



# The Benjamin Graham Value Report

J. Royden Ward, Author

Sound Advice From the Teachings of Benjamin Graham

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ISSUE # 119

## THE STOCK MARKET IS READY TO CLIMB A WALL OF WORRY

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The stock market ended May with a rally that returned the indices back to the levels of a month ago and the beginning of the year. Rising interest rates, rising oil prices, and problems in Iraq continue to plague the stock market. On the other hand, more jobs, higher profits, and the healthier US and world economies are sparking occasional rallies in the stock market.

The consensus on Wall Street is that interest rates will rise about 1% per year during the next two to three years. Our forecast calls for rates to rise a total of 3% during the next two years. We also believe that strong productivity and efficiency gains, which typically accompany economic recoveries, will offset inflation and higher interest rates. Oil, however, will continue to sell at high prices. Airlines and package carriers have been able to avoid raising prices, but that won't last much longer. And the threat of terrorism just won't go away. It casts a shadow over oil, the stock market, and even the economy.

There is an old saying that the stock market likes to climb a wall of worry. When there are uncertainties in our future, the market performs quite well. Therefore, we'll stick to our forecast of an uneventful June followed by a rally starting near the beginning of July. The next rally may not be miraculous, but it should give us a nice advance well into the fall. In the current challenging environment, we recommend investing in conservative large cap stocks with substantial foreign operations. In The Wise Owl Model, **Pfizer** and **Toyota** easily fit that description.

*J. Royden Ward*

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*"Never buy a stock immediately after a substantial rise or sell one immediately after a substantial drop."*

**Benjamin Graham**

Benjamin Graham is known as the father of value investing. He influenced many modern gurus, including Warren Buffett.

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# THE CLASSIC BENJAMIN GRAHAM VALUE MODEL

The stocks in the Classic Model meet Benjamin Graham's seven criteria for value.

Benjamin Graham achieved returns of 20% per year over decades. Warren Buffett has used this approach for over 35 years with similar results. The table below lists the stocks that are this month's recommendations for purchase. All purchases are recommended at or below our Max. Buy Price. Sell any stock that reaches its Min. Sell target.

This Month's Buy Recommendations					Ben Graham's Seven Valuation Criteria							
Company Name	Ticker Symbol	5/31/04 Price	Max Buy Price	Min Sell Price	Max 1.10	Min 1.50	Min 1.0%	Max 9.0	Max 1.20	Min 0.1%	Min B+	
					Debt vs Current Assets	Current Ratio	Earnings Growth	P/E Ratio	P/BV Ratio	Dividend Yield	S&P Earn/Div Rank	
Ameron Int'l	AMN	31.11	30.38	49.68	0.31	2.70	5.0%	8.3	0.87	2.5%	NR	
Countrywide Financial	CFC	64.50	63.23	127.04	0.61	2.26	14.6%	6.8	1.22	0.8%	A	
Everest Re Group Ltd.	RE	81.85	85.72	139.26	NA	NA	14.1%	6.9	1.15	0.5%	A-	
Nationwide Fin'l	NFS	36.55	34.10	56.66	0.18	5.51	10.3%	10.6	1.04	1.7%	NR	
Norsk Hydro ADR	NHY	61.90	57.98	85.99	0.36	1.65	6.3%	9.4	1.28	2.6%	NR	
Old Republic	ORI	22.76	22.48	34.65	NA	NA	10.5%	8.2	1.01	3.9%	A	
ONEOK Inc.	OKE	21.37	19.65	33.68	1.11	0.85	8.8%	9.2	1.31	3.4%	A-	
PMI Group	PMI	43.17	37.99	66.29	NA	NA	13.5%	10.2	1.20	0.3%	A	
Standard Pacific Corp.	SPF	50.95	45.98	72.66	0.53	8.28	15.4%	6.7	1.33	0.6%	NR	

## MODEL UPDATE

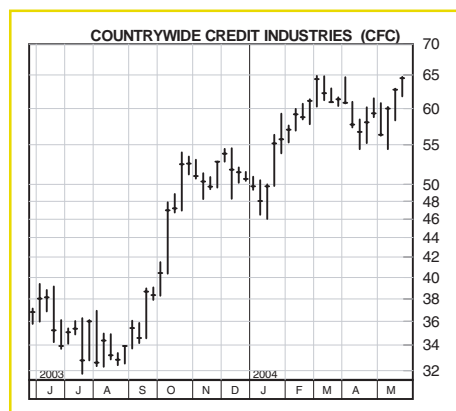
The Classic Benjamin Graham Value Model has three new stocks this month: Nationwide Financial, PMI Group, and Standard Pacific, plus six stocks that are holdovers from last month. ONEOK does not meet our criteria for Debt v Current Assets or Current Ratio. The stock is allowed to become an exception because it is a utility company. We advise investors to take advantage of any market setbacks to purchase stocks that are selling at or below our Maximum Buy Prices. There are no sales recommended this month. The updated Minimum Sell Prices for past Classic Value buy recommendations are: AEGON Insurance \$25.75, Building Materials Holding \$24.68, Devon Energy \$103.87, Fidelity National \$54.29, Honda Motor \$42.44, KB Home \$118.03, Korea Electric \$26.98, and Royal Group Technologies \$27.07. The preceding stocks should continue to be held until they reach their Min Sell Prices.

## FEATURED STOCKS

Countrywide Financial CFC  
 Industry: Financial Services  
 Price: \$ 64.50  
 Max. Buy Price: \$ 63.23  
 Min. Sell Price: \$127.04

### Countrywide Financial (CFC)

**How Cheap Is It?** Countrywide Financial has become the clear leader in its industry. We believe that management's outstanding performance deserves more recognition – even in the current interest rate environment. Countrywide is clearly undervalued at our Max. Buy Price of \$63.23 and will likely reach our Min Sell Price of \$127.04 within 2 to 3 years.



**Company Profile:** Countrywide is the nation's largest independent residential mortgage lender. The company also operates an insurance agency and securities brokerage that contribute 23% of CFC's earnings. As the current building boom wanes and interest rates increase, CFC should increase earnings about 15% per year. The company is successfully diversifying operations into product areas that will benefit from rising interest rates. These new products will be counter-cyclical to its mortgage business.

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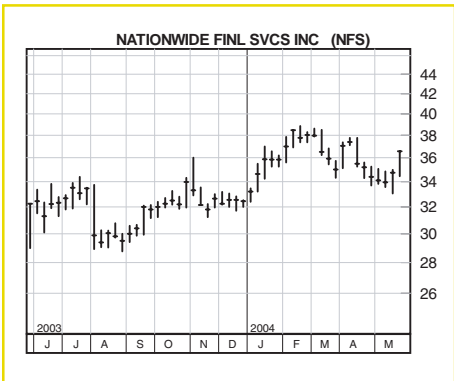
Note: Maximum Buy Prices are valid for the month of June.

**Outlook:** Countrywide has reported dazzling earnings for the past six quarters and has increased its quarterly dividend to shareholders nine straight times. We are confident that CFC can continue to surprise Wall Street. Our earnings estimate for 2004 is \$8.00 to \$8.25 per share with an increase to \$8.75 to \$9.00 in 2005. The company is increasing its market share, capitalizing on favorable adjustable-rate mortgages, and offering new financial services.

Nationwide Financial	NFS
Industry:	Life Insurance
Price:	\$ 36.55
Max. Buy Price:	\$ 34.10
Min. Sell Price:	\$ 56.66

**Nationwide Financial (NFS)**

**How Cheap Is It?** Nationwide shares are slightly overpriced at the current \$36.65, but patient investors will likely get a chance to buy at our Max Buy Price of \$34.10 soon. The stock offers investors an opportunity to hedge their portfolios against higher interest rates. In our opinion, the shares will reach our Min Sell Price of \$56.66 in 2 to 3 years.

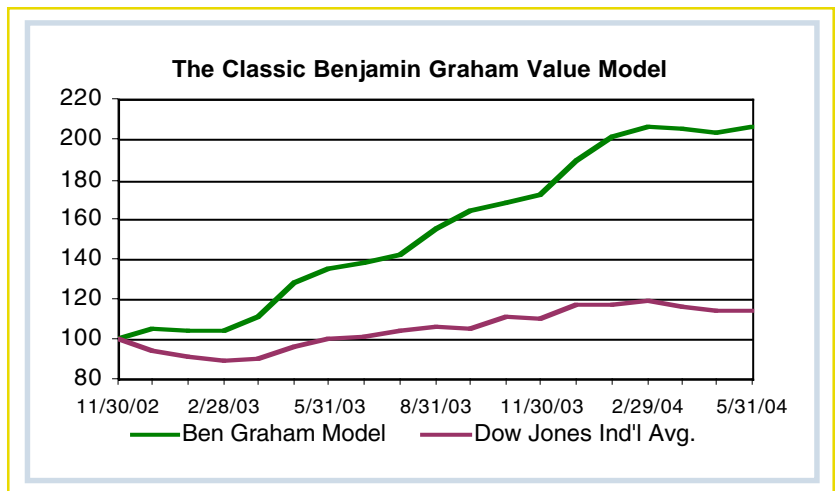


**Company Profile:** Nationwide Financial Services is a leading provider of life insurance, pension plan, and annuity products and services. Management produced lackluster earnings growth for the five years through 2002. However during the latest four quarters, earnings growth has picked up considerably as evidenced by the 24% increase in the quarter ending 3/31/04.

**Outlook:** We see Nationwide coming to life. Management has initiated a new plan to become more responsive to consumers' needs. New life insurance and annuity products have been successfully introduced. The company's \$30 billion bond portfolio will generate more income as interest rates rise. Nationwide's earnings could pleasantly surprise a lot of investors in the next 6 to 12 months.

**PERFORMANCE FOR THE CLASSIC BENJAMIN GRAHAM VALUE MODEL**

Model performance for the month of May was excellent. The Classic Benjamin Graham Value Model was up 1.39% last month compared to a loss of 0.36% for the Dow Jones Industrial Average. Since its inception, The Classic Benjamin Graham Value Model has gained a remarkable 106.3% compared to a gain of just 14.5% for the Dow Jones Industrial Average (DJIA). The chart at the right illustrates the Model's performance.



## THE WISE OWL MODEL

The Owl Quantitative Rating System is a proprietary system developed by J. Royden Ward.

By screening stocks in the Benjamin Graham Common Stock Database for quality, value, growth and technical strength, the Wise Owl Model offers you more consistent profits and lower volatility than the basic Benjamin Graham Value Model—with nearly equal long-term performance. It is recommended that you buy at or below the Maximum Buy Price. Sell when the stock reaches the Minimum Sell Price or when the Owl Total Rating falls below 6.0.

This Month's Buy Recommendations											Owl Quantitative Rating System				
											Best = 5	Best = 5	Best = 5	Best = 5	Best = 10
Company Name	Ticker Symbol	5/31/04 Price	Max Buy Price	Min Sell Price	Std. Deviation	S&P Earn/Div Rating	IBD Earns Strength	Growth Rate	Current P/E	Owl Quality Rating	Owl Value Rating	Owl Growth Rating	Owl Technica Rating	Owl Total Rating	
Affiliated Computer	ACS	49.82	48.35	73.03	26.6	B+	94	17.2%	17.1	3.02	3.05	4.14	3.42	9.09	
Bed Bath & Beyond	BBBY	37.26	40.73	75.08	30.5	A-	98	25.2%	20.0	4.09	3.10	4.81	2.56	9.71	
Block (H&R)	HRB	48.85	55.28	79.25	29.8	A-	99	13.4%	11.1	3.16	3.86	3.52	2.21	8.50	
Cardinal Health	CAH	67.71	70.96	112.01	21.5	A+	89	17.0%	16.6	3.87	3.45	3.68	3.02	9.35	
Fiserv Inc.	FISV	37.73	37.92	58.48	28.5	B+	94	15.9%	17.4	3.21	3.26	3.74	3.01	8.82	
Harley-Davidson	HDI	57.49	56.08	96.84	26.9	A+	92	21.4%	18.4	3.63	2.84	4.16	2.66	8.86	
Home Depot	HD	35.92	47.47	75.55	34.6	A+	95	20.4%	15.2	4.54	4.58	3.97	3.47	10.00	
MBNA Corp.	KRB	25.40	27.79	45.08	32.6	A+	94	19.4%	11.2	3.63	3.65	3.48	2.74	8.99	
Pfizer Inc.	PFE	35.34	41.58	64.44	18.7	A	93	17.3%	15.6	4.50	3.94	3.57	3.79	10.00	
Toyota Motor ADR	TM	72.35	75.86	94.57	23.1	NR	98	8.5%	10.3	3.05	3.40	2.33	3.76	8.35	
<b>Average:</b>		46.79	50.20	77.43	27.3		94.6	17.6%	15.3	3.67	3.51	3.74	3.06	9.17	

### MODEL UPDATE

We have added two new stocks to The Wise Owl Model this month. Fiserve and Toyota Motor replace American International Group and Fannie Mae. The latter two stocks are still excellent companies and should continue to be held until they reach their Minimum Sell Prices of \$117.68 and \$124.07, or their Owl Total Ratings fall below 6.00.

### FEATURED STOCKS

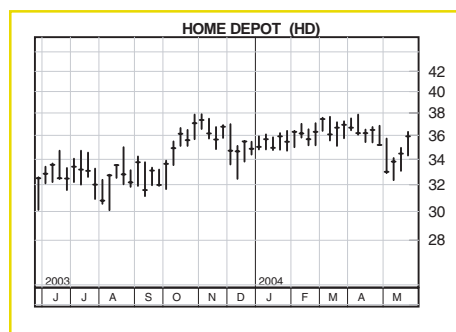
Home Depot                      HD  
 Industry: Retail Building Supply  
 Price:                              \$ 35.92  
 Max. Buy Price:                \$ 47.47  
 Min. Sell Price:                \$ 75.55

#### Home Depot (HD)

**How Cheap Is It?** Home Depot is currently selling at just 15.2 times earnings with a growth rate of 20%. We continue to seek companies that are rated A+ by Standard & Poor's and are growing at a rate that exceeds their price to earnings ratio. We strongly advise investors looking for predictable growth in a quality company to consider Home Depot for a sound long-term investment. We believe that the stock will reach our Min Sell Price of \$75.55 within 3 years.

**Company Profile:** Home Depot operates the world's largest chain of home improvement stores in the U.S. and Canada. Management has initiated several new programs to revive sales and earnings growth. The new programs include extensive store improvements, aggressive new store openings, and technology upgrades. In addition, HD is adding a substantial number of new employees to strengthen service to its customers.

**Outlook:** HD's new management team has created new strategies that are working well. After the company founders retired, a slowdown ensued that worried investors. The acceleration in the growth of sales and



Note: Maximum Buy Prices are valid for the month of June.

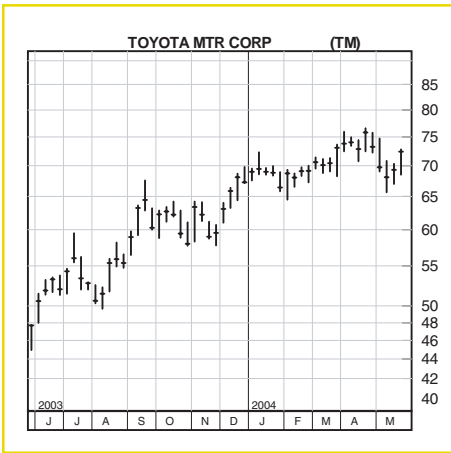
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earnings during the past two years bodes well for the future. The new management team combined with an improving economy will likely create earnings growth of 20% or better during the next several years. This resurgence has not been reflected in the stock price in our opinion.

### Toyota Motor (TM)

**How Cheap Is It?** Toyota Motor is clearly undervalued at only 10.3 times earnings. The company's recent sales and earnings growth is surprising for an auto manufacturer. We believe that Toyota can maintain earnings growth in excess of 10% going forward. We expect the shares to reach our Min Sell Price of \$94.57 within 2 years.

Toyota Motor	TM
Industry: Auto & Truck	
Price:	\$ 72.35
Max. Buy Price:	\$ 75.86
Min. Sell Price:	\$ 94.57

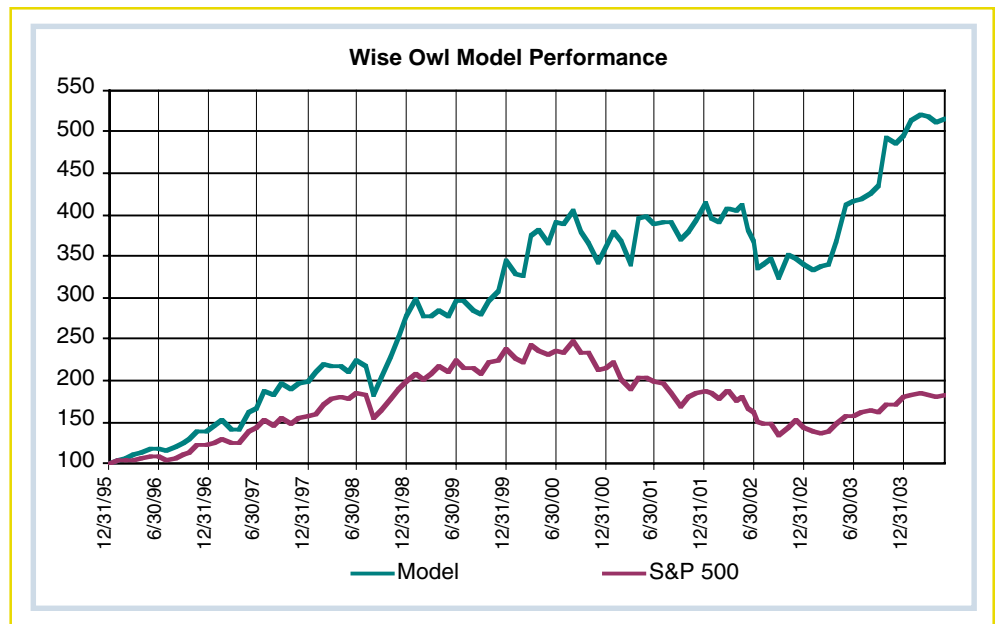


**Company Profile:** Toyota is the second largest seller of cars and trucks in the U.S., behind General Motors. The company manufactures cars, SUVs, light trucks, and parts under the Toyota and Lexus brand names. Toyota also offers financing to its customers. Last year the company sold 2 million vehicles in the U.S. and total sales reached \$160 billion. During the latest fiscal year ending 3/31/04, earnings were up a surprising 82% with sales surging 24%. The company's balance sheet is rock solid.

**Outlook:** Toyota continues to cruise along on all cylinders. New vehicle introductions and superior marketing are garnering added market share for the company. Expanding economies in the U.S., Japan and other countries, together with the falling dollar, will enable the company to continue to grow faster than its peers.

## PERFORMANCE FOR THE WISE OWL MODEL

The Wise Owl Model gained 1.18% last month, compared to a gain of 1.21% for the Standard & Poor's 500 Index. Cardinal Health lost 7.5% during the month while H&R Block gained 8.3%. The chart at the right illustrates the Model's performance since inception on 12/31/95 and shows how \$100 invested at the beginning would have grown to \$516 at the end of May 2004 – a compound annual return of 21.5% compared to a 7.4% return for the S&P 500.



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## SPECIAL FEATURE

### Buy Low ... Sell High

A value investor is one who estimates the fair value of a stock and then buys at a lower price. Value investors have a different approach than growth and other investors. Common measurements used by value investors include dividend yields, price to earnings ratios (P/E), and price to book value ratios (P/BV). These investors' sole objective is to buy low and sell high. Other approaches, including growth and price momentum, usually encourage buying high and selling higher.

A growth investor is one who identifies superior earnings growth and then buys the stock in anticipation of further growth. Growth is usually measured using earnings history. Price momentum investors look for companies whose stock prices are trending upward. Price charts are often used by price momentum investors to identify trends.

As value investors, we enjoy investing with confidence, and for the long term. When a stock declines from our purchase price, we recommend that investors purchase additional shares at the lower price. When a stock declines from a growth investor's purchase price, the growth investor often sells at the lower price to stop his loss. We strongly advise our investors to purchase additional shares at prices 10% below their purchase price. This is especially true when purchasing stocks that are recommended in The Classic Benjamin Graham Value Model.

We pay very little attention to the ups and downs of the stock market. We have found that value stocks perform rather well whether the market is going up or down. In the 3 years from the beginning of 2000 to the end of 2002, the S&P500 was down 40.1% ... but our Wise Owl Model was down only 1.5%!

The evaluation methods used for the Classic Value Model and the Wise Owl Model are quite different from one another. The approaches complement each other, because when one approach lags, the other approach out-performs. We looked at our performance over the last 18 months and found that our combined models out-performed the Standard & Poor's 500 Index in every month except one. (In November 2003, the S&P beat us by 0.27%). Investing in both approaches considerably reduces risk for our investors.

There are many approaches that a value investor can use to determine value. We believe that our approach has created superior performance because of our in-depth analysis and attention to detail. Our process can be broken down into six steps.

#### **1. Establish a list of stocks.**

We screen the Value Line Survey of 1,700 stocks to find 500 companies that are superior in quality. We seek steady earnings and strong balance sheets.

#### **2. Evaluate past performance.**

We examine the 10 year history of earnings, sales, cash flow, dividends, book value, and price. We

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look for stable growth and consistency.

### **3. Determine normal values.**

We analyze our database and estimate what each company's current earnings, sales, cash flow, dividends, and book value should be.

### **4. Compare current results with normal values.**

We measure the differences between the normal values that we believe the company should be achieving and the actual company results. This step is quite important. If our normal values are higher than the company's actual results, we then conclude that current management is under-performing.

### **5. Assess management skills.**

We read a lot about management's plans for the company. We look for new management plans that will bring significant improvement to the company. We also look at current performance to find if earnings, revenues, etc. are improving according to management's plan.

### **6. Make a buy decision.**

After determining that a stock is clearly undervalued, and that management is making improvements, we compare all of our undervalued stocks to choose the best stocks for our Models.

Our Classic Benjamin Graham Value Model and our Wise Owl Model use somewhat different approaches to find undervalued stocks. The Classic Value approach aims to find stocks that are significantly undervalued. We sacrifice a little quality to find excellent value. Typically, we find companies that are unappreciated by investors. This approach generally creates the best results when the stock market is low. On page 3 of this issue, we feature Nationwide Financial, which is an ideal example of the kind of value stock that we seek. Nationwide passes Ben Graham's seven valuation criteria and is therefore considered good quality and clearly undervalued (at its Maximum Buy Price). In addition, the company's management team appears to be successfully executing a plan to make the company more competitive and more growth oriented.

Our Wise Owl Model seeks to find stocks that possess excellent quality and are slightly undervalued. This approach generally generates the best results when the stock market is somewhat high. We consider the market to be somewhat high at the present time. On page 4 of this issue, we feature Home Depot which is an excellent example of the kind of value stock that we look for. Home Depot passes our criteria for excellent quality, and it is undervalued. In addition, following a lackluster transition after the company founders retired, the company's new management team is now improving results.

Value investing seems to be turning into a lost art. This is wonderful news. We never want to follow the crowd. We want to be ahead of the crowd, and have everyone wonder how we did it. A proven systematic approach, patience, confidence, and attention to detail is our simple solution. We believe that we will continue to outperform our peers and the indices in the future.

## CHANGES

### HIGHEST RANKED STOCKS LISTING

#### Wise Owl Stocks added to the Highest Ranked Stocks listing.

Company Name	Symbol
Amer. Standard	ASD
AnnTaylor Stores	ANN
Bank of America	BAC
Buckle Inc.	BKE
Canon Inc. ADR	CAJ
Exxon Mobil Corp.	XOM
Int'l Business Mach.	IBM
Int'l Game Tech.	IGT
Invacare Corp.	IVC
Jacobs Engineering	JEC
Jones Apparel Group	JNY
Kenneth Cole 'A'	KCP
Lexmark Int'l 'A'	LXK
Luxottica Group ADR	LUX
Michaels Stores	MIK
Norsk Hydro ADR	NHY
Novo Nordisk ADR	NVO
Plantronics Inc.	PLT
Renaissance Learning	RLRN
Rogers Corp.	ROG
Sara Lee Corp.	SLE
Sigma-Aldrich	SIAL
Symantec Corp.	SYMC
Tetra Tech	TTEK
Tiffany & Co.	TIF
Wyeth	WYE

#### Wise Owl Stocks removed from the Highest Ranked Stocks listing.

Company Name	Symbol
Black & Decker	BDK
Brown-Forman 'B'	BF.B
Charter One Fin'l	CF
City National Corp.	CYN
Conmed Corp.	CNMD
Dean Foods	DF
Diebold Inc.	DBD
Ethan Allen Interiors	ETH
Fred's Inc. 'A'	FRED
Hillenbrand Inds.	HB
Ingersoll-Rand	IR
ITT Educational	ESI
Jabil Circuit	JBL
K-Swiss Inc.	KSWS
MBIA Inc.	MBI
Merrill Lynch & Co.	MER
Mohawk Inds.	MHK
National Commerce Fin'l	NCF
Papa John's Int'l	PZZA
Pier 1 Imports	PIR
PMI Group	PMI
Popular Inc.	BPOP
RARE Hospitality	RARE
Renal Care Group	RCI
St. Jude Medical	STJ
Torchmark Corp.	TMK

The above left column lists the 26 stocks that become new members of our 250 Highest Ranked Wise Owl Stocks listing on pages 9 through 12 of this issue. Owl Total Ratings for the 26 stocks fall in the range of 6.82 to 8.04. American Standard is rated 8.04, but the company is of lesser quality than our Buy Recommendation choices and is therefore not recommended for purchase at this time.

The above column lists the 26 stocks that were removed from our 250 Highest Ranked Wise Owl Stocks. Whenever a Wise Owl Model stock falls out of the 250 Highest Ranked Stocks list, it should be sold. None of the stocks listed above has appeared in our Wise Owl Model during the past year. There are no sales recommended this month.

*The ranking changes discussed above apply only to the Wise Owl Model stocks. Changes in recommendations for The Classic Benjamin Graham Value Model appear in the Model Update.*

HIGHEST RANKED STOCKS CONTINUED ON THE FOLLOWING PAGE

## THE 250 HIGHEST RANKED STOCKS FROM THE BENJAMIN GRAHAM MODEL DATA BASE

The Highest Ranked Stocks listing helps you monitor your Wise Owl Model purchases by checking the listing for Min Sell Price and Owl Total Rating. If a Wise Owl stock reaches its Min Sell Price, if the stock's Total Rating has gone below 6.00, or if it no longer appears in the listing, you should sell. We hope that you will find the listing also useful in looking up stocks that you already own or have an interest in.

Company Name	Ticker Symbol	Industry Name	5/31/04 Price	Max Buy Price	Min Sell Price	Growth Rate	Current P/E	Owl Quality Rating	Owl Value Rating	Owl Growth Rating	Owl Technical Rating	Owl Total Rating
Abbott Labs.	ABT	Medical Supplies	41.21	39.33	55.77	12.1%	16.0	4.07	3.23	2.42	3.04	8.51
Adobe Systems	ADBE	Computer Software/Svcs	44.63	24.44	37.38	14.4%	26.6	2.75	1.13	3.23	3.64	7.16
Affiliated Computer	ACS	Computer Software/Svcs	49.82	48.35	73.03	17.2%	17.1	3.02	3.05	4.14	3.42	9.09
AFLAC Inc.	AFL	Insurance (Life)	40.60	36.94	54.03	15.5%	16.6	3.35	2.59	2.99	2.68	7.74
Alberto Culver	ACV	Toiletries/Cosmetics	47.02	36.75	52.94	12.6%	20.8	4.51	1.67	2.90	3.56	8.42
Altria Group	MO	Tobacco	47.97	51.16	74.78	11.6%	9.7	2.27	3.63	2.28	2.11	6.86
Ambac Fin'l Group	ABK	Financial Svcs. (Div.)	69.15	69.98	88.02	13.6%	11.1	3.29	2.57	2.47	2.83	7.43
Amer. Int'l Group	AIG	Financial Svcs. (Div.)	73.30	78.08	117.68	13.5%	15.2	3.54	3.27	2.82	3.42	8.70
Amer. Standard	ASD	Diversified Co.	37.52	52.61	76.33	8.1%	5.5	2.01	3.51	2.57	3.98	8.04
AmerisourceBergen	ABC	Medical Supplies	59.98	73.68	104.96	13.0%	12.9	2.66	3.46	3.16	2.63	7.94
Amgen	AMGN	Biotechnology	54.70	53.07	89.22	20.4%	20.4	3.49	2.96	3.70	2.46	8.41
Anadarko Petroleum	APC	Petroleum (Producing)	54.52	68.96	85.83	13.6%	10.2	0.98	4.91	2.51	3.15	7.70
Anheuser-Busch	BUD	Beverage (Alcoholic)	53.27	41.90	65.24	11.4%	18.1	4.36	1.71	2.58	2.91	7.71
AnnTaylor Stores	ANN	Retail (Special Lines)	28.31	31.83	46.89	11.1%	10.1	1.36	3.24	2.44	3.49	7.02
Apollo Group 'A'	APOL	Educational Services	93.49	43.28	79.86	25.9%	45.2	3.48	0.55	4.90	4.22	8.77
Applebee's Int'l	APPB	Restaurant	37.90	30.99	44.73	15.3%	17.5	3.31	2.23	3.36	2.76	7.77
Automatic Data Proc.	ADP	Computer Software/Svcs	44.43	29.19	41.38	12.1%	23.5	4.53	1.81	2.05	3.03	7.61
AutoNation Inc.	AN	Retail Automotive	16.67	19.82	28.30	14.1%	10.8	1.66	3.73	2.84	2.13	6.91
AutoZone Inc.	AZO	Retail Automotive	86.75	79.02	123.86	19.7%	12.1	2.30	2.89	4.12	2.65	7.97
Avon Products	AVP	Toiletries/Cosmetics	88.66	49.12	71.27	13.8%	25.9	3.05	0.93	2.76	4.28	7.35
Ball Corp.	BLL	Packaging & Container	68.31	51.69	77.02	10.8%	12.4	2.21	1.96	3.19	3.24	7.06
Bank of America	BAC	Bank	83.13	91.22	123.70	10.6%	10.6	2.95	3.11	2.22	2.66	7.29
Bard (C.R.)	BCR	Medical Supplies	112.17	64.30	93.42	11.6%	23.2	3.24	1.16	2.73	4.00	7.42
Barnes & Noble	BKS	Retail (Special Lines)	29.94	36.49	56.31	11.9%	11.4	1.86	4.26	2.75	2.71	7.73
Barr Pharmac.	BRL	Drug	43.62	34.21	52.57	19.5%	17.6	2.10	2.54	3.97	2.10	7.13
Bear Stearns	BSC	Securities Brokerage	81.06	81.74	105.42	13.1%	8.7	2.32	2.69	2.50	3.15	7.11
Beazer Homes USA	BZH	Homebuilding	100.77	93.72	131.67	14.4%	6.6	2.61	2.93	3.57	3.07	8.12
Becton Dickinson	BDX	Medical Supplies	50.32	38.73	54.86	11.1%	19.0	3.87	2.41	2.69	3.68	8.44
Bed Bath & Beyond	BBBY	Retail (Special Lines)	37.26	40.73	75.08	25.2%	20.0	4.09	3.10	4.81	2.56	9.71
Bemis Co.	BMS	Packaging & Container	27.55	24.66	32.65	9.5%	16.1	3.59	2.86	1.95	2.93	7.55
Best Buy Co.	BBY	Retail (Special Lines)	52.76	46.80	77.01	22.3%	16.8	2.39	2.71	4.29	2.72	8.07
Biomet	BMET	Medical Supplies	40.12	25.74	40.12	16.8%	27.6	4.36	1.52	3.72	3.54	8.76
Biovail Corp.	BVF	Drug	17.57	27.69	43.61	27.0%	10.7	1.59	5.00	2.82	1.26	7.11
BISYS Group	BSG	Financial Svcs. (Div.)	12.65	17.66	24.85	14.7%	12.0	1.83	4.42	2.44	1.58	6.84
BJ's Wholesale Club	BJ	Retail Store	23.62	28.18	41.85	12.4%	12.2	1.96	4.03	2.26	2.93	7.46
Block (H&R)	HRB	Financial Svcs. (Div.)	48.85	55.28	79.25	13.4%	11.1	3.16	3.86	3.52	2.21	8.50
Blyth Inc.	BTH	Household Products	32.65	34.33	49.15	13.2%	12.8	2.49	3.78	3.06	2.63	7.98
Borders Group	BGP	Retail (Special Lines)	22.83	24.93	35.35	10.1%	11.9	2.19	3.23	2.35	3.22	7.33
Boston Scientific	BSX	Medical Supplies	44.30	21.40	33.62	17.7%	26.4	1.56	1.70	3.88	3.31	6.96
Brinker Int'l	EAT	Restaurant	36.96	32.25	47.88	15.0%	15.8	2.72	2.82	3.22	2.52	7.52
Brown & Brown	BRO	Financial Svcs. (Div.)	39.98	34.60	54.12	18.7%	19.6	3.96	2.44	3.75	3.24	8.93
Buckle Inc.	BKE	Retail (Special Lines)	28.09	23.53	32.89	11.2%	15.1	2.76	2.18	2.40	3.07	6.94
CACI Int'l 'A'	CAI	Computer Software/Svcs	37.14	35.54	54.17	17.1%	16.8	3.25	2.21	3.63	1.92	7.35
Canon Inc. ADR	CAJ	Foreign Electronics	49.56	42.81	59.85	9.5%	14.3	2.75	2.57	2.50	3.26	7.39
Cardinal Health	CAH	Medical Supplies	67.71	70.96	112.01	17.0%	16.6	3.87	3.45	3.68	3.02	9.35
CBRL Group	CBRL	Restaurant	32.25	35.50	51.59	12.9%	11.9	1.90	3.76	2.87	1.73	6.84
CDW Corp.	CDWC	Retail (Special Lines)	70.26	54.43	88.53	18.8%	23.7	3.36	2.21	4.07	3.02	8.44
CEC Entertainment	CEC	Restaurant	30.73	29.87	44.85	14.3%	13.5	1.69	2.95	3.19	2.61	6.96
Cendant Corp.	CD	Diversified Co.	22.94	26.28	38.84	14.0%	12.2	1.25	4.68	2.82	2.93	7.79
Centex Corp.	CTX	Homebuilding	48.49	51.78	77.20	16.2%	6.7	3.09	3.35	3.76	2.72	8.61
CenturyTel Inc.	CTL	Telecom. Services	29.89	39.07	52.94	12.5%	11.8	2.10	4.09	2.18	2.06	6.96
Cheesecake Factory	CAKE	Restaurant	39.02	27.45	43.00	17.0%	25.1	3.27	1.79	4.28	2.60	7.96
Chico's FAS	CHS	Retail (Special Lines)	42.90	29.91	55.58	32.0%	24.1	2.40	1.72	4.90	3.09	8.07
Christopher & Banks	CBK	Retail (Special Lines)	19.00	18.71	33.29	22.4%	14.8	2.45	2.72	4.00	1.32	6.99
Church & Dwight	CHD	Household Products	45.40	32.67	46.60	12.2%	19.8	3.37	1.69	3.00	3.59	7.76

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Cintas Corp.	CTAS	Industrial Services	45.33	32.68	50.12	16.6%	26.0	3.26	2.28	3.14	2.59	7.51
Cisco Systems	CSCO	Telecom. Equipment	22.37	15.25	22.68	17.4%	29.1	2.97	1.93	3.41	3.34	7.77
Citigroup Inc.	C	Financial Svcs. (Div.)	46.43	45.13	63.94	12.8%	10.8	2.81	2.94	2.58	2.58	7.27
Claire's Stores	CLE	Retail (Special Lines)	20.70	17.99	27.58	15.0%	13.1	2.11	2.79	3.19	3.57	7.77
CLARCOR Inc.	CLC	Packaging & Container	42.41	34.27	46.60	10.8%	16.8	3.74	1.63	2.32	2.75	6.96
Coca-Cola	KO	Beverage (Soft Drink)	51.35	36.41	51.40	12.1%	22.6	3.33	2.15	2.57	3.44	7.67
Cognizant Technology	CTSH	Computer Software/Svcs	46.24	28.85	56.95	33.1%	28.9	2.46	1.37	4.90	2.81	7.69
Colgate-Palmolive	CL	Household Products	57.20	44.23	59.47	10.8%	20.2	4.37	1.97	2.57	2.34	7.50
Columbia Sportswear	COLM	Apparel	54.10	49.48	75.59	17.4%	15.1	2.37	2.33	3.70	1.95	6.90
Commerce Bancorp NJ	CBH	Bank	61.50	52.79	83.17	16.5%	17.9	3.20	1.88	3.17	3.38	7.75
Computer Sciences	CSC	Computer Software/Svcs	43.59	56.09	75.56	11.4%	13.0	1.98	4.29	2.21	2.74	7.48
Cooper Cos.	COO	Medical Supplies	55.20	33.74	49.06	15.6%	20.1	1.97	1.34	3.38	3.78	6.98
Coors (Adolph) 'B'	RKY	Beverage (Alcoholic)	64.45	66.11	92.51	8.7%	12.0	2.49	3.16	2.42	2.28	6.90
Copart Inc.	CPRT	Industrial Services	24.50	12.66	17.46	14.7%	31.7	2.59	1.39	3.46	3.36	7.20
Countrywide Financial	CFC	Financial Svcs. (Div.)	64.50	76.17	127.04	14.6%	6.8	2.45	4.05	3.15	4.00	9.10
Curtiss-Wright	CW	Machinery	47.05	37.24	57.42	11.9%	14.9	2.75	2.73	2.67	2.71	7.24
CVS Corp.	CVS	Pharmacy Services	41.68	40.20	57.66	11.7%	17.2	2.87	3.12	2.51	3.81	8.21
Danaher Corp.	DHR	Diversified Co.	47.03	37.86	55.83	14.1%	21.8	3.04	2.22	3.06	3.15	7.64
Darden Restaurants	DRI	Restaurant	22.50	20.21	29.67	12.3%	13.7	2.28	2.80	2.77	2.80	7.10
Dell Inc.	DELL	Computers/Peripherals	35.24	26.48	43.54	22.6%	27.2	3.29	2.04	4.31	2.92	8.38
Dentsply Int'l	XRAY	Medical Supplies	49.41	39.26	55.25	13.9%	19.6	3.26	2.16	2.99	3.57	7.99
Devon Energy	DVN	Natural Gas (Div.)	59.36	78.11	103.87	13.8%	7.4	0.87	4.69	2.51	2.54	7.08
Diagnostic Products	DP	Medical Supplies	42.12	36.88	51.58	12.6%	16.2	3.04	2.43	3.11	2.97	7.71
Dollar Tree Stores	DLTR	Retail Store	27.90	35.38	58.35	18.8%	14.0	2.96	4.24	3.80	1.43	8.28
Donaldson Co.	DCI	Machinery	26.28	18.97	28.27	13.9%	20.0	3.77	2.16	3.06	2.22	7.47
DST Systems	DST	Computer Software/Svcs	48.04	32.40	45.15	12.2%	19.3	2.35	2.52	2.91	3.41	7.46
Ecolab Inc.	ECL	Chemical (Specialty)	30.51	19.89	28.99	13.2%	24.3	3.17	1.95	2.86	3.02	7.34
Engineered Support	EASI	Aerospace/Defense	52.20	36.73	61.15	22.2%	19.4	3.20	1.21	4.51	3.39	8.21
Everest Re Group Ltd.	RE	Insurance (Prop/Cas.)	81.85	93.80	139.26	14.1%	6.9	2.38	3.45	3.13	2.46	7.61
Expeditors Int'l	EXPD	Industrial Services	45.44	26.66	44.29	19.9%	31.6	3.92	1.17	3.85	3.16	8.06
Express Scripts 'A'	ESRX	Pharmacy Services	78.34	72.47	120.41	28.5%	18.4	2.18	3.28	4.11	3.13	8.47
Exxon Mobil Corp.	XOM	Petroleum (Integrated)	43.25	32.71	43.91	6.8%	15.9	3.27	1.99	1.83	3.49	7.05
FactSet Research	FDS	Information Services	43.71	31.19	49.36	18.1%	23.4	3.42	2.35	4.24	2.41	8.27
Fair Isaac	FIC	Computer Software/Svcs	34.75	33.57	54.34	18.4%	17.8	2.83	3.05	3.99	2.31	8.12
Family Dollar Stores	FDO	Retail Store	31.36	27.29	41.24	15.0%	18.0	3.92	2.51	3.29	1.68	7.60
Fannie Mae	FNM	Financial Svcs. (Div.)	67.70	94.04	124.07	13.4%	8.2	3.47	4.28	2.80	2.23	8.52
Fastenal Co.	FAST	Retail Building Supply	51.76	28.03	49.12	21.6%	34.5	3.63	1.72	4.28	3.13	8.51
Fidelity National	FNF	Insurance (Prop/Cas.)	37.59	42.20	54.29	20.6%	6.8	1.67	3.72	3.03	3.27	7.79
Fifth Third Bancorp	FITB	Bank (Midwest)	54.29	58.65	84.41	15.8%	15.9	4.02	3.16	2.63	2.71	8.34
First Data Corp.	FDC	Computer Software/Svcs	43.29	36.33	48.67	11.3%	19.0	3.73	2.80	2.62	2.66	7.87
First Horizon National	FHN	Bank (Midwest)	46.57	47.04	64.90	12.9%	11.7	3.06	2.58	2.56	2.16	6.92
Fiserv Inc.	FISV	Computer Software/Svcs	37.73	37.92	58.48	15.9%	17.4	3.21	3.26	3.74	3.01	8.82
Florida Rock	FRK	Cement & Aggregates	39.75	30.43	43.86	12.5%	16.8	3.02	1.76	2.89	3.35	7.35
Forest Labs.	FRX	Drug	63.39	39.00	58.63	18.5%	23.4	3.24	1.66	4.25	2.76	7.95
Fortune Brands	FO	Diversified Co.	75.30	58.78	83.67	12.4%	15.6	2.88	1.98	2.83	3.94	7.75
Fossil Inc.	FOSL	Retail (Special Lines)	23.79	16.44	26.10	18.0%	19.2	2.42	1.87	3.82	3.21	7.54
Franklin Electric	FELE	Electrical Equipment	63.60	44.83	59.91	10.1%	18.6	3.49	2.10	2.15	2.57	6.87
Gallagher (Arthur J.)	AJG	Financial Svcs. (Div.)	31.85	32.59	49.41	15.3%	14.5	4.37	2.96	3.10	2.72	8.76
Gannett Co.	GCI	Newspaper	87.80	77.32	104.19	10.3%	16.9	3.74	2.51	1.89	3.03	7.44
Gen'l Dynamics	GD	Aerospace/Defense	95.63	79.20	105.78	11.4%	16.4	3.41	2.60	2.27	2.91	7.46
Gen'l Electric	GE	Electrical Equipment	31.12	30.82	45.56	13.9%	18.8	4.32	2.77	2.44	2.47	8.00
Gentex Corp.	GNTX	Auto Parts	38.05	30.23	50.23	19.3%	21.2	3.29	2.11	3.79	1.94	7.41
Golden West Fin'l	GDW	Thrift	108.77	85.24	122.58	14.3%	12.6	3.35	1.93	2.95	2.45	7.12
Graco Inc.	GGG	Machinery	27.98	17.33	25.66	13.8%	18.1	3.31	1.14	3.12	2.67	6.83
Grainger (W.W.)	GWW	Electrical Equipment	54.45	39.93	51.17	7.5%	19.7	3.32	2.30	1.63	3.07	6.87
Guidant Corp.	GDT	Medical Supplies	54.34	42.73	65.63	18.6%	20.2	2.88	2.70	3.00	2.28	7.23
Harley-Davidson	HDI	Recreation	57.49	56.08	96.84	21.4%	18.4	3.63	2.84	4.16	2.66	8.86
Harte-Hanks	HHS	Advertising	23.11	17.00	23.24	10.9%	19.8	3.00	2.12	2.42	3.03	7.05
Health Mgmt. Assoc.	HMA	Medical Services	21.99	25.59	40.34	18.0%	14.5	2.50	3.52	3.74	2.66	8.28
Heartland Express	HTLD	Trucking	24.21	17.10	23.94	13.7%	19.5	3.17	2.12	2.87	2.32	6.98
Helen of Troy Ltd.	HELE	Toiletries/Cosmetics	33.43	24.96	37.43	13.4%	12.3	1.86	1.91	3.25	4.36	7.58
Henry (Jack) & Assoc.	JKHY	Computer Software/Svcs	19.37	15.94	26.91	19.9%	25.2	2.76	2.24	3.84	2.88	7.82
Hershey Foods	HSY	Food Processing	88.73	62.83	91.12	11.3%	21.0	3.86	1.73	2.49	2.53	7.07
Home Depot	HD	Retail Building Supply	35.92	47.47	75.55	20.4%	15.2	4.54	4.58	3.97	3.47	10.00
Honda Motor ADR	HMC	Auto & Truck	21.60	29.44	42.44	9.9%	8.1	2.43	4.43	2.09	1.64	7.06

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Hormel Foods	HRL	Food Processing	31.25	23.66	34.27	10.0%	18.6	3.35	2.05	2.34	2.88	7.08
Horton D.R.	DHI	Homebuilding	28.90	25.62	40.88	21.2%	8.1	3.26	3.27	4.18	3.39	9.39
Humana Inc.	HUM	Medical Services	17.07	22.48	30.73	10.4%	9.1	1.36	4.41	1.98	2.79	7.03
IDEXX Labs.	IDXX	Medical Supplies	65.74	31.67	43.52	14.5%	32.3	3.04	0.69	3.04	4.40	7.45
Illinois Tool Works	ITW	Metal Fabricating	89.88	62.95	90.48	12.3%	21.8	3.71	2.19	2.41	2.85	7.45
Int'l Business Mach.	IBM	Computers/Peripherals	88.59	74.28	107.42	10.3%	16.9	2.94	2.37	2.32	2.89	7.02
Int'l Game Tech.	IGT	Hotel/Gaming	39.30	21.89	34.64	22.1%	28.1	2.43	0.98	3.84	3.38	7.09
Invacare Corp.	IVC	Medical Supplies	41.47	40.18	56.77	12.4%	15.3	2.45	2.79	2.45	2.81	7.00
Jacobs Engineering	JEC	Building Materials	44.60	42.01	59.16	14.6%	16.5	3.29	2.20	2.70	2.35	7.02
Jefferson-Pilot Corp.	JP	Insurance (Life)	51.33	51.33	73.47	10.4%	12.1	4.35	2.42	2.00	1.82	7.06
Johnson & Johnson	JNJ	Medical Supplies	55.71	50.76	75.60	14.7%	17.8	4.96	3.19	3.09	3.19	9.61
Johnson Controls	JCI	Auto Parts	53.92	51.99	76.08	13.1%	12.1	3.65	2.67	2.82	3.06	8.13
Jones Apparel Group	JNY	Apparel	38.47	41.08	60.06	18.3%	12.6	1.92	3.85	2.16	3.00	7.29
KB Home	KBH	Homebuilding	65.88	78.87	118.03	19.8%	6.1	3.28	4.62	3.61	2.13	9.10
Kenneth Cole 'A'	KCP	Shoe	32.75	30.00	46.76	17.0%	15.9	2.52	2.70	3.46	2.54	7.48
Kimberly-Clark	KMB	Household Products	65.90	50.34	66.02	9.0%	17.6	3.37	2.63	1.81	2.61	6.95
Kohl's Corp.	KSS	Retail Store	47.56	36.80	61.09	21.5%	21.4	2.71	2.69	3.80	2.03	7.48
Krispy Kreme	KKD	Restaurant	21.47	25.26	44.29	21.1%	15.3	1.72	4.52	3.36	0.99	7.06
Landry's Restaurants	LNY	Restaurant	30.00	27.59	40.99	10.0%	14.2	1.54	3.18	2.56	3.70	7.32
Lauder (Estee)	EL	Toiletries/Cosmetics	45.79	29.91	44.02	10.4%	27.7	2.52	2.02	2.46	4.09	7.40
Legg Mason	LM	Securities Brokerage	87.71	62.43	89.40	13.3%	17.9	2.53	1.54	3.01	3.49	7.05
Lehman Bros. Holdings	LEH	Securities Brokerage	75.65	80.01	130.09	12.2%	9.5	1.75	2.97	2.77	2.98	6.98
Lennar Corp.	LEN	Homebuilding	45.90	46.70	95.83	20.1%	8.1	2.73	3.62	3.74	2.69	8.52
Lexmark Int'l 'A'	LXK	Office Equip/Supplies	94.32	55.17	78.39	15.1%	23.0	2.26	1.53	3.04	3.52	6.90
Lincare Holdings	LNCR	Medical Services	33.61	37.58	59.22	19.2%	12.2	2.74	3.33	3.99	2.75	8.54
Linear Technology	LLTC	Semiconductor	39.78	20.99	39.04	17.6%	37.7	3.20	1.22	3.72	3.09	7.48
Liz Claiborne	LIZ	Apparel	34.30	36.89	52.88	10.2%	11.7	4.08	3.05	2.21	2.11	7.63
Lowe's Cos.	LOW	Retail Building Supply	53.57	54.34	89.56	18.4%	16.9	3.72	2.83	4.23	2.84	9.08
Luxottica Group ADR	LUX	Toiletries/Cosmetics	16.29	12.90	19.75	17.5%	17.7	2.11	2.50	3.29	2.35	6.83
M.D.C. Holdings	MDC	Homebuilding	64.33	56.95	79.22	15.5%	8.1	2.88	2.75	3.74	3.13	8.33
Marsh & McLennan	MMC	Financial Svcs. (Div.)	44.12	45.98	63.14	12.6%	13.5	3.48	3.10	2.79	2.29	7.78
Marshall & Ilsley	MI	Bank (Midwest)	41.15	36.25	48.46	10.6%	15.0	3.52	2.36	2.30	2.41	7.06
Masco Corp.	MAS	Building Materials	28.95	27.78	39.54	9.7%	13.3	2.41	3.08	2.62	3.35	7.64
Matthews Int'l	MATW	Diversified Co.	31.65	26.01	37.74	14.8%	18.4	3.41	2.01	3.04	3.19	7.77
Maxim Integrated	MXIM	Semiconductor	50.97	24.77	48.41	21.8%	39.2	2.73	1.24	4.15	2.95	7.38
MBNA Corp.	KRB	Financial Svcs. (Div.)	25.40	27.79	45.08	19.4%	11.2	3.63	3.65	3.48	2.74	8.99
McCormick & Co.	MKC	Food Processing	35.45	23.32	32.23	11.1%	21.5	3.28	1.84	2.48	2.99	7.06
McDonald's Corp.	MCD	Restaurant	26.40	23.16	30.37	9.3%	16.4	3.25	3.07	2.03	2.86	7.48
McGraw-Hill	MHP	Publishing	77.92	57.20	80.56	11.1%	19.9	3.90	1.87	2.66	3.33	7.84
Medicis Pharmac.	MRX	Drug	42.32	20.16	33.57	19.8%	31.9	2.43	1.09	4.32	2.71	7.03
Medtronic Inc.	MDT	Medical Supplies	47.90	38.94	61.42	17.8%	23.0	4.14	2.81	3.63	2.84	8.94
Merck & Co.	MRK	Drug	47.30	44.24	58.86	12.5%	14.7	3.83	3.20	1.46	2.12	7.08
Michaels Stores	MIK	Retail (Special Lines)	52.25	40.34	63.35	13.1%	15.8	2.16	2.24	3.44	3.25	7.39
Microsoft Corp.	MSFT	Computer Software/Svcs	26.23	24.47	38.54	21.1%	23.4	3.64	3.03	3.38	3.52	9.05
Mylan Labs.	MYL	Drug	22.31	20.37	29.75	15.7%	15.9	3.26	2.78	3.26	2.52	7.89
National City Corp.	NCC	Bank (Midwest)	35.49	37.13	50.80	8.4%	10.3	3.25	2.90	1.99	3.17	7.54
New York Community	NYB	Thrift	23.42	27.37	46.00	22.2%	9.4	2.82	3.46	3.97	2.23	8.32
Newfield Exploration	NFX	Natural Gas (Div.)	49.75	49.19	61.93	14.6%	11.5	1.36	3.82	3.32	2.63	7.42
NIKE Inc. 'B'	NKE	Shoe	71.15	52.69	75.95	11.8%	19.3	3.45	2.33	2.64	2.72	7.43
Nokia Corp. ADR	NOK	Foreign Telecom.	13.74	17.29	26.24	15.3%	11.1	2.72	3.94	3.74	2.20	8.40
Norsk Hydro ADR	NHY	Chemical (Diversified)	61.90	73.33	85.99	6.3%	9.4	1.77	3.39	1.89	3.33	6.92
Novo Nordisk ADR	NVO	Drug	46.15	39.22	55.47	12.5%	16.2	3.02	2.35	2.80	3.32	7.66
NVR Inc.	NVR	Homebuilding	457.75	441.36	718.96	28.9%	7.3	3.06	2.77	4.29	3.11	8.82
Office Depot	ODP	Office Equip/Supplies	16.34	17.35	24.32	11.5%	12.6	2.20	3.65	2.15	2.31	6.87
Omnicare Inc.	OCR	Pharmacy Services	43.00	35.69	56.49	14.3%	14.4	2.10	2.91	3.43	3.35	7.86
Omnicom Group	OMC	Advertising	79.87	72.85	107.00	15.6%	19.0	3.04	2.77	2.93	3.12	7.91
Oracle Corp.	ORCL	Computer Software/Svcs	11.40	9.50	15.54	21.5%	21.9	2.81	2.65	3.39	2.34	7.47
O'Reilly Automotive	ORLY	Retail Automotive	44.92	34.94	52.83	16.8%	18.1	3.25	2.10	3.86	2.68	7.92
Outback Steakhouse	OSI	Restaurant	42.45	38.57	57.06	14.9%	15.7	2.69	3.45	3.23	2.39	7.84
Pacific Sunwear	PSUN	Retail (Special Lines)	21.75	18.54	30.17	19.4%	15.1	2.73	2.93	4.39	3.39	8.96
Patterson Dental	PDCO	Medical Supplies	75.71	51.68	84.95	19.6%	25.8	3.40	1.62	3.97	3.35	8.22
Paychex Inc.	PAYX	Computer Software/Svcs	37.51	24.87	42.12	20.3%	38.7	3.73	1.46	4.19	2.63	8.01
PepsiCo Inc.	PEP	Beverage (Soft Drink)	53.37	40.39	56.05	10.8%	22.0	4.24	2.09	2.44	3.33	8.07
Pfizer Inc.	PFE	Drug	35.34	41.58	64.44	17.3%	15.6	4.50	3.94	3.57	3.79	10.00
Pharmac. Product	PPDI	Drug	30.28	24.37	36.08	16.9%	18.5	1.60	2.82	3.63	2.36	6.94

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Company Name	Ticker Symbol	Industry Name	5/31/04 Price	Max Buy Price	Min Sell Price	Growth Rate	Current P/E	Owl Quality Rating	Owl Value Rating	Owl Growth Rating	Owl Technical Rating	Owl Total Rating
Plantronics Inc.	PLT	Electronics	39.75	20.78	31.84	14.6%	26.1	2.10	1.37	2.89	3.95	6.87
Polaris Inds.	PII	Recreation	43.40	36.80	53.63	14.3%	14.8	3.96	2.28	2.87	1.90	7.34
Price (T. Rowe) Group	TROW	Financial Svcs. (Div.)	48.16	37.71	56.61	14.7%	19.1	3.58	2.43	2.92	2.52	7.63
Procter & Gamble	PG	Household Products	107.82	81.90	111.78	11.6%	22.4	4.06	1.95	2.48	3.16	7.77
Pulte Homes	PHM	Homebuilding	52.75	45.19	69.98	15.4%	8.2	3.34	2.70	3.76	3.98	9.18
QLogic Corp.	QLGC	Semiconductor	30.70	28.08	41.30	17.2%	18.2	2.55	3.31	3.85	1.45	7.44
Qualcomm Inc.	QCOM	Telecom. Equipment	67.07	34.31	50.68	18.3%	39.8	2.31	1.18	3.65	4.45	7.72
Regis Corp.	RGS	Toiletries/Cosmetics	43.59	32.99	51.25	16.0%	17.6	2.07	2.60	3.17	3.61	7.63
Renaissance Learning	RLRN	Educational Services	20.99	19.00	30.09	19.2%	19.3	2.21	3.16	3.46	1.45	6.85
ResMed Inc.	RMD	Medical Supplies	50.80	34.13	55.86	21.6%	27.3	2.42	1.70	4.32	3.42	7.91
Respironics Inc.	RESP	Medical Supplies	53.21	34.13	51.25	14.6%	23.7	2.26	1.40	3.42	3.38	6.98
Rogers Corp.	ROG	Electronics	61.45	36.98	55.18	13.5%	22.3	2.01	1.53	2.57	4.49	7.07
Ross Stores	ROST	Retail (Special Lines)	26.19	25.36	41.43	18.3%	14.5	3.74	2.83	3.62	2.32	8.34
Ruby Tuesday	RI	Restaurant	28.35	22.65	37.10	15.3%	15.7	2.47	2.17	3.47	2.81	7.28
Ryan's Family	RYAN	Restaurant	16.83	14.30	20.47	12.2%	12.6	2.15	2.68	2.61	3.65	7.39
Ryland Group	RYL	Homebuilding	79.60	72.24	110.32	15.2%	7.4	2.62	2.96	3.22	2.94	7.82
Sara Lee Corp.	SLE	Food Processing	22.90	19.24	25.60	9.4%	13.6	3.15	2.56	2.04	2.58	6.89
SEI Investments	SEIC	Computer Software/Svcs	29.49	30.90	48.91	20.4%	18.3	3.48	3.06	4.09	2.57	8.80
Sherwin-Williams	SHW	Chemical (Specialty)	39.30	32.07	43.19	9.6%	14.8	3.16	2.22	2.25	3.30	7.29
Sigma-Aldrich	SIAL	Chemical (Specialty)	57.11	44.03	56.21	9.9%	18.6	3.30	2.23	2.40	2.88	7.21
SLM Corporation	SLM	Financial Svcs. (Div.)	38.33	35.51	51.91	15.6%	16.7	3.80	2.15	2.55	2.25	7.17
Sonic Corp.	SONC	Restaurant	22.23	16.91	26.96	18.8%	19.0	2.35	2.50	3.73	3.40	7.99
SouthTrust Corp.	SOTR	Bank	33.82	30.19	41.66	12.8%	14.1	3.43	2.12	2.29	2.71	7.03
Standard Pacific Corp.	SPF	Homebuilding	50.95	48.26	72.66	15.4%	6.7	2.11	3.23	3.37	3.65	8.24
Staples Inc.	SPLS	Office Equip/Supplies	27.58	22.01	34.95	17.0%	18.0	2.66	2.73	3.46	3.27	8.08
Starbucks Corp.	SBUX	Restaurant	40.60	18.79	31.15	17.4%	40.9	3.16	0.86	4.70	3.18	7.93
State Street Corp.	STT	Bank	48.42	50.73	71.10	14.3%	16.9	3.08	2.88	2.71	2.50	7.44
Strayer Education	STRA	Educational Services	116.59	55.75	88.91	17.6%	39.7	2.95	0.69	3.86	3.67	7.44
Stryker Corp.	SYK	Medical Supplies	50.85	30.27	52.98	21.8%	32.9	3.73	1.64	4.50	3.33	8.80
SunGard Data Sys.	SDS	Computer Software/Svcs	27.71	29.20	44.76	15.3%	17.3	2.93	3.02	3.20	2.43	7.72
Symantec Corp.	SYMC	Computer Software/Svcs	45.70	26.01	39.26	17.0%	29.4	2.05	0.70	4.05	3.58	6.92
Synovus Financial	SNV	Bank	25.75	25.45	36.89	14.5%	16.5	3.29	2.52	2.42	2.08	6.88
Sysco Corp.	SYI	Food Wholesalers	37.50	25.37	38.85	15.6%	24.7	4.57	1.69	3.43	3.34	8.68
Taiwan Semic. ADR	TSM	Semiconductor	10.15	8.44	12.35	15.8%	19.7	1.56	3.18	3.19	2.53	6.97
Target Corp.	TGT	Retail Store	44.70	38.08	55.34	13.5%	18.0	3.42	2.62	3.01	2.76	7.87
Techne Corp.	TECH	Biotechnology	38.75	25.08	41.51	21.0%	28.0	3.61	1.63	4.04	2.56	7.89
Teleflex Inc.	TFX	Diversified Co.	46.47	51.84	73.89	11.8%	13.7	2.93	3.71	2.05	1.84	7.02
Telefonos de Mexico ADR	TMX	Foreign Telecom.	33.64	35.65	49.57	12.2%	8.9	1.66	3.36	2.69	3.12	7.22
Tetra Tech	TTEK	Environmental	16.96	18.55	27.48	14.9%	13.7	1.64	3.88	3.05	1.82	6.92
Thor Inds.	THO	Manuf. Housing/RV	27.81	21.10	33.56	17.5%	14.7	2.66	1.78	3.73	2.91	7.38
Tiffany & Co.	TIF	Retail (Special Lines)	35.37	26.52	39.29	16.4%	19.8	2.93	2.34	3.38	1.83	6.99
Timberland Co. 'A'	TBL	Shoe	62.00	51.08	87.13	17.5%	13.9	2.32	2.67	3.70	3.27	7.98
TJX Companies	TJX	Retail (Special Lines)	24.91	21.67	33.98	17.3%	15.8	3.45	2.64	3.51	2.99	8.40
Toll Brothers	TOL	Homebuilding	40.91	37.66	54.84	20.6%	9.4	2.83	3.40	3.71	2.81	8.50
Total ADR	TOT	Petroleum (Integrated)	94.08	88.78	118.93	8.2%	13.9	2.83	2.59	2.25	3.57	7.49
Total System Svcs.	TSS	Financial Svcs. (Div.)	22.98	18.29	29.38	19.2%	27.4	3.71	2.54	3.41	1.83	7.67
Toyota Motor ADR	TM	Auto & Truck	72.35	75.86	94.57	8.5%	10.3	3.05	3.40	2.33	3.76	8.35
Unilever NV (NY Shs)	UN	Food Processing	65.97	56.38	74.33	7.4%	12.5	3.81	2.49	2.11	2.27	7.12
United Technologies	UTX	Diversified Co.	84.61	75.45	105.26	11.4%	15.0	3.82	2.43	2.54	2.22	7.34
UnitedHealth Group	UNH	Medical Services	65.25	61.11	94.71	20.1%	15.2	3.76	2.36	4.59	3.13	9.23
Urban Outfitters	URBN	Retail (Special Lines)	54.91	23.92	38.33	18.5%	29.2	2.22	1.12	4.28	4.44	8.04
Walgreen Co.	WAG	Pharmacy Services	35.01	28.57	45.01	15.8%	24.1	4.91	2.06	3.31	3.64	9.29
Wal-Mart Stores	WMT	Retail Store	55.73	50.05	76.92	16.1%	21.7	4.31	2.80	3.45	2.52	8.72
Washington Mutual	WM	Thrift	43.68	41.52	61.18	15.8%	9.6	3.02	3.21	2.41	2.16	7.20
Watson Pharmac.	WPI	Drug	37.35	35.98	48.42	11.3%	16.5	2.40	3.83	2.16	2.15	7.02
Wells Fargo	WFC	Bank	58.80	59.56	83.43	13.3%	12.9	3.24	2.60	2.52	2.33	7.13
Wendy's Int'l	WEN	Restaurant	37.79	36.74	50.79	10.4%	15.2	3.00	2.99	2.46	2.88	7.55
Wiley (John) & Sons	JW/A	Publishing	31.80	24.81	35.53	15.4%	20.5	2.68	2.10	3.01	2.89	7.11
Williams-Sonoma	WSM	Retail (Special Lines)	31.95	29.06	44.28	18.7%	18.6	2.29	2.76	3.93	2.30	7.52
Wolverine World Wide	WWW	Shoe	26.35	21.54	30.33	11.2%	16.3	2.85	2.72	2.48	2.99	7.36
Wrigley (Wm.) Jr.	WWW	Food Processing	62.80	48.12	66.36	11.8%	26.7	4.96	1.74	2.27	2.33	7.53
Wyeth	WYE	Drug	36.00	33.45	46.85	9.4%	13.1	2.63	3.28	2.04	2.29	6.82
Xilinx Inc.	XLNX	Semiconductor	36.48	26.25	45.22	18.1%	29.9	2.01	1.42	3.45	3.51	6.93
Yahoo! Inc.	YHOO	Internet	30.66	7.22	13.25	25.7%	83.5	0.89	1.68	4.49	3.68	7.15
Zions Bancorp.	ZION	Bank	61.30	65.95	92.56	13.5%	13.2	2.96	2.84	2.46	2.15	6.95