

## MONEYLETTER HOTLINE 1/18/05

### Ready to Move On

We have only had one day of trading since the last Hotline: one day, but a good one. It appears that the market is shaking off its early month slump, or rather we should say that the profit-taking is running its course. We find it significant that the trading community, which we follow for near-term clues about the market, is beginning to turn positive on the market. Remember these are very short-term oriented observers. They are now pointing out that last week the market was giving signs that the selling was drying up.

The earnings season started in earnest today with the banks leading off and reporting generally upbeat earnings. After the close today some heavy hitters such as IBM and Motorola reported. In general the reports were favorable. Given the economic reports from last quarter, we expect the earnings season to be quite positive. 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: Neuberger Berman Partners, Wasatch Small Cap Value (closed), Buffalo Small Cap (closed), and Dodge & Cox Stock (closed). Two funds are now rated Sell: Royce Penn Mutual and Strong Multi-cap Value. For international stock funds, T. Rowe Price Emerging Europe and Mediterranean is now rated Buy.

**The Economy** – The NY Fed Bank survey for the state showed activity down from last month's high figure. The numbers still show activity moving ahead nicely. We get the Philadelphia numbers later this week. The economy is doing well and we see moderate growth ahead.

**The Stock Market** – Looking ahead, we expect earnings growth to taper off as the economy slows somewhat. But we could be surprised on the upside. We need to be realistic. We have come off two good years for stocks, and the market is not selling at bargain basement prices. Gains will be harder to come by this year. Still, stocks remain the asset of choice.

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

## MONEYLETTER HOTLINE 1/14/05

### A Bout of Profit-Taking

We need not tell you that it has been a rough week. The selling continued, especially yesterday when the market was spooked by higher crude oil prices. We still hold to our view that we are experiencing delayed profit-taking after the market's run last year since August 12. As our next issue will point out, all of the market's gains came in the last four months of last year. It is only natural after such a run that we would see serious profit-taking at some time. We see nothing in the intensity or the extent of the profit-taking to change our view that we are not at the initial stage of a serious and prolonged decline.

Of course, it is disappointing to see the selling come in the early weeks of the New Year. But we remind you that we did not see the normal tax-loss selling or the year-end profit-taking either. The seasonals have not held up late last year or early this one. The economic background for the market remains quite positive. Today's economic reports, prices and production, were all we could ask for. They will limit the decline. We hold to our cautiously optimistic outlook.

There is no change in our recommended allocations.

**New Fund Ratings** – For domestic stock funds, Baron Small Cap is now rated Buy. Four funds are now rated Hold: Vanguard Strategic Equity, Vanguard Small Cap Value Index, Loomis Sayles Small Cap Value (R shares), and Berwyn Fund. Ariel Fund is now rated Sell. For international stock funds, Artisan International Small Cap is now rated Buy.

**The Economy** – The economy is going into the New Year with good momentum. Retail sales were strong, and not just autos. Production was considerably better than expected. High tech production is doing very well. Inventories are finally beginning to grow. The economy is performing nicely. We see moderate growth ahead.

**The Stock Market** – Intel did have some effect, and today Samsung also announced a large investment budget for the year. The market now has to make up its mind about valuations. We think the U.S. market still provides reasonable, though not outstanding value. Stocks remain the asset of choice.

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

## Domestic Stock Funds — data as of 1/14/05

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
1	Baron Partners	B	0.4%	25.7%	38.0%	51	Boston Partners Mid Cap Value	H	-1.5	10.9	13.6
2	RS Value (Contrarian)	B	1.9	21.5	25.9	52	Loomis Sayles Small Cap Value	H	-1.9	11.2	12.7
3	RS Partners (closed)	B	-0.2	20.1	26.3	53	Vanguard Extended Market	H	-1.7	11.9	10.2
4	Muhlenkamp Fund	B	1.4	19.5	22.0	54	Third Avenue Small-Cap Value	H	-0.4	10.1	12.5
5	FBR Small Cap (closed,1%r<90d)	B	2.3	17.9	24.4	55	Fidelity Small Cap Ind.(1.5%	H	-0.1	11.0	9.8
6	Baron Growth (closed)	B	0.2	19.1	21.9	56	USAA Capital Growth	H	-1.5	13.5	5.6
7	Baron Asset	B	1.2	17.9	23.0	57	Berwyn Fund (1%r<180d)	H	-2.3	10.5	13.6
8	Marsico 21st Century (2%r<30d)	B	-0.8	18.7	15.4	58	USAA Growth	H	-1.6	12.3	8.1
9	Longleaf Partners Smallcap	B	-1.1	17.1	17.8	59	SIT Mid Cap Growth (2%r<30d)	H	-1.7	11.2	10.8
10	Neuberger Berman Partners	B	0.8	15.8	16.9	60	Harbor Value	H	0.3	9.9	10.6
11	MainStay Small Cap Opportunity	B	0.4	15.3	17.3	61	Vanguard Capital Value	H	-0.9	11.2	8.9
12	Fidelity Leveraged Co	B	-1.6	16.1	16.1	62	Neuberger Berman Manhattan	H	-1.0	10.6	10.5
13	Janus Contrarian	B	-1.7	17.4	13.2	63	Vanguard Value Index	H	-1.0	10.2	11.3
14	Third Avenue Value (1%r<60d)	B	0.6	12.7	21.2	64	INVESCO Small Company	H	-0.7	13.1	3.5
15	Baron Small Cap	B	1.3	14.1	16.1	65	T. Rowe Price New Horizons	H	-1.6	11.4	9.0
16	Fidelity L P Stock (closed,1.5%	B	0.3	14.1	16.1	66	Value Line Special Situations	S	-1.0	9.8	12.2
17	Artisan Mid Cap Value	B	-1.0	12.4	21.7	67	Buffalo Mid Cap	S	-1.0	10.6	10.0
18	Janus Twenty(closed)	B	-1.4	13.7	18.4	68	Fidelity Export & Multinat'l(.75%	S	-0.5	10.5	9.4
19	MSI Mid Cap Growth	B	-1.0	14.2	16.0	69	Gabelli Asset	H	-0.6	10.2	10.2
20	Wasatch Core Growth(closed,2%	B	-0.6	14.0	15.7	70	Loomis Sayles Value	H	-0.7	9.6	11.9
21	CGM Focus	H	2.2	13.3	13.4	71	INVESCO Dynamics	S	-0.4	11.6	6.3
22	CRM Mid Cap Value Inv	B	-1.2	12.7	18.8	72	Royce Penn Mutual(1%r<180d)	S	-1.6	10.1	11.7
23	Vanguard Mid-Cap Index	B	-1.2	14.5	14.0	73	Value Line Fund	S	-1.6	12.2	6.5
24	WmBlair S-C Growth N	B	-1.6	14.4	14.0	74	Royce Total Return (1%r<180d)	S	-1.3	9.8	12.0
25	Strong Advisor Midcap Growth	H	-0.4	14.1	12.5	75	TCW Galileo Dividend Focused	H	-1.7	9.8	12.3
26	Wasatch Small Cap Value	B	-0.2	14.0	12.5	76	INVESCO Core Equity	H	3.1	10.2	3.9
27	Buffalo Small Cap(closed)	B	-3.2	13.3	17.6	77	Vanguard Cap Opp (closed,	S	-3.7	11.4	11.0
28	Cambiar Opportunity	H	0.9	12.8	12.3	78	T. Rowe Price Equity-Income	H	-0.5	9.6	10.6
29	Bridgeway Aggressive Investors 2	H	-0.3	14.5	8.2	79	Ariel Fund	S	-2.3	8.6	15.8
30	T. Rowe Price S-C Value	B	-2.4	12.5	16.3	80	WPG Tudor	H	-0.4	9.3	11.1
31	Dodge & Cox Stock (closed)	B	-0.4	12.4	13.1	81	Legg Mason Value	H	0.3	10.6	6.7
32	Vanguard Strategic Equity	H	-2.1	13.6	12.4	82	MSI Mid Cap Value	S	-1.3	10.5	9.2
33	Weitz Hickory	B	0.2	11.0	15.0	83	Vanguard SmallCap Index	S	-3.0	11.4	9.6
34	Fidelity Value	H	-1.2	11.5	15.2	84	Fidelity Contrafund	S	-0.2	8.8	11.6
35	Marsico Growth & Income (2%	H	-1.0	13.2	10.1	85	RS Smaller Company Growth	S	-1.6	12.3	5.1
36	Janus Venture (closed)	H	-1.9	14.0	9.0	86	Strong Multi-Cap Value	S	-1.0	11.1	7.1
37	Marsico Focus (2%r<30d)	H	-1.1	13.8	7.9	87	T.Rowe Price Mid Cap Growth	S	-2.6	10.5	10.9
38	Vanguard Windsor II	H	-0.1	10.5	14.6	88	Royce Premier (1%r<180d)	S	-1.8	8.3	15.1
39	T.Rowe Price Mid Cap Value	H	-1.1	11.1	14.3	89	Fidelity Disciplined Equity	S	-0.6	10.0	8.8
40	Mutual Qualified(1%)CIZ	H	0.2	10.8	12.9	90	Mutual Beacon(1%)CIZ	S	0.0	8.7	11.2
41	Janus Enterprise	H	-1.9	11.5	14.2	91	Federated Kaufmann Fund	S	-1.0	10.4	8.1
42	Vanguard Small-Cap Value Index	H	-2.9	11.9	14.6	92	Wasatch Small Cap Grth	S	-1.3	11.4	6.1
43	MSI Value Portfolio	H	-0.8	11.3	12.8	93	T. Rowe Price Small Cap Stock	S	-2.9	10.8	10.1
44	MSI Small Cap Value(closed)	H	-1.0	11.6	12.2	94	Turner Mid Cap Growth	S	-1.8	12.4	4.1
45	Boston Prtrs All Cap Value	H	0.1	9.5	15.7	95	Artisan Midcap(closed)	S	-1.1	10.6	7.4
46	TCW Galileo Diversified Value N	H	-1.5	11.0	14.1	96	Salomon Brothers Opportunity	S	-1.1	9.8	9.1
47	Fidelity Focused Stock (.75%	H	-0.2	11.0	11.8	97	Vanguard PRIMECAP(closed,	S	-1.9	9.5	10.9
48	USAA Aggressive Growth	H	-0.9	12.5	9.2	98	Weitz Value Fund	H	0.6	8.1	10.6
49	Strong Mid Cap Disciplined	H	0.5	8.5	17.0	99	Dreyfus Mid Cap Index	S	-1.7	9.8	9.6
50	PBHG Small Cap Value	H	-1.6	13.5	7.2	100	T. Rowe Price Cap Appreciation	S	-0.9	8.6	11.5

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

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

## Domestic Stock Funds continued — data as of 1/14/05

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
101	Forward Hoover Small Cap	S	-3.0	9.8	11.4	151	ABN Amro Mid Cap	S	-1.5	7.5	8.1
102	Mutual Shares(1%)CIZ	S	0.1	8.2	10.7	152	Vanguard Growth & Income	S	-1.6	7.9	7.3
103	Strong Opportunity	S	-1.4	9.3	10.1	153	American Century Income &	S	-1.6	7.7	7.7
104	Vanguard Windsor	S	-0.7	9.8	7.8	154	Legg Mason Special Investment	S	-0.7	8.4	4.5
105	Dreyfus New Leaders	S	-0.7	8.9	9.7	155	Pin Oak Aggressive Stock	S	-2.0	11.8	-2.3
106	Strong Growth 20	S	-1.8	10.3	7.4	156	PIMCO PEA Value D	S	-1.3	6.5	9.9
107	Janus Growth & Income	S	-0.8	10.0	6.8	157	American Century Heritage	S	0.9	8.0	3.0
108	Vanguard Equity-Income	H	-1.2	8.9	9.8	158	T. Rowe Price Growth Stock	S	-1.4	8.1	5.7
109	Vanguard U.S. Value	S	-1.0	9.5	8.2	159	Scudder Development (closed)	S	-0.2	10.3	-1.5
110	Homestead Value	S	-0.3	8.0	10.6	160	American Century Vista	S	-0.8	6.8	8.1
111	Nicholas Fund	S	0.0	8.3	9.4	161	T. Rowe Price Growth & Income	S	-1.5	7.8	6.3
112	Neuberger Berman Genesis	S	-2.2	7.8	13.7	162	Preferred Value	S	-0.9	7.5	6.1
113	American Century Equity Growth	S	-1.3	9.0	9.2	163	Schwab 1000 Fund (.75%)	S	-1.4	7.7	6.4
114	USGlobal Holmes Growth (.25%)	S	-2.2	10.2	7.1	164	Vanguard/Morgan Growth	S	-1.7	8.5	4.8
115	Columbia Special	S	-1.2	11.9	1.2	165	USAA Growth & Income	S	-1.4	7.6	6.4
116	Columbia Disciplined Value CIZ	S	-1.0	8.3	9.8	166	Fidelity Growth & Income	S	-1.3	7.4	6.9
117	Ariel Appreciation	S	-1.1	9.0	8.0	<b>167 Fidelity Spartan 500 Index</b>	<b>S</b>	<b>-1.4</b>	<b>7.5</b>	<b>6.5</b>	
118	Neuberger Berman Guardian	S	-3.1	9.7	9.3	168	Fidelity Equity-Income II	S	-2.2	8.6	4.8
119	CS Warburg Pincus Emerging	S	-1.3	10.3	4.8	<b>169 Vanguard 500 Index</b>	<b>S</b>	<b>-1.4</b>	<b>7.5</b>	<b>6.5</b>	
120	T. Rowe Price Dividend Growth	S	-0.8	8.7	8.2	170	Fidelity Mid-Cap Stock (.75%)	S	-1.6	8.9	3.1
121	Sound Shore	H	-1.1	8.1	10.0	171	Fidelity Stock Selector	S	-1.1	7.7	5.4
122	Artisan Small Cap (closed)	S	-3.8	9.5	10.4	172	Fidelity Trend	S	-1.5	7.5	6.3
123	Henlopen Fund (1%r<30d)	S	-1.6	9.8	6.1	173	Legg Mason Opportunity Trust	S	-0.7	8.1	3.2
124	American Century Value (closed)	S	-0.9	7.4	11.0	174	Meridian Fund	S	-2.0	8.1	5.1
125	RS Value+Growth	S	-1.5	10.0	5.4	175	Columbia Asset Allocation CIZ	S	-0.8	7.1	5.7
126	Selected Special Shares	S	-0.2	9.0	5.8	176	Undiscovered Behavioral Growth	S	-3.4	11.3	-1.4
127	Vanguard Explorer	S	-2.4	11.0	4.0	177	Scudder Growth & Income	S	-1.3	7.5	5.1
128	Royce Opportunity (1%r<180d)	S	-2.6	10.7	4.6	178	Neuberger Berman Focus	S	-2.7	12.3	-5.0
129	Fidelity Convertible Securities	S	0.0	8.5	6.1	179	TCW Galileo Select Equity	S	-3.2	8.5	5.2
130	CRM Small Cap Value Inv	S	-1.9	8.7	8.5	180	Strong Advisor Common Stock	S	-2.4	8.4	4.0
131	Vanguard Small Cap Growth In-	S	-3.0	10.8	4.7	181	Royce Special Equity (1%)	S	-1.3	5.3	9.9
132	RS MidCap Opportunities	S	-1.9	9.8	5.3	182	American Century Growth	S	-1.6	7.8	4.0
133	Boston Ptnrs Smlcap Val	S	-1.0	8.2	7.5	183	Fidelity Small Cap Stock (2%)	S	-2.7	7.5	6.1
134	Strong Discovery	S	-3.0	10.3	5.2	184	Fidelity Value Strategies	H	-4.2	10.2	1.1
135	Selected American Shares	S	-0.5	7.4	8.7	185	Oakmark Select(closed) (2%)	S	-1.3	6.7	5.6
136	Vanguard Total Stk Mkt	S	-1.5	8.5	7.3	186	Harbor Capital Appreciation	S	-2.3	7.9	4.0
137	Janus Mid Cap Value	S	-2.5	7.3	11.9	187	Century Select Small Cap (1%)	S	-2.0	7.8	3.6
138	Aegis Value Fund	S	0.6	6.3	9.7	188	Columbia Growth	S	-1.3	7.3	3.8
139	ICM/Isabelle Small Cap Value	S	-1.2	8.0	8.0	189	Fidelity Discovery	S	-2.5	7.6	5.0
140	Westport Small Cap R	S	-1.7	9.6	4.7	190	Value Line Leveraged Growth	S	-2.4	8.1	2.8
141	Yacktman Fund	S	-0.3	7.8	6.7	191	Nicholas II	S	-1.6	6.0	6.9
142	Fidelity Independence	S	-1.0	8.9	4.9	192	Fidelity Growth & Income II	S	-1.0	7.0	3.4
143	RS Emerging Growth(closed)	S	-4.5	12.5	1.2	193	Dreyfus Fund	S	-1.4	6.8	4.3
144	Oakmark Fund (2%r<90d)	S	-0.5	7.2	8.3	194	Columbia Large Cap Growth CIZ	S	-1.3	7.1	3.4
145	American Century Equity Income	S	-0.9	6.9	9.7	195	Dreyfus Growth & Income	S	-1.2	7.0	3.2
146	SIT Large Cap Growth (2%r<30d)	S	-1.3	8.1	7.2	196	WellsFargo Montgomery Small	S	-1.3	7.5	2.0
147	Fidelity Growth Company	S	-2.5	9.6	4.8	197	Fidelity Magellan (closed)	S	-1.0	6.4	4.2
148	Fidelity Equity-Income	S	-0.9	7.6	7.5	198	American Century Ultra	S	-1.9	6.3	5.7
149	Fidelity Capital Appreciation	S	-1.0	8.4	5.6	199	William Blair Growth (1%r<60d)	S	-2.5	8.0	2.2
150	Janus Mercury	S	-0.3	8.7	3.5	200	Strong Growth	S	-3.1	7.3	4.8

**DOMESTIC STOCK FUNDS**  
Continued on Next Page

## Domestic Stock Funds continued — data as of 1/14/05

Rank	Fund	Vent.	1 month	6 month	1 year	Rank	Fund	Vent.	1 month	6 month	1 year
201	Preferred Growth	S	-2.4	7.4	3.3	251	Hussman Strategic Growth	S	-0.5	1.7	3.1
202	Oakmark Equity&Income (2%)	S	-0.4	4.5	7.3	252	Vanguard Growth Equity	S	-3.1	5.0	-1.9
203	T. Rowe Price New America	S	-2.2	6.2	5.0	253	Thompson Plumb Growth	S	-0.3	1.1	2.0
204	Neuberger Berman Fasciano Inv	S	-1.7	5.7	5.4	254	RS Diversified Growth (closed)	S	-2.8	5.8	-7.8
205	SIT Small Cap Growth (2%r<30d)	S	-2.5	9.0	-2.0	255	TCW Galileo Aggressive Growth	S	-5.0	5.1	-4.1
206	Columbia Common Stock	S	-1.4	6.3	3.0	256	Needham Small Cap Growth	S	-4.9	3.6	-2.6
207	Strong Large Cap Growth	S	-2.8	6.9	3.4	257	Undiscovered Small Cap Growth	S	-6.2	5.8	-14.1
208	PBHG Growth	S	-3.0	8.5	-0.6	258	Van Wagoner Emerging Growth	S	-7.2	0.8	-30.9
209	Janus Olympus	S	-1.2	6.3	2.2						
210	Tweedy, Browne American Value	S	-1.5	5.4	4.7						
211	Clipper Fund	S	-0.1	5.1	3.3						
212	Domini Social Equity Fund (2%)	S	-1.9	5.7	4.1						
213	Vanguard U.S. Growth	S	-2.2	6.8	1.7						
214	Fidelity Fund	S	-1.6	5.3	4.6						
215	Fidelity OTC Portfolio	S	-3.0	8.6	-1.8						
216	Fidelity Fifty (.75%r<30d)	S	-1.9	7.1	0.2						
217	Dreyfus Growth Opportunity (2%)	S	-1.4	5.9	2.4						
218	Fidelity Aggressive Growth(1.5%)	S	-2.4	5.5	4.4						
219	TCW Galileo Opportunity N	S	-3.4	6.4	3.8						
220	CS Warburg Pincus Capital Ap-	S	-2.1	6.0	2.7						
221	Scudder Capital Growth AARP	S	-1.6	5.2	3.8						
222	Gabelli Growth	S	-1.6	6.4	0.6						
223	Oberweis Emerging Growth (1%)	S	-4.2	11.0	-6.9						
224	Vanguard Growth Index	S	-1.7	5.6	2.4						
225	Royce Low Priced Stock	S	-2.6	5.6	3.4						
226	TCW Galileo Value Opportunities	S	-2.5	5.6	3.2						
227	Salomon Brothers Investors	S	-2.8	5.6	3.7						
228	Fidelity Dividend Growth	S	-1.5	5.5	2.0						
229	Bogle Small Cap Growth(closed)	S	-2.3	7.2	-1.3						
230	Fidelity Large Cap Stock	S	-1.4	5.6	1.4						
231	Dreyfus-Founders Discovery	S	-2.8	6.4	1.4						
232	Northeast Investors Growth	S	-2.1	4.8	4.1						
233	American Century Select	S	-1.0	4.3	3.4						
234	Dreyfus Premier Third Century	S	-1.2	5.0	1.7						
235	Janus U.S. Value	S	-0.6	3.3	4.9						
236	TCW Galileo Small Cap Growth	S	-3.7	8.4	-3.7						
237	Fidelity Blue Chip Growth	S	-1.5	4.9	1.8						
238	Fidelity New Millennium (closed)	S	-2.1	7.5	-3.7						
239	Longleaf Partners	S	-0.2	4.0	1.9						
240	Columbia Small Company Equity	S	-4.2	7.2	-0.2						
241	Dreyfus Appreciation	S	-0.6	3.2	4.0						
242	C&B Mid Cap Value	S	-3.6	4.9	3.6						
243	PBHG Emerging Growth	S	-3.6	10.2	-10.1						
244	UMB Scout Stock	S	-1.7	4.6	0.9						
245	Matrix Advisors Value (.75%)	S	-0.7	5.1	-1.8						
246	Scudder Large Company Growth	S	-1.6	4.4	0.6						
247	Needham Growth Fund (.75%)	S	-2.2	7.1	-5.6						
248	Vanguard Convertible Securities	S	-1.4	3.9	0.9						
249	Janus Fund	S	-1.0	3.8	-0.9						
250	WPG Large Cap Growth	S	-2.5	4.7	-0.8						

### PRI Financial Advisors Inc.

#### Portfolio Management Services

*Exclusive providers of the ...*

### **The MONEYLETTER Managed Account Program**

For more information, contact us:

**Toll-Free:** (800) 707-2060

**Fax:** (508) 429-0940

**E-mail:** [info@priadvisors.com](mailto:info@priadvisors.com)

**Website:** [www.priadvisors.com](http://www.priadvisors.com)

**Write:** PRI Financial Advisors  
360 Woodland St  
Holliston, MA 01746

Call PRI and Ask for a Free Portfolio Review.

*Minimum investment is \$100,000  
for all managed accounts.*

1 As an independent Registered Investment Advisor PRI Financial Advisors Inc. will exercise discretion with regard to asset allocation and fund selection, and may make investment decisions for client accounts that differ from recommendations found in *MONEYLETTER* and *MONEYLETTER Plus*.

**INTERNATIONAL STOCK FUNDS**  
On Next Page

# International Stock Funds — data as of 1/14/05

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	3.4%	35.7%	28.4%	51	Artisan International (2%<90d)	S	1.4	11.3	10.0
2	T.Rowe Price Latin America (2%	H	3.1	34.5	25.7	52	Driehaus Int'l Discovery (2%	S	3.5	12.0	4.5
3	T.Rowe Price Emg Europe&Med.	B	10.5	26.2	29.3	53	Gabelli Intl Growth (2%<60d)	S	0.7	11.3	10.2
4	Scudder Latin America	H	2.8	33.1	21.3	54	USAA World Growth	S	0.4	10.2	13.5
5	Fidelity Emerging Mkts (1.5%	B	5.7	28.0	15.1	55	Fidelity Europe Capital App. (1%	S	0.0	12.8	7.4
6	Vanguard Emerging Mkts Stk	B	2.9	26.7	16.8	56	T. Rowe Price European	S	-0.4	11.6	9.0
7	Fidelity Europe (1%<30d)	B	2.8	22.9	22.3	57	American Century Intl Growth	S	1.2	11.0	7.9
8	Driehaus Emerging Mkts Gr (2%	B	4.0	24.6	15.4	58	Fidelity Global Balanced (1%	S	0.9	10.4	9.3
9	Dreyfus Emerging Market(1%r)	B	2.2	22.9	17.2	59	American Century Global	S	-0.3	11.7	7.7
10	Vanguard Intl Explorer	B	4.4	18.4	24.5	60	Guinness China & Hong Kong	S	-1.2	13.3	4.5
11	Fidelity Intl Small Cap (2%<90d)	H	5.4	17.8	24.3	61	T. Rowe Price Intl Stock	S	1.2	10.4	7.3
12	T. Rowe Price New Asia	B	4.0	24.2	9.5	62	Oakmark Global (2%<90d)	S	-0.1	10.0	9.4
13	Dodge & Cox Intl Stock	B	2.1	18.7	25.5	63	Japan Fund (Scudder) (2%	S	7.5	5.6	7.8
14	Neuberger Berman Intl (2%	B	4.1	17.6	25.1	64	Columbia International Stock	S	0.5	10.2	6.8
15	Artisan Intl Small Cap(closed,2%	B	4.8	19.2	19.6	65	Fidelity Overseas (1%<30d)	S	0.1	10.8	5.5
16	Matthews Pacific Tiger (2%<90d)	B	3.1	23.1	12.3	66	Columbia Intl Equity CIZ	S	0.4	10.1	6.7
17	Janus Intl Equity (1%<90d)	B	2.6	19.0	22.1	67	SIT International Growth (2%	S	0.1	10.7	5.5
18	Oakmark Intl Small Cap	H	4.3	17.1	22.8	68	Fidelity Aggressive Intl. (1%	S	0.3	11.5	3.1
19	Fidelity SE Asia (1.5%<90d)	H	4.7	23.0	6.1	69	T. Rowe Price Japan	S	7.9	2.2	14.3
20	Forward Intl. Small Cos.	H	5.0	17.8	18.0	70	Fidelity Japan(1.5%<90d)	S	7.7	4.1	9.7
21	Quant Foreign Value (1%r)	H	3.1	16.0	20.7	71	Fidelity Worldwide (1%<30d)	S	-0.5	9.5	6.0
22	Scudder Global Discovery(closed)	H	1.7	18.5	16.2	72	Loomis Sayles International	S	0.2	8.9	3.9
23	Matthews Asia-Pacific (2%<90d)	H	4.6	16.7	15.4	73	CS Warburg Pincus Japan Grth	S	7.0	4.3	4.3
24	Artisan Intl Value (2%<90d)	H	2.0	14.7	24.3	74	Longleaf Partners International	S	2.0	3.8	9.1
25	Julius Baer Intl Equity A (2%	H	3.2	17.0	16.4						
26	Amer.Cent.Intl Opportunity (2%	H	6.9	13.3	19.4						
27	Matthews Asia G & I (closed,2%	H	2.0	16.2	16.9						
28	Scudder Pacific Opportunity (2%	H	3.0	19.2	7.2						
29	T.Rowe Price Intl Disc. (2%<1yr)	H	4.1	12.6	17.8						
30	Fidelity Pacific Basin (1.5%<90d)	S	7.2	12.4	10.6						
31	Janus Overseas(closed,2%<90d)	H	1.3	16.2	8.9						
32	Wm. Blair Intl Growth N	S	2.3	14.1	12.4						
33	Vanguard International Value (2%	H	1.5	14.0	12.9						
34	Scudder Global	S	1.5	14.8	9.9						
35	Wasatch International Growth	S	2.4	11.2	16.5						
36	Vanguard European Stock Index	H	-0.3	13.9	13.8						
37	Vanguard Pacific Stock Index (2%	S	5.4	10.2	13.7						
38	Preferred International	S	1.9	12.6	12.9						
39	Harbor International (2%<60d)	S	1.2	13.2	12.1						
40	Fidelity Intl Discovery(2%<30d)	S	1.5	13.2	11.5						
41	Fidelity Div Intl (closed,1%<30d)	S	1.1	12.5	13.2						
42	Scudder Greater Europe (2%	H	-0.4	14.4	9.6						
43	Vanguard International Growth	S	1.6	12.4	11.1						
44	Scudder International (2%<180d)	S	1.6	12.6	10.1						
45	Oakmark International (2%<90d)	S	1.2	11.7	13.0						
46	Matthews Japan Fund (2%<90d)	S	9.1	4.6	18.6						
47	Tweedy, Browne Global Value	S	2.1	9.1	17.3						
48	Schwab International Index (1.5%	S	0.8	11.8	12.2						
49	USAA International	S	0.9	11.3	12.3						
50	Fidelity Japan Smaller Cos	S	9.7	2.5	19.8						

**Next Issue of  
MONEYLETTER Plus  
Will Be Available:  
Wed 1/26/05 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  
On Next Page**

## Specialty Funds — data as of 1/14/05

Rank	Fund	Cons.	1 month	6 month	1 year	Rank	Fund	Cons.	1 month	6 month	1 year
1	CGM Realty	*	6.2%	38.8%	45.5%	51	Fidelity Balanced	B	-0.6	8.5	6.5
2	Alpine U.S. Real Estate Equity	*	6.0	35.8	45.4	52	Fidelity Multimedia (.75%r<30d)	*	0.5	10.5	-1.2
3	Fidelity Med Del (.75%r<30d)	*	2.5	33.3	43.9	53	Fidelity Banking (.75%r<30d)	*	-3.2	8.7	7.8
4	Fidelity Const & Housing (.75%	*	2.8	25.8	31.0	54	Fidelity Industrial Equip (.75%	*	-2.2	8.8	6.0
5	Fidelity Natural Gas (.75%r<30d)	*	1.8	17.6	36.9	55	Fidelity Medical Equip (.75%	*	-0.5	4.9	12.9
6	Fidelity Chemicals (.75%r<30d)	*	-0.7	22.4	27.8	56	RS Internet Age	*	-5.1	14.9	-6.8
7	Fidelity Energy Services (.75%	*	3.0	17.5	34.1	57	Fidelity Software (.75%r<30d)	*	-4.1	12.4	-2.3
8	Vanguard Energy (1%r<1yr)	*	1.7	15.9	34.2	58	Rydex Banking	*	-2.9	6.6	9.7
9	Rydex Energy Services	*	1.6	15.6	32.4	59	Fidelity Home Finance (.75%	*	-2.2	6.1	9.3
10	ICON Energy	*	-0.2	15.7	33.8	60	Vanguard Balanced Index	B	-0.9	6.7	5.8
11	Fidelity Energy (.75%r<30d)	*	2.0	14.7	30.9	61	Fidelity Insurance (.75%r<30d)	*	0.2	4.9	8.0
12	Cohen & Steers Realty Shares	*	-3.8	18.6	29.2	62	ICON Consumer Discretionary	*	0.7	6.8	2.4
13	T. Rowe Price New Era	*	0.7	16.3	27.9	63	Rydex Consumer Products	*	0.0	3.4	11.3
14	Fidelity Real Estate (.75%r<90d)	*	-2.8	17.9	26.6	64	T.Rowe Price Health Sciences	*	-1.9	4.9	8.6
15	Fidelity Wireless (.75%r<30d)	*	-1.2	17.6	24.7	65	Fidelity Developing Comm (.75%	*	-3.3	10.8	-4.6
16	T.Rowe Price Real Estate (1%	*	-3.7	17.3	28.3	66	Vanguard Health Care	*	-0.9	4.7	5.7
17	Rydex Energy	*	0.3	13.3	29.2	67	Gateway Fund	B	0.0	3.9	6.2
18	Rydex Leisure	*	1.0	16.7	18.0	68	AXARosenberg Value L/S (2%	*	2.6	2.5	5.4
19	ICON Materials	*	-1.1	15.7	23.3	69	RS Information Age	*	-5.7	12.9	-8.3
20	Fidelity Utilities Growth (.75%	*	-1.1	16.6	19.0	70	Fidelity Air Transport (.75%	*	-4.9	5.9	7.7
21	Fidelity Transportation (.75%	*	-4.0	17.7	19.8	71	Fidelity Health Care (.75%r<30d)	*	0.5	3.3	5.5
22	Vanguard Precious Metals	*	1.8	19.2	6.1	72	Rydex Telecommunications	*	-3.3	7.8	-3.6
23	T.Rowe Price Media & Telecom-	*	0.4	15.7	16.3	73	Rydex Health Care	*	-0.5	3.3	3.2
24	Fidelity Natrl Resources (.75%	*	1.0	12.2	23.0	74	Fidelity Environmental Ser (.75%	*	-1.8	3.7	2.3
25	Vanguard REIT Index (1%r<1yr)	*	-4.5	14.7	21.7	75	Merger Fund (closed,2%r<30d)	*	0.4	2.5	1.3
26	ICON Healthcare	*	0.9	13.7	15.0	76	Rydex Internet	*	-6.5	7.7	-2.7
27	Fidelity Brokerage (.75%r<30d)	*	-2.8	19.9	4.3	77	ICON Information Technology	*	-5.9	9.8	-9.8
28	Fidelity Cyclical Ind (.75%r<30d)	*	-2.0	13.2	18.0	78	T.Rowe Price Science & Tech	*	-4.6	7.5	-7.4
29	Rydex Basic Materials	*	-1.2	12.9	16.8	79	Fidelity Technology (.75%r<30d)	*	-4.3	8.4	-11.4
30	Fidelity Leisure (.75%r<30d)	*	0.4	13.5	12.8	80	Fidelity Pharmaceuticals (.75%	*	0.0	1.6	-2.0
31	Fidelity Indust Matrils (.75%r<30d)	*	0.4	13.1	10.9	81	Fidelity Computers (.75%r<30d)	*	-4.0	8.8	-14.8
32	Cohen & Steers Equity Income	*	-3.8	12.0	19.0	82	Fidelity Paper & Forest (.75%	*	-2.1	0.8	2.1
33	Rydex Transportation	*	-5.4	14.0	14.2	83	Fidelity Gold (.75%r<30d)	*	-2.4	6.0	-10.6
34	ICON Telecommunications &	*	-0.4	11.9	8.6	84	Fidelity Biotechnology (.75%	*	-2.4	-1.2	6.0
35	Fidelity Retailing (.75%r<30d)	*	0.1	9.0	14.1	85	Fidelity Networking (.75%r<30d)	*	-4.7	7.8	-15.7
36	ICON Financial	*	-1.5	11.4	10.4	86	U.S.Global Gold Shares (.25%	*	-5.0	5.0	-9.0
37	Fidelity Consumer Ind (.75%	*	0.6	11.4	7.1	87	Rydex Biotechnology	*	-3.2	1.7	-4.0
38	T.Rowe Price Financial Services	*	-1.2	12.2	6.9	88	Rydex Technology	*	-5.3	5.6	-11.8
39	Rydex Utilities	*	0.4	9.3	11.6	89	Amer. Cent. Global Gold (1%	*	-4.8	2.7	-9.6
40	Fidelity Telecomm (.75%r<30d)	*	-1.6	11.9	5.8	90	Scudder Gold (closed)	*	-3.4	2.7	-12.4
41	Fidelity Food & Agr (.75%r<30d)	*	0.1	7.2	14.9	91	Fidelity Electronics (.75%r<30d)	*	-3.7	3.5	-20.9
42	ICON Industrials	*	-3.5	10.8	10.8	92	Rydex Ursa	*	1.8	-6.5	-5.9
43	Fidelity Defense & Aero (.75%	*	-2.6	9.1	13.6	93	ProFunds Bear Inv	*	1.7	-6.6	-6.1
44	Rydex Financial Services	*	-2.3	10.0	10.5	94	Royce Technology Value (2%	*	-5.7	3.0	-22.2
45	Rydex Retailing	*	-0.1	9.0	8.2	95	Prudent Bear	*	1.5	-7.3	-12.0
46	ICON Leisure & Consumer Sta-	*	0.0	7.9	10.8	96	Rydex Precious Metals	*	-6.4	-2.1	-14.4
47	Stratton Mthly Div REIT (1.5%	*	-5.4	9.7	13.7	97	Rydex Juno	*	-0.7	-8.6	-7.1
48	Fidelity Automotive (.75%r<30d)	*	1.8	10.3	1.1	98	Rydex Electronics	*	-9.1	-4.8	-33.0
49	Fidelity Bus Services (.75%r<30d)	*	-3.7	10.6	8.3						
50	Fidelity Finl Serv (.75%r<30d)	*	-1.1	9.1	7.0						

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

\* = **Not Recommended**

## Bond Funds — data as of 1/14/05

Fund	Cons.	1 month	6 month	1 year	Fund	Cons.	1 month	6 month	1 year
American Century Ginnie Mae	*	-0.1	1.7	0.5	PIMCO Low Duration	B	-0.4	0.4	-0.1
American Century Inflation Adj	B	0.2	5.4	6.3	PIMCO Real Return	H	-0.4	4.3	4.4
American Century Intl Bond	*	-0.5	10.6	9.1	PIMCO Total Return	H	-0.4	3.1	2.0
American Century Target 2010	*	-0.4	3.2	1.8	PIMCO Total Return Mortgage	H	0.0	2.6	2.1
American Century Target 2015	*	0.2	7.8	6.4	Schwab S-T Bond Mkt Index	B	-0.4	0.6	-0.4
American Century Target 2020	*	1.1	12.1	10.4	Scudder Global Bond S-T	*	0.5	7.0	4.6
American Century Target 2025	*	2.9	17.1	15.3	Scudder Income (closed)	H	0.2	3.9	3.5
American Government Bond	H	-0.1	2.1	0.6	Scudder Short-Term Bond	B	0.0	1.0	0.9
BBH Inflation Indexed Sec	B	0.0	5.2	6.8	Strong Corporate Bond	*	-0.2	4.5	1.1
Buffalo High-Yield(2%r<180d)	*	-0.5	4.7	6.4	Strong Govt Securities	H	-0.3	2.0	0.1
Columbia Fixed Income Sec	H	-0.4	2.1	-0.4	Strong High Yield Bond (1%	*	-0.4	5.1	3.7
Columbia High Yield	*	-0.7	3.2	0.8	Strong S-T Bond	B	-0.3	0.2	-0.6
Columbia Income CIZ	H	-0.4	3.3	0.5	Strong S-T High Yield	*	-0.4	1.3	1.0
Columbia Intermediate Bond CIZ	H	-0.3	2.8	0.2	T. Rowe Price Corporate Inc	*	-0.3	4.6	2.1
Columbia S-T Bond	B	-0.2	0.4	-0.6	T. Rowe Price GNMA	*	-0.1	1.9	0.6
Dodge & Cox Income	H	0.0	3.3	2.5	T. Rowe Price High Yld	*	-0.4	5.6	3.1
Dreyfus 100 Treasury L-T	*	0.7	6.2	0.4	T. Rowe Price Int'l Bond	*	0.4	9.6	6.5
Dreyfus A Bonds Plus	*	0.5	4.4	1.1	T. Rowe Price New Income	*	-0.1	3.1	1.4
Dreyfus GNMA	*	0.0	2.7	2.4	T. Rowe Price Spectrum Income	*	-0.2	5.2	3.5
Dreyfus Short-Term Income	B	-0.6	0.8	-1.3	T. Rowe Price S-T Bond	B	-0.2	0.5	-0.8
Dreyfus Strategic Income	*	-0.1	3.4	-0.4	T. Rowe Price U.S. Treas. L-T	*	0.1	5.1	2.0
Federated Total Return Govt	H	-0.3	1.5	-0.4	TCW Galileo High Yield Bond	*	-0.1	6.6	6.6
Federated U.S. Govt Sec. 1-3	B	-0.3	-0.4	-1.3	TCW Galileo Total Return Bond	H	0.4	3.9	4.1
Fidelity Capital & Income (1%	*	-0.5	8.7	5.2	USAA Income	H	0.1	4.0	3.5
Fidelity Floating Rate High Inc(1%	B	0.0	1.4	1.8	Value Line Aggressive Inc (1%	*	-0.4	4.1	4.1
Fidelity GNMA	*	-0.1	2.1	1.4	Value Line U.S. Govt Sec	H	0.0	2.4	1.5
Fidelity Government Income	*	-0.3	2.2	0.5	Vanguard GNMA	B	0.4	3.7	2.9
Fidelity High Income (1%r<90d)	*	-0.6	5.3	3.7	Vanguard High Yield Corporate	*	0.0	6.0	6.5
Fidelity Inflation-Protected Bond	B	-0.1	5.1	5.7	Vanguard Inflation Protected	B	0.0	5.2	6.6
Fidelity Intermediate Bond	H	-0.5	1.5	-0.6	Vanguard Intermediate Treas.	H	-0.6	2.5	-0.3
Fidelity Intermediate Govt	H	-0.6	1.3	0.6	Vanguard Long-Term Corporate	*	0.3	8.4	4.2
Fidelity Investment Grade	H	0.0	3.8	3.4	Vanguard L-T Treasury	*	0.1	6.7	2.9
Fidelity New Markets Income (1%	*	-0.4	11.0	4.0	Vanguard Short-Term Corporate	B	-0.4	1.1	-0.3
Fidelity Short-Term Bond	B	-0.2	0.7	-0.3	Vanguard S-T Federal	*	-0.4	0.8	-0.7
Fidelity Strategic Income	B	0.2	8.5	6.9	Vanguard S-T Treasury	B	-0.4	0.6	-0.8
FifthThird Bond	*	-0.1	3.3	2.2	Vanguard Total Bond Market	H	0.0	3.9	3.4
Fremont Bond	H	-0.3	3.5	2.6	WellsFargo Montgomery S Dur	B	-0.5	-0.1	-0.4
Janus Flexible Income	*	-0.4	2.2	-0.5	WellsFargo Montgomery Total	H	-0.4	2.5	1.8
Janus High Yield (2%r<90d)	*	-0.7	4.7	3.1	Westcore Plus Bond (2%r<90d)	*	-0.2	4.2	4.7
Janus S-T Bond	B	-0.1	0.2	0.0	WPG Core Bond	H	-0.2	3.0	1.9
Loomis Sayles Bond Instl	B	0.3	10.0	7.8					
Loomis Sayles Bond Retail	B	0.3	9.8	7.5					
Managers Bond	*	0.3	4.9	3.2					
Managers Int. Duration Govt	*	0.1	3.1	3.4					
Managers Short Duration Govt	B	0.3	1.7	2.4					
MetroWest Low Duration	B	-0.2	1.7	0.6					
MetroWest Total Return	*	-0.2	2.9	0.8					
Northeast Investors Trust	*	0.4	7.0	11.8					
Payden Global Fixed Income	*	0.2	4.0	2.9					
PIMCO High Yield	*	-0.5	5.7	3.1					

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

\* = **Not Recommended**

**PORTFOLIO HOLDINGS**  
On Next Page

## Weekly Performance of ML Model Holdings — data as of 1/14/05

Fund	Last Week	Fund	Last Week
ACITX Amer. Cent. Inflation Adj.	0.54%	LSBRX Loomis Sayles Bond Retail	0.51
ARTKX Artisan International Value	0.34	RSCOX RS Value (Contrarian)	2.31
ARTQX Artisan Mid Cap Value	1.29	VBINX Vanguard Balanced	0.21
BPTRX Baron Partners	1.33	VEURX Vanguard European Stock Index	-0.28
CSRSX Cohen & Steers Realty	-0.91	VFII X Vanguard GNMA	0.29
DODIX Dodge & Cox Income	0.16	VWEHX Vanguard High Yield Corp	-0.47
DODFX Dodge & Cox International	1.28	VIPSX Van. Inflation Protected Bond	0.64
FBALX Fidelity Balanced	0.86	VTRIX Vanguard International Value	0.77
FIEUX Fidelity Europe	0.84	VISVX Vanguard Small Cap Value	0.76
FEXPX Fidelity Export & Multinational	1.04	VBMFX Vanguard Total Bond	0.29
FTQGX Fidelity Focused Stock	1.12	VUVLX Vanguard US Value	0.30
FINPX Fidelity Inflation Protected	0.53	VWNFX Vanguard Windsor II	0.27
FISMX Fidelity International S-C	2.33	WEHIX Weitz Hickory	0.53
FBNDX Fidelity Inv Grade Bond	0.27		
FLATX Fidelity Latin America	2.60		
FLVCX Fidelity Leveraged Company	2.21		
FSNGX Fidelity Natural Gas	5.28		
FSICX Fidelity Strategic Income	0.09		
FDVLX Fidelity Value	1.27		
FSLSX Fidelity Value Strategy	1.03		
FWRLX Fidelity Wireless	0.35		
GATEX Gateway Fund	0.12		
		<b>Indices</b>	
		DOW JONES INDUSTRIALS	-0.43%
		NASDAQ	-0.03
		S&P 500	-0.14

### Editorial Questions?

Phone: 800-890-9670  
 Fax: 508-429-0940  
 E-mail: [service@moneyletter.com](mailto:service@moneyletter.com)

### Contact Us!

Address: MONEYLETTER  
 360 Woodland Street  
 P.O. Box 6020  
 Holliston, MA 01746

**MONEYLETTER Plus** is published weekly for \$135 per year (52 issues) by PRI Financial Publishing Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020. *Assistant Editor:* Christa Mohr. *Chief Investment Officer/Chief Economist:* Walter Frank. *Publisher:* Brian W. Kelly. Address all subscription and editorial inquiries to PRI Financial Publishing, Inc., 360 Woodland St., P.O. Box 6020, Holliston, MA 01746-6020, (800) 890-9670. Paid advertising which appears in or accompanies this publication does not constitute an endorsement of products or services offered. Employees and staff of **MONEYLETTER** may from time to time maintain positions in recommended securities. PRI Financial Publishing, Inc. is affiliated with PRI Financial Advisors Inc., a registered investment advisor. Walter Frank also serves as an independent economic consultant to PRI Financial Advisors Inc. **MONEYLETTER Plus** is not produced as a solicitation for PRI Financial Advisors Inc. Views presented are the opinion of the Chief Investment Officer/Chief Economist and contributing editors, and should not be treated as fact. **MONEYLETTER Plus** does not purport to provide legal, tax or individual investment advice. While carefully screened, the accuracy of the statistical data in **MONEYLETTER** cannot be guaranteed. Readers should carefully review investment prospectuses before investing. Twice-weekly Hotline: call (410) 528-1804. Reproduction in whole or in part by any means is strictly forbidden without written permission. © Copyright 2005 PRI Financial Publishing Inc.