 1-3	B	0.5	-0.6	0.1	TCW Galileo Total Return Bond	H	2.0	1.2	5.8
Fidelity Capital & Income (1%	*	1.2	-0.8	9.1	USAA Income	H	2.0	0.6	6.3
Fidelity Floating Rate High Inc(1%	B	0.0	0.6	2.7	Value Line Aggressive Inc (1%	*	1.2	1.0	8.3
Fidelity GNMA	*	1.2	-0.1	2.2	Value Line U.S. Govt Sec	H	1.7	0.0	3.8
Fidelity Government Income	*	1.9	-0.7	3.4	Vanguard GNMA	B	1.8	1.0	3.2
Fidelity High Income (1%r<90d)	*	0.7	-1.1	9.5	Vanguard High Yield Corporate	*	1.6	2.0	11.8
Fidelity Inflation-Protected Bond	B	3.0	0.5	9.0	Vanguard Inflation Protected	B	2.9	1.2	10.2
Fidelity Intermediate Bond	H	1.4	-1.0	2.6	Vanguard Intermediate Treas.	H	2.2	-1.3	1.4
Fidelity Intermediate Govt	H	1.7	0.0	4.2	Vanguard Long-Term Corporate	*	3.8	-1.4	5.7
Fidelity Investment Grade	H	2.2	0.7	6.3	Vanguard L-T Treasury	*	3.6	-1.7	4.5
Fidelity New Markets Income (1%	*	4.4	0.2	8.5	Vanguard Short-Term Corporate	B	0.9	-0.8	0.7
Fidelity Short-Term Bond	B	0.8	-0.6	1.4	Vanguard S-T Federal	*	1.0	-0.8	0.5
Fidelity Strategic Income	B	2.3	0.6	10.3	Vanguard S-T Treasury	B	0.8	-0.9	0.4
FifthThird Bond	*	1.9	0.2	5.2	Vanguard Total Bond Market	H	2.2	0.4	5.9
Fremont Bond	H	2.2	0.4	5.8	WellsFargo Montgomery S Dur	B	0.5	-0.3	1.3
Janus Flexible Income	*	1.5	-1.6	2.4	WellsFargo Montgomery Total	H	1.7	0.1	4.4
Janus High Yield (2%r<90d)	*	1.4	1.0	6.8	Westcore Plus Bond (2%r<90d)	*	1.7	1.3	9.7
Janus S-T Bond	B	0.7	0.1	1.8	WPG Core Bond	H	2.2	0.1	4.8
Loomis Sayles Bond Retail	B	2.9	0.8	15.4					
Managers Bond	*	2.3	0.2	9.0					
Managers Int. Duration Govt	*	1.7	1.2	5.3					
Managers Short Duration Govt	B	0.3	0.8	2.1					
MetroWest Low Duration	B	1.0	-0.7	1.6					
MetroWest Total Return	*	1.6	-1.5	5.0					
Northeast Investors Trust	*	1.2	4.0	16.3					
Payden Global Fixed Income	*	1.6	0.2	3.2					
PIMCO High Yield	*	1.7	-0.2	9.2					
PIMCO Low Duration	B	0.8	-0.2	1.1					

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

\* = **Not Recommended**

**PORTFOLIO HOLDINGS**  
On Next Page

## Weekly Performance of ML Model Holdings — data as of 8/27/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	-0.45%	VBINX Vanguard Balanced	0.55
ARTQX Artisan Mid Cap Value	0.95	VWEHX Vanguard High Yield Corp	0.32
CSRSX Cohen & Steers Realty	1.27	VIPSX Van. Inflation Protected Bond	-0.40
DODIX Dodge & Cox Income	0.16	VISVX Vanguard Small Cap Value	0.75
FBALX Fidelity Balanced	0.60	VBMFX Vanguard Total Bond	0.10
FCNTX Fidelity Contrafund	0.60	VIVAX Vanguard Value Index	0.78
FEQIX Fidelity Equity-Income	0.79	VUVLX Vanguard US Value	0.80
FSTGX Fidelity Intermediate Gov't	0.00	VWNFX Vanguard Windsor II	0.58
FBNDX Fidelity Inv Grade Bond	0.13		
FLVCX Fidelity Leveraged Company	-0.10		
FSNGX Fidelity Natural Gas	0.88		
FSLCX Fidelity Small Cap Stock	0.68		
FSICX Fidelity Strategic Income	0.00		
FDVLX Fidelity Value	0.71		
FWRLX Fidelity Wireless	0.82		
GATEX Gateway Fund	0.56		
LSBRX Loomis Sayles Bond	-0.38		
MJFOX Matthews Japan	1.37		
RSCOX RS Contrarian	0.11		
SMCDX Strong Mid Cap Disciplined	0.34		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	0.84%
		NASDAQ	1.31
		S&P 500	0.86

### 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.