

MONEYLETTER HOTLINE 10/5/04

Market Action Puzzling

Watching the market recently seems like watching a mysterious ritual. So-so economic news comes out, and the market goes up. Oil moves above \$50 and the market reaction is far milder than it has been toward a disappointing earnings report from a major blue chip. We're a little puzzled.

On the surface the economy appears to be moving strongly out of the soft patch. Consumer spending has been particularly robust, especially considering the drag from oil. But a good bit of that strength has come from auto sales, boosted by a new round of incentives designed to reduce inventory. Once the inventory is trimmed, it is hardly likely the new incentives will remain. Business investment is another area where the numbers don't appear sustainable, given other data.

All we are saying is that the recent gains have come at a time when the economy's underlying growth is settling down not speeding up. This is being reflected in the profit estimates coming from the Street. The 20% gains are now history. Stocks are still undervalued, but we do not expect the rapid gains of the past few weeks to continue. We remain cautious optimists.

There is no change in our recommended allocations.

New Fund Ratings – For domestic stock funds, three funds are now rated Buy: William Blair Small-Cap Growth N (closed), Weitz Hickory, and MSI Value Portfolio. Two funds are now rated Hold: Vanguard Value Index and Loomis Sayles Value. One fund is now rated Sell: Fidelity Equity Income. For international stock funds, four funds are now rated Buy: Vanguard European Stock Index, Dreyfus Emerging Market, Guinness China&Hong Kong, and Vanguard Emerging Markets Stock Index. Two funds are now rated Hold: Fidelity International Small Cap and T. Rowe Price International Discovery.

Fidelity Equity-Income is in the Fidelity Venturesome and Moderate portfolios. We will switch the fund into Fidelity Focused Stock Fund in both portfolios.

The Economy – The ISM services survey was down slightly from August. Good growth is still occurring, just not as rapidly as formerly. The weekly retail store surveys report show slow sales last week. We see growth at 3-3.5% over the 6-9 months ahead.

The Stock Market – International stock markets have rallied along with the American market. Low interest rates are an important prop to international markets

Select Portfolio – There are no changes for this portfolio.

MONEYLETTER HOTLINE 10/1/04

A Different View

The post-window dressing selling we expected never arrived. In its stead we had a booming rally that saw the Nasdaq rise almost 2.5%. Let it be noted that stock markets all over the world boomed today, starting with a big gain for Japan. So in some ways there was something global going on, although we are puzzled at what it might be.

Returning home, we have seen attempts to say that the rally came because the economic news has been strong. Sorry, but we don't see it that way. Not that the news has been weak, it has just been very mixed. Today for example, the monthly ISM manufacturing survey dropped slightly, but more important new orders dropped noticeably. For us, that is the number that counts, and it was not good, although it showed orders still rising. It's consistent with the view that the recovery is sputtering.

Offsetting that was today's auto sales news saying that sales perked up last month. But remember General Motors one-time beefed up incentive to reduce inventory. Also remember that oil closed above \$50.00 today. No, the market has been marching to its own drummer this past week, and today was no exception. We want to repeat that as long as interest rates stay calm stocks are cheap. We remain cautious optimists.

There is no change in our recommended allocations.

New Fund Ratings – For domestic stock funds, four funds are now rated Buy: Fidelity Leveraged Company, Fidelity Value, Muhlenkamp Fund, and TCW Galileo Dividend Focused N. Two funds are now rated Hold: American Century Equity Income and PIMCO PEA Value D. For international stock funds, two funds are now rated Hold: Vanguard International Explorer and Matthews Pacific Tiger.

FBR Small Cap, in the Moneyletter Venturesome Portfolio, closed today. As is our practice, we will remove the fund from the portfolio as of today and replace it with Weitz Hickory.

The Economy – Consumer spending was flat in August. That is where we need a pickup. And that in turn depends on the job market. The ISM survey was encouraging regarding employment. We still see growth going forward in the moderate 3-3.5% range.

The Stock Market – The market has two internal developments going for it now. Merger activity is picking up. Don't ignore this. Also, stock buyback activity is picking up. We remain cautious optimists.

Select Portfolio – There are no changes for this portfolio.

Domestic Stock Funds — data as of 10/1/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	RS Partners (closed)	B	7.2%	7.2%	35.0%	51	Artisan Small Cap	H	5.7	0.9	19.7
2	Baron Partners	B	7.8	5.8	35.9	52	TCW Galileo Dividend Focused	H	2.8	2.0	21.1
3	Berwyn Fund (1%r<180d)	B	4.3	7.5	35.2	53	Loomis Sayles Value	H	2.7	3.0	18.7
4	MainStay Small Cap Opportunity	B	7.7	3.2	34.2	54	Neuberger Berman Partners	H	5.7	0.8	19.4
5	Artisan Mid Cap Value	B	5.1	6.6	29.2	55	Dodge & Cox Stock (closed)	H	4.0	1.5	19.8
6	Fidelity Leveraged Co	B	7.7	3.4	32.2	56	Buffalo Small Cap(closed)	H	7.0	-2.7	25.5
7	T. Rowe Price S-C Value	B	6.1	5.9	26.0	57	Longleaf Partners Smallcap	H	3.9	2.1	18.2
8	Royce Premier (1%r<180d)	B	6.4	5.2	26.3	58	TCW Galileo Opportunity N	H	6.9	-0.7	20.7
9	CGM Focus	B	9.8	2.9	26.1	59	Neuberger Berman Fasciano Inv	H	4.1	2.0	18.0
10	WmBlair S-C Growth N	B	9.9	2.3	26.1	60	American Century Value	H	1.8	2.9	18.9
11	RS Contrarian Value	B	5.2	4.0	28.3	61	Janus Special Equity	H	5.8	0.0	20.2
12	T.Rowe Price Mid Cap Value	B	4.3	4.5	26.2	62	Fidelity Export & Multinat'l(.75%	H	4.2	2.5	16.2
13	Weitz Hickory	B	1.9	4.7	28.7	63	PIMCO PEA Value D	H	0.9	1.3	24.4
14	Ariel Fund	B	3.7	5.6	22.9	64	Baron Asset	H	5.1	1.0	18.4
15	Fidelity Value	B	4.9	4.5	23.8	65	Boston Partners Mid Cap Value	H	4.6	0.9	19.4
16	Third Avenue Small-Cap Value	B	3.8	5.0	23.7	66	Fidelity Contrafund	H	4.7	1.9	16.5
17	Vanguard Small-Cap Value Index	B	4.7	3.0	26.2	67	Vanguard Equity-Income	H	2.1	3.6	16.0
18	MSI Value Portfolio	B	3.9	5.0	21.7	68	Vanguard Mid-Cap Index	H	4.7	0.9	18.6
19	Royce Penn Mutual(1%r<180d)	H	6.9	2.6	23.2	69	Henlopen Fund (1%r<30d)	S	8.9	-2.7	21.3
20	Muhlenkamp Fund	B	5.3	2.7	23.2	70	Royce Opportunity (1%r<180d)	S	6.9	-1.9	22.5
21	Strong Mid Cap Disciplined	B	2.2	3.9	24.8	71	USGlobal Holmes Growth (.25%	S	6.6	1.2	15.0
22	Third Avenue Value (1%r<60d)	B	2.6	4.0	23.7	72	Columbia Disciplined Value CIZ	H	2.1	2.8	17.3
23	Neuberger Berman Genesis	H	4.0	3.7	22.1	73	Vanguard Strategic Equity	S	5.8	0.1	18.5
24	Loomis Sayles Small Cap Value	B	4.6	3.2	22.1	74	Vanguard SmallCap Index	H	5.3	-0.4	20.4
25	CRM Mid Cap Value Inv	B	3.8	2.6	24.7	75	Mutual Qualified(1%)CIZ	S	2.8	1.8	18.5
26	Vanguard PRIMECAP(closed,	H	5.2	3.4	20.4	76	Royce Special Equity (1%	S	4.4	0.9	17.8
27	Janus Twenty(closed)	B	5.2	3.6	20.1	77	Vanguard U.S. Value	H	2.6	1.2	19.3
28	Homestead Value	B	2.9	4.8	19.7	78	MSI Mid Cap Value	S	4.1	1.4	16.2
29	FBR Small Cap (closed,1%r<90d)	B	2.8	4.1	21.5	79	Weitz Value Fund	S	2.1	1.7	18.3
30	T. Rowe Price Small Cap Stock	H	6.6	2.3	19.8	80	Scudder Large Co Value	S	2.1	2.1	16.7
31	T. Rowe Price Cap Appreciation	B	3.0	4.4	19.5	81	Salomon Brothers Opportunity	S	3.0	2.2	14.4
32	Safeco Growth Opportunities (2%	H	5.2	2.4	21.1	82	Royce Low Priced Stock (1%	S	6.3	-1.8	19.3
33	TCW Galileo Diversified Value N	B	3.5	2.8	22.6	83	USAA Capital Growth	S	7.7	-1.3	15.8
34	Janus Mid Cap Value	B	3.1	2.8	23.0	84	American Century Equity Growth	S	3.6	1.5	15.0
35	Vanguard Windsor II	B	3.0	3.4	21.8	85	TCW Galileo Select Equity	S	5.5	1.5	11.8
36	Strong Opportunity	H	5.2	2.7	19.3	86	American Century Income &	S	2.6	1.5	16.1
37	T.Rowe Price Mid Cap Growth	H	5.3	3.1	18.2	87	Janus Enterprise	S	4.2	0.4	16.4
38	MSI Mid Cap Growth	H	6.1	2.2	18.6	88	Value Line Special Situations	S	4.8	-0.1	16.6
39	Fidelity L P Stock (closed,1.5%	H	4.7	1.8	21.4	89	Neuberger Berman Manhattan	S	5.1	0.5	14.6
40	T. Rowe Price Equity-Income	H	2.9	4.3	18.0	90	RS Value+Growth	S	6.2	-0.2	14.6
41	Baron Growth	H	6.5	2.0	18.1	91	Strong Growth 20	S	7.6	-0.5	13.3
42	Vanguard Cap Opp (closed,	H	6.2	0.2	22.8	92	Oakmark Fund (2%r<90d)	S	2.0	2.4	14.1
43	MSI Small Cap Value(closed)	H	4.6	1.3	21.8	93	Dreyfus New Leaders	S	4.1	-0.1	17.3
44	Fidelity Focused Stock (.75%	H	6.2	3.1	14.7	94	Mutual Beacon(1%)CIZ	S	2.2	0.9	17.2
45	Vanguard Value Index	H	2.4	3.6	18.8	95	Gabelli Asset	S	3.6	0.8	15.3
46	American Century Equity Income	H	1.7	4.7	17.0	96	Vanguard Extended Market	S	4.8	-1.2	17.8
47	Sound Shore	H	4.3	2.6	18.1	97	Marsico Growth & Income (2%	S	5.3	1.1	11.4
48	Royce Total Return (1%r<180d)	H	4.2	2.9	17.2	98	Cambiar Opportunity	S	3.0	-0.4	18.5
49	Neuberger Berman Guardian	H	4.2	2.6	17.7	99	Marsico 21st Century (2%r<30d)	S	5.5	-0.3	14.3
50	Strong Multi-Cap Value	H	7.1	0.0	19.8	100	Fidelity Equity-Income	S	2.0	1.1	15.7

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

Domestic Stock Funds continued — data as of 10/1/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	Vanguard Windsor	S	3.2	0.1	16.0	151	Westport Small Cap R	S	5.5	-2.2	12.1
102	Bogle Small Cap Growth(closed)	S	7.8	-3.4	17.9	152	American Century Growth	S	2.9	-0.1	10.5
103	Aegis Value Fund	S	1.7	1.1	15.8	153	Longleaf Partners	S	2.7	-0.6	11.9
104	Vanguard Growth & Income	S	2.9	0.9	14.1	154	Fidelity Convertible Securities	S	3.2	-0.7	11.1
105	Selected American Shares	S	2.3	-0.1	17.3	155	Artisan Midcap(closed)	S	5.5	-2.9	12.8
106	Fidelity Small Cap Stock (2%	S	4.2	-1.9	19.1	156	Marsico Focus (2%r<30d)	S	5.2	-0.9	8.2
107	Mutual Shares(1%)CIZ	S	1.7	0.8	16.0	157	C&B Mid Cap Value	S	2.6	-2.3	15.6
108	T. Rowe Price Dividend Growth	S	2.6	1.5	12.9	158	Vanguard Small Cap Growth	S	5.9	-3.9	14.5
109	WPG Tudor	S	2.8	-2.1	21.2	159	Safeco Equity	S	2.1	0.5	9.2
110	Century Select Small Cap (1%	S	5.7	-1.5	15.3	160	Tweedy, Browne American	S	2.1	-0.6	11.8
111	Oakmark Equity&Income (2%	S	2.2	1.0	14.1	161	Fidelity Capital Appreciation	S	5.4	-2.7	12.1
112	Oakmark Select(closed) (2%	S	4.0	0.3	13.1	162	Dreyfus Fund	S	2.1	-0.1	10.2
113	T. Rowe Price Growth & Income	S	2.8	0.5	14.2	163	Janus Growth & Income	S	3.7	-1.5	11.1
114	Vanguard Capital Value	S	3.6	-0.6	15.5	164	Fidelity Stock Selector	S	2.3	-0.4	10.5
115	RS MidCap Opportunities	S	5.8	-1.6	14.8	165	Fidelity Independence	S	4.7	-1.3	9.1
116	Meridian Fund	S	4.3	-2.5	19.3	166	Legg Mason Value	S	3.1	-0.8	10.3
117	Dreyfus Mid Cap Index	S	3.6	-0.8	16.2	167	USAA Growth	S	4.9	-0.6	6.9
118	ICM/Isabelle Small Cap Value	S	5.9	-2.7	17.5	168	SIT Mid Cap Growth (2%r<30d)	S	5.4	-3.2	12.5
119	Strong Advisor Midcap Growth	S	7.1	-1.1	11.4	169	Value Line Fund	S	7.0	-0.9	4.2
120	Vanguard Total Stk Mkt	S	3.0	0.3	13.9	170	CRM Small Cap Value Inv	S	4.2	-5.1	18.2
121	Fidelity Discovery	S	2.6	1.8	10.2	171	Selected Special Shares	S	4.7	-3.2	12.5
122	Ariel Appreciation	S	3.4	-0.1	13.7	172	Harbor Capital Appreciation	S	3.8	-1.4	9.2
123	Harbor Value	S	1.4	0.9	14.1	173	Strong Advisor Common Stock	S	5.4	-3.4	11.9
124	Vanguard 500 Index	S	2.4	0.7	12.9	174	American Century Vista	S	5.2	-5.2	16.6
125	Fidelity Equity-Income II	S	2.5	0.9	12.5	175	T. Rowe Price Growth Stock	S	3.2	-1.5	10.2
126	Fidelity Spartan 500 Index (.5%	S	2.4	0.7	12.9	176	INVESCO Dynamics	S	5.3	-3.5	11.9
127	SIT Large Cap Growth (2%r<30d)	S	4.4	-0.4	11.8	177	Wasatch Small Cap Grth	S	6.2	-2.3	7.7
128	Fidelity Trend	S	2.7	0.6	12.1	178	Columbia Asset Allocation CIZ	S	2.3	-0.8	9.4
129	USAA Growth & Income	S	3.0	0.2	12.7	179	Domini Social Equity Fund (2%	S	1.6	-0.8	10.4
130	T. Rowe Price New America	S	3.5	-0.4	12.8	180	Janus Olympus	S	4.8	-2.4	9.2
131	Fidelity Disciplined Equity	S	3.5	-0.2	12.1	181	Fidelity Magellan (closed)	S	2.3	-1.0	9.4
132	Salomon Brothers Investors	S	1.9	-0.3	14.7	182	CS Warburg Pincus Capital	S	3.9	-1.4	8.0
133	Schwab 1000 Fund (.75%r<180d)	S	2.5	0.2	12.5	183	Strong Growth	S	4.6	-1.5	7.2
134	Northeast Investors Growth	S	2.9	0.3	11.6	184	Vanguard/Morgan Growth	S	4.2	-2.7	10.4
135	Strong Discovery	S	8.7	-3.3	11.9	185	Fidelity Aggressive Growth(1.5%	S	4.3	-3.1	11.4
136	RS Smaller Company Growth	S	8.9	-4.1	13.6	186	Clipper Fund	S	0.5	1.2	6.0
137	T. Rowe Price New Horizons	S	5.8	-3.6	16.7	187	Vanguard Explorer	S	5.8	-4.4	12.3
138	USAA Aggressive Growth	S	4.8	0.1	9.0	188	Preferred Growth	S	3.5	-1.9	8.5
139	Nicholas II	S	3.0	-1.2	14.9	189	Scudder Capital Growth AARP	S	2.3	-0.9	7.9
140	Scudder Growth & Income	S	2.6	0.5	11.1	190	Boston Ptnrs Smlcap Val	S	3.9	-5.2	16.2
141	ABN Amro Mid Cap	S	3.4	-2.9	18.5	191	RS Emerging Growth(closed)	S	9.1	-5.8	9.5
142	Fidelity Small Cap Ind.(1.5%	S	4.4	-2.6	15.9	192	Dreyfus Growth Opportunity (2%	S	1.8	-1.3	9.1
143	Janus Venture (closed)	S	8.2	-3.9	13.4	193	Dreyfus Growth & Income	S	1.7	-1.4	9.5
144	Nicholas Fund	S	3.0	-0.9	13.5	194	Wasatch Core Growth	S	2.7	-3.7	13.6
145	PBHG Small Cap Value	S	6.1	-3.3	14.9	195	American Century Ultra	S	3.2	-2.2	9.0
146	Wasatch Small Cap Value	S	5.2	-4.6	19.2	196	Janus Mercury	S	3.7	-3.6	11.5
147	Strong Large Cap Growth	S	4.7	0.2	8.0	197	Vanguard Convertible Securities	S	1.4	-2.4	11.9
148	Fidelity Growth & Income	S	1.8	0.9	10.2	198	Fidelity Growth Company	S	4.9	-3.2	8.3
149	Preferred Value	S	1.4	0.6	11.5	199	Buffalo Mid Cap	S	5.3	-6.7	15.7
150	Fidelity Fund	S	1.8	0.2	11.9	200	Legg Mason Special Investment	S	5.0	-4.9	11.5

DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 10/1/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Janus Fund	S	2.3	-1.5	6.9	251	Scudder Development (closed)	S	3.1	-5.9	0.5
202	Fidelity Mid-Cap Stock (.75%)	S	5.5	-4.5	9.5	252	PBHG Growth	S	4.9	-8.1	-0.2
203	Gabelli Growth ^	S	3.0	-2.5	8.1	253	Oberweis Emerging Growth (1%)	S	7.4	-10.4	-2.0
204	Columbia Small Company Equity	S	6.9	-7.4	14.4	254	PBHG Emerging Growth	S	8.1	-11.1	-6.9
205	Bridgeway Aggressive Investors 2	S	7.3	-4.6	6.7	255	Neuberger Berman Focus	S	4.8	-14.7	2.8
206	Baron Small Cap	S	3.2	-3.6	10.2	256	Undiscovered Small Cap Growth	S	7.2	-17.1	2.2
207	Fidelity Growth & Income II	S	1.7	-0.9	5.5	257	Van Wagoner Emerging Growth	S	8.7	-21.6	-17.2
208	Vanguard Growth Index	S	2.7	-2.4	7.5						
209	INVESCO Core Equity	S	2.4	-1.6	6.0						
210	Columbia Common Stock	S	3.0	-3.0	8.3						
211	William Blair Growth (1%r<60d)	S	4.0	-2.1	4.3						
212	Value Line Leveraged Growth	S	5.2	-2.4	3.1						
213	Fidelity Blue Chip Growth	S	1.9	-2.0	6.8						
214	UMB Scout Stock	S	2.2	-2.1	6.4						
215	Dreyfus Appreciation	S	-0.2	-1.6	7.9						
216	Yacktman Fund	S	-0.1	-1.6	7.1						
217	Dreyfus Premier Third Century	S	2.6	-3.3	7.4						
218	Hussman Strategic Growth (1.5%)	S	1.7	-3.0	7.9						
219	Vanguard U.S. Growth	S	4.1	-3.7	6.0						
220	Fidelity Large Cap Stock	S	2.2	-3.1	7.1						
221	Scudder Large Company Growth	S	2.2	-2.3	4.7						
222	WellsFargo Montgomery Small	S	7.5	-8.7	12.4						
223	American Century Select	S	2.0	-3.0	6.2						
224	Columbia Growth	S	3.1	-3.4	5.5						
225	Dreyfus-Founders Discovery	S	3.7	-5.4	9.6						
226	Federated Kaufmann Fund(0.2%)	S	3.3	-4.2	6.7						
227	Columbia Large Cap Growth CIZ	S	3.1	-3.5	5.0						
228	TCW Galileo Small Cap Growth	S	7.9	-7.6	8.0						
229	American Century Heritage	S	5.0	-5.3	6.4						
230	INVESCO Small Company	S	6.1	-5.9	6.1						
231	Needham Small Cap Growth	S	3.8	-5.5	8.6						
232	Fidelity New Millennium (closed)	S	5.2	-5.7	6.4						
233	Fidelity Dividend Growth	S	0.6	-3.1	6.7						
234	TCW Galileo Value Opportunities	S	2.6	-6.3	11.4						
235	TCW Galileo Aggressive Growth	S	5.1	-6.3	7.7						
236	Turner Mid Cap Growth	S	5.8	-6.8	7.1						
237	SIT Small Cap Growth (2%r<30d)	S	7.0	-6.6	4.7						
238	Fidelity Fifty (.75%r<30d)	S	3.9	-4.6	3.7						
239	Legg Mason Opportunity Trust	S	3.7	-6.2	8.0						
240	Thompson Plumb Growth	S	-1.2	-4.2	9.2						
241	Fidelity OTC Portfolio	S	5.5	-6.3	3.9						
242	WPG Large Cap Growth	S	2.9	-5.2	4.0						
243	Matrix Advisors Value (.75%)	S	1.7	-6.1	8.0						
244	CS Warburg Pincus Emerging	S	4.4	-9.0	10.1						
245	Needham Growth Fund (.75%)	S	6.5	-7.0	1.8						
246	Vanguard Growth Equity	S	3.9	-6.4	4.0						
247	Columbia Special	S	5.1	-7.5	3.7						
248	Pin Oak Aggressive Stock	S	4.3	-8.8	7.7						
249	Undiscovered Behavioral Growth	S	7.7	-8.6	1.3						
250	RS Diversified Growth (closed)	S	9.0	-10.6	3.9						

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INTERNATIONAL STOCK FUNDS
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International Stock Funds — data as of 10/1/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Fidelity Latin Amer.(1.5%<90d)	H	10.0%	7.2%	40.9%	51	T. Rowe Price Intl Stock	S	3.5	-3.2	13.4
2	T.Rowe Price Latin America (2%	H	10.5	7.2	37.6	52	American Century Global	S	4.9	-3.8	12.5
3	Scudder Latin America	H	10.9	6.0	33.3	53	SIT International Growth (2%	S	4.0	-3.9	13.2
4	Dodge&Cox Intl. Stock	B	5.0	6.5	32.0	54	Columbia Intl Equity ClZ	S	2.8	-4.0	14.7
5	Artisan Intl Value (2%r<90d)	B	5.1	5.0	32.6	55	Columbia International Stock	S	2.9	-4.0	14.4
6	Oakmark Intl Small Cap	B	3.2	5.4	33.6	56	Fidelity Overseas (1%r<30d)	S	4.0	-5.4	15.6
7	Neuberger Berman International	B	3.6	4.6	32.8	57	Janus Overseas(closed,2%	S	5.0	-7.7	19.0
8	Fidelity Europe (1%r<30d)	B	7.5	3.0	27.2	58	Loomis Sayles International	S	3.8	-6.1	14.2
9	Vanguard European Stock Index	B	4.7	3.2	24.9	59	Longleaf Partners International	S	0.4	-4.2	12.7
10	Dreyfus Emerging Market(1%r)	B	6.3	0.8	27.3	60	T. Rowe Price Japan	S	-1.0	-6.5	16.7
11	Matthews Asia G & I (closed,2%	B	2.8	4.1	23.4	61	Vanguard Pacific Stock Index	S	0.6	-6.1	12.9
12	Matthews Pacific Tiger (2%r<90d)	H	5.0	2.2	24.1	62	Fidelity Aggressive Intl. (1%	S	4.5	-7.4	10.1
13	Guinness China & Hong Kong	B	4.0	1.8	26.7	63	Driehaus Int'l Discovery (2%	S	5.7	-10.0	13.6
14	Harbor International (2%r<60d)	H	4.8	2.2	24.3	64	Matthews Japan Fund (2%	S	-2.4	-8.3	14.2
15	Driehaus Emerging Mkts Gr (2%	H	7.5	-0.7	26.9	65	Fidelity Pacific Basin (1.5%	S	1.0	-9.0	10.2
16	Vanguard International Value (2%	B	3.7	1.8	24.2	66	Janus Worldwide (2%r<90d)	S	2.6	-9.8	6.7
17	Vanguard Emerging Mkts Stk	B	6.2	-0.9	26.7	67	Fidelity Japan(1.5%<90d)	S	-1.0	-11.3	8.6
18	Tweedy, Browne Global Value	H	2.0	2.8	23.2	68	Japan Fund (Scudder) (2%	S	-2.0	-13.4	8.0
19	Scudder Greater Europe (2%	H	5.5	1.7	20.7	69	CS Warburg Pincus Japan Grth	S	-0.4	-12.6	3.4
20	Fidelity Intl Small Cap (2%r<90d)	H	4.8	-1.3	28.9						
21	T.Rowe Price Intl Disc. (2%r<1yr)	H	4.3	-0.4	25.5						
22	USAA International	H	4.3	1.0	21.6						
23	Preferred International	H	3.2	1.7	21.0						
24	Oakmark International (2%r<90d)	H	3.4	1.4	21.1						
25	T. Rowe Price European	H	5.2	0.5	20.8						
26	USAA World Growth	H	3.5	1.6	19.5						
27	Vanguard Intl Explorer	H	2.2	-0.4	26.3						
28	Schwab International Index (1.5%	S	3.6	1.0	19.8						
29	Wasatch International Growth	H	4.5	-1.3	21.8						
30	Gabelli Intl Growth (2%r<60d)	S	3.7	-0.2	19.8						
31	Scudder Pacific Opportunity (2%	S	4.7	-1.8	21.4						
32	Fidelity Emerging Mkts (1.5%	S	7.6	-4.4	23.3						
33	Scudder Global Discovery(closed)	S	4.7	-0.9	18.8						
34	Fidelity Diversified Intl (1%r<30d)	S	4.2	-1.5	20.6						
35	Julius Baer Intl Equity A (2%	S	4.0	-1.9	21.7						
36	Artisan Intl Small Cap(closed,2%	S	3.8	-1.9	21.9						
37	Fidelity Europe Capital App. (1%	S	5.7	-3.1	19.1						
38	Scudder Global	S	5.1	-1.3	15.3						
39	T. Rowe Price New Asia	S	4.7	-2.6	18.5						
40	Vanguard International Growth	S	3.3	-2.0	18.6						
41	Oakmark Global (2%r<90d)	S	4.0	-1.3	16.0						
42	Fidelity SE Asia (1.5%r<90d)	S	5.9	-4.6	20.4						
43	Wm. Blair Intl Growth N	S	4.5	-3.0	17.5						
44	Fidelity International G & I (1%	S	3.4	-2.9	18.7						
45	Artisan International (2%r<90d)	S	3.7	-3.3	18.3						
46	Amer.Cent.Intl Opportunity (2%	S	1.6	-4.3	22.9						
47	Scudder International (2%r<180d)	S	3.6	-2.3	14.8						
48	American Century Intl Growth (2%	S	4.7	-3.0	14.5						
49	Fidelity Worldwide (1%r<30d)	S	3.2	-2.2	13.4						
50	Fidelity Global Balanced (1%	S	2.4	-1.7	12.2						

Next Issue of
MONEYLETTER Plus
Will Be Available:
Wednesday
October 13, 2004
by Midnight

Total Return % - 9/30/04

1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
2.0	ML Conservative	0.8	12.8	37.7	4.3
2.0	Fidelity Conservative	0.9	10.1	21.5	3.9
1.1	Vanguard Conservative	0.6	12.0	20.3	4.4
4.0	ML Moderate	-2.5	18.0	62.1	3.6
2.8	Fidelity Moderate	-1.8	14.3	39.3	2.9
1.5	Vanguard Moderate	-1.6	15.6	33.0	3.2
3.4	ML Venturesome	-5.7	17.9	61.7	1.6
3.0	Fidelity Venturesome	-2.8	13.7	37.9	1.6
1.6	Vanguard Venturesome	-3.0	16.0	34.4	2.2
3.7	ML Select	-7.1	12.4	n/a	0.1
	Benchmarks				
1.1	S&P 500	-0.3	13.8	12.6	1.6
1.5	Asset Allocation Funds Avg (84)	-0.6	11.4	19.4	2.0

SPECIALTY FUNDS
On Next Page

Specialty Funds — data as of 10/1/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	ICON Energy	*	10.8%	23.0%	60.4%	51	ICON Telecommunications &	*	3.6	-2.3	17.3
2	Fidelity Natural Gas (.75%r<30d)	*	10.7	26.7	51.2	52	Fidelity Balanced	B	2.9	-0.4	11.8
3	Rydex Energy Services	*	10.4	23.5	44.8	53	U.S.Global Gold Shares (.25%	*	14.3	-10.5	19.8
4	Vanguard Energy (1%r<1yr)	*	9.4	21.1	48.0	54	Gateway Fund	B	1.3	2.4	6.5
5	Rydex Energy	*	9.4	21.7	46.0	55	Vanguard Health Care	*	0.7	0.2	12.7
6	Fidelity Energy Services (.75%	*	9.9	22.6	39.7	56	Vanguard Balanced Index	B	1.8	0.5	9.6
7	Fidelity Energy (.75%r<30d)	*	8.8	19.3	40.9	57	Rydex Internet	*	8.0	-6.3	17.0
8	T. Rowe Price New Era	*	9.1	17.5	43.1	58	AXARosenberg Value L/S (2%	*	2.2	2.0	4.7
9	Fidelity Chemicals (.75%r<30d)	*	6.0	15.2	43.0	59	T.Rowe Price Financial Services	*	2.0	-1.9	13.1
10	Fidelity Natrl Resources (.75%	*	8.2	15.7	37.3	60	Scudder Gold (closed)	*	10.3	-9.2	19.0
11	ICON Materials	*	6.6	13.2	44.0	61	Fidelity Health Care (.75%r<30d)	*	1.4	0.0	8.5
12	Fidelity Wireless (.75%r<30d)	*	7.4	6.8	50.0	62	Fidelity Biotechnology (.75%	*	4.0	-3.3	12.2
13	Fidelity Defense & Aero (.75%	*	4.6	13.3	34.7	63	Fidelity Finl Serv (.75%r<30d)	*	1.7	-2.3	13.0
14	Fidelity Cyclical Ind (.75%r<30d)	*	4.8	11.7	32.6	64	Amer. Cent. Global Gold (1%	*	9.0	-6.7	11.9
15	Rydex Basic Materials	*	5.8	9.4	32.1	65	Rydex Precious Metals	*	9.2	-8.2	14.6
16	Fidelity Transportation (.75%	*	8.4	12.5	18.0	66	ICON Healthcare	*	2.4	-2.9	11.0
17	Fidelity Indust Matrls (.75%r<30d)	*	8.1	6.3	29.6	67	Rydex Telecommunications	*	5.6	-6.4	13.7
18	Fidelity Utilities Growth (.75%	*	4.1	10.1	24.6	68	Fidelity Environmental Ser (.75%	*	1.3	-1.2	5.9
19	Cohen & Steers Realty Shares	*	2.0	5.8	35.4	69	Fidelity Automotive (.75%r<30d)	*	2.6	-4.1	9.5
20	Fidelity Med Del (.75%r<30d)	*	3.8	5.4	31.2	70	Rydex Health Care	*	1.0	-3.3	7.0
21	Fidelity Const & Housing (.75%	*	4.7	4.7	28.4	71	Fidelity Food & Agr (.75%r<30d)	*	-0.3	-3.6	9.0
22	CGM Realty	*	6.4	1.6	33.3	72	RS Internet Age	*	14.9	-11.9	6.2
23	Rydex Transportation	*	6.0	9.9	12.6	73	RS Information Age	*	14.5	-11.7	5.4
24	Alpine U.S. Real Estate Equity	*	4.8	1.9	32.7	74	Fidelity Multimedia (.75%r<30d)	*	5.1	-5.7	3.4
25	T.Rowe Price Real Estate (1%	*	2.0	4.8	28.0	75	Fidelity Gold (.75%r<30d)	*	9.3	-8.5	3.9
26	ICON Industrials	*	7.3	4.7	18.6	76	T.Rowe Price Science & Tech	*	6.7	-6.8	2.7
27	Fidelity Real Estate (.75%r<90d)	*	1.9	3.3	26.9	77	Rydex Consumer Products	*	-1.9	-4.5	10.0
28	T.Rowe Price Media & Telecom-	*	6.8	0.5	26.0	78	Merger Fund (closed,2%r<30d)	*	-0.1	-2.3	1.8
29	Fidelity Industrial Equip (.75%	*	4.2	1.4	25.1	79	Fidelity Consumer Ind (.75%	*	3.1	-5.9	4.5
30	Vanguard REIT Index (1%r<1yr)	*	1.9	2.6	25.4	80	ICON Consumer Discretionary	*	4.0	-7.3	5.2
31	Vanguard Precious Metals	*	9.3	-0.2	19.7	81	Rydex Biotechnology	*	4.7	-6.9	2.6
32	Fidelity Medical Equip (.75%	*	3.7	3.9	17.2	82	Rydex Juno	*	-0.1	-0.8	-5.5
33	Rydex Banking	*	2.0	3.6	19.5	83	Rydex Retailing	*	2.4	-6.1	3.5
34	Cohen & Steers Equity Income	*	1.7	1.2	25.2	84	ICON Information Technology	*	8.8	-9.1	-2.6
35	Fidelity Air Transport (.75%r<30d)	*	4.9	5.4	10.0	85	Fidelity Brokerage (.75%r<30d)	*	3.2	-9.1	4.9
36	Fidelity Paper & Forest (.75%	*	3.8	2.5	18.6	86	Fidelity Pharmaceuticals (.75%	*	0.6	-6.0	-0.7
37	ICON Financial	*	4.6	0.2	22.8	87	Fidelity Developing Comm (.75%	*	5.4	-14.8	13.0
38	Fidelity Telecomm (.75%r<30d)	*	5.3	-1.1	22.2	88	Fidelity Software (.75%r<30d)	*	7.8	-11.5	0.8
39	Fidelity Home Finance (.75%	*	2.0	0.8	21.8	89	Rydex Ursa	*	-2.3	-0.8	-12.0
40	Fidelity Bus Services (.75%r<30d)	*	4.0	2.2	14.7	90	ProFunds Bear Inv	*	-2.3	-0.9	-12.1
41	Rydex Utilities	*	1.7	3.8	13.7	91	Rydex Technology	*	6.7	-11.7	-1.2
42	Stratton Mthly Div REIT (1.5%	*	2.1	0.4	20.9	92	Fidelity Technology (.75%r<30d)	*	6.4	-13.1	-3.3
43	Rydex Financial Services	*	2.5	0.4	17.3	93	Prudent Bear	*	-1.1	-6.5	-11.8
44	Fidelity Retailing (.75%r<30d)	*	3.6	0.6	12.3	94	Fidelity Computers (.75%r<30d)	*	6.7	-15.9	-5.3
45	Fidelity Leisure (.75%r<30d)	*	5.4	-1.4	14.6	95	Fidelity Electronics (.75%r<30d)	*	8.0	-21.2	-6.8
46	Fidelity Banking (.75%r<30d)	*	1.7	0.6	14.8	96	Royce Technology Value (2%	*	6.6	-19.1	-15.3
47	ICON Leisure & Consumer Sta-	*	3.2	-0.7	15.5	97	Fidelity Networking (.75%r<30d)	*	5.3	-21.1	-10.4
48	Fidelity Insurance (.75%r<30d)	*	3.8	-1.6	16.7	98	Rydex Electronics	*	7.1	-25.1	-16.2
49	T.Rowe Price Health Sciences	*	4.3	-1.8	16.4						
50	Rydex Leisure	*	5.3	-3.5	17.9						

SPECIALTY FUNDS
Continued On Next Page

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

* = **Not Recommended**

Bond Funds — data as of 10/1/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	0.0	-0.2	0.0	PIMCO Real Return	H	-0.5	-1.4	4.1
American Century Inflation Adj	B	-0.4	0.0	6.4	PIMCO Total Return	H	0.0	0.3	2.4
American Century Intl Bond	*	1.6	0.2	8.2	PIMCO Total Return Mortgage	H	0.0	1.1	2.4
American Century Target 2010	*	-0.2	-0.6	2.2	Safeco U.S. Government (2%	H	-0.2	-0.4	-0.5
American Century Target 2015	*	0.1	0.8	5.7	Schwab S-T Bond Mkt Index	B	-0.1	-0.4	0.0
American Century Target 2020	*	0.4	1.4	7.7	Scudder Global Bond S-T	*	0.3	-0.9	2.7
American Century Target 2025	*	0.7	2.1	9.2	Scudder Income (closed)	H	0.2	0.9	4.3
American Government Bond	H	-0.2	-0.9	-0.5	Scudder Short-Term Bond	B	0.1	0.3	1.6
BBH Inflation Indexed Sec	B	-0.3	0.5	6.5	Strong Corporate Bond	*	0.4	-0.6	2.0
Buffalo High-Yield(2%r<180d)	*	1.3	2.2	8.3	Strong Govt Securities	H	0.1	-0.8	0.4
Columbia Fixed Income Sec	H	-0.3	-1.3	-0.4	Strong High Yield Bond (1%	*	1.3	2.2	7.7
Columbia High Yield	*	0.8	0.2	3.2	Strong S-T Bond	B	0.1	-0.8	0.4
Columbia Income CIZ	H	0.6	0.4	2.8	Strong S-T High Yield	*	0.6	0.6	2.4
Columbia Intermediate Bond CIZ	H	0.2	-0.1	1.8	T. Rowe Price Corporate Inc	*	0.4	-0.4	3.5
Columbia S-T Bond	B	-0.1	-0.7	-0.2	T. Rowe Price GNMA	*	0.0	-0.1	0.7
Dodge & Cox Income	H	0.2	0.6	3.4	T. Rowe Price High Yld	*	1.4	1.7	6.4
Dreyfus 100 Treasury L-T	*	-0.4	-0.6	-5.4	T. Rowe Price Int'l Bond	*	1.2	-1.8	4.7
Dreyfus A Bonds Plus	*	0.0	-0.9	-0.9	T. Rowe Price New Income	*	0.2	-0.3	1.4
Dreyfus GNMA	*	-0.5	0.0	2.8	T. Rowe Price Spectrum Income	*	1.0	0.5	5.3
Dreyfus Short-Term Income	B	-0.1	-1.3	-2.8	T. Rowe Price S-T Bond	B	0.0	-0.8	-0.4
Dreyfus Strategic Income	*	-0.1	-1.6	-2.1	T. Rowe Price U.S. Treas. L-T	*	0.0	-0.9	0.9
Federated Total Return Govt	H	-0.5	-1.3	-0.3	TCW Galileo High Yield Bond	*	1.0	3.2	11.5
Federated U.S. Govt Sec. 1-3	B	-0.3	-0.8	-0.6	TCW Galileo Total Return Bond	H	0.0	1.1	4.0
Fidelity Capital & Income (1%	*	2.3	2.2	8.4	USAA Income	H	0.1	0.6	3.7
Fidelity Floating Rate High Inc(1%	B	0.5	0.9	2.5	Value Line Aggressive Inc (1%	*	1.0	1.5	7.0
Fidelity GNMA	*	0.0	0.3	0.9	Value Line U.S. Govt Sec	H	-0.2	-0.4	1.3
Fidelity Government Income	*	-0.3	-0.9	0.6	Vanguard GNMA	B	0.0	1.3	1.4
Fidelity High Income (1%r<90d)	*	1.1	0.6	7.5	Vanguard High Yield Corporate	*	1.2	3.2	10.0
Fidelity Inflation-Protected Bond	B	-0.3	-0.2	5.7	Vanguard Inflation Protected	B	-0.3	0.2	6.9
Fidelity Intermediate Bond	H	0.0	-0.9	0.5	Vanguard Intermediate Treas.	H	-0.1	-1.2	-1.2
Fidelity Intermediate Govt	H	-0.2	-0.1	1.6	Vanguard Long-Term Corporate	*	0.3	-0.4	1.7
Fidelity Investment Grade	H	0.0	0.8	3.5	Vanguard L-T Treasury	*	0.2	-1.1	0.1
Fidelity New Markets Income (1%	*	2.0	0.4	8.4	Vanguard Short-Term Corporate	B	0.1	-0.7	-0.3
Fidelity Short-Term Bond	B	0.0	-0.5	0.5	Vanguard S-T Federal	*	-0.1	-0.8	-0.6
Fidelity Strategic Income	B	1.3	2.0	7.9	Vanguard S-T Treasury	B	-0.1	-0.7	-0.7
FifthThird Bond	*	0.2	0.2	2.5	Vanguard Total Bond Market	H	0.0	0.6	3.3
Fremont Bond	H	0.1	0.3	3.2	WellsFargo Montgomery S Dur	B	0.0	-0.3	0.5
Janus Flexible Income	*	0.2	-1.1	0.4	WellsFargo Montgomery Total	H	0.1	0.1	2.0
Janus High Yield (2%r<90d)	*	1.2	2.3	6.0	Westcore Plus Bond (2%r<90d)	*	0.3	1.4	6.7
Janus S-T Bond	B	-0.1	-0.4	0.7	WPG Core Bond	H	-0.3	-0.2	2.1
Loomis Sayles Bond Retail	B	2.1	2.5	11.7					
Managers Bond	*	0.4	0.5	4.8					
Managers Int. Duration Govt	*	-0.1	1.1	3.5					
Managers Short Duration Govt	B	0.2	1.0	1.9					
MetroWest Low Duration	B	-0.3	-0.7	0.8					
MetroWest Total Return	*	-0.4	-1.5	2.4					
Northeast Investors Trust	*	0.9	4.2	14.7					
Payden Global Fixed Income	*	0.1	-0.1	1.7					
PIMCO High Yield	*	1.4	2.1	7.8					
PIMCO Low Duration	B	-0.2	-0.2	0.0					

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

* = **Not Recommended**

PORTFOLIO HOLDINGS
On Next Page

Weekly Performance of ML Model Holdings — data as of 10/1/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	-0.36%	LSBRX Loomis Sayles Bond	0.07
ARTQX Artisan Mid Cap Value	2.21	RSCOX RS Contrarian	2.22
BPTRX Baron Partners	2.68	SMCDX Strong Mid Cap Disciplined	1.71
BERWX Berwyn Fund	2.38	VBINX Vanguard Balanced	0.98
CSRSX Cohen & Steers Realty	3.12	VWEHX Vanguard High Yield Corp	0.59
DODIX Dodge & Cox Income	-0.31	VIPSX Van. Inflation Protected Bond	-0.32
DODFX Dodge & Cox International	3.11	VISVX Vanguard Small Cap Value	2.98
FBRVX FBR Small Cap Value	1.10	VBMFX Vanguard Total Bond	-0.23
FBALX Fidelity Balanced	1.46	VIVAX Vanguard Value Index	1.64
FCNTX Fidelity Contrafund	2.14	VUVLX Vanguard US Value	1.64
FEQIX Fidelity Equity-Income	1.61	VWNFX Vanguard Windsor II	1.78
FEXPX Fidelity Export & Multinational	2.47	WEHIX Weitz Hickory	1.41
FINPX Fidelity Inflation Protected	-0.15		
FBNDX Fidelity Inv Grade Bond	0.39		
FLVCX Fidelity Leveraged Company	2.92		
FSNGX Fidelity Natural Gas	2.60		
FSICX Fidelity Strategic Income	0.31		
FDVLX Fidelity Value	2.44		
FWRLX Fidelity Wireless	3.37		
GATEX Gateway Fund	0.93		
		Indices	
		DOW JONES INDUSTRIALS	1.45%
		NASDAQ	3.34
		S&P 500	1.93

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