

## MONEYLETTER HOTLINE 9/14/04

### Let's Call It a Draw

The bulls and bears battled it out today in a contest that ended in a draw. We could say that the news background so far this week supported a draw. McDonald's raised its dividend and J.P. Morgan raised its year-end target for the S&P 500. On the other side, August retail sales turned out to be sluggish (as expected) and the warnings season is turning out to be a downer so far. This is turning out to be a more intensive warnings season than we have been accustomed to over recent quarters. We should hasten to add that so far there has been little change in analysts' expectations for the rest of this year.

In the end, it all comes down to the economy's growth. We have had our reservations about Chairman Greenspan's view implying that the economy is leaving the soft patch behind. We have seen nothing so far that suggests growth beyond the 2.5-3.0% range. We will get much more information on this subject later this week. Today's retail sales number was consistent with moderate growth, no more. We remain cautious optimists.

There is no change in our allocations.

**New Fund Ratings** – For domestic stock funds, one fund is now rated Buy: Janus Twenty (the fund is closed). There are no changes for international stock funds.

We are recommending a switch in the Fidelity Conservative Portfolio. We recommend the sale of Fidelity Intermediate Government Bond Fund, with the proceeds to be invested in Fidelity Inflation Protected Bond Fund.

**The Economy** – For the past two months, retail sales are running at an annual rate of about 3.0%. This is a rate that is consistent with our expected growth rate for the economy this quarter. The weekly retail sales numbers for September so far are encouraging. But then there is Hurricane Ivan. We look for moderate growth ahead.

**The Stock Market** – This is triple-witching week. Some of the action for the rest of this week will simply be the unwinding of positions. The profit warnings so far tell us the current rally will go only so far. Remember, though, that stocks are cheap and this is the basis for our optimism. We continue to look abroad for opportunities. Stocks continue to provide value.

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

## MONEYLETTER HOTLINE 9/10/04

### Coming Out of "Soft Patch?"

This turned out to be the week of the Nasdaq. It did not start out that way, but with today's strength, the Nasdaq managed to show gain of 2.7% for the week. So far as we can see there was no particular reason for the Nasdaq to stand out. On the other hand, the Nasdaq has been battered this year, and some see the rally as a correction to the oversold condition of the Nasdaq. That really doesn't tell us much, except that some Nasdaq prices had fallen enough to make the stocks attractive.

The economic background was brightened somewhat by Alan Greenspan's appearance before Congress, where he said the economy is gaining traction, coming out of the "soft patch." This is the new Fed line. As we said earlier, we think the evidence is skimpy. We'll get much more as this month goes along. As we see it, the economy is growing moderately, and less than expected only six months ago. We're cautious optimists.

There is no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, three funds are now rated Buy: Baron Partners, Vanguard Value Index, and Loomis Sayles Small Cap Value. Two funds are now rated Hold: TCW Galileo Diversified Value N and Aegis Value. There are no changes for the internationals.

In last week's Hotlines recommending a switch from Fidelity Small Cap Stock, we failed to mention that the fund is also in the Fidelity Conservative Portfolio. We will switch the fund into Fidelity Export & Multinational in that portfolio as well.

Our money fund holdings in both the Fidelity Venturesome and Vanguard Venturesome portfolios are still below the recommended allocation. Accordingly, in the Fidelity Venturesome Portfolio we will sell \$5,000 of Leveraged Company and \$5,000 of Contrafund. Proceeds will be switched into Fidelity Cash Reserves. For the Vanguard Venturesome Portfolio we will sell \$4,000 of U.S. Value and \$4,000 of Value Index, with the proceeds going into Vanguard Prime Portfolio.

**The Economy** – For the economy to continue gaining traction, we need a pickup in consumer spending. We are not seeing that so far. The weekly store surveys report spending flat so far this month. Inflation remains tame, but prices back in the pipeline, even excluding oil, are popping. There is pressure in the system.

**The Stock Market** – In the short-run, technicians tell us that the market is overbought. The expectation is that this mini-rally will stall, at best. We think the big hurdle for the market is profits. We expect some trimming of estimates.

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

## Domestic Stock Funds — data as of 9/10/04

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	5.1%	5.9%	35.2%	51	Scudder Large Co Value	H	4.7	2.0	16.9
2	Baron Partners	B	8.3	2.2	36.5	52	Neuberger Berman Guardian	H	4.8	2.4	15.4
3	RS Partners (closed)	B	7.5	4.9	29.2	53	Fidelity Export & Multinat'l(.75%	H	4.8	2.3	15.4
4	Third Avenue Value (1%r<60d)	B	5.5	7.0	23.9	54	Neuberger Berman Fasciano Inv	H	4.9	2.0	15.9
5	MainStay Small Cap Opportunity	B	5.8	2.5	32.3	55	MSI Small Cap Value(closed)	H	5.6	1.2	16.6
6	T. Rowe Price S-C Value	B	6.0	5.8	23.0	56	Vanguard Cap Opp (closed,	H	6.3	-0.5	19.7
7	Artisan Mid Cap Value	B	4.1	4.8	27.5	57	T. Rowe Price Small Cap Stock	H	6.4	1.6	14.2
8	Vanguard Small-Cap Value Index	B	6.3	4.1	25.3	58	Boston Partners Mid Cap Value	H	5.4	0.8	17.5
9	Third Avenue Small-Cap Value	B	6.1	5.3	22.4	59	Mutual Qualified(1%)CIZ	H	3.6	1.6	17.6
10	Ariel Fund	B	5.7	5.2	20.8	60	Loomis Sayles Value	H	3.1	2.1	17.2
11	PIMCO PEA Value D	B	4.5	3.5	26.3	61	Strong Opportunity	H	4.5	1.8	15.8
12	CGM Focus	H	8.6	1.6	24.6	62	Janus Enterprise	H	5.5	1.4	14.7
13	FBR Small Cap (1%r<90d)	B	4.1	5.2	22.3	63	Fidelity Equity-Income	H	4.1	1.5	16.3
14	CRM Mid Cap Value Inv	B	4.8	3.3	25.8	64	Weitz Value Fund	H	4.1	0.6	18.4
15	Loomis Sayles Small Cap Value	B	7.0	4.0	19.8	65	Vanguard Mid-Cap Index	S	5.3	0.5	16.6
16	Royce Premier (1%r<180d)	B	4.2	5.3	20.6	66	Meridian Fund	S	6.1	-0.4	17.5
17	Fidelity Value	H	5.2	4.1	21.7	67	Artisan Small Cap	S	6.5	0.7	13.9
18	Janus Twenty(closed)	B	7.7	3.3	18.1	68	Oakmark Fund (2%r<90d)	H	3.9	2.2	14.2
19	Strong Mid Cap Disciplined	B	4.1	3.6	22.9	69	Vanguard Strategic Equity	S	5.7	0.2	16.5
20	T.Rowe Price Mid Cap Value	B	4.9	2.9	23.0	70	MSI Mid Cap Growth	S	5.5	0.9	14.9
21	Muhlenkamp Fund	H	5.6	1.5	24.9	71	TCW Galileo Select Equity	S	7.4	2.3	8.2
22	TCW Galileo Diversified Value N	H	4.7	2.8	22.9	72	Fidelity Contrafund	H	4.8	1.4	14.3
23	RS Contrarian Value	B	4.8	2.4	22.9	73	Royce Special Equity (1%	H	4.5	0.4	16.7
24	Vanguard Value Index	B	4.9	3.5	19.5	74	T. Rowe Price Dividend Growth	S	4.7	1.7	13.2
25	TCW Galileo Dividend Focused N	H	4.2	2.7	22.4	75	Value Line Special Situations	S	5.7	0.3	15.1
26	Fidelity Leveraged Co	H	6.0	-0.3	26.8	76	Vanguard Windsor	S	4.2	0.6	16.5
27	Vanguard Windsor II	B	4.0	2.9	21.9	77	WPG Tudor	H	5.3	-1.4	19.7
28	Janus Mid Cap Value	B	4.0	2.7	22.0	78	Dodge & Cox Stock (closed)	S	4.0	0.3	17.6
29	Homestead Value	B	3.8	4.2	18.2	79	Neuberger Berman Partners	S	6.0	-0.6	16.6
30	Neuberger Berman Genesis	H	5.3	2.7	19.4	80	American Century Income &	H	3.3	1.2	15.9
31	T. Rowe Price Cap Appreciation	B	3.7	4.0	18.5	81	TCW Galileo Opportunity N	S	7.8	-1.6	15.8
32	WmBlair S-C Growth N	H	9.0	0.0	19.7	82	Ariel Appreciation	S	6.3	0.0	13.5
33	Vanguard PRIMECAP(closed,	H	5.7	2.8	17.8	83	Vanguard Growth & Income	S	4.5	0.6	14.8
34	American Century Equity Income	B	3.6	4.2	16.9	84	Fidelity Equity-Income II	S	4.6	1.3	12.9
35	T. Rowe Price Equity-Income	H	4.5	3.4	17.1	85	American Century Equity Growth	S	3.7	1.0	14.8
36	MSI Value Portfolio	H	4.4	2.6	19.3	86	Baron Growth	S	6.6	-0.4	13.9
37	Safeco Growth Opportunities (2%	H	6.5	2.2	17.2	87	Cambiar Opportunity	S	4.5	-0.6	17.5
38	American Century Value (closed)	B	3.8	2.8	19.0	88	Bonnel Growth Fund (.25%	S	5.3	1.0	12.4
39	Columbia Disciplined Value CIZ	H	4.3	2.8	17.6	89	Vanguard Capital Value	S	4.2	0.1	16.0
40	Royce Penn Mutual(1%r<180d)	H	5.2	2.0	18.5	90	USAA Growth & Income	S	4.9	0.9	12.5
41	Vanguard Equity-Income	H	4.6	3.3	15.9	91	Aegis Value Fund	H	2.8	0.8	15.9
42	Buffalo Small Cap(closed)	H	7.4	-0.5	20.7	92	Dreyfus New Leaders	S	5.4	-0.5	15.2
43	Royce Total Return (1%r<180d)	H	4.8	3.0	15.2	93	Mutual Beacon(1%)CIZ	H	2.6	0.7	16.3
44	Fidelity L P Stock (closed,1.5%	H	4.3	1.7	19.2	94	Vanguard Extended Market	S	6.2	-1.1	15.4
45	Vanguard U.S. Value	H	4.6	1.4	19.2	95	Salomon Brothers Opportunity	S	4.7	0.8	12.8
46	Longleaf Partners Smallcap	H	3.6	1.9	19.1	96	Royce Opportunity (closed,1%	S	6.2	-2.6	18.8
47	T.Rowe Price Mid Cap Growth	H	6.5	2.3	13.8	97	Vanguard Total Stk Mkt	S	4.8	0.4	13.4
48	Harbor Value	H	4.5	2.6	16.1	98	T. Rowe Price Growth & Income	S	4.3	0.4	14.1
49	Vanguard SmallCap Index	H	6.9	0.6	17.4	99	<b>Vanguard 500 Index</b>	<b>S</b>	<b>4.4</b>	<b>0.8</b>	<b>12.9</b>
50	Baron Asset	H	5.5	0.3	19.7	100	<b>Fidelity Spartan 500 Index</b>	<b>S</b>	<b>4.4</b>	<b>0.8</b>	<b>12.9</b>

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

## Domestic Stock Funds continued — data as of 9/10/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	Preferred Value	S	4.9	0.7	12.4	151	Fidelity Convertible Securities	S	4.1	-0.6	10.2
102	Mutual Shares(1%)CIZ	H	2.6	0.8	15.5	152	Vanguard Convertible Securities	S	3.5	-1.4	13.0
103	Selected American Shares	H	3.5	-1.0	18.3	153	Oakmark Select(closed) (2%	S	3.3	-1.3	13.1
104	Dreyfus Mid Cap Index	S	5.0	-0.7	15.1	154	Dreyfus Growth & Income	S	4.1	-0.5	9.6
105	Neuberger Berman Manhattan	S	5.4	0.5	11.0	155	CRM Small Cap Value Inv	S	5.3	-3.5	15.0
106	ABN Amro Mid Cap	S	4.9	-1.5	16.8	156	Dreyfus Growth Opportunity (2%	S	4.3	-0.6	9.3
107	Fidelity Trend	S	4.4	0.8	11.7	157	MSI Mid Cap Value	S	3.9	-1.3	11.7
108	T. Rowe Price New America	S	5.0	0.4	11.6	158	Legg Mason Value	S	4.9	-0.9	8.9
109	Fidelity Focused Stock (.75%	S	3.9	0.9	12.1	159	Nicholas Fund	S	4.2	-1.7	11.9
110	Salomon Brothers Investors	S	4.4	-0.7	15.3	160	Scudder Capital Growth AARP	S	4.4	-0.3	7.9
111	Northeast Investors Growth	S	5.0	0.1	12.4	161	Fidelity Independence	S	5.7	-0.8	7.2
112	Schwab 1000 Fund (.75%r<180d)	S	4.4	0.3	12.4	162	American Century Vista	S	5.2	-3.3	14.0
113	SIT Large Cap Growth (2%r<30d)	S	5.8	0.3	10.2	163	Vanguard Small Cap Growth	S	7.6	-3.1	9.7
114	Sound Shore	S	3.1	0.3	14.4	164	Thompson Plumb Growth	S	3.2	-1.3	11.9
115	Fidelity Growth & Income	S	4.1	1.0	10.8	165	Wasatch Small Cap Value	S	4.0	-4.4	18.1
116	Fidelity Small Cap Stock (2%	S	4.4	-1.6	16.8	166	Dreyfus Appreciation	S	3.3	-1.0	10.3
117	Fidelity Fund	S	3.9	0.6	12.2	167	Boston Ptnrs Smlcap Val	S	4.6	-4.0	15.6
118	C&B Mid Cap Value	S	5.4	-0.6	12.3	168	Century Select Small Cap (1%	S	4.8	-3.7	14.4
119	Nicholas II	S	4.6	-0.7	13.7	169	Fidelity Growth Company	S	7.5	-1.9	5.9
120	Gabelli Asset	S	4.4	0.2	11.6	170	Fidelity Small Cap Ind.(1.5%	S	4.1	-3.0	13.5
121	Marsico 21st Century (2%r<30d)	S	6.9	-2.0	13.2	171	Janus Growth & Income	S	4.0	-1.3	9.2
122	Fidelity Disciplined Equity	S	4.4	-0.2	12.4	172	Tweedy, Browne American	S	3.4	-1.7	11.2
123	Domini Social Equity Fund (2%	S	4.1	0.2	11.5	173	American Century Ultra	S	4.7	-1.4	8.3
124	RS Value+Growth	S	6.1	-1.3	11.8	174	Columbia Asset Allocation CIZ	S	3.1	-0.8	9.0
125	RS MidCap Opportunities	S	6.5	-1.5	11.7	175	Value Line Fund	S	7.1	-0.5	2.1
126	Marsico Growth & Income (2%	S	6.1	-0.8	10.7	176	Strong Growth	S	6.3	-1.4	5.4
127	Strong Multi-Cap Value	S	7.3	-2.6	13.3	177	Marsico Focus (2%r<30d)	S	6.6	-2.2	6.7
128	Scudder Growth & Income	S	4.0	0.2	10.9	178	Janus Olympus	S	5.7	-1.8	7.2
129	Fidelity Stock Selector	S	4.3	0.1	10.7	179	Strong Advisor Midcap Growth	S	5.7	-1.5	6.5
130	Janus Special Equity	S	3.6	-1.5	15.7	180	Artisan Midcap(closed)	S	5.3	-2.9	10.2
131	Oakmark Equity&Income (2%	S	1.8	0.7	12.7	181	Vanguard/Morgan Growth	S	5.1	-2.4	9.1
132	SIT Mid Cap Growth (2%r<30d)	S	6.8	-1.3	10.0	182	Fidelity Dividend Growth	S	4.5	-1.7	8.1
133	USAA Capital Growth	S	7.9	-2.3	10.7	183	Needham Small Cap Growth	S	7.2	-4.0	9.6
134	Baron Small Cap	S	6.0	-0.7	9.5	184	Henlopen Fund (1%r<30d)	S	6.4	-5.3	14.1
135	Strong Growth 20	S	7.1	-0.7	8.0	185	Westport Small Cap R	S	5.1	-2.7	9.0
136	Dreyfus Fund	S	3.9	0.3	9.8	186	Fidelity Growth & Income II	S	3.8	-0.8	6.0
137	Clipper Fund	S	4.2	1.2	7.2	187	Vanguard Explorer	S	6.9	-3.8	9.0
138	Safeco Equity	S	3.9	0.4	9.3	188	INVESCO Core Equity	S	4.0	-0.7	5.5
139	Fidelity Capital Appreciation	S	5.6	-2.1	12.5	189	ICM/Isabelle Small Cap Value	S	4.5	-5.0	15.1
140	Royce Low Priced Stock (1%	S	5.4	-2.5	13.9	190	Fidelity Blue Chip Growth	S	4.1	-1.5	7.0
141	American Century Growth	S	4.2	0.0	9.4	191	Bogle Small Cap Growth(closed)	S	5.7	-5.0	13.5
142	Fidelity Aggressive Growth(1.5%	S	7.1	-2.1	10.1	192	RS Smaller Company Growth	S	8.9	-5.8	10.2
143	T. Rowe Price New Horizons	S	7.9	-3.5	12.3	193	Buffalo Mid Cap	S	5.4	-5.2	13.9
144	Fidelity Magellan (closed)	S	4.6	-0.4	9.6	194	Harbor Capital Appreciation	S	4.8	-2.2	6.9
145	Longleaf Partners	S	2.9	-1.0	13.4	195	Janus Venture (closed)	S	8.2	-5.2	8.9
146	USAA Aggressive Growth	S	6.3	-0.9	8.1	196	USAA Growth	S	5.6	-2.3	5.3
147	Fidelity Discovery		3.6	0.6	8.3	197	Fidelity Large Cap Stock	S	4.2	-2.4	7.5
148	Strong Large Cap Growth	S	6.5	-0.3	6.2	198	TCW Galileo Value Opportuni-	S	4.1	-4.0	11.6
149	Wasatch Core Growth(closed,2%	S	4.9	-2.5	13.7	199	CS Warburg Pincus Capital	S	4.7	-2.2	6.2
150	T. Rowe Price Growth Stock	S	4.8	-1.0	10.2	200	INVESCO Dynamics	S	5.1	-3.4	8.3

**DOMESTIC STOCK FUNDS**  
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## Domestic Stock Funds continued — data as of 9/10/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Janus Fund	S	2.0	-0.8	6.4	251	Neuberger Berman Focus	S	6.3	-12.8	2.7
202	Preferred Growth	S	4.8	-2.5	6.3	252	RS Diversified Growth (closed)	S	6.0	-12.1	-2.8
203	Legg Mason Special Investment	S	4.9	-4.5	10.7	253	Oberweis Emerging Growth (1%)	S	7.5	-11.6	-9.1
204	Vanguard Growth Index	S	4.0	-2.3	6.7	254	Undiscovered Small Cap Growth	S	10.7	-15.8	-3.5
205	UMB Scout Stock	S	3.8	-1.8	5.7	255	PBHG Emerging Growth	S	8.2	-12.4	-11.3
206	Columbia Common Stock	S	3.5	-2.6	8.0	256	Van Wagoner Emerging Growth	S	9.2	-22.6	-21.7
207	Matrix Advisors Value (.75%)	S	5.9	-4.9	10.0						
208	Strong Advisor Common Stock	S	5.6	-4.0	8.1						
209	Yacktman Fund	S	2.4	-2.3	8.5						
210	Scudder Large Company Growth	S	4.0	-1.7	4.4						
211	PBHG Small Cap Value	S	6.3	-5.0	9.1						
212	Gabelli Growth ^	S	4.2	-2.9	7.0						
213	Dreyfus Premier Third Century	S	3.5	-2.8	7.6						
214	Vanguard U.S. Growth	S	5.1	-3.1	6.1						
215	Dreyfus-Founders Discovery	S	6.5	-4.4	6.4						
216	Federated Kaufmann Fund(0.2%)	S	4.9	-3.7	7.0						
217	Janus Mercury	S	3.8	-3.5	8.1						
218	Strong Discovery	S	7.2	-4.7	5.9						
219	William Blair Growth (1%r<60d)	S	4.9	-2.4	3.4						
220	Value Line Leveraged Growth	S	5.9	-2.3	1.4						
221	Wasatch Small Cap Grth	S	6.1	-3.2	3.0						
222	RS Emerging Growth(closed)	S	9.3	-5.6	4.1						
223	Selected Special Shares	S	3.7	-5.1	10.9						
224	WellsFargo Montgomery Small	S	10.0	-7.3	6.7						
225	Columbia Growth	S	4.4	-3.1	4.3						
226	Columbia Small Company Equity	S	8.5	-7.1	8.2						
227	American Century Select	S	3.3	-3.0	5.6						
228	Fidelity Fifty (.75%r<30d)	S	5.4	-2.9	1.6						
229	Fidelity Mid-Cap Stock (.75%)	S	5.7	-5.2	6.4						
230	Legg Mason Opportunity Trust	S	4.7	-6.3	10.4						
231	Columbia Large Cap Growth CIZ	S	4.3	-3.4	3.8						
232	TCW Galileo Aggressive Growth	S	6.8	-5.1	3.0						
233	Bridgeway Aggressive Investors 2	S	7.0	-5.7	2.8						
234	American Century Heritage	S	5.1	-5.0	3.4						
235	TCW Galileo Small Cap Growth	S	8.8	-6.7	2.0						
236	INVESCO Small Company	S	8.0	-5.9	0.6						
237	Turner Mid Cap Growth	S	6.8	-6.6	3.4						
238	Hussman Strategic Growth (1.5%)	S	0.5	-3.7	5.4						
239	Pin Oak Aggressive Stock	S	4.0	-6.0	5.2						
240	Fidelity OTC Portfolio	S	5.2	-5.8	1.7						
241	Fidelity New Millennium (closed)	S	6.1	-7.2	3.9						
242	WPG Large Cap Growth	S	3.5	-5.5	2.3						
243	Vanguard Growth Equity	S	4.3	-6.3	2.6						
244	CS Warburg Pincus Emerging	S	4.9	-8.3	6.8						
245	SIT Small Cap Growth (2%r<30d)	S	7.8	-6.7	-1.9						
246	PBHG Growth	S	6.9	-7.2	-1.8						
247	Scudder Development (closed)	S	4.9	-6.5	-1.1						
248	Columbia Special	S	5.8	-7.4	-1.0						
249	Needham Growth Fund (.75%)	S	5.9	-7.8	-1.5						
250	Undiscovered Behavioral Growth	S	6.4	-7.6	-2.7						

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**INTERNATIONAL STOCK FUNDS  
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# International Stock Funds — data as of 9/10/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Dodge&Cox Intl. Stock	*	4.3%	5.9%	30.4%	51	Scudder International (2%	*	4.0	-2.5	12.5
2	Artisan Intl Value (2%r<90d)	*	3.2	5.0	32.7	52	Columbia International Stock	*	2.4	-2.5	14.5
3	Oakmark Intl Small Cap	*	1.8	5.2	34.1	53	Columbia Intl Equity CIZ	*	2.4	-2.3	14.1
4	Fidelity Latin Amer.(1.5%<90d)	*	6.5	3.5	31.4	54	Longleaf Partners International	*	0.4	-0.7	12.9
5	Neuberger Berman International	*	3.0	4.1	33.9	55	T. Rowe Price Intl Stock	*	2.9	-2.7	14.1
6	Matthews Japan Fund (2%r<90d)	*	1.5	7.4	27.3	56	Fidelity Pacific Basin (1.5%	*	3.4	-1.8	10.9
7	T. Rowe Price Japan	*	1.5	7.6	26.2	57	Fidelity Emerging Mkts (1.5%	*	7.2	-6.1	15.8
8	Matthews Asia G & I (closed,2%	*	4.3	4.4	25.7	58	Fidelity Overseas (1%r<30d)	*	4.5	-4.0	14.0
9	T.Rowe Price Latin America (2%	*	5.6	2.4	27.0	59	Artisan International (2%r<90d)	*	2.3	-3.7	16.1
10	Fidelity Intl Small Cap (2%r<90d)	*	4.1	0.8	30.9	60	American Century Global	*	4.9	-3.7	10.6
11	Vanguard Intl Explorer	*	2.5	2.2	29.7	61	American Century Intl Growth	*	3.9	-3.8	11.9
12	Preferred International	*	3.4	3.2	23.5	62	Loomis Sayles International	*	3.7	-4.1	13.1
13	Fidelity Europe (1%r<30d)	*	6.6	0.3	25.8	63	Fidelity Europe Capital App. (1%	*	3.7	-6.3	17.3
14	T.Rowe Price Intl Disc. (2%r<1yr)	*	2.5	1.2	28.6	64	Fidelity SE Asia (1.5%r<90d)	*	7.6	-7.9	14.0
15	Matthews Pacific Tiger (2%r<90d)	*	8.4	-0.1	22.8	65	SIT International Growth (2%	*	4.0	-4.4	10.8
16	Scudder Latin America	*	6.3	0.8	22.3	66	CS Warburg Pincus Japan Grth	*	3.0	-2.1	6.1
17	Oakmark International (2%r<90d)	*	3.7	2.1	21.0	67	Fidelity Aggressive Intl. (1%	*	5.0	-6.4	6.8
18	Vanguard International Value (2%	*	4.4	1.0	21.8	68	Driehaus Int'l Discovery (2%	*	2.9	-8.8	14.3
19	Tweedy, Browne Global Value	*	2.1	1.7	22.2	69	Janus Worldwide (2%r<90d)	*	1.7	-7.3	5.2
20	Vanguard European Stock Index	*	3.7	0.2	23.4						
21	Vanguard Pacific Stock Index (2%	*	3.2	1.9	18.3						
22	Wasatch International Growth	*	3.1	0.1	23.0						
23	Harbor International (2%r<60d)	*	3.8	0.8	19.9						
24	USAA World Growth	*	3.5	1.6	18.3						
25	Amer.Cent.Intl Opportunity (2%	*	2.2	-1.5	27.2						
26	USAA International	*	3.3	0.4	20.0						
27	Scudder Global Discovery(closed)	*	6.1	-0.5	17.8						
28	Fidelity Diversified Intl (1%r<30d)	*	4.3	-0.7	19.3						
29	Schwab International Index (1.5%	*	3.1	0.2	18.7						
30	Japan Fund (Scudder) (2%	*	3.1	1.8	14.4						
31	Dreyfus Emerging Market(1%r)	*	4.9	-2.7	22.6						
32	Julius Baer Intl Equity A (2%	*	2.9	-0.5	20.0						
33	Fidelity Japan(1.5%<90d)	*	3.2	2.0	12.6						
34	Gabelli Intl Growth (2%r<60d)	*	3.2	-0.4	18.5						
35	Driehaus Emerging Mkts Gr (2%	*	6.4	-4.0	22.5						
36	Vanguard Emerging Mkts Stk	*	6.5	-3.8	20.5						
37	Artisan Intl Small Cap(closed,2%	*	2.9	-2.7	22.9						
38	Vanguard International Growth	*	3.6	-1.1	17.7						
39	Fidelity Global Balanced (1%	*	3.5	0.1	13.9						
40	T. Rowe Price European	*	3.5	-2.4	19.8						
41	Fidelity International G & I (1%	*	3.8	-2.1	18.4						
42	Guinness China & Hong Kong	*	4.8	-5.3	24.1						
43	Wm. Blair Intl Growth N	*	3.4	-1.3	16.1						
44	T. Rowe Price New Asia	*	5.9	-3.7	17.9						
45	Scudder Greater Europe (2%	*	3.4	-2.5	16.6						
46	Fidelity Worldwide (1%r<30d)	*	4.5	-1.7	12.7						
47	Oakmark Global (2%r<90d)	*	3.0	-1.5	14.4						
48	Janus Overseas(closed,2%r<90d)	*	4.6	-3.6	16.7						
49	Scudder Pacific Opportunity (2%	*	5.7	-4.5	16.8						
50	Scudder Global	*	4.6	-2.3	12.0						

**Next Issue of**  
***MONEYLETTER Plus***  
**Will Be Available:**  
**Wednesday**  
**September 22, 2004**  
**by Midnight**

Total Return % - 8/31/04					
1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
1.1	ML Conservative	-1.0	11.5	24.5	2.2
0.4	Fidelity Conservative	-0.9	9.2	10.4	1.8
1.5	Vanguard Conservative	-0.2	11.4	8.3	3.2
-1.0	ML Moderate	-5.9	13.9	43.0	-0.4
-1.0	Fidelity Moderate	-4.4	11.7	24.0	0.2
1.0	Vanguard Moderate	-2.8	13.4	17.0	1.7
-1.4	ML Venturesome	-8.0	13.7	42.3	-1.7
-1.6	Fidelity Venturesome	-6.2	9.7	22.7	-1.3
0.6	Vanguard Venturesome	-4.3	12.9	17.0	0.6
0.6	ML Select	-10.6	0.5	n/a	-3.5
Benchmarks					
0.4	S&P 500	-2.8	11.4	2.4	0.5
0.7	Asset Allocation Funds Avg (84)	-2.3	10.2	9.8	0.5

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

## Specialty Funds — data as of 9/10/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	Fidelity Natural Gas (.75%r<30d)	*	6.6%	14.9%	40.7%	51	Rydex Leisure	*	5.9	-3.7	16.1
2	ICON Materials	*	7.4	15.4	38.0	52	Fidelity Insurance (.75%r<30d)	*	3.2	-2.2	16.3
3	ICON Energy	*	4.6	13.1	46.7	53	Vanguard Balanced Index	B	3.2	0.3	10.0
4	Fidelity Chemicals (.75%r<30d)	*	7.4	15.1	35.2	54	Fidelity Balanced	B	4.0	-0.9	11.2
5	Vanguard Energy (1%r<1yr)	*	4.1	12.6	38.4	55	Vanguard Health Care	*	3.7	-1.3	12.1
6	Rydex Energy	*	5.1	12.1	36.3	56	Fidelity Telecomm (.75%r<30d)	*	6.1	-4.5	16.2
7	Fidelity Defense & Aero (.75%	*	5.6	14.2	29.6	57	Fidelity Health Care (.75%r<30d)	*	6.4	-0.9	6.6
8	T. Rowe Price New Era	*	6.3	11.4	35.1	58	ICON Leisure & Consumer Sta-	*	3.7	-2.6	13.7
9	Cohen & Steers Realty Shares	*	7.1	9.0	38.0	59	Rydex Internet	*	6.7	-3.8	12.2
10	Rydex Energy Services	*	7.2	10.1	33.8	60	Fidelity Biotechnology (.75%	*	11.8	-3.5	3.2
11	Fidelity Energy Services (.75%	*	7.3	10.0	30.9	61	Fidelity Leisure (.75%r<30d)	*	3.6	-2.1	11.9
12	Fidelity Cyclical Ind (.75%r<30d)	*	5.4	11.9	28.8	62	ICON Healthcare	*	5.5	-2.8	7.8
13	Fidelity Energy (.75%r<30d)	*	4.0	11.0	32.3	63	Rydex Health Care	*	6.0	-3.2	5.6
14	Fidelity Wireless (.75%r<30d)	*	6.6	5.3	39.8	64	Fidelity Food & Agr (.75%r<30d)	*	1.4	-3.3	12.0
15	CGM Realty	*	9.5	0.7	46.1	65	AXARosenberg Value L/S (2%	*	-1.0	0.5	4.2
16	Alpine U.S. Real Estate Equity	*	9.0	1.8	43.2	66	Rydex Telecommunications	*	6.2	-7.0	12.0
17	T.Rowe Price Real Estate (1%	*	5.8	8.0	29.7	67	Vanguard Precious Metals	*	2.8	-4.8	10.6
18	Fidelity Natrl Resources (.75%	*	4.3	9.0	29.2	68	Fidelity Automotive (.75%r<30d)	*	2.5	-3.3	6.8
19	Rydex Basic Materials	*	6.0	9.2	25.7	69	Fidelity Brokerage (.75%r<30d)	*	9.1	-8.1	7.3
20	Fidelity Const & Housing (.75%	*	7.6	5.4	31.7	70	Merger Fund (closed,2%r<30d)	*	0.8	-1.4	2.4
21	Fidelity Real Estate (.75%r<90d)	*	6.7	6.6	29.7	71	Rydex Retailing	*	4.9	-5.1	5.0
22	Vanguard REIT Index (1%r<1yr)	*	6.5	5.5	28.1	72	Fidelity Consumer Ind (.75%	*	4.0	-5.7	3.8
23	Fidelity Utilities Growth (.75%	*	4.9	8.0	21.9	73	Fidelity Pharmaceuticals (.75%	*	6.8	-5.9	-0.4
24	Rydex Transportation	*	6.0	11.5	10.7	74	ICON Consumer Discretionary	*	3.5	-6.9	5.9
25	Fidelity Transportation (.75%	*	5.6	11.4	11.5	75	Rydex Biotechnology	*	12.5	-8.7	-4.3
26	Cohen & Steers Equity Income	*	5.6	3.7	28.3	76	Rydex Juno	*	-2.0	1.6	-8.6
27	Fidelity Med Del (.75%r<30d)	*	5.0	3.8	28.1	77	Fidelity Multimedia (.75%r<30d)	*	4.5	-5.6	-1.3
28	Fidelity Indust Matrils (.75%r<30d)	*	5.1	4.3	25.0	78	T.Rowe Price Science & Tech	*	3.6	-6.7	-0.2
29	Stratton Mthly Div REIT (1.5%	*	6.3	2.5	23.7	79	Fidelity Developing Comm (.75%	*	8.5	-14.7	9.7
30	Fidelity Bus Services (.75%r<30d)	*	8.8	4.5	13.0	80	Rydex Precious Metals	*	8.0	-11.3	-1.1
31	Rydex Banking	*	5.5	2.3	23.2	81	Scudder Gold (closed)	*	6.2	-13.1	6.0
32	Fidelity Home Finance (.75%	*	5.2	1.0	26.5	82	Rydex Ursa	*	-4.1	-1.0	-12.0
33	ICON Industrials	*	5.2	5.4	14.7	83	RS Internet Age	*	11.1	-13.8	-2.9
34	Fidelity Industrial Equip (.75%	*	2.5	3.8	21.6	84	Amer. Cent. Global Gold (1%	*	5.6	-10.5	-3.3
35	T.Rowe Price Media & Telecom-	*	6.2	0.3	23.5	85	ProFunds Bear Inv	*	-4.2	-1.2	-12.3
36	Fidelity Air Transport (.75%r<30d)	*	5.8	7.0	6.7	86	RS Information Age	*	11.0	-13.8	-3.6
37	Rydex Utilities	*	3.5	4.3	15.4	87	Fidelity Software (.75%r<30d)	*	6.1	-11.9	-4.3
38	ICON Financial	*	6.1	-0.7	23.5	88	ICON Information Technology	*	6.9	-10.1	-12.4
39	Fidelity Paper & Forest (.75%	*	3.1	3.3	16.2	89	Rydex Technology	*	3.3	-11.1	-5.9
40	Rydex Financial Services	*	5.4	0.4	20.0	90	Fidelity Gold (.75%r<30d)	*	5.8	-11.9	-9.1
41	Fidelity Medical Equip (.75%	*	6.2	1.8	15.0	91	Fidelity Technology (.75%r<30d)	*	2.5	-12.3	-6.3
42	Fidelity Banking (.75%r<30d)	*	5.5	0.5	18.9	92	U.S.Global Gold Shares (.25%	*	6.0	-17.6	0.5
43	Fidelity Finl Serv (.75%r<30d)	*	5.8	-1.0	17.4	93	Prudent Bear	*	-4.2	-8.3	-11.7
44	T.Rowe Price Financial Services	*	6.2	-1.4	16.4	94	Fidelity Computers (.75%r<30d)	*	3.0	-15.5	-9.2
45	Fidelity Retailing (.75%r<30d)	*	4.4	1.1	11.8	95	Fidelity Networking (.75%r<30d)	*	4.8	-20.3	-13.7
46	Fidelity Environmental Ser (.75%	*	6.8	1.1	8.2	96	Royce Technology Value (2%	*	8.5	-21.0	-18.5
47	T.Rowe Price Health Sciences	*	11.0	-2.7	9.9	97	Fidelity Electronics (.75%r<30d)	*	1.1	-20.8	-12.5
48	ICON Telecommunications &	*	4.3	-1.4	16.0	98	Rydex Electronics	*	-0.1	-24.9	-23.4
49	Rydex Consumer Products	*	2.9	-1.1	15.0						
50	Gateway Fund	B	2.6	2.5	6.3						

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

\* = **Not Recommended**

**SPECIALTY FUNDS**  
Continued On Next Page

## Bond Funds — data as of 9/10/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	0.8%	0.1%	0.9%	PIMCO Real Return	H	0.8	-1.4	6.1
American Century Inflation Adj	B	1.0	0.2	8.6	PIMCO Total Return	H	1.0	0.0	3.6
American Century Intl Bond	*	0.3	1.2	13.0	PIMCO Total Return Mortgage	H	0.7	0.3	2.9
American Century Target 2010	*	1.0	-1.5	4.9	Safeco U.S. Government (2%	H	0.7	-0.9	0.8
American Century Target 2015	*	1.8	-1.1	10.3	Schwab S-T Bond Mkt Index	B	0.5	-0.5	0.9
American Century Target 2020	*	2.2	-1.9	12.7	Scudder Global Bond S-T	*	1.0	0.0	5.8
American Century Target 2025	*	2.7	-2.1	14.8	Scudder Income (closed)	H	1.0	0.4	5.7
American Government Bond	H	0.7	-1.2	0.7	Scudder Short-Term Bond	B	0.4	0.1	2.0
BBH Inflation Indexed Sec	B	0.9	0.4	8.7	Strong Corporate Bond	*	1.5	-1.8	4.1
Buffalo High-Yield(2%r<180d)	*	1.2	1.7	8.6	Strong Govt Securities	H	0.9	-1.4	1.9
Columbia Fixed Income Sec	H	0.9	-1.9	1.3	Strong High Yield Bond (1%	*	1.7	1.5	8.3
Columbia High Yield	*	1.6	-0.7	4.0	Strong S-T Bond	B	0.5	-0.7	0.9
Columbia Income CIZ	H	1.3	-0.9	4.5	Strong S-T High Yield	*	0.7	0.7	2.7
Columbia Intermediate Bond CIZ	H	1.1	-1.0	3.5	T. Rowe Price Corporate Inc	*	1.5	-1.4	5.7
Columbia S-T Bond	B	0.4	-0.8	0.4	T. Rowe Price GNMA	*	0.7	-0.1	1.5
Dodge & Cox Income	H	1.1	0.0	4.6	T. Rowe Price High Yld	*	1.8	0.7	6.5
Dreyfus 100 Treasury L-T	*	1.2	-2.0	-2.0	T. Rowe Price Int'l Bond	*	0.6	0.8	10.2
Dreyfus A Bonds Plus	*	0.7	-1.7	0.8	T. Rowe Price New Income	*	1.0	-0.8	2.8
Dreyfus GNMA	*	0.5	-0.2	3.7	T. Rowe Price Spectrum Income	*	1.5	0.4	6.7
Dreyfus Short-Term Income	B	0.3	-1.5	-2.1	T. Rowe Price S-T Bond	B	0.4	-0.8	0.3
Dreyfus Strategic Income	*	1.0	-2.0	-0.2	T. Rowe Price U.S. Treas. L-T	*	1.2	-2.3	3.3
Federated Total Return Govt	H	0.8	-1.4	1.9	TCW Galileo High Yield Bond	*	1.7	2.6	11.7
Federated U.S. Govt Sec. 1-3	B	0.3	-0.6	-0.1	TCW Galileo Total Return Bond	H	1.0	0.7	5.3
Fidelity Capital & Income (1%	*	3.1	0.8	8.3	USAA Income	H	1.0	0.1	5.2
Fidelity Floating Rate High Inc(1%	B	0.4	0.7	2.6	Value Line Aggressive Inc (1%	*	1.9	1.7	7.9
Fidelity GNMA	*	0.7	0.1	1.8	Value Line U.S. Govt Sec	H	0.8	-0.5	2.7
Fidelity Government Income	*	0.8	-1.2	2.4	Vanguard GNMA	B	0.9	1.1	2.4
Fidelity High Income (1%r<90d)	*	2.1	0.0	8.3	Vanguard High Yield Corporate	*	1.6	2.3	10.5
Fidelity Inflation-Protected Bond	B	0.9	-0.3	7.9	Vanguard Inflation Protected	B	0.7	0.1	8.8
Fidelity Intermediate Bond	H	0.9	-1.4	1.8	Vanguard Intermediate Treas.	H	0.9	-1.8	0.4
Fidelity Intermediate Govt	H	0.6	-0.4	2.9	Vanguard Long-Term Corporate	*	1.6	-2.4	4.8
Fidelity Investment Grade	H	1.1	0.3	5.1	Vanguard L-T Treasury	*	1.4	-2.9	3.2
Fidelity New Markets Income (1%	*	3.2	0.1	7.8	Vanguard Short-Term Corporate	B	0.5	-0.7	0.4
Fidelity Short-Term Bond	B	0.5	-0.6	1.1	Vanguard S-T Federal	*	0.5	-0.8	0.1
Fidelity Strategic Income	B	2.1	1.4	9.2	Vanguard S-T Treasury	B	0.4	-0.8	-0.2
FifthThird Bond	*	1.0	-0.4	4.1	Vanguard Total Bond Market	H	1.0	0.0	4.7
Fremont Bond	H	1.1	0.2	4.8	WellsFargo Montgomery S Dur	B	0.5	-0.3	1.2
Janus Flexible Income	*	0.9	-1.9	1.9	WellsFargo Montgomery Total	H	1.0	-0.4	3.4
Janus High Yield (2%r<90d)	*	1.9	1.5	6.5	Westcore Plus Bond (2%r<90d)	*	1.2	0.8	8.6
Janus S-T Bond	B	0.6	0.0	1.4	WPG Core Bond	H	1.0	-0.4	3.9
Loomis Sayles Bond Retail	B	2.4	1.5	13.7					
Managers Bond	*	1.3	-0.4	7.4					
Managers Int. Duration Govt	*	1.0	1.1	4.5					
Managers Short Duration Govt	B	0.4	1.0	1.9					
MetroWest Low Duration	B	0.7	-0.6	1.3					
MetroWest Total Return	*	1.0	-1.9	3.9					
Northeast Investors Trust	*	1.5	4.1	15.7					
Payden Global Fixed Income	*	0.7	-0.3	3.0					
PIMCO High Yield	*	2.1	0.7	8.1					
PIMCO Low Duration	B	0.3	-0.2	0.6					

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

**PORTFOLIO HOLDINGS**  
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\* = Not Recommended

## Weekly Performance of ML Model Holdings — data as of 9/10/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	0.45%	VBINX Vanguard Balanced	0.87
ARTQX Artisan Mid Cap Value	0.20	VWEHX Vanguard High Yield Corp	0.16
BPTRX Baron Partners	1.01	VIPSX Van. Inflation Protected Bond	0.32
CSRSX Cohen & Steers Realty	-0.66	VISVX Vanguard Small Cap Value	1.38
DODIX Dodge & Cox Income	0.47	VBMFX Vanguard Total Bond	0.49
FBALX Fidelity Balanced	1.23	VIVAX Vanguard Value Index	0.71
FCNTX Fidelity Contrafund	1.07	VUVLX Vanguard US Value	0.47
FEQIX Fidelity Equity-Income	0.64	VWNFX Vanguard Windsor II	0.54
FEXPX Fidelity Export & Multinational	1.30		
FSTGX Fidelity Intermediate Gov't	0.39		
FBNDX Fidelity Inv Grade Bond	0.53		
FLVCX Fidelity Leveraged Company	1.55		
FSNGX Fidelity Natural Gas	0.27		
FSICX Fidelity Strategic Income	0.77		
FDVLX Fidelity Value	1.34		
FWRLX Fidelity Wireless	2.67		
GATEX Gateway Fund	0.55		
LSBRX Loomis Sayles Bond	1.06		
MJFOX Matthews Japan	0.27		
RSCOX RS Contrarian	0.83		
SMCDX Strong Mid Cap Disciplined	0.24		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	0.52%
		NASDAQ	2.70
		S&P 500	0.92

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