

MONEYLETTER HOTLINE 1/4/05

Stumbling Out of the Gate

It has been a rough opening shot for the market this year. But think about it. After the huge rally since August the market was due for some serious profit-taking. We think that an attempt to read more into the last two days than that is misguided. The electronic press today is pinning a good part of the selling to the Federal Reserve minutes, which now come out very close to the last meeting. It is possible to find quotes in the minutes that sound as if the Fed is on the warpath. That, of course, is bad news for the markets, if that were the case.

For example, in discussing prices some members of the Committee reeled off a number of developments that could be inflationary. You know them well: oil prices, the dollar, maybe slowing productivity. But what did the Committee conclude? It concluded that inflation would remain low in the foreseeable future. But the market wasn't interested in the conclusion, only the scary part. In effect, institutional investors wanted to sell today, and any excuse would do. We hold to our cautiously optimistic outlook.

There is no change in our recommended allocations.

New Fund Ratings – For domestic stock funds, two funds are now rated Buy: Wasatch Small Cap Value (closed) and MSI Mid Cap Growth. Strong Multi-Cap Value is now rated Hold. CGM Focus is now rated Sell. For international stock funds, T. Rowe Price New Asia is now rated Buy. Artisan International Value is now rated Hold.

The Economy – The monthly manufacturing survey was strong. Most important, new orders shot up last month, somewhat contrary to expectations. New export orders were also strong. The lower dollar could be working its magic. The Fed economists were upbeat on the outlook. The weekly store sales surveys show a surge in spending as the year ended. We see moderate growth ahead.

The Stock Market – We are told that in fifteen out of the last eighteen years, the Nasdaq has had a 5% correction sometime in January. The index is down 3.1% over the last two days. If anything we see the last two days as setting up a buying opportunity. Stocks remain the asset of choice.

The Select Portfolio – There are no changes for this portfolio.

MONEYLETTER HOTLINE 12/31/04

Quiet on the Economic Front

After hitting new highs for the year on Tuesday, the market limped home the rest of the week. In terms of news, economic or corporate, the market had little to chew on, as, in effect, this holiday marked week was not the time for new initiatives. Volume these last days has been very low, simply reinforcing the view that Wall Street's attention was diverted elsewhere.

The year has ended positively for the broad averages, with the Dow up 3.1%, the S&P 9.0% and the Nasdaq 8.6% (reinvested dividends are not included). We're pleased to say that the Moneyletter asset allocation growth portfolios outperformed the S&P 500 again. All in all the averages came in a little lower than we had projected one year ago.

As is obvious, just by looking at a chart, it was the rally that began in August that saved the year. The rally occurred not only here but globally as well. Aside from low interest rates, a key factor in the rally was the perception that oil prices were peaking. For some months earlier, oil prices had a stranglehold on the market. They remain a wild card for next year's market. We hold to our cautiously optimistic outlook.

There is no change in our recommended allocations.

New Fund Ratings – For domestic stock funds, four funds are now rated Buy: Weitz Hickory, Janus Twenty (closed), Loomis Sayles Small Cap Value R, and Vanguard Strategic Equity. Fidelity Value is now rated Hold. TCW Galileo Dividend Focused N is now rated Sell. There are no changes for international stock funds.

The Economy – Because of year-end there has been almost no economic news since our last Hotline. There was news that indicated that perhaps the Chinese slowdown was beginning to assert itself. The *Wall Street Journal* reported that China was beginning to export steel. Up to now, steel was one of the many commodities the Chinese were importing heavily, driving up world prices. It may be the first sign that the commodity price boom is peaking. We look for continued moderate growth here.

The Stock Market – One surprise for us this year has been the continued strength in small stocks, particularly value. Lately growth has taken the lead. It would not surprise us if small cap growth leads the way in the first half of next year. We also believe international funds will shine. Stocks remain the asset of choice.

The Select Portfolio – There is one change recommended for this portfolio. Berwyn Fund is to be sold and the proceeds to be invested in Fidelity Latin America.

Domestic Stock Funds — data as of 12/31/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Baron Partners	B	6.7%	21.3%	42.4%	51	ICM/Isabelle Small Cap Value	H	7.1	9.4	18.1
2	RS Contrarian Value	B	4.0	23.0	29.3	52	Strong Mid Cap Disciplined	H	4.0	9.4	21.2
3	RS Partners (closed)	B	3.2	21.3	31.8	53	Royce Penn Mutual(1%r<180d)	H	1.7	11.1	20.2
4	FBR Small Cap (closed,1%r<90d)	B	5.9	19.1	30.7	54	USAA Aggressive Growth	H	6.0	11.4	13.0
5	Baron Asset	B	7.0	16.6	28.7	55	Third Avenue Small-Cap Value	H	2.0	10.4	21.3
6	Muhlenkamp Fund	B	6.5	17.7	24.5	56	Weitz Value Fund	H	4.7	10.9	15.7
7	Marsico 21st Century (2%r<30d)	B	7.2	17.2	22.3	57	Gabelli Asset	H	4.1	11.0	16.5
8	Janus Contrarian	B	3.8	18.7	22.6	58	Vanguard Windsor II	H	3.3	10.7	18.3
9	Baron Growth	B	4.6	16.1	26.6	59	Vanguard Cap Opp (closed,	H	3.6	9.2	21.7
10	WmBlair S-C Growth N	B	5.4	14.1	27.3	60	T. Rowe Price New Horizons	H	4.7	9.8	17.9
11	Longleaf Partners Smallcap	B	1.6	17.6	23.7	61	TCW Galileo Diversified Value N	H	3.1	9.7	20.4
12	MainStay Small Cap Opportunity	B	2.1	15.4	25.8	62	USAA Capital Growth	H	3.9	10.9	16.3
13	Artisan Mid Cap Value	B	2.2	15.0	26.2	63	T. Rowe Price Small Cap Stock	H	2.3	10.8	18.8
14	Janus Twenty(closed)	B	6.0	13.3	23.9	64	RS Smaller Company Growth	H	5.1	10.4	15.4
15	Third Avenue Value (1%r<60d)	B	2.9	13.7	26.6	65	Artisan Small Cap (closed)	H	3.5	8.6	22.1
16	Weitz Hickory	B	5.2	13.6	22.6	66	RS Emerging Growth(closed)	H	5.1	10.3	15.2
17	Vanguard Small-Cap Value Index	B	3.0	14.3	23.6	67	T.Rowe Price Mid Cap Growth	S	3.5	9.9	18.4
18	Buffalo Small Cap(closed)	H	4.0	11.5	28.8	68	Vanguard Value Index	S	3.5	11.2	15.3
19	Wasatch Core Growth(closed,2%	B	6.3	13.0	21.7	69	Ariel Fund	H	2.5	9.1	22.0
20	Wasatch Small Cap Value	H	6.1	13.1	21.6	70	USGlobal Holmes Growth (.25%	S	2.9	10.7	16.9
21	Fidelity Leveraged Co	B	0.5	15.1	24.9	71	Royce Opportunity (1%r<180d)	H	4.0	9.7	17.5
22	Fidelity L P Stock (closed,1.5%	B	4.0	14.1	22.2	72	Neuberger Berman Guardian	S	2.1	11.2	16.1
23	T. Rowe Price S-C Value	B	2.0	13.7	25.6	73	Royce Total Return (1%r<180d)	H	2.4	10.5	17.5
24	CRM Mid Cap Value Inv	B	3.2	13.1	24.7	74	Value Line Special Situations	S	3.3	9.5	18.4
25	Baron Small Cap	H	6.2	12.1	22.2	75	Royce Premier (1%r<180d)	S	1.7	8.7	22.8
26	Vanguard Mid-Cap Index	B	4.2	13.8	20.4	76	Bridgeway Aggressive Investors	H	2.8	10.7	16.2
27	Loomis Sayles Small Cap Value	B	4.0	13.0	21.5	77	Cambiar Opportunity	S	4.8	9.9	15.1
28	MSI Mid Cap Growth	B	4.1	12.5	22.0	78	Fidelity Value Strategies	H	5.9	8.9	15.2
29	Vanguard Strategic Equity	B	3.9	12.9	20.5	79	Harbor Value	S	4.5	9.9	14.8
30	Forward Hoover Small Cap	H	3.9	11.5	22.8	80	Mutual Beacon(1%)CIZ	S	2.8	11.0	14.5
31	Neuberger Berman Partners	H	3.4	13.0	19.2	81	Dreyfus Mid Cap Index	S	4.2	9.6	15.9
32	Dodge & Cox Stock (closed)	H	3.9	12.4	19.2	82	Vanguard PRIMECAP(closed,	S	3.8	8.8	18.3
33	Boston Partners Mid Cap Value	H	4.0	11.7	20.5	83	USAA Growth	S	4.7	10.5	12.7
34	Janus Venture (closed)	H	5.8	11.7	17.6	84	Sound Shore	S	4.0	9.8	15.3
35	T.Rowe Price Mid Cap Value	H	3.5	11.8	20.6	85	Fidelity Small Cap Ind.(1.5%	S	3.5	10.2	15.0
36	Vanguard Extended Market Index	H	4.4	12.0	18.7	86	Henlopen Fund (1%r<30d)	S	2.4	10.1	16.8
37	MSI Small Cap Value(closed)	H	3.0	12.2	20.1	87	Fidelity Focused Stock (.75%	H	3.9	9.6	15.5
38	MSI Value Portfolio	H	3.5	12.5	17.9	88	T. Rowe Price Equity-Income	S	3.6	10.1	14.9
39	Strong Advisor Midcap Growth	H	3.1	12.4	18.4	89	INVESCO Small Company	S	5.9	9.4	13.0
40	Fidelity Value	H	3.0	11.4	21.2	90	MSI Mid Cap Value	S	3.6	10.2	14.6
41	Mutual Qualified(1%)CIZ	H	3.1	13.1	16.6	91	TCW Galileo Dividend Focused	S	2.6	9.6	17.4
42	Janus Enterprise	H	4.7	10.5	20.7	92	Boston Ptnrs Smlcap Val	S	4.7	8.6	16.5
43	Boston Ptnrs All Cap Value	H	3.6	11.3	20.3	93	Wasatch Small Cap Grth	S	5.5	9.3	13.4
44	PBHG Small Cap Value	H	4.7	12.4	15.6	94	Salomon Brothers Opportunity	S	2.6	11.2	12.7
45	Vanguard SmallCap Index	H	3.6	11.3	19.9	95	Strong Discovery	S	2.9	9.7	15.7
46	Strong Multi-Cap Value	H	2.5	13.5	16.1	96	CRM Small Cap Value Inv	S	2.7	9.0	17.8
47	Marsico Growth & Income (2%	H	5.7	12.2	14.4	97	Neuberger Berman Manhattan	S	4.8	8.3	16.2
48	Vanguard Capital Value	H	5.6	11.7	15.4	98	Strong Opportunity	S	3.0	8.8	17.6
49	Marsico Focus (2%r<30d)	H	6.1	12.8	11.7	99	Mutual Shares(1%)CIZ	S	3.1	10.1	13.9
50	WPG Tudor	H	5.1	10.2	19.4	100	Vanguard Equity-Income	S	3.2	10.2	13.6

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

Domestic Stock Funds continued — data as of 12/31/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	Dreyfus New Leaders	S	4.4	8.8	15.3	151	TCW Galileo Opportunity N	S	2.8	7.3	13.6
102	Vanguard Windsor	S	4.3	9.6	13.4	152	Fidelity Capital Appreciation	S	4.1	7.3	11.3
103	Loomis Sayles Value	S	2.5	9.8	15.1	153	American Century Vista	S	4.2	5.4	15.8
104	Vanguard Small Cap Growth In-	S	4.3	8.3	16.1	154	RS MidCap Opportunities	S	3.2	7.2	12.4
105	Fidelity Discovery	S	4.1	10.5	10.6	155	Fidelity Equity-Income	S	3.2	7.6	11.3
106	SIT Mid Cap Growth (2%r<30d)	S	3.6	8.2	17.0	156	RS Value+Growth	S	2.8	7.6	12.0
107	Ariel Appreciation	S	4.7	9.1	13.1	157	T. Rowe Price Growth Stock	S	3.9	7.5	10.2
108	Federated Kaufmann Fund(0.2%)	S	4.7	8.6	14.3	158	Fidelity Independence	S	3.1	7.4	11.7
109	Neuberger Berman Genesis	S	2.6	8.0	18.8	159	Schwab 1000 Fund (.75%)	S	3.5	7.4	10.8
110	T. Rowe Price Cap Appreciation	S	2.0	9.7	15.3	160	Fidelity Growth Company	S	4.4	6.3	12.1
111	Vanguard U.S. Value	S	3.2	9.4	13.7	161	Selected American Shares	S	2.6	7.4	12.0
112	Legg Mason Value	S	6.1	8.4	12.0	162	Preferred Value	S	4.0	7.4	9.6
113	INVESCO Core Equity	S	7.9	8.6	8.8	163	Aegis Value Fund	S	2.0	7.1	13.5
114	Buffalo Mid Cap	S	5.2	6.9	16.6	164	SIT Large Cap Growth (2%)	S	3.2	6.6	12.8
115	Value Line Fund	S	2.3	10.5	12.1	165	WellsFargo Montgomery Small	S	6.7	4.1	13.6
116	Janus Growth & Income	S	4.4	9.1	11.9	166	American Century Growth	S	4.1	7.2	9.9
117	Vanguard Explorer	S	4.3	8.3	13.8	167	Royce Low Priced Stock	S	0.9	7.5	13.6
118	Columbia Disciplined Value CIZ	S	3.2	8.9	13.6	168	Columbia Special	S	4.9	7.6	7.3
119	Homestead Value	S	3.1	8.4	14.8	169	Strong Advisor Common Stock	S	3.3	7.5	10.0
120	CGM Focus	S	-1.3	12.0	12.3	170	Vanguard 500 Index	S	3.4	7.1	10.7
121	American Century Equity Growth	S	3.1	8.6	14.0	171	Fidelity Spartan 500 Index	S	3.4	7.1	10.7
122	Fidelity Contrafund	S	2.7	8.4	15.1	172	Vanguard Growth & Income	S	2.8	7.3	11.1
123	Artisan Midcap(closed)	S	4.6	7.3	14.7	173	Dreyfus-Founders Discovery	S	5.2	6.0	10.7
124	American Century Value (closed)	S	4.0	7.7	14.4	174	Westport Small Cap R	S	2.3	7.8	10.4
125	Fidelity Export & Multinat'l(.75%)	S	3.3	8.3	13.6	175	Strong Growth	S	4.0	5.8	12.6
126	T. Rowe Price Dividend Growth	S	3.4	8.9	11.9	176	Fidelity Convertible Securities	S	3.0	7.2	10.2
127	Vanguard Total Stk Mkt	S	3.6	8.3	12.5	177	Fidelity Trend	S	3.1	7.0	10.7
128	Legg Mason Opportunity Trust	S	6.7	6.0	13.8	178	Oberweis Emerging Growth (1%)	S	5.4	7.3	6.3
129	INVESCO Dynamics	S	4.4	8.1	11.9	179	USAA Growth & Income	S	3.7	6.5	10.6
130	Yacktman Fund	S	4.9	8.3	9.9	180	Fidelity Growth & Income	S	3.1	7.2	9.8
131	Turner Mid Cap Growth	S	4.9	7.8	11.1	181	Fidelity Mid-Cap Stock (.75%)	S	4.1	6.8	9.1
132	American Century Income &	S	3.7	7.8	13.0	182	Tweedy, Browne American	S	3.9	6.8	9.4
133	Fidelity Equity-Income II	S	3.0	9.4	9.9	183	Berwyn Fund (1%r<180d)	B	-2.9	7.8	16.9
134	Selected Special Shares	S	4.0	8.1	11.3	184	Neuberger Berman Fasciano Inv	S	2.6	6.3	12.6
135	Fidelity Small Cap Stock (2%)	S	3.3	7.2	14.6	185	Neuberger Berman Focus	S	4.7	8.0	5.0
136	T. Rowe Price Growth & Income	S	3.8	8.4	10.8	186	Vanguard/Morgan Growth	S	4.1	6.1	10.5
137	PIMCO PEA Value D	S	3.3	6.2	16.9	187	Scudder Growth & Income	S	3.4	6.7	9.9
138	Fidelity Disciplined Equity	S	3.0	8.3	12.0	188	Nicholas II	S	4.1	5.3	12.0
139	American Century Equity Income	S	3.0	8.1	12.5	189	Columbia Asset Allocation CIZ	S	2.7	7.1	9.6
140	Strong Growth 20	S	2.6	8.0	13.3	190	C&B Mid Cap Value	S	4.5	5.4	11.0
141	Meridian Fund	S	3.7	6.9	14.5	191	William Blair Growth (1%r<60d)	S	3.6	7.4	7.3
142	CS Warburg Pincus Emerging	S	5.4	6.2	13.6	192	Columbia Small Company Equity	S	3.6	5.7	11.3
143	Janus Mercury	S	5.1	7.4	10.6	193	Fidelity Stock Selector	S	3.2	6.5	9.9
144	Oakmark Select(closed) (2%)	S	3.3	8.8	9.7	194	Bogle Small Cap Growth(closed)	S	2.9	6.3	10.8
145	Nicholas Fund	S	4.5	7.3	11.8	195	Pin Oak Aggressive Stock	S	6.1	5.4	8.1
146	Century Select Small Cap (1%)	S	3.8	7.6	11.9	196	TCW Galileo Select Equity	S	3.2	5.3	12.5
147	Undiscovered Behavioral Growth	S	6.6	6.6	9.9	197	Value Line Leveraged Growth	S	1.8	7.6	8.6
148	Legg Mason Special Investment	S	6.2	5.6	13.1	198	T. Rowe Price New America	S	3.5	5.6	11.1
149	ABN Amro Mid Cap	S	3.0	5.1	18.9	199	CS Warburg Pincus Capital	S	5.1	5.2	9.7
150	Oakmark Fund (2%r<90d)	S	3.3	7.7	11.7	200	Columbia Common Stock	S	4.7	6.0	8.3

DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 12/31/04

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Harbor Capital Appreciation	S	3.6	6.1	9.3	251	WPG Large Cap Growth	S	3.1	2.8	3.8
202	American Century Ultra	S	4.0	5.2	10.7	252	TCW Galileo Aggressive Growth	S	2.7	1.8	6.4
203	Royce Special Equity (1%r<180d)	S	2.5	4.7	13.9	253	Undiscovered Small Cap Growth	S	5.0	2.3	0.8
204	Dreyfus Growth & Income	S	3.7	6.6	7.3	254	RS Diversified Growth (closed)	S	3.5	2.3	1.5
205	Dreyfus Fund	S	2.9	6.4	8.0	255	Thompson Plumb Growth	S	3.9	0.3	4.2
206	Preferred Growth	S	3.5	5.6	8.6	256	Hussman Strategic Growth	S	1.2	1.4	5.2
207	Needham Small Cap Growth	S	6.4	3.1	10.3	257	Janus Mid Cap Value	S	-5.8	-0.1	8.3
208	Janus Olympus	S	4.3	5.0	8.7	258	Van Wagoner Emerging Growth	S	3.3	-7.8	-16.2
209	PBHG Growth	S	5.7	4.5	7.7						
210	Domini Social Equity Fund (2%	S	3.6	5.2	9.3						
211	SIT Small Cap Growth (2%r<30d)	S	3.9	5.8	6.9						
212	Fidelity Fifty (.75%r<30d)	S	3.4	5.7	7.4						
213	Clipper Fund	S	3.8	6.0	5.9						
214	Columbia Growth	S	4.1	4.9	8.0						
215	Fidelity Aggressive Growth(1.5%	S	4.1	3.4	11.2						
216	PBHG Emerging Growth	S	5.6	6.6	0.7						
217	TCW Galileo Small Cap Growth	S	5.7	3.2	9.1						
218	Columbia Large Cap Growth CIZ	S	4.1	4.7	7.6						
219	Strong Large Cap Growth	S	2.5	5.1	8.6						
220	Salomon Brothers Investors	S	1.2	5.6	9.4						
221	Fidelity Magellan (closed)	S	3.1	5.2	7.5						
222	American Century Select	S	4.8	4.2	7.4						
223	Fidelity Growth & Income II	S	3.0	5.9	5.8						
224	American Century Heritage	S	4.4	4.4	7.1						
225	Fidelity OTC Portfolio	S	3.6	4.3	8.1						
226	Scudder Development (closed)	S	4.2	5.8	3.5						
227	Dreyfus Growth Opportunity (2%	S	3.5	5.2	5.7						
228	Northeast Investors Growth	S	2.7	4.4	8.6						
229	Fidelity Fund	S	2.5	4.8	7.8						
230	Janus U.S. Value	S	2.8	4.4	7.9						
231	Fidelity New Millennium (closed)	S	3.2	5.6	4.3						
232	Vanguard Growth Index	S	3.7	4.1	7.2						
233	Vanguard Convertible Securities	S	2.1	4.9	7.2						
234	Scudder Capital Growth AARP	S	3.2	4.1	7.5						
235	Oakmark Equity&Income (2%	S	1.4	4.0	10.4						
236	Longleaf Partners	S	3.6	4.0	7.1						
237	TCW Galileo Value Opportunities	S	3.4	2.7	10.4						
238	Gabelli Growth	S	3.1	4.9	4.7						
239	Vanguard U.S. Growth	S	3.6	3.5	7.0						
240	Fidelity Large Cap Stock	S	3.3	4.0	6.4						
241	Needham Growth Fund (.75%	S	4.7	3.0	6.2						
242	Vanguard Growth Equity	S	4.1	3.7	5.4						
243	Fidelity Dividend Growth	S	3.6	3.8	5.8						
244	Fidelity Blue Chip Growth	S	3.4	3.4	6.3						
245	UMB Scout Stock	S	2.5	4.0	5.3						
246	Dreyfus Premier Third Century	S	3.3	3.2	5.9						
247	Dreyfus Appreciation	S	3.2	3.4	5.6						
248	Matrix Advisors Value (.75%	S	4.5	3.1	3.9						
249	Janus Fund	S	3.8	2.3	4.7						
250	Scudder Large Company Growth	S	3.2	2.7	4.5						

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**INTERNATIONAL STOCK FUNDS
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International Stock Funds — data as of 12/31/04

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	8.4%	41.3%	41.1%	51	American Century Intl Growth	S	4.2	12.5	15.3
2	T.Rowe Price Latin America (2%	H	8.3	38.9	38.4	52	T. Rowe Price Intl Stock	S	4.4	12.0	13.9
3	Scudder Latin America	H	8.9	38.2	34.1	53	Fidelity Aggressive Intl. (1%	S	4.6	13.3	10.3
4	Vanguard Emerging Mkts Stk	B	5.3	28.2	26.1	54	Fidelity Overseas (1%<30d)	S	3.7	12.4	13.5
5	Driehaus Emerging Mkts Gr (2%	B	6.4	27.7	24.1	55	American Century Global	S	4.2	11.2	15.1
6	Fidelity Emerging Mkts (1.5%	B	6.3	27.5	22.9	56	SIT International Growth (2%	S	3.2	12.6	13.0
7	Dreyfus Emerging Market(1%r)	B	5.3	25.2	26.9	57	Vanguard Pacific Stock Index	S	4.6	8.9	18.8
8	Fidelity Europe (1%r<30d)	B	6.3	23.1	29.0	58	Driehaus Int'l Discovery (2%	S	4.1	11.8	12.0
9	Janus Intl Equity (1%r<90d)	B	7.0	22.3	28.1	59	Columbia International Stock	S	3.5	11.0	14.0
10	T.Rowe Price Emg Europe&Med.	H	6.4	21.3	30.0	60	Columbia Intl Equity CIZ	S	3.6	10.9	13.7
11	Vanguard Intl Explorer	B	7.1	19.4	31.8	61	Oakmark Global (2%r<90d)	S	3.4	9.8	15.6
12	Dodge & Cox Intl Stock	B	4.8	20.4	32.5	62	Fidelity Pacific Basin (1.5%	S	4.7	9.5	14.1
13	Matthews Pacific Tiger (2%r<90d)	B	4.7	24.0	23.3	63	Fidelity Global Balanced (1%	S	3.6	9.9	13.7
14	T. Rowe Price New Asia	B	4.6	24.2	18.6	64	Tweedy, Browne Global Value	S	3.7	7.2	20.0
15	Artisan Intl Small Cap(closed,2%	H	6.2	19.2	25.7	65	Fidelity Worldwide (1%r<30d)	S	3.7	9.8	12.2
16	Neuberger Berman Intl (2%	B	5.4	17.5	30.3	66	Loomis Sayles International	S	3.9	9.9	10.9
17	Julius Baer Intl Equity A (2%	H	5.6	19.5	23.2	67	Matthews Japan Fund (2%	S	6.3	2.3	22.0
18	Artisan Intl Value (2%r<90d)	H	5.1	16.0	32.3	68	Janus Worldwide (2%r<90d)	S	3.9	9.2	5.5
19	Oakmark Intl Small Cap	H	4.2	17.6	28.9	69	Longleaf Partners International	S	4.8	3.7	10.2
20	Quant Foreign Value (1%r)	H	4.2	17.2	28.3	70	Japan Fund (Scudder) (2%	S	6.4	1.0	11.9
21	Fidelity Intl Small Cap (2%r<90d)	H	4.7	15.8	29.4	71	T. Rowe Price Japan	S	3.7	0.0	16.8
22	Scudder Global Discovery(closed)	H	3.9	17.8	23.6	72	CS Warburg Pincus Japan Grth	S	5.4	2.2	7.3
23	Vanguard European Stock Index	H	4.2	17.2	20.9	73	Fidelity Japan Smaller Cos	S	2.6	-3.9	22.3
24	Janus Overseas(closed,2%r<90d)	H	3.5	18.5	17.4	74	Fidelity Japan(1.5%<90d)	S	4.8	-0.7	10.9
25	Fidelity SE Asia (1.5%r<90d)	H	1.8	20.5	13.6						
26	Matthews Asia G & I (closed,2%	H	2.0	16.9	21.4						
27	Matthews Asia-Pacific (2%r<90d)	H	5.0	14.8	22.4						
28	Scudder Greater Europe (2%	H	4.3	17.1	17.0						
29	T.Rowe Price Intl Disc. (2%r<1yr)	H	4.3	13.3	23.8						
30	Scudder Pacific Opportunity (2%	H	2.1	17.8	15.6						
31	Vanguard International Value (2%	H	4.1	14.9	19.8						
32	Wm. Blair Intl Growth N	H	4.6	15.1	18.5						
33	Amer.Cent.Intl Opportunity (2%	H	6.2	10.6	27.2						
34	Preferred International	S	5.0	14.3	19.6						
35	Vanguard International Growth	S	4.6	14.6	19.0						
36	Fidelity Div Intl (closed,1%r<30d)	S	4.1	14.2	19.7						
37	Schwab International Index (1.5%	S	4.2	14.7	18.2						
38	Gabelli Intl Growth (2%r<60d)	S	5.2	14.6	16.8						
39	Fidelity Intl Discovery(2%<30d)	S	4.9	13.7	19.1						
40	Wasatch International Growth	S	5.3	11.8	22.9						
41	T. Rowe Price European	S	4.3	14.6	16.4						
42	Scudder International (2%r<180d)	S	4.4	14.2	16.9						
43	Scudder Global	S	3.3	15.5	15.0						
44	Oakmark International (2%r<90d)	S	4.2	12.9	19.1						
45	USAA International	S	4.3	13.0	18.5						
46	Harbor International (2%r<60d)	S	3.1	13.9	18.0						
47	Fidelity Europe Capital App. (1%	S	4.3	13.6	16.4						
48	Guinness China & Hong Kong	S	1.3	16.9	12.2						
49	Artisan International (2%r<90d)	S	4.3	12.5	17.8						
50	USAA World Growth	S	4.2	11.4	18.3						

**Next Issue of
MONEYLETTER Plus
Will Be Available:
Wed 1/12/05 by Midnight**

Total Return % - 12/31/04					
1 mo	Model Portfolio	6 mo	1 yr	3 yr	YTD
2.1	ML Conservative	9.0	11.4	28.8	11.4
2.2	Fidelity Conservative	7.3	10.6	18.3	10.6
2.2	Vanguard Conservative	7.9	10.7	15.1	10.7
2.8	ML Moderate	12.4	16.3	59.6	16.3
2.5	Fidelity Moderate	8.7	13.3	36.6	13.3
2.8	Vanguard Moderate	9.7	12.3	27.5	12.3
2.7	ML Venturesome	8.7	13.4	54.6	13.4
2.6	Fidelity Venturesome	7.5	12.1	33.3	12.1
3.0	Vanguard Venturesome	9.3	11.8	27.1	11.8
2.0	ML Select	9.2	12.2	n/a	12.2
Benchmarks					
3.4	S&P 500	7.2	10.8	11.1	10.8
2.7	Asset Allocation Funds Avg (80)	7.9	10.3	20.3	10.3

**SPECIALTY FUNDS
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Specialty Funds — data as of 12/31/04

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	Alpine U.S. Real Estate Equity	*	14.3%	29.8%	39.5%	51	ICON Leisure & Consumer Sta-	*	2.9	7.2	17.9
2	CGM Realty	*	14.5	31.2	35.5	52	Fidelity Industrial Equip (.75%	*	3.8	7.6	12.8
3	Fidelity Med Del (.75%r<30d)	*	7.9	28.3	45.5	53	T.Rowe Price Health Sciences	*	7.1	4.2	15.8
4	Cohen & Steers Realty Shares	*	5.6	28.9	38.5	54	Fidelity Automotive (.75%r<30d)	*	5.8	8.5	7.1
5	T.Rowe Price Real Estate (1%	*	5.3	26.7	36.8	55	Fidelity Developing Comm (.75%	*	3.4	5.7	16.5
6	Fidelity Real Estate (.75%r<90d)	*	5.3	26.4	34.2	56	Fidelity Medical Equip (.75%	*	5.7	3.8	17.5
7	Vanguard REIT Index (1%r<1yr)	*	4.8	24.4	30.7	57	Fidelity Balanced	B	3.0	7.9	10.9
8	Fidelity Const & Housing (.75%	*	9.3	21.4	28.5	58	Fidelity Insurance (.75%r<30d)	*	5.0	5.6	12.8
9	Fidelity Chemicals (.75%r<30d)	*	2.2	23.6	32.8	59	Fidelity Software (.75%r<30d)	*	4.4	7.7	7.6
10	Fidelity Natural Gas (.75%r<30d)	*	-0.9	19.9	40.2	60	Rydex Telecommunications	*	2.0	6.6	13.3
11	ICON Materials	*	2.8	20.0	29.2	61	RS Internet Age	*	6.8	5.3	9.3
12	Cohen & Steers Equity Income	*	4.3	20.4	25.8	62	ICON Information Technology	*	4.2	8.9	3.9
13	Vanguard Energy (1%r<1yr)	*	-1.4	18.9	36.7	63	Vanguard Balanced Index	B	2.6	6.8	9.3
14	Fidelity Wireless (.75%r<30d)	*	1.9	13.9	42.5	64	Vanguard Health Care	*	5.2	4.6	9.0
15	T. Rowe Price New Era	*	-0.5	20.1	30.1	65	U.S.Global Gold Shares (.25%	*	-5.4	17.1	-6.4
16	Fidelity Transportation (.75%	*	2.0	19.7	27.0	66	Fidelity Air Transport (.75%	*	-0.4	5.6	14.1
17	ICON Energy	*	-4.9	18.6	38.2	67	Rydex Consumer Products	*	4.6	2.9	13.2
18	Fidelity Energy Services (.75%	*	-1.3	17.6	34.9	68	Fidelity Multimedia (.75%r<30d)	*	4.6	7.0	3.0
19	Fidelity Utilities Growth (.75%	*	2.7	18.6	24.2	69	Rydex Retailing	*	3.3	5.2	9.3
20	Rydex Leisure	*	7.1	16.3	23.2	70	Fidelity Health Care (.75%r<30d)	*	6.9	3.1	8.7
21	Stratton Mthly Div REIT (1.5%	*	3.4	18.9	22.2	71	Rydex Internet	*	2.9	3.0	12.9
22	Rydex Energy Services	*	-1.7	16.8	34.7	72	RS Information Age	*	5.3	3.3	7.3
23	Vanguard Precious Metals	*	-1.1	26.3	8.1	73	Fidelity Gold (.75%r<30d)	*	-5.2	16.1	-9.8
24	Fidelity Energy (.75%r<30d)	*	-1.8	16.5	31.7	74	ICON Consumer Discretionary	*	5.3	3.1	5.6
25	T.Rowe Price Media & Telecom-	*	5.0	14.5	26.3	75	Fidelity Paper & Forest (.75%	*	3.6	3.0	8.0
26	Rydex Transportation	*	3.5	16.1	21.8	76	Rydex Health Care	*	6.0	1.7	6.3
27	Rydex Energy	*	-3.4	15.9	32.5	77	Fidelity Pharmaceuticals (.75%	*	8.9	1.1	3.3
28	Fidelity Cyclical Ind (.75%r<30d)	*	2.2	13.9	23.5	78	Fidelity Environmental Ser (.75%	*	3.2	2.8	7.4
29	Fidelity Brokerage (.75%r<30d)	*	5.0	16.5	13.0	79	Fidelity Biotechnology (.75%	*	7.4	-1.9	12.0
30	Rydex Basic Materials	*	1.7	14.4	20.5	80	Gateway Fund	B	0.8	4.0	7.0
31	ICON Industrials	*	4.0	13.0	20.2	81	Amer. Cent. Global Gold (1%	*	-7.1	14.2	-8.2
32	Fidelity Indust MatrIs (.75%r<30d)	*	1.5	16.8	13.1	82	Scudder Gold (closed)	*	-6.7	12.6	-8.9
33	ICON Financial	*	4.8	12.3	18.3	83	Merger Fund (closed,2%r<30d)	*	1.9	2.0	2.7
34	Fidelity Natrl Resources (.75%	*	-2.3	14.1	23.6	84	T.Rowe Price Science & Tech	*	3.2	1.6	1.6
35	Rydex Financial Services	*	3.9	12.6	17.2	85	Rydex Biotechnology	*	5.3	-0.4	1.9
36	Fidelity Leisure (.75%r<30d)	*	5.1	11.5	17.5	86	Fidelity Technology (.75%r<30d)	*	3.4	0.7	0.4
37	Fidelity Telecomm (.75%r<30d)	*	3.3	12.6	17.6	87	AXARosenberg Value L/S (2%	*	-0.5	1.6	2.5
38	ICON Telecommunications &	*	2.0	14.1	15.7	88	Fidelity Networking (.75%r<30d)	*	4.0	-0.4	0.4
39	T.Rowe Price Financial Services	*	5.3	12.2	13.4	89	Rydex Technology	*	3.0	0.1	0.2
40	ICON Healthcare	*	5.8	9.4	17.9	90	Fidelity Computers (.75%r<30d)	*	3.3	0.7	-2.0
41	Rydex Utilities	*	2.1	11.5	15.1	91	Rydex Precious Metals	*	-8.6	9.0	-14.1
42	Fidelity Defense & Aero (.75%	*	0.6	10.3	19.5	92	Royce Technology Value (2%	*	3.7	-4.8	-9.6
43	Fidelity Food & Agr (.75%r<30d)	*	4.6	9.0	15.8	93	Fidelity Electronics (.75%r<30d)	*	4.3	-6.1	-9.8
44	Rydex Banking	*	2.6	11.0	13.7	94	Prudent Bear	*	-2.4	-4.1	-14.1
45	Fidelity Bus Services (.75%r<30d)	*	2.6	10.5	14.6	95	Rydex Ursa	*	-3.0	-6.1	-9.8
46	Fidelity Banking (.75%r<30d)	*	2.2	11.7	11.7	96	ProFunds Bear Inv	*	-3.1	-6.3	-9.9
47	Fidelity Retailing (.75%r<30d)	*	2.3	9.2	16.1	97	Rydex Juno	*	-2.9	-8.7	-8.7
48	Fidelity Finl Serv (.75%r<30d)	*	4.2	9.9	11.2	98	Rydex Electronics	*	3.7	-12.0	-21.0
49	Fidelity Home Finance (.75%	*	2.9	9.9	13.2						
50	Fidelity Consumer Ind (.75%	*	5.1	9.5	9.3						

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

* = **Not Recommended**

Bond Funds — data as of 12/31/04

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	0.1	1.7	0.7	PIMCO Low Duration	B	0.1	1.0	0.6
American Century Inflation Adj	B	1.3	5.7	7.3	PIMCO Real Return	H	1.1	5.5	6.1
American Century Intl Bond	*	2.0	14.8	13.1	PIMCO Total Return	H	0.4	3.9	3.4
American Century Target 2010	*	1.1	4.5	4.1	PIMCO Total Return Mortgage	H	0.5	3.2	2.7
American Century Target 2015	*	2.3	8.9	9.1	Schwab S-T Bond Mkt Index	B	0.3	1.3	0.4
American Century Target 2020	*	3.4	11.9	12.4	Scudder Global Bond S-T	*	1.1	8.2	6.0
American Century Target 2025	*	5.2	15.7	16.4	Scudder Income (closed)	H	1.2	4.6	4.9
American Government Bond	H	0.5	2.5	1.1	Scudder Short-Term Bond	B	0.3	1.4	1.5
BBH Inflation Indexed Sec	B	1.7	6.4	8.3	Strong Corporate Bond	*	1.2	5.4	2.9
Buffalo High-Yield(2%r<180d)	*	1.5	5.8	8.4	Strong Govt Securities	H	0.4	2.5	1.2
Columbia Fixed Income Sec	H	0.6	2.7	0.9	Strong High Yield Bond (1%	*	0.5	6.5	5.8
Columbia High Yield	*	-0.1	4.9	2.4	Strong S-T Bond	B	0.0	0.7	0.1
Columbia Income CIZ	H	0.6	4.2	2.1	Strong S-T High Yield	*	0.2	1.9	1.7
Columbia Intermediate Bond CIZ	H	0.5	3.5	1.5	T. Rowe Price Corporate Inc	*	1.2	5.4	3.9
Columbia S-T Bond	B	0.1	0.8	-0.2	T. Rowe Price GNMA	*	0.2	2.1	1.2
Dodge & Cox Income	H	0.9	3.9	3.6	T. Rowe Price High Yld	*	0.4	6.8	5.4
Dreyfus 100 Treasury L-T	*	2.5	6.8	0.9	T. Rowe Price Int'l Bond	*	1.7	12.8	9.8
Dreyfus A Bonds Plus	*	1.4	5.5	2.4	T. Rowe Price New Income	*	0.7	3.6	2.3
Dreyfus GNMA	*	0.9	3.2	3.1	T. Rowe Price Spectrum Income	*	1.1	6.1	5.5
Dreyfus Short-Term Income	B	0.2	1.8	-0.5	T. Rowe Price S-T Bond	B	0.2	0.7	-0.2
Dreyfus Strategic Income	*	1.2	4.4	1.0	T. Rowe Price U.S. Treas. L-T	*	1.5	5.3	3.3
Federated Total Return Govt	H	0.6	2.0	0.7	TCW Galileo High Yield Bond	*	1.4	8.6	9.3
Federated U.S. Govt Sec. 1-3	B	-0.1	-0.1	-0.9	TCW Galileo Total Return Bond	H	1.1	4.4	4.9
Fidelity Capital & Income (1%	*	1.3	10.5	8.4	USAA Income	H	1.0	4.6	4.5
Fidelity Floating Rate High Inc(1%	B	0.1	1.7	2.3	Value Line Aggressive Inc (1%	*	0.8	4.9	5.9
Fidelity GNMA	*	0.2	2.3	1.7	Value Line U.S. Govt Sec	H	0.8	2.9	2.2
Fidelity Government Income	*	0.7	2.8	1.8	Vanguard GNMA	B	0.3	3.4	2.9
Fidelity High Income (1%r<90d)	*	0.9	6.8	6.2	Vanguard High Yield Corporate	*	0.5	6.9	7.9
Fidelity Inflation-Protected Bond	B	1.7	6.4	7.4	Vanguard Inflation Protected	B	1.8	6.4	8.3
Fidelity Intermediate Bond	H	0.2	2.2	0.7	Vanguard Intermediate Treas.	H	0.6	3.2	1.1
Fidelity Intermediate Govt	H	0.3	2.1	1.9	Vanguard Long-Term Corporate	*	2.3	8.8	5.9
Fidelity Investment Grade	H	-0.1	3.4	3.6	Vanguard L-T Treasury	*	1.8	7.0	4.5
Fidelity New Markets Income (1%	*	2.2	14.2	8.1	Vanguard Short-Term Corporate	B	0.2	1.6	0.4
Fidelity Short-Term Bond	B	0.0	1.1	0.2	Vanguard S-T Federal	*	0.1	1.3	0.0
Fidelity Strategic Income	B	1.3	9.8	9.0	Vanguard S-T Treasury	B	0.1	0.9	-0.3
FifthThird Bond	*	0.9	3.9	3.5	Vanguard Total Bond Market	H	0.6	4.1	4.2
Fremont Bond	H	0.5	4.2	4.0	WellsFargo Montgomery S Dur	B	-0.1	0.4	0.4
Janus Flexible Income	*	0.5	2.9	1.0	WellsFargo Montgomery Total	H	0.5	3.1	3.0
Janus High Yield (2%r<90d)	*	0.5	6.4	5.1	Westcore Plus Bond (2%r<90d)	*	1.3	5.3	6.4
Janus S-T Bond	B	-0.1	0.6	0.3	WPG Core Bond	H	0.7	3.6	3.1
Loomis Sayles Bond Instl	B	1.3	12.7	11.2	WPG Core Bond	H	-0.1	4.2	2.9
Loomis Sayles Bond Retail	B	1.3	12.5	10.9					
Managers Bond	*	1.1	5.9	5.1					
Managers Int. Duration Govt	*	0.6	3.6	4.0					
Managers Short Duration Govt	B	0.2	1.7	2.0					
MetroWest Low Duration	B	0.3	2.3	1.7					
MetroWest Total Return	*	0.8	4.0	2.5					
Northeast Investors Trust	*	1.8	8.6	14.4					
Payden Global Fixed Income	*	0.7	4.2	3.7					
PIMCO High Yield	*	0.9	7.7	5.3					

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

* = **Not Recommended**

PORTFOLIO HOLDINGS
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Weekly Performance of ML Model Holdings — data as of 12/31/04

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	0.30%	LSBRX Loomis Sayles Bond Retail	0.66
ARTKX Artisan International Value	1.64	RSCOX RS Contrarian	1.01
ARTQX Artisan Mid Cap Value	1.13	VBINX Vanguard Balanced	0.21
BPTRX Baron Partners	0.72	VEURX Vanguard European Stock Index	0.74
CSRSX Cohen & Steers Realty	1.19	VFIX Vanguard GNMA	0.47
DODIX Dodge & Cox Income	0.16	VWEHX Vanguard High Yield Corp	0.60
DODFX Dodge & Cox International	1.41	VIPSX Van. Inflation Protected Bond	-0.16
FBALX Fidelity Balanced	0.51	VTRIX Vanguard International Value	1.24
FIEUX Fidelity Europe	1.16	VISVX Vanguard Small Cap Value	0.50
FEXPX Fidelity Export & Multinational	0.51	VBMFX Vanguard Total Bond	0.33
FTQGX Fidelity Focused Stock	0.50	VUVLX Vanguard US Value	0.44
FINPX Fidelity Inflation Protected	-0.17	VWNFX Vanguard Windsor II	0.29
FISMX Fidelity International S-C	2.37	WEHIX Weitz Hickory1.02	1.06
FBNDX Fidelity Inv Grade Bond	-0.05		
FLATX Fidelity Latin America	1.88		
FLVCX Fidelity Leveraged Company	0.09		
FSNGX Fidelity Natural Gas	-0.30		
FSICX Fidelity Strategic Income	0.45		
FDVLX Fidelity Value	0.69		
FSLSX Fidelity Value Strategy	1.51		
FWRLX Fidelity Wireless	0.00		
GATEX Gateway Fund	1.09		
		Indices	
		DOW JONES INDUSTRIALS	-0.41%
		NASDAQ	0.69
		S&P 500	0.15

Editorial Questions?

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