



# The Benjamin Graham Value Report

J. Royden Ward, Author

Sound Advice From the Teachings of Benjamin Graham

SEPTEMBER 2004

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## THE STOCK MARKET WILL RALLY

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The stock market was mixed in August. The broad-based indices gained slightly, while the Nasdaq fell 2.6%. So far this year, the Standard & Poor's 500 Index and the Dow Jones Industrial Average are down 0.7% and 2.7% respectively. The tech laden Nasdaq has lost 8.2% thus far. Oil prices climbed to \$49.50 a barrel before dropping to close the month at \$42. We believe that oil prices will fluctuate slightly above the \$40 level. The high price of oil and gasoline has damped the shopping appetites of low to middle class Americans. Wal-Mart and other discount retailers' sales are slowing noticeably and will likely cause the US economy to grow at a slower than expected pace.

Interest rates declined last month - a response to the slowing economy. We expect rates to increase modestly during the next several months. Job creation continues growing at a very slow, agonizing pace and is another concern for the stock market. After its bumpy start, the economy will sustain growth of about 3.5 to 4.0%. Meanwhile, the stock market is oversold. And despite the uncertainties in the immediate future, the market should begin to rally in September and carry into October. You can find some excellent bargains in our Classic Benjamin Graham Value Model on page 2 and our Wise Owl Model on page 4.

In this month's Special Feature, we offer 7 suggestions on how to build your portfolio buying recommended stocks in The Benjamin Graham Value Report. We hope that you will save our suggestions and refer to them often. You should establish an investment system and then stick with your system.

*J. Royden Ward*

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**"For the enterprising investor...his operations for profit should be based not on optimism but on arithmetic."**

**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	8/31/04 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
AEGON Ins. Group	AEG	10.74	12.61	25.63	NA	NA	9.7%	7.7	0.80	5.9%	NR
Ameron Int'l	AMN	36.35	33.60	46.32	0.28	2.29	5.0%	9.7	1.06	2.2%	A
Beazer Homes USA	BZH	97.65	91.57	123.14	0.39	NA	15.2%	6.0	0.98	0.3%	B+
Everest Re Group Ltd.	RE	70.16	85.75	164.39	NA	16.72	13.7%	5.9	0.98	0.6%	A-
MBIA Inc.	MBI	57.27	54.08	77.88	NA	2.86	10.8%	9.5	1.19	1.5%	A
Norsk Hydro ADR	NHY	62.56	59.19	85.24	NA	1.63	6.3%	9.5	1.14	2.5%	NR
POSCO ADR	PKX	36.18	43.80	55.24	NA	2.01	8.8%	5.7	0.90	2.1%	NR

## MODEL UPDATE

The Classic Benjamin Graham Value Model has one new stock this month: POSCO, plus six stocks that are holdovers from last month. AEGON, Everest Re, and POSCO are currently selling below our Max Buy Prices and present excellent buying opportunities. Building Materials Holding reached its Min Sell Price of \$24.68 on Aug. 16 and should be sold because of its excessive valuation. The stock was recommended in the 12/03 issue at \$14.61 and gained a very respectable 69%. The updated Minimum Sell Prices for previous Classic Value model stocks are: Countrywide Financial \$70.47 (CFC split 2 for 1 on 8/31), Devon Energy \$111.84, Fidelity National \$49.55, Furniture Brands \$36.88, Honda Motor \$31.81, KB Home \$98.46, Korea Electric \$26.98, Old Republic \$30.65, ONEOK \$37.50, PMI Group \$60.29, Royal Group Technologies \$27.07, and Standard Pacific \$65.95. These stocks should continue to be held until they reach their Min Sell Prices.

## FEATURED STOCKS

Ameron International AMN  
 Industry: Building Materials  
 Price: \$ 36.35  
 Max. Buy Price: \$ 33.60  
 Min. Sell Price: \$ 46.32

### Ameron International (AMN)

**How Cheap Is It?** Shares of Ameron have suffered as a result of 3 strikes that hurt the company earlier this year. The stock sells at book value and at 9 times earnings. Ameron offers excellent value in a quality company with a very bright future. We are confident that the shares will reach our Min Sell Price of \$46.32 within 2 years.



**Company Profile:** Ameron is a global manufacturer of building products. The company produces protective coatings for the petroleum, marine, and industrial sectors. Ameron is also a leading maker of concrete and steel pipe used for water and sewer systems. The company has a strong presence in the Western US, Hawaii, and Asia.

**Outlook:** Ameron has solved all of its labor problems and negotiated long-term contracts with its workers. Revenues and profits should surge

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

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as the company catches up on back orders. Demand for Ameron's products is growing nicely as the global economy improves. The outlook for the company is once again bright, although the shares do not reflect the rebound that has begun in the current quarter.

POSCO (ADR)	PKX
Industry:	Foreign Steel
Price:	\$ 36.18
Max. Buy Price:	\$ 43.80
Min. Sell Price:	\$ 55.24

### POSCO (PKX)

**How Cheap Is It?** POSCO sells at only 5.7 times earnings and at less than book value. The shares also sell at a large discount to our Max Buy Price. The stock offers an excellent opportunity to buy a major industrial company that is growing rapidly. We highly recommend purchase of POSCO at the current price with the expectation of reaching our Min Sell Price of \$55.24 within 2 years.

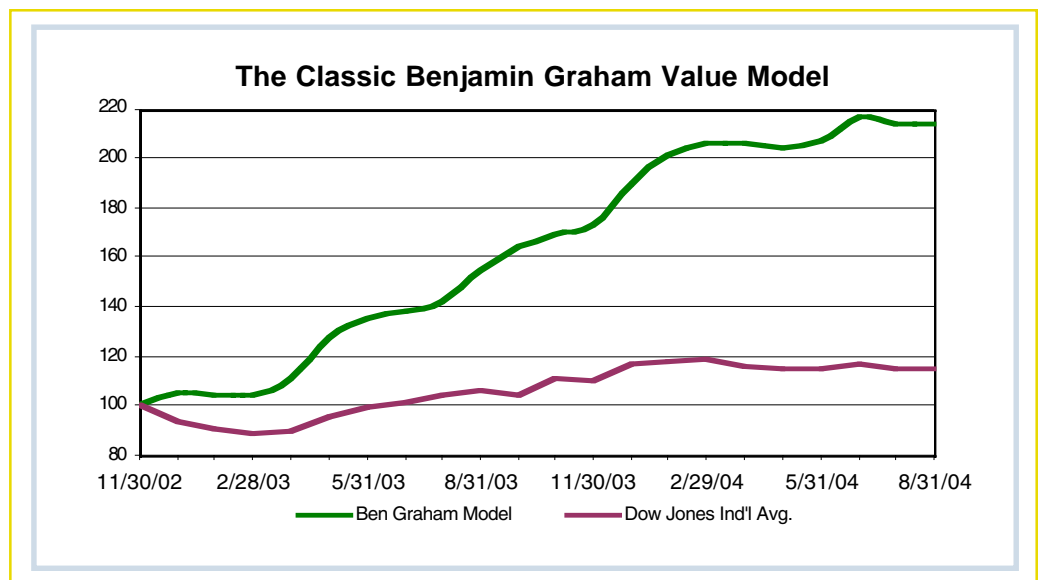


**Company Profile:** POSCO is the world's third largest steel maker and sells to the construction, auto, and electric appliance markets. Based in Seoul, South Korea, major markets include Korea (69% of sales), China (11%), and Japan (6%). POSCO has become a steel industry leader through its technical excellence, quality products, and cost-efficiency. The company has several joint ventures in fast-growing China.

**Outlook:** POSCO posted a 76% increase in profits for the first half of 2004 and will earn over \$8.00 per share for the full year. Earnings may be flat in 2005 as slower growth could be offset by rising cost of materials. POSCO is very cost-efficient, offers a superior quality product, and will continue to gain market share.

## THE CLASSIC BENJAMIN GRAHAM VALUE MODEL

Model performance for the month of August was good. The Classic Benjamin Graham Value Model was down 0.03% last month compared to a gain of 0.34% for the Dow Jones Industrial Average. So far this year, The Classic Benjamin Graham Value Model has gained a remarkable 12.6% compared to a loss of 2.7% for the Dow Jones Industrial Average. The chart on the right illustrates the Model's performance during the past 21 months since inception.



## 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	8/31/04 Price	Max Buy Price	Min Sell Price	S&P Earn/Div Rating	IBD Earns Strength	Growth Rate	Current P/E	Industry Rating	Owl Quality Rating	Owl Value Rating	Owl Growth Rating	Owl Technical Rating	Owl Total Rating	
Amer. Int'l Group	AIG	71.24	85.83	119.56	A+	90	13.8%	14.6	2.19	3.66	3.48	2.93	3.37	8.96	
Countrywide Financial	CFC	35.55	34.27	70.47	A	98	15.4%	7.4	3.28	2.21	3.95	3.55	3.10	8.54	
Fiserv Inc.	FISV	34.78	41.03	58.70	B+	93	15.9%	16.0	3.39	3.23	3.27	3.79	3.03	8.88	
Harley-Davidson	HDI	61.02	63.40	103.73	A+	93	21.6%	18.8	0.90	3.73	2.83	4.27	3.44	9.51	
Home Depot	HD	36.56	51.64	75.53	A+	94	19.6%	15.6	5.00	4.34	4.17	3.83	3.69	10.00	
Johnson & Johnson	JNJ	58.10	61.01	80.51	A+	89	14.6%	18.0	3.21	4.81	2.89	3.20	4.14	10.00	
MBNA Corp.	KRB	24.14	26.76	42.13	A+	92	17.8%	10.6	3.12	3.71	3.64	3.58	2.77	9.14	
Newfield Exploration	NFX	55.35	59.34	76.94	B	77	15.7%	10.7	4.76	1.72	4.12	3.36	3.46	8.44	
Toyota Motor ADR	TM	79.19	86.50	104.82	NR	97	8.8%	10.3	3.28	2.41	3.74	2.66	4.20	8.67	
UnitedHealth Group	UNH	66.13	64.44	97.98	A	98	20.1%	15.8	3.77	3.84	2.15	4.73	3.52	9.49	
<b>Average:</b>		<b>52.21</b>	<b>57.42</b>	<b>83.04</b>		<b>92</b>	<b>16.3%</b>	<b>13.8</b>	<b>3.29</b>	<b>3.36</b>	<b>3.42</b>	<b>3.59</b>	<b>3.47</b>	<b>9.16</b>	

### MODEL UPDATE

We have added 3 new stocks to The Wise Owl Model this month: Countrywide Financial, Fiserv, and Harley-Davidson. They replace Affiliated Computer, Bemis, and Walgreen. All of the replaced stocks are still excellent companies and should continue to be held until they reach their Minimum Sell Prices of \$73.92, \$34.33, and \$45.56, or their Owl Total Ratings fall below 6.00. Fair Isaac (FIC) fell from our 250 Highest Ranked Stocks list and should now be sold.

### FEATURED STOCKS

#### American International Group (AIG)

American Int'l Group AIG  
 Industry: Multi-line Insurance  
 Price: \$ 71.24  
 Max. Buy Price: \$ 85.83  
 Min. Sell Price: \$ 119.56

**How Cheap Is It?** American International has become a powerhouse in the insurance industry and sells at only 14.6 times earnings. The company's stellar balance sheet and steady earnings growth are extraordinary. We highly recommend the purchase of AIG at current price levels in anticipation of achieving our Min Sell Price of \$119.56 within 2 to 3 years.



**Company Profile:** American International is one of the world's leading diversified insurance companies. AIG conducts 50% of its business in foreign countries with a large presence in Japan. The company has a high concentration of life insurance business overseas and a high concentration of property and casualty insurance business in the US.

**Outlook:** The foreign operations of AIG continue to provide solid growth. Rising interest rates will help to rejuvenate fixed annuity sales and will provide additional income to AIG's \$330 billion bond portfolio.

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

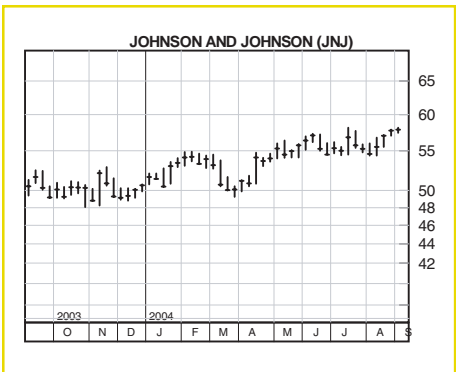
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Recent hurricane losses may draw down reserves somewhat, but profitable contracts from the Olympics will enable the company to replenish its reserves. Insurance contracts against terrorism at the Olympics totaled more than \$1 billion, of which AIG likely underwrote more than half.

Johnson & Johnson	JNJ
Industry: Medical Supplies	
Price:	\$ 58.10
Max. Buy Price:	\$ 61.01
Min. Sell Price:	\$ 80.51

### Johnson & Johnson (JNJ)

**How Cheap Is It?** Johnson & Johnson is a premier health care company that has earned our highest Owl Quality Rating. JNJ's solid balance sheet, steady earnings growth, and the stock's reasonable price to earnings ratio of 18 provide a solid investment opportunity for conservative investors. We highly recommend purchase of JNJ shares at current price levels in anticipation of achieving our Min Sell Price of \$80.51 within 2 to 3 years.

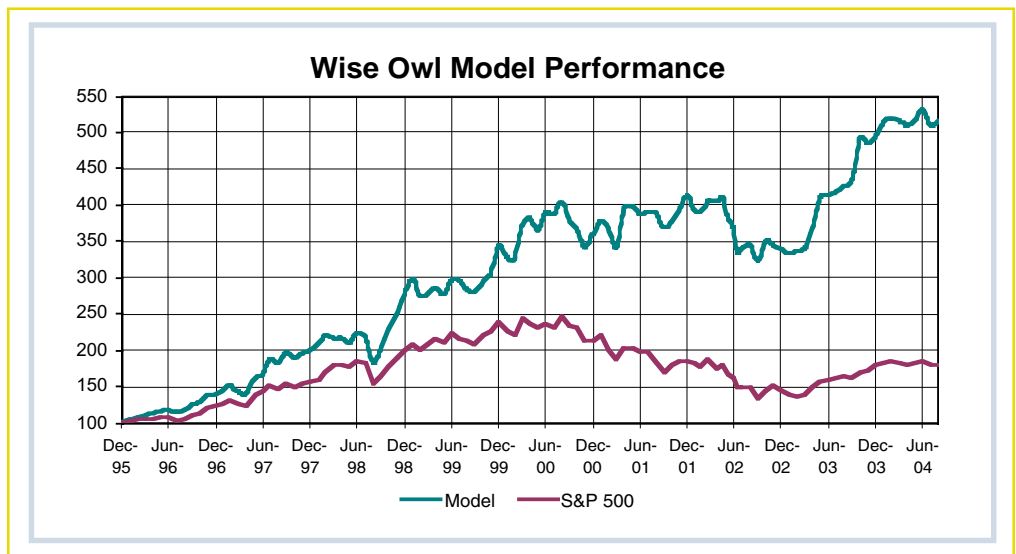


**Company Profile:** Johnson & Johnson is one of the world's largest and most diversified health care companies. Well-known brands include Band-Aid, Neutrogena, and Tylenol. JNJ also has extensive pharmaceutical, biotechnology, and medical device operations. The company's \$44 billion in sales includes 40% from international operations which is advantageous considering the falling US dollar.

**Outlook:** Johnson & Johnson faces some stiff competition from generic drug makers and from rival medical device manufacturers. JNJ's extensive research program (nearly \$5 billion) will help to keep the company ahead of its competition, though. We believe that Johnson and Johnson will continue its enviable record of uninterrupted growth well into the future.

### MODEL PERFORMANCE FOR THE WISE OWL MODEL

The Wise Owl Model gained 1.46% last month, compared to a gain of 0.23% for the Standard & Poor's 500 Index. So far this year, The Wise Owl Model has gained 4.8% compared to a loss of 0.7% for the S&P 500. The chart on the right illustrates the Model's performance since inception on 12/31/95. The Model has achieved a compound annual return of 20.9% compared to a 7.0% return for the S&P 500.



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## SPECIAL FEATURE

### How to Build a Better Portfolio

*We have outlined 7 steps that will help you build a superior portfolio using recommendations from The Benjamin Graham Value Report. We recommend that you save these two pages and refer to it often. It is extremely important to establish a system for investing and to follow it consistently.*

#### **1. Organize your portfolio.**

You need to commit part of your portfolio to Benjamin Graham value stocks. Establish a percentage or dollar amount for this purpose and stay with it. You should commit at least enough of your portfolio to accommodate investments in 10 or more of the stocks recommended in The Benjamin Graham Value Report. Randomly picking a few stocks from our recommended lists often produces unsatisfactory results.

#### **2. Create a new portfolio.**

Creating a portfolio and maintaining it is quite simple. After deciding how much of your funds to commit to value stocks, you can then determine how many stocks you want to own. We recommend about 10 to 12 stocks for commitments under \$100k and about 30 stocks for commitments over \$500k. If your portfolio commitment is between \$100k and \$500k, you can interpolate to get the approximate number of stocks that you should own. Once you have determined how many stocks that you want to own, you can divide the total amount of your funds by the number of stocks to calculate how much to invest in each stock. You should plan to leave about 2-to-5% in cash as a cushion. Now you are ready to invest.

#### **3. Buy equal amounts from each of the Models.**

If you are going to buy 12 stocks, pick 6 from the Classic Value model and 6 from the Wise Owl model. When choosing stocks, you should diversify your portfolio as much as possible. Don't place more than 20% of your funds in any one industry sector. When a chosen stock on either of the recommended buy lists drops below our Maximum Buy Price, it should be purchased right away, without waiting for the next issue.

#### **4. Commit your funds slowly.**

We highly recommend dollar-cost averaging into the models. Use a 3-month time frame and invest equal amounts each month. As an example, if you decide that you want to invest in a total of 15 stocks, your goal should be to invest equal dollar amounts in 5 different stocks in each of

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the next 3 months. If there are fewer than 5 undervalued stocks available in any month, stretch out the time frame to 4 months or even longer. Don't overweight any stocks – it rarely works out well.

**5. Monitor your stocks.**

Our Minimum Sell Prices are 3-year objectives. Be ready to hold your stocks for periods of 2 to 3 years. In the interim, there will be a lot of ups and downs. Ride them out. Each stock should be held until it reaches its Minimum Sell Price. Occasionally, we will clearly state in the Report when a stock should be sold before it reaches its Min Sell Price.

**6. Establish strict rules for selling.**

We recommend two sets of rules for selling stocks - one for each of the lists. For The Classic Benjamin Graham Value Model stocks, you should continue to hold the stock until it reaches its Minimum Sell Price. We publish the current Min Sell Prices of all previously recommended stocks on page 2. The sell rules are different for The Wise Owl Model, because we use the Owl rating system to help determine when to buy or sell. You should continue to hold a stock until it reaches its Min Sell Price or its Owl Total Rating falls below 6.00 or it falls off the Highest Ranked Stocks listing on pages 9 – 12. On page 8, we inform investors when a Wise Owl stock should be sold. But you should keep track of the Min Sell Price to be ready to sell at mid-month if necessary. If you aren't sure if you should continue to hold a stock, email us. We'll get right back to you.

**7. Restock your portfolio.**

After you have sold a stock, simply replace it with a new one from the current models. If your sale creates excess funds, you can add part of the sale proceeds to one of your smaller holdings. This will keep your portfolio in balance.

If you need help building your portfolio of value stocks, or if you have questions on any of the Model recommendations, simply email me at [roy@benjamingraham.net](mailto:roy@benjamingraham.net).

Thanks for being a subscriber to The Benjamin Graham Value Report. I'm always glad to hear from you with any comments or suggestions.

*Roy*

## CHANGES HIGHEST RANKED STOCKS LISTING

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

Company Name	Symbol
Adv. Neuromodulation	ANSI
Amer. Eagle Outfitters	AEOS
Bank of Montreal	BMO
Bank of Nova Scotia	BNS
Biovail Corp.	BVF
BP PLC ADR	BP
Burlington Resources	BR
Christopher & Banks	CBK
Cognos Inc.	COGN
ConocoPhillips	COP
Cost Plus Inc.	CPWM
Eagle Materials	EXP
Forward Air	FWRD
Goldman Sachs	GS
Grainger (W.W.)	GWW
Harman Int'l	HAR
HCC Insurance Hldgs.	HCC
Independence Cmnty	ICBC
McCormick & Co.	MKC
MDU Resources	MDU
Old Republic	ORI
POSCO ADR	PKX
Progressive (Ohio)	PGR
Reinsurance Group	RGA
Royal Dutch Petr.	RD
Schein (Henry)	HSIC
Shell Transport	SC
Toro Co.	TTC
Waters Corp.	WAT
Werner Enterprises	WERN
Zebra Techn. 'A'	ZBRA

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

Company Name	Symbol
ALLTEL Corp.	AT
Amer. Express	AXP
Ametek Inc.	AME
AutoZone Inc.	AZO
BISYS Group	BSG
Blyth Inc.	BTH
CEC Entertainment	CEC
Citrix Sys.	CTXS
Conmed Corp.	CNMD
Dean Foods	DF
Devon Energy	DVN
Diagnostic Products	DP
Diebold Inc.	DBD
Eaton Vance Corp.	EV
Fair Isaac	FIC
Fred's Inc. 'A'	FRED
Genuine Parts	GPC
Honda Motor ADR	HMC
Int'l Business Mach.	IBM
Medicis Pharmac.	MRX
New York Community	NYB
99(Cents) Only Stores	NDN
Outback Steakhouse	OSI
Plantronics Inc.	PLT
Ross Stores	ROST
Royal Bank of Canada	RY
Semtech Corp.	SMTC
Sigma-Aldrich	SIAL
Unilever NV (NY Shs)	UN
Universal Health Sv. 'B'	UHS
Zale Corp.	ZLC

**Wise Owl Stocks Added This Month** – The above column lists the 31 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 31 stocks fall in the range of 6.78 to 7.67. None of the new stocks is recommended for purchase at this time.

**Wise Owl Stocks Removed This Month** – The above column lists the 31 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. **Fair Isaac (FIC)** fell from the 250 Highest Ranked list and therefore should be **sold** as soon as possible. The stock's Owl Technical Rating fell sharply because of FIC's recent price weakness and down-grades from investment research services.

*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 on page 2.*

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 relates to the Wise Owl stocks only. After buying a Wise Owl stock, you can monitor its progress by checking the stock's Min Sell Price and Owl Total Rating. If a Wise Owl stock reaches its Min Sell Price, or if the stock's Owl 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	8/31/04 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	41.69	43.99	55.67	12.1%	16.8	4.12	2.98	2.26	2.69	8.03
Adobe Systems	ADBE	Computer Software/Svcs	45.87	28.45	39.86	14.5%	25.8	2.73	1.37	3.51	3.42	7.35
Adv. Neuromodulation	ANSI	Medical Supplies	29.32	19.44	33.16	19.2%	26.5	1.84	1.65	4.76	2.16	6.94
Affiliated Computer	ACS	Computer Software/Svcs	54.33	53.75	73.92	17.3%	18.6	3.03	2.75	4.26	3.61	9.11
AFLAC Inc.	AFL	Insurance (Life)	40.10	37.99	56.02	15.2%	16.1	3.65	2.41	2.87	2.56	7.66
Alberto Culver	ACV	Toiletries/Cosmetics	48.29	38.65	54.46	12.5%	21.3	4.55	1.61	2.86	3.76	8.52
Ambac Fin'l Group	ABK	Financial Svcs. (Div.)	75.50	71.34	90.21	13.6%	11.4	3.81	2.75	2.63	2.90	8.06
Amer. Eagle Outfitters	AEOS	Retail (Special Lines)	33.30	27.60	38.57	16.8%	17.4	1.33	2.40	3.88	3.91	7.67
Amer. Int'l Group	AIG	Financial Svcs. (Div.)	71.24	85.83	119.56	13.8%	14.6	3.66	3.48	2.93	3.37	8.96
AmerisourceBergen	ABC	Medical Supplies	54.10	70.93	97.35	12.8%	11.7	2.06	3.97	3.64	2.41	8.06
Amgen	AMGN	Biotechnology	59.29	52.88	78.95	20.6%	25.0	3.63	2.28	3.93	3.25	8.73
Anadarko Petroleum	APC	Petroleum (Producing)	59.22	82.92	94.40	14.0%	9.6	1.31	4.81	2.87	3.35	8.23
Anheuser-Busch	BUD	Beverage (Alcoholic)	52.80	46.53	68.62	11.6%	18.1	4.35	2.05	2.68	3.16	8.16
Apollo Group `A'	APOL	Educational Services	78.00	51.34	81.50	26.1%	37.0	3.36	0.85	5.00	2.81	8.01
Applebee's Int'l	APPB	Restaurant	24.07	21.41	29.49	15.7%	16.6	3.44	2.31	3.23	2.04	7.35
Automatic Data Proc.	ADP	Computer Software/Svcs	39.77	31.46	40.75	12.0%	21.1	4.00	2.09	1.86	2.71	7.10
Avon Products	AVP	Toiletries/Cosmetics	44.18	27.74	37.15	14.3%	24.4	2.97	1.23	3.12	4.39	7.80
Ball Corp.	BLL	Packaging & Container	37.34	27.31	41.77	11.9%	13.6	2.29	2.12	3.25	3.90	7.70
Bank of America	BAC	Bank	44.98	88.87	114.85	11.1%	5.6	2.92	4.59	2.09	3.03	8.41
Bank of Montreal	BMO	Bank (Canadian)	41.29	33.68	47.13	9.7%	11.9	3.01	2.56	2.23	2.37	6.78
Bank of Nova Scotia	BNS	Bank (Canadian)	27.41	21.82	27.77	11.1%	12.9	3.28	2.48	2.29	2.42	6.98
Bard (C.R.)	BCR	Medical Supplies	56.10	35.98	50.05	11.6%	22.2	3.32	1.25	2.74	3.52	7.22
Barnes & Noble	BKS	Retail (Special Lines)	34.56	38.49	58.60	12.1%	12.6	1.88	3.52	2.66	2.76	7.21
Barr Pharmac.	BRL	Drug	39.27	36.20	53.52	20.3%	16.1	2.00	2.68	4.19	1.99	7.24
Bear Stearns	BSC	Securities Brokerage	87.92	76.42	101.95	12.9%	9.2	2.44	2.59	2.41	3.08	7.01
Beazer Homes USA	BZH	Homebuilding	97.65	91.57	123.14	15.2%	6.0	2.60	3.55	3.58	2.40	8.09
Becton Dickinson	BDX	Medical Supplies	48.12	43.38	57.28	11.2%	18.3	4.00	2.58	2.50	2.79	7.91
Bed Bath & Beyond	BBBY	Retail (Special Lines)	37.42	48.55	76.93	25.1%	19.8	3.91	3.04	4.78	2.83	9.70
Bemis Co.	BMS	Packaging & Container	26.43	26.83	34.33	9.5%	14.8	3.78	2.78	2.05	3.06	7.78
Best Buy Co.	BBY	Retail (Special Lines)	46.52	52.62	81.02	22.6%	14.7	2.19	3.24	4.24	2.24	7.95
Biomet	BMET	Medical Supplies	45.65	29.30	42.45	16.8%	31.2	4.19	0.98	3.69	3.17	8.02
Biovail Corp.	BVF	Drug	15.16	30.52	41.05	23.8%	8.8	1.13	5.00	2.99	1.71	7.23
BJ's Wholesale Club	BJ	Retail Store	25.32	29.85	41.53	12.3%	13.1	1.86	3.69	2.32	3.19	7.38
Black & Decker	BDK	Home Appliance	68.93	52.57	70.30	7.0%	13.3	1.87	2.20	2.31	4.03	6.94
Block (H&R)	HRB	Financial Svcs. (Div.)	48.26	54.54	81.11	15.5%	10.8	2.82	3.55	3.18	2.07	7.75
Borders Group	BGP	Retail (Special Lines)	23.90	25.76	35.70	10.2%	12.4	2.10	3.01	2.14	3.25	7.00
Boston Scientific	BSX	Medical Supplies	35.73	25.54	34.93	17.7%	20.2	1.78	2.07	4.18	2.34	6.91
BP PLC ADR	BP	Petroleum (Integrated)	53.70	52.03	64.00	8.6%	13.6	2.94	2.77	1.82	3.35	7.25
Brinker Int'l	EAT	Restaurant	30.45	34.62	48.64	15.1%	12.9	2.65	3.17	3.24	2.05	7.40
Brown & Brown	BRO	Financial Svcs. (Div.)	44.90	35.05	54.30	17.8%	22.0	3.81	1.61	3.91	2.79	8.07
Brown-Forman 'B'	BF.B	Beverage (Alcoholic)	47.49	38.69	46.97	9.0%	19.0	4.01	2.42	1.96	2.80	7.46
Burlington Resources	BR	Petroleum (Producing)	36.23	35.75	46.18	7.5%	10.0	1.76	3.25	2.39	3.67	7.38
CACI Int'l 'A'	CAI	Computer Software/Svcs	48.69	33.30	55.81	17.1%	21.2	2.78	1.87	3.85	3.46	7.97
Canon Inc. ADR	CAJ	Foreign Electronics	47.97	46.00	59.95	9.8%	14.0	2.66	3.21	2.60	4.17	8.43
Cardinal Health	CAH	Medical Supplies	45.20	79.09	118.32	17.0%	11.1	3.69	4.37	3.49	1.99	9.03
CDW Corp.	CDWC	Retail (Special Lines)	58.50	61.83	89.59	19.6%	19.5	3.24	2.70	4.38	2.30	8.41
Cendant Corp.	CD	Diversified Co.	21.63	28.94	38.91	14.0%	11.5	1.35	4.29	2.90	3.16	7.80
Centex Corp.	CTX	Homebuilding	45.77	46.07	65.86	17.9%	6.2	3.28	3.50	3.84	1.93	8.37
CenturyTel Inc.	CTL	Telecom. Services	32.19	38.26	51.33	12.1%	12.7	1.97	3.65	1.98	3.18	7.18
Cheesecake Factory	CAKE	Restaurant	41.38	30.12	43.11	17.0%	26.9	3.09	1.61	4.32	2.57	7.73
ChevronTexaco	CVX	Petroleum (Integrated)	97.50	77.25	106.70	6.1%	12.0	2.90	2.39	1.72	3.89	7.27
Chico's FAS	CHS	Retail (Special Lines)	40.90	29.90	49.50	30.9%	23.6	2.51	1.91	5.00	3.07	8.33
Christopher & Banks	CBK	Retail (Special Lines)	17.61	18.42	33.30	23.5%	14.4	2.32	2.67	3.88	1.44	6.87
Church & Dwight	CHD	Household Products	44.97	35.65	49.64	12.2%	18.7	3.42	1.81	2.95	3.23	7.61
Cintas Corp.	CTAS	Industrial Services	41.01	36.56	50.42	16.6%	23.7	3.44	2.59	3.00	2.61	7.76

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Cisco Systems	CSCO	Telecom. Equipment	18.76	17.05	22.36	17.3%	23.2	2.82	2.48	3.41	1.96	7.11
Citigroup Inc.	C	Financial Svcs. (Div.)	46.58	47.84	69.21	12.8%	10.9	2.89	2.97	2.41	3.25	7.68
City National Corp.	CYN	Bank	65.98	50.67	67.68	11.8%	14.8	3.31	1.84	2.33	2.86	6.90
Claire's Stores	CLE	Retail (Special Lines)	24.34	20.41	29.11	14.8%	14.4	2.32	2.69	3.12	3.58	7.81
CLARCOR Inc.	CLC	Packaging & Container	44.30	32.18	46.06	10.8%	17.6	3.55	1.79	2.18	3.11	7.09
Coca-Cola	KO	Beverage (Soft Drink)	44.71	40.48	51.63	12.1%	19.7	3.42	2.60	2.32	3.03	7.58
Cognizant Technology	CTSH	Computer Software/Svcs	27.42	17.28	28.06	33.0%	34.7	2.37	1.50	5.00	3.46	8.22
Cognos Inc.	COGN	Computer Software/Svcs	31.62	25.01	36.32	18.1%	22.6	2.05	2.29	3.47	2.38	6.79
Colgate-Palmolive	CL	Household Products	54.00	46.56	58.08	10.8%	19.1	4.27	2.03	2.38	2.00	7.12
Columbia Sportswear	COLM	Apparel	54.54	49.70	74.45	17.4%	15.2	2.42	2.75	3.44	2.20	7.21
Commerce Bancorp NJ	CBH	Bank	52.47	56.09	85.61	16.5%	15.0	3.31	2.54	3.49	2.75	8.06
Computer Sciences	CSC	Computer Software/Svcs	46.35	60.45	75.13	11.2%	13.7	2.20	4.04	2.01	2.94	7.47
ConocoPhillips	COP	Petroleum (Integrated)	74.43	86.53	117.72	7.9%	9.6	1.69	3.57	2.38	3.17	7.20
Cooper Cos.	COO	Medical Supplies	57.95	35.75	49.80	15.7%	20.8	2.24	1.48	3.54	4.00	7.51
Copart Inc.	CPRT	Industrial Services	21.72	15.26	20.66	15.1%	23.2	2.36	1.62	4.18	3.18	7.56
Corporate Executive	EXBD	Information Services	58.86	35.91	53.58	19.7%	36.7	2.89	1.32	4.86	3.13	8.13
Cost Plus Inc.	CPWM	Retail (Special Lines)	34.26	33.82	46.11	15.2%	17.6	2.03	2.54	3.26	2.36	6.79
Costco Wholesale	COST	Retail Store	41.17	37.83	49.82	12.2%	21.4	2.49	2.08	2.54	3.49	7.07
Countrywide Financial	CFC	Financial Svcs. (Div.)	35.55	34.27	70.47	15.4%	7.4	2.14	3.95	3.55	3.10	8.50
Curtiss-Wright	CW	Machinery	54.65	35.32	55.57	11.9%	17.3	2.95	2.21	2.63	3.51	7.53
CVS Corp.	CVS	Pharmacy Services	40.00	42.49	57.81	11.8%	16.3	2.86	3.18	2.29	3.27	7.73
Danaher Corp.	DHR	Diversified Co.	51.42	41.90	57.52	14.2%	22.6	3.31	1.49	3.20	3.40	7.60
Darden Restaurants	DRI	Restaurant	21.01	21.25	31.08	12.6%	12.9	2.71	2.91	2.71	2.36	7.12
Dell Inc.	DELL	Computers/Peripherals	34.84	30.76	44.22	22.3%	26.1	3.15	2.40	4.49	2.87	8.61
Dentsply Int'l	XRAY	Medical Supplies	50.95	40.09	57.22	13.8%	20.0	3.40	2.06	2.97	3.93	8.24
Dollar Tree Stores	DLTR	Retail Store	23.51	39.62	57.45	18.8%	12.1	3.09	4.46	3.40	1.29	8.16
Donaldson Co.	DCI	Machinery	28.40	19.58	29.29	14.0%	21.3	3.75	1.91	3.01	2.78	7.64
DST Systems	DST	Computer Software/Svcs	45.24	36.26	47.05	12.4%	18.2	2.24	2.61	3.26	3.20	7.54
Eagle Materials	EXP	Cement & Aggregates	64.91	46.37	73.77	11.8%	11.9	2.17	2.16	3.19	3.33	7.23
Ecolab Inc.	ECL	Chemical (Specialty)	29.92	22.91	30.30	13.4%	23.1	3.27	1.77	2.87	3.53	7.63
Engineered Support	EASI	Aerospace/Defense	43.21	36.94	58.54	22.4%	15.4	2.90	1.65	4.88	2.77	8.14
Everest Re Group Ltd.	RE	Insurance (Prop/Cas.)	70.16	89.19	164.39	13.7%	5.9	3.06	4.14	3.45	2.12	8.51
Expeditors Int'l	EXPD	Industrial Services	48.78	32.28	47.13	19.5%	31.9	3.84	1.13	4.07	3.49	8.35
Express Scripts 'A'	ESRX	Pharmacy Services	63.20	78.40	124.87	28.5%	14.9	2.86	3.62	4.18	2.35	8.67
Exxon Mobil Corp.	XOM	Petroleum (Integrated)	46.10	38.81	47.82	7.3%	14.6	3.18	1.96	1.93	3.89	7.30
FactSet Research	FDS	Information Services	44.53	38.15	54.56	20.6%	23.8	3.08	2.24	4.36	3.26	8.63
Family Dollar Stores	FD	Retail Store	26.45	31.04	41.87	14.9%	15.4	3.79	3.11	3.10	1.92	7.95
Fannie Mae	FNM	Financial Svcs. (Div.)	74.45	90.63	112.83	13.0%	9.6	3.26	3.59	2.17	2.71	7.81
Fastenal Co.	FAST	Retail Building Supply	62.78	33.29	51.66	22.6%	40.9	3.51	1.08	4.15	4.14	8.59
FedEx Corp.	FDX	Air Transport	81.99	57.24	76.05	9.8%	21.8	2.50	1.65	2.32	4.41	7.25
Fidelity National	FNF	Insurance (Prop/Cas.)	37.65	40.59	49.55	20.1%	7.3	1.51	3.39	2.40	3.09	6.93
Fifth Third Bancorp	FITB	Bank (Midwest)	49.81	65.22	86.90	15.8%	14.6	3.93	3.40	2.66	2.67	8.44
First Data Corp.	FDC	Computer Software/Svcs	42.25	40.44	49.75	11.3%	18.5	4.11	2.82	2.70	2.72	8.23
First Horizon National	FHN	Bank (Midwest)	45.47	46.59	61.89	13.0%	11.3	2.91	2.73	2.34	2.28	6.84
Fiserv Inc.	FISV	Computer Software/Svcs	34.78	41.03	58.70	15.9%	16.0	3.03	3.27	3.79	3.03	8.75
Florida Rock	FRK	Cement & Aggregates	45.50	30.33	44.79	13.2%	17.9	3.20	1.57	3.12	3.94	7.89
Forest Labs.	FRX	Drug	45.85	45.03	60.80	19.0%	17.2	3.31	2.79	4.28	1.96	8.22
Fortune Brands	FO	Diversified Co.	73.15	56.92	84.58	12.9%	15.4	3.00	1.93	2.84	3.77	7.69
Forward Air	FWRD	Trucking	36.33	24.26	33.61	14.5%	23.4	2.16	1.67	2.63	3.86	6.88
Fossil Inc.	FOSL	Retail (Special Lines)	28.71	17.51	26.16	18.5%	22.2	2.21	1.19	3.69	4.19	7.51
Franklin Electric	FELE	Electrical Equipment	39.25	25.05	36.36	12.2%	21.0	3.36	1.78	2.62	3.45	7.47
Gallagher (Arthur J.)	AJG	Financial Svcs. (Div.)	31.86	33.46	48.65	15.3%	14.5	4.01	2.36	3.08	2.43	7.92
Gannett Co.	GCI	Newspaper	84.70	80.91	104.74	10.2%	16.2	3.95	2.60	1.83	2.76	7.43
Gen'l Dynamics	GD	Aerospace/Defense	97.64	86.77	113.07	11.1%	16.1	3.50	2.35	2.42	2.93	7.47
Gen'l Electric	GE	Electrical Equipment	32.79	34.03	43.67	13.4%	19.8	3.77	2.59	1.99	2.63	7.32
Genlex Corp.	GNTX	Auto Parts	34.34	34.18	50.88	20.3%	19.4	3.21	2.44	3.34	1.69	7.12
Golden West Fin'l	GDW	Thrift	108.23	83.89	111.05	14.3%	12.5	3.49	1.80	2.94	2.30	7.02
Goldman Sachs	GS	Securities Brokerage	89.65	112.51	153.68	13.1%	10.3	1.96	3.76	2.89	2.36	7.31
Graco Inc.	GGG	Machinery	31.20	17.99	28.44	15.6%	19.5	3.19	0.96	3.51	3.46	7.41
Grainger (W.W.)	GWW	Electrical Equipment	53.41	45.15	54.05	7.8%	18.3	3.21	2.58	1.69	2.91	6.93
Harley-Davidson	HDI	Recreation	61.02	63.40	103.73	21.6%	18.8	3.73	2.83	4.27	3.44	9.51
Harman Int'l	HAR	Electronics	96.69	28.93	51.33	14.1%	36.7	2.03	0.29	3.68	4.30	6.86
HCC Insurance Hldgs.	HCC	Insurance (Prop/Cas.)	29.10	35.03	53.03	14.3%	9.7	1.73	3.57	2.79	2.54	7.09
Health Mgmt. Assoc.	HMA	Medical Services	19.12	27.50	40.15	18.0%	12.8	2.67	3.93	3.79	2.16	8.36
Heartland Express	HTLD	Trucking	17.54	13.26	17.18	14.7%	21.2	3.10	2.50	2.86	3.26	7.82

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Helen of Troy Ltd.	HELE	Toiletries/Cosmetics	27.00	28.29	39.90	13.9%	9.4	2.16	2.83	3.30	2.91	7.47
Henry (Jack) & Assoc.	JKHY	Computer Software/Svcs	18.11	17.06	26.06	19.9%	24.1	2.84	2.83	3.80	2.75	8.15
Hershey Foods	HSY	Food Processing	48.28	32.99	47.52	11.6%	22.1	3.97	1.37	2.55	3.33	7.48
Home Depot	HD	Retail Building Supply	36.56	51.64	75.53	19.6%	15.6	4.33	4.17	3.83	3.69	10.00
Hormel Foods	HRL	Food Processing	26.70	26.16	35.29	9.9%	15.6	3.63	2.46	2.31	1.79	6.79
Horton D.R.	DHI	Homebuilding	30.94	24.27	34.88	21.4%	8.2	3.22	3.13	4.50	3.39	9.49
Humana Inc.	HUM	Medical Services	19.00	21.92	30.90	10.3%	10.6	1.46	3.73	2.03	3.72	7.30
IDEXX Labs.	IDXX	Medical Supplies	48.71	36.77	46.78	15.0%	22.5	2.98	1.64	2.76	3.19	7.04
Illinois Tool Works	ITW	Metal Fabricating	91.29	74.67	100.33	12.8%	19.8	3.76	2.11	2.82	2.72	7.61
Independence Cmnty	ICBC	Thrift	39.24	35.93	49.71	11.9%	12.1	1.72	2.38	3.65	2.75	7.01
Int'l Game Tech.	IGT	Hotel/Gaming	28.85	24.26	38.13	21.7%	20.0	2.37	2.06	4.28	1.87	7.06
Jefferson-Pilot Corp.	JP	Insurance (Life)	47.90	50.80	68.85	9.8%	11.4	3.97	2.41	1.73	2.31	6.95
Johnson & Johnson	JNJ	Medical Supplies	58.10	61.01	80.51	14.6%	18.0	4.81	2.89	3.20	4.14	10.00
Johnson Controls	JCI	Auto Parts	56.30	49.66	69.92	13.3%	12.5	3.73	2.57	2.65	2.95	7.93
Jones Apparel Group	JNY	Apparel	35.69	40.06	58.66	18.3%	11.7	2.06	3.84	2.44	2.42	7.17
KB Home	KBH	Homebuilding	68.77	71.96	98.46	20.2%	6.1	3.24	4.08	3.92	2.34	9.06
Kenneth Cole 'A'	KCP	Shoe	26.98	33.16	47.21	17.4%	13.1	2.47	3.75	3.00	2.17	7.59
Kohl's Corp.	KSS	Retail Store	49.48	42.54	61.27	20.5%	21.2	2.78	2.85	4.09	2.80	8.35
Krispy Kreme	KKD	Restaurant	12.88	21.50	31.43	17.9%	11.0	2.18	4.64	4.02	0.51	7.56
K-Swiss Inc.	KSWWS	Shoe	19.51	17.70	28.41	16.9%	11.6	2.31	2.22	4.07	1.65	6.84
Landry's Restaurants	LNY	Restaurant	26.47	28.60	40.23	10.3%	11.9	1.87	3.44	2.99	2.39	7.13
Lauder (Estee)	EL	Toiletries/Cosmetics	43.95	32.46	46.30	11.3%	25.3	3.05	2.07	2.38	2.93	6.95
Lennar Corp.	LEN	Homebuilding	45.80	43.89	111.21	20.7%	7.8	2.82	3.89	3.91	3.05	9.11
Lexmark Int'l 'A'	LXK	Office Equip/Supplies	88.45	71.53	95.01	15.1%	20.2	2.22	1.90	3.08	3.03	6.82
Lincare Holdings	LNCR	Medical Services	32.14	37.05	54.23	19.4%	11.3	3.01	3.32	3.85	2.35	8.35
Linear Technology	LLTC	Semiconductor	35.77	23.73	39.72	18.1%	32.9	3.10	1.69	3.87	1.90	7.04
Liz Claiborne	LIZ	Apparel	38.07	38.06	52.40	11.5%	12.5	4.21	2.94	2.22	2.91	8.18
Lowe's Cos.	LOW	Retail Building Supply	49.70	59.55	91.85	17.5%	15.6	3.86	3.06	4.42	2.77	9.41
M&T Bank Corp.	MTB	Bank	94.98	91.09	126.17	14.3%	15.0	3.81	2.19	2.44	2.08	7.01
M.D.C. Holdings	MDC	Homebuilding	68.85	54.47	74.10	16.9%	7.8	2.89	2.62	4.17	3.71	8.93
Marsh & McLennan	MMC	Financial Svcs. (Div.)	44.69	50.70	68.40	12.6%	13.7	3.60	2.98	2.57	2.17	7.54
Marshall & Ilsley	MI	Bank (Midwest)	40.08	36.74	47.70	11.0%	14.2	3.59	2.31	2.39	2.46	7.16
Masco Corp.	MAS	Building Materials	32.13	31.23	41.99	9.9%	13.8	2.58	2.77	2.71	3.09	7.43
Matthews Int'l	MATW	Diversified Co.	35.35	26.34	37.53	14.9%	20.5	3.24	1.50	3.04	3.44	7.48
Maxim Integrated	MXIM	Semiconductor	43.32	28.50	51.97	22.5%	31.0	2.63	1.48	4.40	2.13	7.10
MBNA Corp.	KRB	Financial Svcs. (Div.)	24.14	26.76	42.13	17.8%	10.6	3.71	3.64	3.58	2.77	9.14
McCormick & Co.	MKC	Food Processing	33.55	26.00	33.35	11.1%	20.3	3.38	1.83	2.35	2.89	6.98
McDonald's Corp.	MCD	Restaurant	27.02	27.16	33.09	9.3%	15.4	3.50	3.17	2.04	3.01	7.81
McGraw-Hill	MHP	Publishing	75.73	63.40	83.45	11.2%	19.3	3.76	2.50	2.47	2.95	7.79
MDU Resources	MDU	Electric Utility (West)	25.37	22.78	28.08	9.9%	13.3	3.56	2.45	1.73	3.06	7.20
Medtronic Inc.	MDT	Medical Supplies	49.75	44.51	62.37	17.8%	23.9	3.91	2.78	3.63	3.73	9.36
Merck & Co.	MRK	Drug	44.97	51.18	61.38	12.5%	13.9	3.93	3.17	1.75	2.25	7.40
Microchip Technology	MCHP	Semiconductor	26.39	20.60	28.74	14.3%	21.4	2.15	2.54	3.32	2.54	7.03
Microsoft Corp.	MSFT	Computer Software/Svcs	27.30	27.19	37.44	21.0%	24.5	3.45	2.67	3.05	2.46	7.76
Mohawk Inds.	MHK	Furn/Home Furnishings	76.92	65.77	97.25	15.5%	13.5	2.32	2.70	3.03	2.65	7.13
Mylan Labs.	MYL	Drug	17.42	21.82	29.39	16.1%	13.2	2.99	3.65	2.74	1.25	7.08
National City Corp.	NCC	Bank (Midwest)	37.79	39.01	48.94	8.6%	10.4	2.94	2.87	1.40	3.12	6.89
Newfield Exploration	NFX	Natural Gas (Div.)	55.35	59.34	76.94	15.7%	10.7	1.72	4.12	3.36	3.46	8.44
NIKE Inc. 'B'	NKE	Shoe	75.31	58.95	78.15	11.8%	20.2	3.48	2.20	2.72	2.91	7.54
Nokia Corp. ADR	NOK	Foreign Telecom.	11.87	15.45	20.51	12.5%	11.1	2.19	3.90	3.11	1.27	6.98
NVR Inc.	NVR	Homebuilding	502.25	385.00	605.05	28.7%	8.0	2.96	2.78	4.43	3.64	9.21
Office Depot	ODP	Office Equip/Supplies	16.01	18.92	25.30	11.8%	12.1	2.34	3.68	2.11	2.50	7.09
Old Republic	ORI	Insurance (Prop/Cas.)	23.55	24.23	30.65	10.6%	9.0	3.27	2.78	1.78	2.47	6.87
Omnicare Inc.	OCR	Pharmacy Services	28.94	38.59	57.47	13.8%	9.6	2.28	4.10	3.52	1.78	7.79
Omnicom Group	OMC	Advertising	68.81	79.77	106.46	15.6%	16.7	2.95	3.05	2.85	2.42	7.51
Oracle Corp.	ORCL	Computer Software/Svcs	9.97	10.62	15.12	19.5%	18.3	2.68	2.84	3.35	2.16	7.35
O'Reilly Automotive	ORLY	Retail Automotive	39.41	36.54	54.13	16.9%	16.1	3.17	2.59	3.81	1.95	7.67
PACCAR Inc.	PCAR	Auto & Truck	60.19	40.65	62.10	12.5%	12.7	2.11	2.07	2.84	4.14	7.44
Pacific Sunwear	PSUN	Retail (Special Lines)	19.16	19.89	31.26	19.3%	13.1	2.55	3.37	4.37	2.78	8.72
Patterson Cos.	PDCO	Medical Supplies	73.23	60.33	86.97	19.7%	24.8	3.52	1.92	3.90	2.74	8.06
Paychex Inc.	PAYX	Computer Software/Svcs	29.67	25.35	37.30	19.5%	32.5	3.40	1.87	3.60	2.02	7.26
PepsiCo Inc.	PEP	Beverage (Soft Drink)	50.00	44.69	57.69	10.8%	20.5	4.39	2.28	2.23	3.17	8.05
Pfizer Inc.	PFE	Drug	32.67	45.74	64.54	17.3%	14.5	4.50	4.18	3.61	3.69	10.00
Pharmac. Product	PPDI	Drug	33.95	27.22	36.36	17.1%	20.2	1.56	2.46	4.23	2.50	7.16
PMI Group	PMI	Insurance (Prop/Cas.)	41.53	40.82	60.29	13.2%	9.7	3.15	3.15	2.38	2.97	7.77

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Company Name	Ticker Symbol	Industry Name	8/31/04 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
Polaris Inds.	PII	Recreation	47.16	34.88	50.93	13.8%	15.9	3.76	2.20	2.72	2.05	7.15
Popular Inc.	BPOP	Bank	24.20	23.44	30.20	12.3%	12.4	2.76	2.25	2.38	3.00	6.93
POSCO ADR	PKX	Steel (Integrated)	36.18	43.80	55.24	8.8%	5.7	1.31	3.93	2.13	3.22	7.06
Price (T. Rowe) Group	TROW	Financial Svcs. (Div.)	49.53	42.51	57.33	14.7%	19.7	3.40	2.37	3.05	2.67	7.66
Procter & Gamble	PG	Household Products	55.97	44.00	55.85	11.6%	23.2	4.11	1.79	2.64	3.21	7.83
Progressive (Ohio)	PGR	Insurance (Prop/Cas.)	80.30	78.41	118.46	13.6%	10.9	2.46	2.59	2.91	2.57	7.02
Pulte Homes	PHM	Homebuilding	58.95	44.43	67.69	17.8%	7.9	3.34	2.47	4.07	3.60	8.99
QLogic Corp.	QLGC	Semiconductor	26.11	28.77	37.85	16.2%	15.5	2.27	3.75	3.41	1.49	7.28
Qualcomm Inc.	QCOM	Telecom. Equipment	38.05	21.37	26.81	18.3%	38.1	2.27	1.22	4.71	4.03	8.15
Regis Corp.	RGS	Toiletries/Cosmetics	40.93	32.80	49.14	16.1%	16.2	2.54	2.36	3.17	3.06	7.42
Reinsurance Group	RGA	Insurance (Life)	39.85	34.17	60.01	10.3%	9.9	2.53	3.08	1.86	2.72	6.80
Renal Care Group	RCI	Medical Services	31.67	28.38	41.98	17.9%	16.7	2.36	2.57	3.89	3.55	8.24
ResMed Inc.	RMD	Medical Supplies	47.77	38.06	54.52	21.0%	25.7	2.72	1.83	4.40	3.15	8.07
Respiricon Inc.	RESP	Medical Supplies	53.20	37.52	51.28	14.6%	23.7	2.18	1.55	3.40	3.37	7.00
Rogers Corp.	ROG	Electronics	46.39	43.07	66.76	15.7%	14.5	1.90	2.83	3.61	2.62	7.31
Royal Dutch Petr.	RD	Petroleum (Integrated)	50.69	48.64	65.29	6.3%	11.6	2.97	2.85	1.88	3.09	7.19
Ruby Tuesday	RI	Restaurant	27.05	22.38	37.85	15.5%	14.6	2.75	2.26	3.44	2.45	7.26
Ryland Group	RYL	Homebuilding	88.15	65.05	100.40	17.9%	7.5	2.63	2.91	4.31	2.72	8.38
Sara Lee Corp.	SLE	Food Processing	22.13	21.87	26.92	9.4%	13.1	3.07	2.47	2.16	2.59	6.86
Schein (Henry)	HSIC	Medical Supplies	62.28	60.96	81.75	13.9%	15.9	2.16	2.54	3.05	2.55	6.87
SEI Investments	SEIC	Computer Software/Svcs	32.68	35.71	49.46	20.4%	20.3	3.28	2.68	4.10	2.56	8.42
Shell Transport	SC	Petroleum (Integrated)	44.30	39.25	49.47	5.8%	11.6	2.94	2.73	1.81	3.35	7.22
Sherwin-Williams	SHW	Chemical (Specialty)	41.30	34.23	45.33	9.6%	14.9	3.27	1.95	2.25	3.13	7.07
SLM Corporation	SLM	Financial Svcs. (Div.)	39.02	41.12	53.75	15.6%	17.0	3.82	2.05	3.29	2.61	7.84
Sonic Corp.	SONC	Restaurant	22.35	17.78	28.09	19.0%	19.4	2.59	2.01	3.68	2.72	7.34
Standard Pacific Corp.	SFP	Homebuilding	50.47	46.15	65.95	18.2%	6.2	2.16	3.31	3.93	2.99	8.26
Staples Inc.	SPLS	Office Equip/Supplies	28.68	25.27	35.77	16.4%	18.4	2.67	2.54	3.28	2.97	7.65
Starbucks Corp.	SBUX	Restaurant	43.24	20.90	31.34	17.5%	42.5	3.10	0.72	4.87	3.42	8.07
State Street Corp.	STT	Bank	45.14	52.00	66.02	13.9%	16.3	3.00	2.78	2.74	1.79	6.87
Stryker Corp.	SYK	Medical Supplies	45.30	35.25	54.31	21.5%	28.4	3.58	1.78	4.57	3.17	8.73
SunGard Data Sys.	SDS	Computer Software/Svcs	23.00	31.45	43.50	15.0%	14.5	3.08	3.67	3.04	1.96	7.83
Swift Transportation	SWFT	Trucking	18.18	19.10	27.27	15.0%	14.9	1.50	3.80	2.85	3.00	7.43
Symantec Corp.	SYMC	Computer Software/Svcs	47.96	29.36	41.51	17.7%	29.6	2.14	0.68	3.98	3.96	7.17
Synovus Financial	SNV	Bank	25.40	27.75	37.09	14.0%	16.3	3.37	2.70	2.40	2.45	7.28
Sysco Corp.	SYF	Food Wholesalers	32.14	29.59	40.92	15.8%	21.2	4.58	1.82	3.53	2.48	8.28
Taiwan Semic. ADR	TSM	Semiconductor	7.55	10.55	14.88	19.7%	12.4	1.44	4.80	4.79	2.08	8.74
Target Corp.	TGT	Retail Store	44.58	40.01	56.94	13.5%	18.0	3.49	2.58	2.77	2.61	7.64
Techne Corp.	TECH	Biotechnology	38.74	28.26	40.03	19.5%	27.2	3.40	1.14	3.84	2.46	7.23
Thor Inds.	THO	Manuf. Housing/RV	25.62	19.55	33.76	17.6%	13.0	2.52	1.86	3.86	2.87	7.41
Timberland Co. 'A'	TBL	Shoe	55.85	56.03	89.92	17.9%	12.5	2.36	2.88	3.58	2.40	7.48
TJX Companies	TJX	Retail (Special Lines)	21.16	22.81	33.86	17.3%	13.8	3.52	2.89	3.42	1.99	7.88
Toll Brothers	TOL	Homebuilding	44.39	37.23	48.48	20.6%	9.8	2.77	2.98	3.94	3.27	8.64
Torchmark Corp.	TMK	Insurance (Life)	51.48	47.89	67.04	11.3%	11.2	3.58	2.59	2.04	2.56	7.17
Toro Co.	TTC	Home Appliance	65.17	34.61	49.40	12.1%	16.1	2.69	1.14	2.86	3.65	6.89
Total ADR	TOT	Petroleum (Integrated)	97.99	104.34	128.14	8.2%	12.8	2.62	3.33	2.45	3.87	8.18
Total System Svcs.	TSS	Financial Svcs. (Div.)	22.24	20.52	29.56	19.4%	26.4	3.48	3.02	3.25	1.93	7.78
Toyota Motor ADR	TM	Auto & Truck	79.19	86.50	104.82	8.8%	10.3	2.41	3.74	2.66	4.20	8.67
United Technologies	UTX	Diversified Co.	93.91	84.39	111.15	11.4%	16.2	3.95	2.05	2.68	2.58	7.51
UnitedHealth Group	UNH	Medical Services	66.13	64.44	97.98	20.1%	15.8	3.84	2.15	4.73	3.52	9.50
Urban Outfitters	URBN	Retail (Special Lines)	30.26	13.29	21.34	19.0%	26.7	2.15	1.09	4.79	3.83	7.90
Valero Energy	VLO	Petroleum (Integrated)	66.03	55.55	83.90	8.8%	8.4	1.00	3.13	2.81	4.47	7.61
Walgreen Co.	WAG	Pharmacy Services	36.45	32.17	45.56	15.8%	25.1	4.76	2.18	3.35	3.91	9.47
Wal-Mart Stores	WMT	Retail Store	52.67	56.86	78.30	16.1%	20.5	4.42	3.05	3.41	2.56	8.95
Waters Corp.	WAT	Precision Instrument	43.31	32.46	48.60	16.1%	23.1	1.84	1.66	3.44	3.90	7.22
Wells Fargo	WFC	Bank	58.75	61.52	85.73	13.3%	13.0	3.30	2.75	2.53	2.36	7.30
Wendy's Int'l	WEN	Restaurant	34.37	39.34	53.05	10.9%	13.6	3.25	3.09	2.40	2.77	7.67
Werner Enterprises	WERN	Trucking	17.72	16.29	22.11	10.6%	15.6	2.67	2.92	2.43	2.45	6.98
West Corp.	WSTC	Telecom. Services	25.78	26.04	34.96	14.3%	15.4	2.01	3.21	3.12	3.52	7.90
Wiley (John) & Sons	JW/A	Publishing	31.71	28.48	36.14	14.5%	19.9	2.85	2.76	2.98	3.07	7.77
Williams-Sonoma	WSM	Retail (Special Lines)	34.99	30.45	43.85	18.7%	20.2	2.16	2.63	3.84	2.65	7.52
Winnbago	WGO	Manuf. Housing/RV	31.40	21.00	33.53	16.5%	15.0	1.51	1.33	3.99	3.91	7.16
Wrigley (Wm.) Jr.	WWY	Food Processing	62.03	51.82	64.48	11.7%	26.2	4.80	1.75	2.37	3.27	8.13
Yahoo! Inc.	YHOO	Internet	28.51	8.28	13.77	26.2%	69.7	1.25	1.73	4.93	2.99	7.27
Zebra Techn. 'A'	ZBRA	Computers/Peripherals	57.15	45.72	59.46	15.3%	22.6	2.63	1.43	2.70	3.56	6.88
Zions Bancorp.	ZION	Bank	62.28	65.04	84.26	12.6%	13.4	3.00	2.83	2.46	2.36	7.10