

# Cabot Benjamin Graham Value Letter

*Sound Advice from the Teachings of Benjamin Graham*

September 2005

Issue # 134

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## HIGHER STOCK PRICES AHEAD

Last month, we forecast a modest decline for August, which occurred. However, we are somewhat befuddled by the brisk rally that is taking place after hurricane Katrina barreled ashore. But if we look back to the beginning of the first Gulf War, we recall that as soon as that skirmish began, the stock market began a long and robust rally. The two events are certainly unrelated, but investors seem to be reacting in a similar way.

The spike in oil, natural gas and gasoline prices is understandable after the devastation of the Gulf Coast. Now it appears that production facilities will be up and running again sooner than expected. And other countries will provide additional energy resources to the U.S. to get us through any shortages that might occur. We expect oil prices to hover in the \$65 range for a while. Unfortunately, natural gas prices will likely rise a bit more, putting a squeeze on home heating budgets. Gasoline hopefully will come back down to the price levels that existed before Katrina.

Long-term interest rates moved noticeably lower recently, in the belief that Katrina will cause the U.S. economy to slow during the remaining four months of the year. We believe that the rebuilding effort will lead to a stronger economy beginning early next year. The Federal Reserve will hopefully not raise interest rates in at least one of its remaining meetings, which would be good news for us stock market investors. Our forecast is for higher stock prices in the month of September, followed by a modest retreat in October.



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**Benjamin Graham instructed investors to develop an approach that is sound, but relatively unpopular.**

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.

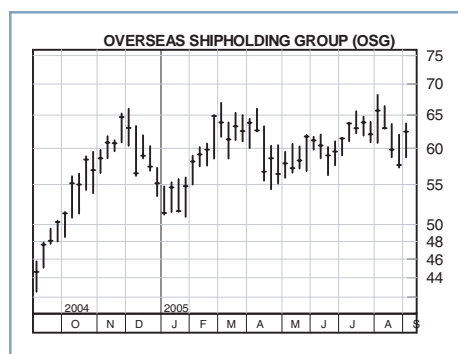
Benjamin Graham achieved returns of 20% per year over decades. Warren Buffett has used this approach for over 35 years with similar results. The table below lists the stocks that are this month's recommendations for purchase. All purchases are recommended at or below our Max. Buy Price. Sell any stock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

This Month's Buy Recommendations					Ben Graham's Seven Valuation Criteria						
Company Name	Ticker Symbol	8/31/05 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
Korea Electric ADR	KEP	16.44	17.15	24.74	NA	NA	8.2%	6.0	0.59	2.5%	NR
Overseas Shipholding	OSG	61.15	67.60	115.98	4.95	1.87	11.9%	5.5	1.29	1.2%	B
PMI Group	PMI	40.46	37.08	59.66	NA	NA	10.1%	9.5	1.00	0.5%	A
POSCO ADR	PKX	52.25	56.69	75.96	NA	NA	11.2%	4.6	0.95	3.0%	NR
R & G Financial Corp	RGF	15.39	16.74	31.35	NA	NA	11.0%	5.8	1.10	3.2%	A
Radian Group Inc	RDN	51.18	49.68	83.18	NA	NA	11.0%	9.2	1.17	0.2%	A

The Classic Benjamin Graham Value Model contains six stocks this month including two new stocks: Overseas Shipholding and PMI Group. Four stocks transition out of the Model to a "hold" status: Aspen Insurance, Everest Re, Scottish Re Group, and Universal Corp. All four are still excellent companies and should continue to be held until they reach their Minimum Sell Prices. Two stocks in the Model are currently priced above their Max Buy Prices. Before buying, you should wait until the prices of the stocks decrease to or dip below their Max Buy Prices.

The current Minimum Sell Prices for previous Classic Value Model stocks are: AEGON \$23.63, Ameron \$45.14, Aspen Insurance \$34.35, Everest Re \$152.27, Fidelity National \$48.84, First American \$52.73, Gibraltar \$26.68, Honda Motor \$30.75, LandAmerica \$79.02, Magna \$96.31, MBIA \$74.15, MGIC Investment \$102.13, Old Republic \$34.77, PMI \$59.66, Scottish Re \$33.27, and Universal Corp. \$49.72. These stocks should continue to be held until they reach their Min Sell Prices. We previously recommended that you **SELL** Village Super Market (VLGEA). If you missed this selling opportunity, you should continue to hold your shares until VLGEA reaches \$59.15. Ameron is near its Min Sell Price and should be sold if it reaches \$45.14.

Overseas Shipholding	OSG
Industry: Shipping	
Price:	\$ 61.15
Max. Buy Price:	\$ 67.60
Min. Sell Price:	\$115.98



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

## FEATURED STOCKS

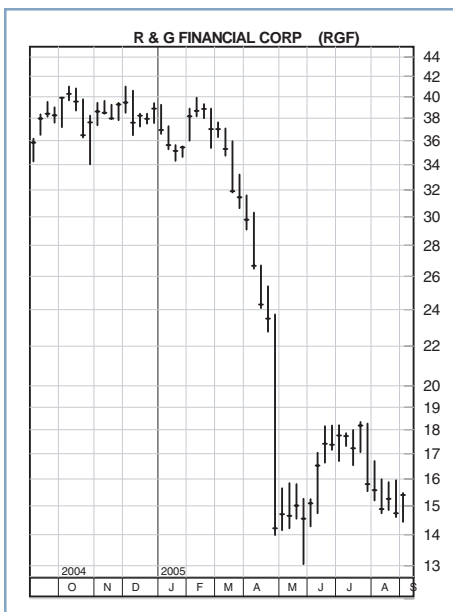
### Overseas Shipholding Group (OSG)

**How Cheap Is It?** Overseas shares sell at just 5.1 times our 2005 EPS estimate and 6.8 times our 2006 estimate. The company has a history of volatile earnings and high debt but both are improving. Hurricane Katrina has exacerbated the need for more oil and gasoline shipping. OSG shares will likely reach our Min Sell Price of \$115.98 in 2 to 3 years.

**Company Profile:** Overseas Shipholding is one of the largest shippers of oil and gasoline in the world. OSG's modern, double-hulled fleet of 95 vessels covers the entire globe. In April, the company acquired Stelmar Shipping for \$1.35 billion. Stelmar will add substantial revenues and provide a steadying effect on OSG's volatile earnings. OSG is in a cyclical business and its balance sheet contains a heavy amount of debt (50% of total capital).

continued next page

R&G Financial RGF  
 Industry: Bank  
 Price: \$ 15.39  
 Max. Buy Price: \$ 16.74  
 Min. Sell Price: \$ 31.35



**PERFORMANCE**

**CLASSIC BENJAMIN GRAHAM VALUE MODEL**

The Classic Benjamin Graham Value Model lost 2.74% last month compared to a loss of 1.50% for the Dow Jones Industrial Average. The Model is up 19.24% for the year to date compared to a loss of 2.80% for the Dow. The chart to the right illustrates the Model's extraordinary performance during the past 33 months. Since inception, the Model has achieved a compound annual return of 52.6% compared to a 6.1% return for the Dow!

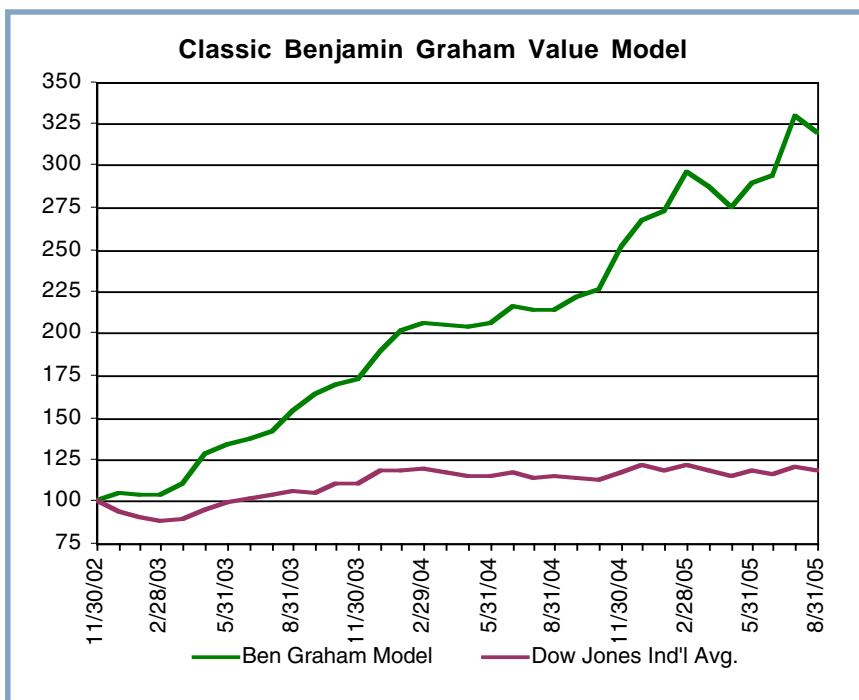
**Outlook:** Overseas is riding the current wave of heavy demand for oil and gas shipping. We believe that this demand will not abate in the foreseeable future as new refineries are being built further away from oil supplies and gasoline demand. OSG is adding new tankers to its fleet to meet future demand. We forecast EPS of \$12.00 for 2005 and \$9.00 for 2006 compared to \$8.27 last year.

**R & G Financial Corp. (RGF)**

**How Cheap Is It?** R & G Financial shares include higher risk than other banks. Earnings for the past two years will be restated and EPS forecasts will be adjusted accordingly. We believe that risk-averse investors are being given a chance to double their investment within 2 to 3 years. We also forecast that RGF will continue to increase the dividend.

**Company Profile:** R & G Financial offers banking services through 77 offices in Puerto Rico, FL, GA, and NY. In April of this year, management revealed that accounting problems had been uncovered that would adversely affect 2003 and 2004 EPS. We estimate that EPS will be reduced by \$1 per share for each of these years. RGF managers who committed the fraud have since been removed, but shareholder lawsuits have proliferated. We expect the problems will be resolved by the end of the year.

**Outlook:** R & G Financial is prosperous and is growing rapidly. The accounting revelation sent the stock cascading from \$40 to a low of \$14. RGF is oversold and is grossly undervalued. Our earnings forecast for 2005 is \$1.90 and for 2006 is \$2.25. This is compared to our estimate of 2004 EPS of about \$1.75. The dividend yield is a generous 3.2%.



## 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					
										S&P	IBD		Owl		Owl				
										Earn/Div	Earns	Growth	Current	Industry	Quality	Value	Growth	Technical	Owl
Company Name	Ticker Symbol	8/31/05 Price	Max Buy Price	Min Sell Price	Rating	Strength	Rate	P/E	Rating	Rating	Rating	Rating	Rating	Rating					
AFLAC Inc.	AFL	43.22	45.04	64.55	A	88	13.3%	16.8	3.48	3.77	3.62	3.13	3.36	8.42					
Apollo Group `A'	APOL	78.66	75.72	109.64	B+	98	17.5%	30.1	3.95	3.61	2.79	4.91	4.25	9.43					
Bed Bath & Beyond	BBBY	40.55	44.09	73.65	A-	93	16.1%	21.6	2.80	4.50	4.04	4.38	3.62	10.00					
Dell Inc.	DELL	35.60	38.73	57.85	B+	85	15.5%	22.0	2.79	3.61	3.52	3.80	3.68	8.86					
Home Depot	HD	40.32	50.03	77.61	A+	82	12.5%	15.6	3.26	4.63	4.20	3.39	3.34	9.43					
Johnson & Johnson	JNJ	63.39	66.40	91.55	A+	84	11.0%	18.1	3.80	5.00	2.96	2.86	3.56	8.72					
Lennar Corp.	LEN	62.10	65.94	91.65	A-	93	14.2%	7.6	4.97	3.13	4.22	4.08	4.49	9.65					
Paychex Inc.	PAYX	34.13	38.02	53.46	A+	83	13.6%	31.3	3.95	3.98	2.61	3.48	4.07	8.57					
UnitedHealth Group	UNH	51.50	50.14	69.58	A	97	16.5%	21.0	3.55	4.29	2.91	3.91	3.67	8.95					
Walgreen Co.	WAG	46.33	44.27	63.27	A+	86	13.6%	27.9	4.61	5.00	2.45	3.20	4.27	9.05					
<b>Average:</b>		49.58	51.84	75.28		89	14.4%	21.2	3.72	4.15	3.33	3.71	3.83	9.11					

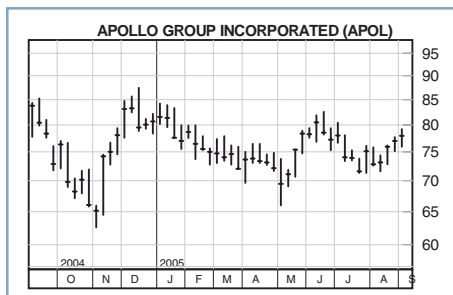
### MODEL UPDATE

We have added four new stocks to The Wise Owl Model this month: Apollo, Bed Bath & Beyond, UnitedHealth, and Walgreen. Four stocks transition out of the Model to a “hold” status: Cisco, Health Management, Pacific Sunwear, and Total ADR. These “hold” stocks are still excellent companies and should continue to be held until they reach their Minimum Sell Prices or they no longer appear in The 250 Highest Ranked Wise Owl Stocks on pages 9 to 12. Min Sell Prices for all stocks previously recommended in the Wise Owl Model are also found on pages 9 to 12.

Lincare Holdings fell from our 250 Highest Ranked Wise Owl Stocks list and is now recommended to be **SOLD**. Lincare’s Owl Total Rating fell as a result of two consecutive quarters of lower earnings. We believe that earnings will start to recover next year, but we also believe that your money will be better invested in other companies that are increasing their earnings now.

### FEATURED STOCKS

Apollo Group	APOL
Industry: Education Services	
Price:	\$ 78.66
Max. Buy Price:	\$ 75.72
Min. Sell Price:	\$109.64



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

#### Apollo Group (APOL)

**How Cheap Is It?** Apollo has exhibited very rapid, steady revenue and earnings growth during the past decade. And the growth will continue. The company pays no dividends, has no debt, and is buying back stock aggressively. The shares have fallen from a high of \$98 last year because of an investigation into the company’s recruiting practices. We believe that APOL shares are now undervalued and present an excellent opportunity for you to buy a premier growth company at a reasonable price.

**Company Profile:** Apollo Group provides higher education programs to more than 300,000 students and working adults. Best known for its University of Phoenix programs, APOL operates from 90 campuses, 150 learning centers, and online websites. The investigation into APOL’s recruiting practices has been settled.

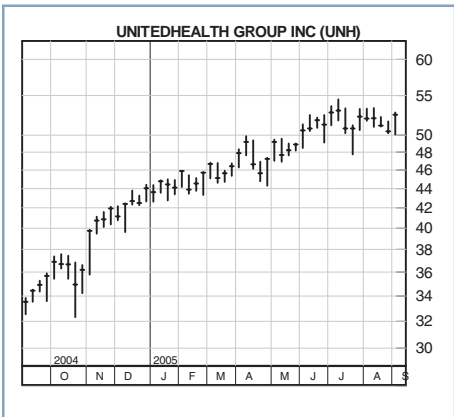
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**Outlook:** Apollo is expanding rapidly with the addition of 19 new campuses within the past two years. In addition, online enrollments have increased 40% from a year ago. We believe that EPS for APOL will increase by more than 20% per year during the next five years or more. Our EPS forecast is \$2.50 for the fiscal year ending 8/31/05 compared to \$1.88 last year, followed by an increase to \$3.05 next year.

**UnitedHealth Group (UNH)**

UnitedHealth Group	UNH
Industry: Managed Health Care	
Price:	\$ 51.50
Max. Buy Price:	\$ 50.14
Min. Sell Price:	\$ 69.58

**How Cheap Is It?** UnitedHealth sells at 21 times earnings, slightly higher than other health care stocks. But UNH's stellar record is well worth the current price. We highly recommend UNH shares to long-term investors looking for rapid growth at a reasonable price. You can expect UNH shares to increase to our Min Sell Price of \$69.58 within two years.

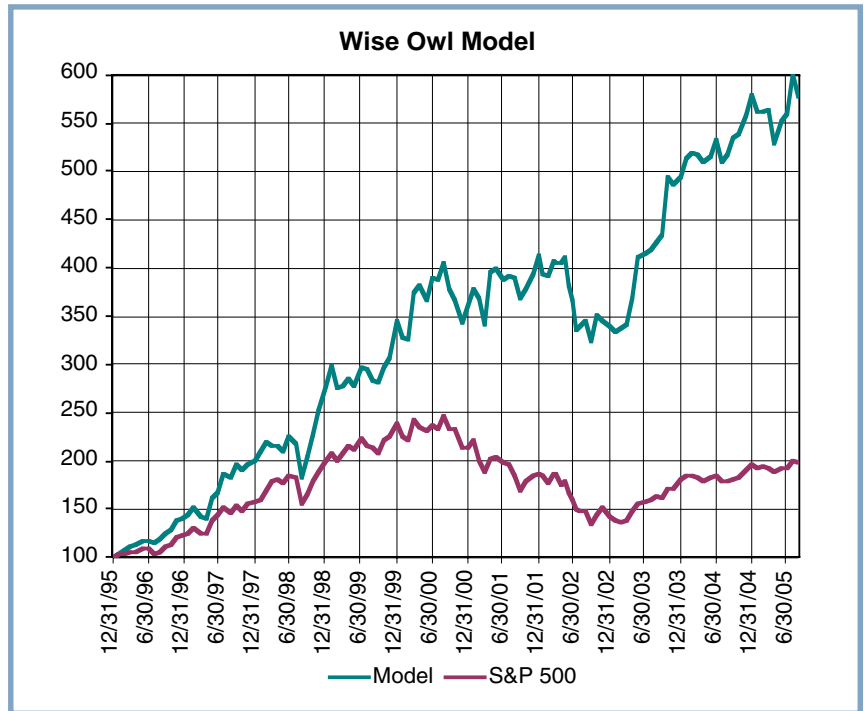


**Company Profile:** UnitedHealth Group provides health benefit services to 55 million Americans. UNH acquired Oxford Health Plans a year ago, and is now in the process of acquiring PacifiCare Health Systems for \$8.1 billion. The acquisitions will help the company to maintain its 20 to 30% per year EPS growth during the next two years or more.

**Outlook:** UnitedHealth has built an enviable record of consistent rapid growth during the past 20 years. Strong employment trends, the aging U.S. population, and cost reductions will lead to higher profits well into the future. We forecast EPS of \$2.50 for 2005 and \$3.00 for 2006 compared to \$1.97 a year ago.

**PERFORMANCE FOR THE WISE OWL MODEL**

The Wise Owl Model lost 3.69% last month, compared to a loss of 1.12% for the Standard & Poor's 500 Index. The Model is down 0.27% for the year to date compared to a gain of 0.69% for the S&P 500. Since inception on 12/31/95, the Model has achieved a compound annual return of 19.9% compared to a 7.3% return for the S&P 500. The Wise Owl Model has outperformed the S&P 500 Index every year for the past 9 years.



## SPECIAL FEATURE

### Smaller Companies with Low P/BV Ratios

We recently conducted a study that focused on the performance of growth and value stocks during the past 40 years. After conducting our own study and reviewing several other studies, we conclude that smaller companies with low price to book value ratios clearly outperform large companies with high valuations. Below are nine stocks that are small or mid-cap and sell at low price to book value ratios. The four criteria we used to find these stocks were: market capitalizations of less than \$8 billion, Standard & Poor's Earnings and Dividend rating of B+ or better, steady dividend payments, and price to book value ratios of less than 3.00. In addition, we looked for companies with good earnings prospects for the next twelve months.

Company Name	Ticker Symbol	Sector	Market				P/E Ratio	P/BV Ratio	Dividend Yield	S&P Earn/Div Rank	EPS Increase Next 12 Mos
			9/2/05 Price	Market Cap (Mil.\$)	Earnings Growth						
Aaron Rents Inc. 'A'	RNTA	Consumer Discretionary	19.50	1,043	13.4%	14.2	2.42	0.3%	A	21.6%	
Airgas Inc.	ARG	Materials	28.21	2,118	10.2%	19.7	2.26	0.9%	B+	28.7%	
Fidelity Bankshares	FFFL	Bank	30.62	737	10.0%	23.0	2.98	1.0%	A-	31.9%	
GATX Corp.	GMT	Industrials	40.14	2,027	3.7%	21.0	1.73	2.0%	A-	21.0%	
Kelly Services 'A'	KELYA	Industrials	29.10	1,042	5.1%	26.5	1.46	1.4%	A-	93.9%	
Lufkin Inds.	LUFK	Energy	46.07	636	12.4%	18.9	2.97	0.8%	B+	84.0%	
Omnicare Inc.	OCR	Health Care	52.40	5,256	10.8%	21.0	2.40	0.2%	A-	30.0%	
Oxford Inds.	OXM	Consumer Discretionary	44.86	786	13.1%	14.2	2.43	1.2%	B+	21.0%	
Roper Inds.	ROP	Industrials	38.66	3,216	13.2%	22.5	2.54	0.6%	A	30.8%	

Our search turned up companies in various industry sectors that are quite different from companies that we have previously recommended in the Cabot Benjamin Graham Value Letter. The nine companies in the table above are unique because their price to book value ratios are low and their earnings are accelerating. We forecast that all of the companies' earnings will increase by 20% or more during the next twelve months. Several of the stocks are categorized as cyclical or speculative. Speculative stocks offer more potential, but caution is advised.

**Aaron Rents (RNTA)** rents and sells office and residential furniture, household appliances and household accessories in 1,150 stores. RNTA manufactures half of the office and residential furniture that it sells or rents. Earnings per share (EPS) will likely increase by 20% this year and next. RNTA shares sell at only 14 times 2005 EPS and carry our Low Risk rating.

**Airgas, Inc. (ARG)** is a leading distributor of industrial, medical, and specialty gases and related equipment and supplies. ARG is aggressively purchasing smaller businesses to expand its current product offerings and to diversify into faster growing businesses. EPS will increase by 30% this year followed by a 20% increase next year. ARG shares sell at 20 times 2005 EPS and are rated Medium Risk.

**Fidelity Bankshares (FFFL)** is a small Florida bank with 43 branch offices primarily in Palm Beach County. The company is benefiting from a strong local economy and more favorable interest rates. EPS will increase

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by 30% this year followed by a 20% increase next year. FFFL shares sell at 23 times 2005 EPS and are rated Low Risk.

**GATX Corp. (GMT)** leases railcars, locomotives, commercial aircraft and marine vessels. All of GMT's leasing segments are experiencing high usage. Corporate America is spending less money on large capital purchases and instead leasing the equipment that GMT offers. EPS will increase by 40% this year followed by a substantial increase next year. GMT shares sell at 21 times 2005 EPS and are rated High Risk because of GMT's high debt and cyclical business.

**Kelly Services (KELYA)** provides temporary personnel with office, technology, legal, engineering and financial skills to employers from 2,600 offices in the U.S. and foreign countries. KELYA also provides home-care services to individuals who need assistance. EPS will jump 70% this year and next year. KELYA shares sell at 27 times 2005 EPS and are rated Medium Risk.

**Lufkin Industries (LUFK)** manufactures and sells power transmission equipment, oil field pumping equipment and highway tractor trailers throughout the world. LUFK is experiencing higher demand for its products as evidenced by its backlog that is 44% higher than a year ago. EPS will more than double this year followed by a 25% increase next year. LUFK shares sell at 19 times 2005 EPS and are rated Medium Risk.

**Omnicare, Inc. (OCR)** offers pharmacy management and consulting services to nursing, assisted living, and other institutional health care providers. Recent acquisitions will propel OCR's earnings higher later this year and well into 2006. Our forecast includes a 15% increase in EPS for the second half of 2005 followed by a 30% jump in 2006. OCR shares sell at 21 times 2005 EPS and are rated Medium Risk.

**Oxford Industries (OXM)** is a leading manufacturer and distributor of brand name and private label men's and women's apparel in the medium to higher price range. Results from OXM's acquisition of Tommy Bahama in 2003 have been spectacular. The ensuing acquisition of Ben Sherman is also producing excellent sales and earnings results. EPS will increase by 20% for the fiscal year ending 5/31/06 followed by a substantial increase for the 5/31/07 year. OXM shares sell at just 14 times EPS and are rated Medium Risk.

**Roper Industries (ROP)** is a diversified manufacturer of high-tech industrial equipment and analytical instruments for oil and gas producers, semiconductor equipment manufacturers and other industrial businesses. ROP is aggressively acquiring smaller businesses to expand its current product offerings and diversify into faster growing businesses. EPS will jump 35% in 2005 followed by a 20% increase in 2006. ROP shares sell at 23 times 2005 EPS and are rated Low Risk.

**If you would like more information on any of the stocks included in this month's issue, simply send me an e-mail at [roy@benjaminraham.net](mailto:roy@benjaminraham.net) or write to me at Cabot Benjamin Graham Value Letter, PO Box 2049, Salem, MA 01970 We are always pleased to receive your questions and comments.**

## CHANGES

### HIGHEST RANKED STOCKS LISTING

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

Company Name	Symbol
A.S.V. Inc	ASVI
Aaron Rents Inc. 'A'	RNTA
Abercrombie & Fitch	ANF
Allergan Inc.	AGN
Amer. Eagle Outfitters	AEOS
Amer. Express	AXP
AmSurg Corp 'A'	AMSG
Armor Holdings	AH
Biovail Corp.	BVF
Burlington Resources	BR
Check Point Software	CHKP
Diagnostic Products	DP
Dollar General Corp.	DG
Donaldson Co.	DCI
Eagle Materials	EXP
Ecolab Inc.	ECL
Energen Corp.	EGN
Florida Rock	FRK
Franklin Electric	FELE
Franklin Resources	BEN
Freddie Mac	FRE
GlaxoSmithKline ADR	GSK
Investors Title Co	ITIC
ITT Educational	ESI
ITT Industries	ITT
Lancaster Colony	LANC
Landstar Sys.	LSTR
Lifepoint Hospitals Inc	LPNT
Lilly (Eli)	LLY
Manpower Inc.	MAN
MDU Resources	MDU
Medicis Pharmac.	MRX
Mentor Corp.	MNT
Mercury Interactive	MERQE
Omnicare Inc.	OCR
Popular Inc.	BPOP
RenaissanceRe Hldgs Ltd	RNR
Ross Stores	ROST
Schein (Henry)	HSIC
Stone Energy	SGY
Sunoco Inc.	SUN
Swift Transportation	SWFT
Target Corp.	TGT
3M Company	MMM
Werner Enterprises	WERN
Yahoo! Inc.	YHOO

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

Company Name	Symbol
Alabama Natl BanCorp	ALAB
Amphenol Corp 'A' New	APH
Anheuser-Busch	BUD
Brinker Int'l	EAT
Cathay General Bancorp	CATY
Cherokee Inc.	CHKE
Citrix Sys.	CTXS
Claire's Stores	CLE
CLARCOR Inc.	CLC
Corus Bankshares Inc	CORS
Darden Restaurants	DRI
Deere & Co.	DE
Family Dollar Stores	FDO
Finish Line 'A'	FINL
First South Bancorp	FSBK
FirstFed Fin'l-CA	FED
Fortune Brands	FO
Gannett Co.	GCI
Goldman Sachs	GS
Hot Topic Inc.	HOTT
IMS HEALTH	RX
Knight Transportation	KNX
K-Swiss Inc.	KSWS
Lakeland Finl Corp	LKFN
Lincare Holdings	LNCR
Marshall & Ilsley	MI
Mercury Interactive	MERQ
Microchip Technology	MCHP
National City Corp.	NCC
Parkvale Financial Corp.	PVSA
Petro-Canada	PCZ
Protective Life	PL
RehabCare Group	RHB
Renal Care Group	RCI
Rent A Ctr Inc New	RCII
RLI Corp.	RLI
Sigma-Aldrich	SIAL
StanCorp Finl Group Inc	SFG
Starbucks Corp.	SBUX
Suncor Energy	SU
Timberland Co. 'A'	TBL
Triad Guaranty Inc.	TGIC
Universal Health Sv. 'B'	UHS
Wilmington Trust	WL
World Acceptance	WRLD

The above column lists the 46 stocks newly added to our 250 Highest Ranked Stocks listing on pages 9 through 12 of this issue. Owl Total Ratings for the 46 stocks fall in the range of 7.31 to 7.98. None of the new stocks is recommended for purchase in the Wise Owl Model at this time.

The above column lists the 45 stocks that were removed from our 250 Highest Ranked Stocks. Whenever a Wise Owl Model stock falls out of the 250 Highest Ranked Stocks list, it should be sold. Lincare Holdings no longer appears in the 250 Highest Ranked Stocks list and is now recommended to be SOLD.

*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 WISE OWL STOCKS FROM THE BENJAMIN GRAHAM 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	8/31/05 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
A.S.V. Inc	ASVI	Auto & Truck	23.19	21.41	34.12	15.5%	13.3	2.10	3.24	4.46	2.74	7.60
Aaron Rents Inc. 'A'	RNTA	Industrial Services	20.16	16.21	22.50	13.4%	14.7	3.49	2.81	2.91	2.96	7.38
Abbott Labs.	ABT	Medical Supplies	45.13	46.27	62.62	8.5%	18.0	4.63	3.22	2.15	2.99	7.87
Abercrombie & Fitch	ANF	Retail (Special Lines)	55.61	58.66	96.26	15.3%	17.0	3.38	3.24	3.18	3.36	7.98
Adv. Neuromodulation	ANSI	Medical Supplies	51.49	36.90	54.87	14.7%	52.5	2.26	2.00	4.55	3.27	7.32
Affiliated Computer	ACS	Computer Software/Svcs	51.95	63.93	96.50	13.3%	15.6	3.40	3.84	3.41	3.59	8.63
AFLAC Inc.	AFL	Insurance (Life)	43.22	45.04	64.55	13.3%	16.6	3.77	3.62	3.13	3.36	8.42
Alberto Culver	ACV	Toiletries/Cosmetics	42.95	47.56	67.74	11.2%	17.6	5.00	3.07	2.60	2.99	8.27
Alfa Corp.	ALFA	Financial Svcs. (Div.)	15.25	15.35	19.20	8.0%	12.3	3.72	3.25	2.18	3.24	7.50
Allergan Inc.	AGN	Drug	92.05	80.44	106.04	13.9%	28.7	3.30	2.36	2.74	4.07	7.56
Alliant Techsystems	ATK	Aerospace/Defense	76.93	72.45	100.10	9.5%	17.6	2.85	3.37	2.71	3.69	7.65
Ambac Fin'l Group	ABK	Financial Svcs. (Div.)	68.58	77.33	109.76	10.6%	10.3	3.81	3.90	2.55	2.44	7.70
Amer. Eagle Outfitters	AEOS	Retail (Special Lines)	28.63	28.22	44.90	14.8%	14.9	2.24	3.25	3.40	3.50	7.51
Amer. Express	AXP	Financial Svcs. (Div.)	55.24	49.61	70.01	11.1%	19.0	3.89	2.95	2.29	3.10	7.41
Amer. Int'l Group	AIG	Financial Svcs. (Div.)	59.20	92.97	142.10	12.4%	11.8	3.63	5.00	2.79	2.49	8.43
AmerisourceBergen	ABC	Medical Supplies	74.67	72.70	102.20	8.8%	21.6	2.87	2.70	3.18	3.99	7.72
Amgen	AMGN	Biotechnology	79.90	68.60	101.50	14.5%	28.4	3.91	2.86	3.47	4.91	9.19
AmSurg Corp 'A'	AMSG	Medical Services	27.84	26.87	41.71	14.4%	21.1	2.57	3.18	3.57	3.71	7.90
Anadarko Petroleum	APC	Petroleum (Producing)	90.87	99.71	118.43	10.2%	11.4	2.03	3.52	2.65	4.15	7.49
ANSYS Inc.	ANSS	Computer Software/Svcs	37.75	30.05	41.83	14.3%	32.0	3.24	2.00	3.42	3.50	7.37
Apache Corp.	APA	Petroleum (Producing)	71.62	78.41	94.24	9.2%	10.5	2.16	2.94	2.55	4.44	7.33
Apollo Group `A'	APOL	Educational Services	78.66	75.72	109.64	17.5%	30.4	3.61	2.79	4.91	4.25	9.43
Applebee's Int'l	APPB	Restaurant	22.11	24.38	36.25	11.7%	15.0	3.55	3.46	3.07	2.01	7.33
Armor Holdings	AH	Aerospace/Defense	42.41	43.97	69.46	13.9%	11.4	1.72	4.03	3.29	3.09	7.35
Automatic Data Proc.	ADP	Computer Software/Svcs	42.75	43.12	57.04	8.2%	22.9	4.94	2.87	2.17	3.64	8.25
Avon Products	AVP	Toiletries/Cosmetics	32.82	35.95	53.42	13.1%	15.1	3.82	3.83	2.94	2.24	7.78
Bank of America	BAC	Bank	43.03	47.63	61.73	9.0%	10.0	3.63	3.97	2.13	3.21	7.85
Bard (C.R.)	BCR	Medical Supplies	64.33	56.99	76.42	12.9%	21.7	4.09	2.57	2.67	3.34	7.68
Bear Stearns	BSC	Securities Brokerage	100.50	99.60	126.34	9.3%	10.3	3.63	2.91	2.26	3.55	7.49
Beazer Homes USA	BZH	Homebuilding	62.44	62.15	81.13	13.7%	8.0	3.21	3.43	3.88	4.92	9.35
Becton Dickinson	BDX	Medical Supplies	52.63	51.87	69.60	10.7%	18.1	4.55	3.20	2.41	3.37	8.20
Bed Bath & Beyond	BBBY	Retail (Special Lines)	40.55	44.09	73.65	16.1%	22.0	4.50	4.04	4.38	3.62	10.00
Best Buy Co.	BBY	Retail (Special Lines)	47.66	44.14	70.23	13.8%	23.0	3.06	2.88	3.93	3.04	7.83
Biomet	BMET	Medical Supplies	36.89	37.95	55.92	14.4%	22.8	4.34	3.46	3.31	2.97	8.54
Biovail Corp.	BVF	Drug	17.94	23.15	38.84	11.8%	11.2	1.78	4.45	2.75	4.03	7.88
BlackRock Inc Cl A	BLK	Financial Svcs. (Div.)	82.15	60.32	82.41	12.7%	23.6	3.39	2.02	3.40	3.55	7.49
Block (H&R)	HRB	Financial Svcs. (Div.)	26.95	27.11	39.64	10.3%	13.8	3.50	3.52	3.70	3.12	8.39
Boston Scientific	BSX	Medical Supplies	26.88	31.13	48.00	14.4%	13.8	2.22	4.64	3.54	2.80	8.00
BP PLC ADR	BP	Petroleum (Integrated)	68.38	67.57	82.04	8.6%	13.3	3.75	2.76	2.02	3.87	7.52
Brown & Brown	BRO	Financial Svcs. (Div.)	47.47	44.95	65.11	13.7%	22.1	4.11	2.94	3.88	3.30	8.62
Brown-Forman 'B'	BFB	Beverage (Alcoholic)	56.63	50.93	68.16	9.8%	19.6	4.65	2.44	2.05	3.14	7.45
Burlington Resources	BR	Petroleum (Producing)	73.79	67.88	76.18	9.8%	13.4	2.21	2.44	2.83	5.00	7.56
C.H. Robinson	CHRW	Industrial Services	61.75	50.16	72.46	14.7%	29.7	4.06	2.09	3.46	4.44	8.52
CACI Int'l 'A'	CAI	Computer Software/Svcs	62.64	58.00	85.70	14.1%	21.1	2.96	3.02	3.84	3.29	7.94
Cal Dive Int'l	CDIS	Oilfield Svcs/Equip.	62.46	55.09	72.13	14.8%	19.8	1.64	2.68	4.03	5.00	8.09
Canon Inc. ADR	CAJ	Foreign Electronics	50.65	56.10	79.06	10.3%	12.7	3.45	3.74	2.80	2.59	7.62
Capital One Fin'l	COF	Financial Svcs. (Div.)	82.24	81.27	117.01	12.4%	11.6	3.53	3.75	3.91	3.34	8.81
Cardinal Health	CAH	Medical Supplies	59.61	64.53	96.17	9.6%	17.2	3.68	3.59	2.70	3.32	8.05
Caremark RX	CMX	Pharmacy Services	46.73	39.23	56.26	13.5%	24.6	2.58	2.57	3.25	4.14	7.60
CDW Corp.	CDWC	Retail (Special Lines)	59.08	59.26	101.23	13.2%	18.5	3.32	3.68	3.11	3.02	7.95
Centex Corp.	CTX	Homebuilding	67.75	69.91	93.71	12.5%	7.8	3.77	3.85	3.26	3.31	8.60
Check Point Software	CHKP	Computer Software/Svcs	22.56	23.64	42.30	11.3%	17.9	2.32	4.34	2.80	3.14	7.64
Cheesecake Factory	CAKE	Restaurant	31.66	30.26	45.19	13.5%	28.8	3.53	3.12	3.95	2.69	8.05
Chico's FAS	CHS	Retail (Special Lines)	34.71	22.85	38.96	19.5%	33.1	3.15	2.20	5.00	3.62	8.47
ChoicePoint Inc.	CPS	Information Services	42.93	44.44	65.39	12.6%	25.0	2.97	3.42	3.02	2.72	7.35

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Church & Dwight	CHD	Household Products	38.16	33.76	44.32	11.0%	20.0	3.89	2.50	2.73	3.63	7.73
Cintas Corp.	CTAS	Industrial Services	41.25	40.41	59.68	11.4%	21.6	3.89	3.16	2.37	2.84	7.43
Cisco Systems	CSCO	Telecom. Equipment	17.62	20.53	32.84	13.8%	18.7	3.19	4.59	3.54	3.20	8.80
Citigroup Inc.	C	Financial Svcs. (Div.)	43.77	46.35	66.25	10.8%	11.5	3.49	4.12	2.32	3.30	8.02
City National Corp.	CYN	Bank	72.04	68.41	88.64	9.9%	15.8	3.62	2.95	2.48	3.24	7.45
Coca-Cola	KO	Beverage (Soft Drink)	44.00	45.92	56.08	7.5%	20.5	4.31	2.81	2.06	3.40	7.62
Cognizant Technology	CTSH	Computer Software/Svcs	45.53	28.45	54.09	22.2%	45.5	2.91	2.26	5.00	3.66	8.38
Cognos Inc.	COGN	Computer Software/Svcs	36.11	33.81	54.67	14.5%	23.1	2.37	3.29	3.21	3.20	7.32
Colgate-Palmolive	CL	Household Products	52.50	56.23	71.89	8.7%	19.8	4.67	2.60	2.63	3.17	7.92
Commerce Bancorp NJ	CBH	Bank	33.72	34.54	50.92	14.1%	17.7	3.57	3.44	3.18	3.31	8.18
Computer Sciences	CSC	Computer Software/Svcs	44.55	53.89	78.97	9.4%	15.0	2.69	4.36	2.30	3.09	7.54
Cooper Cos.	COO	Medical Supplies	68.57	54.04	83.35	15.2%	19.9	2.68	2.42	3.76	3.63	7.57
Copart Inc.	CPRT	Retail Automotive	24.69	22.35	34.96	12.8%	20.9	2.98	2.36	3.62	3.09	7.31
Corporate Executive	EXBD	Information Services	80.77	66.83	92.39	16.7%	45.1	3.46	1.73	4.60	2.99	7.74
Countrywide Financial	CFC	Financial Svcs. (Div.)	33.79	40.46	54.54	12.0%	8.4	2.41	3.92	3.46	3.04	7.78
Coventry Healthcare	CVH	Medical Services	80.00	47.36	68.84	14.6%	17.0	2.29	2.06	3.59	4.61	7.60
Curtiss-Wright	CW	Machinery	64.56	55.92	73.35	10.8%	18.6	3.44	2.68	2.42	4.04	7.62
CVS Corp.	CVS	Pharmacy Services	29.37	28.20	38.74	12.6%	20.8	3.29	2.85	2.75	4.28	7.98
Danaher Corp.	DHR	Diversified Co.	53.56	54.31	77.41	12.5%	19.8	3.90	2.93	3.32	3.47	8.25
Dell Inc.	DELL	Computers/Peripherals	35.60	38.73	57.85	15.5%	22.4	3.61	3.52	3.80	3.68	8.86
Dentsply Int'l	XRAY	Medical Supplies	52.97	50.76	68.30	10.8%	19.9	3.92	2.97	2.61	4.05	8.21
Diagnostic Products	DP	Medical Supplies	54.00	49.68	73.93	11.6%	20.8	3.60	2.86	2.95	3.07	7.56
Dollar General Corp.	DG	Retail Store	19.06	20.90	33.44	12.8%	16.6	3.31	3.74	2.78	2.33	7.37
Dollar Tree Stores	DLTR	Retail Store	22.77	33.90	57.56	13.4%	13.8	3.39	5.00	2.86	1.33	7.63
Donaldson Co.	DCI	Machinery	30.64	25.32	34.60	10.3%	21.3	4.23	2.28	2.75	2.82	7.32
Eagle Materials	EXP	Cement & Aggregates	112.64	94.62	125.95	14.0%	16.1	2.50	2.79	2.85	3.98	7.35
Ecolab Inc.	ECL	Chemical (Specialty)	33.00	29.43	39.29	11.1%	24.4	3.89	2.27	2.70	3.34	7.39
Education Mgmt.	EDMC	Educational Services	33.87	31.65	54.18	16.0%	22.4	2.81	3.35	4.00	3.41	8.23
EnCana Corp.	ECA	Canadian Energy	49.19	44.33	52.41	11.2%	16.9	2.57	2.19	3.44	4.57	7.74
Energen Corp.	EGN	Natural Gas (Div.)	38.32	30.13	36.03	8.5%	17.0	2.97	1.97	2.83	4.43	7.40
Engineered Support	EASI	Aerospace/Defense	34.10	37.55	57.22	14.7%	16.6	3.42	3.01	4.39	1.93	7.72
Erie Indemnity Co	ERIE	Insurance (Prop/Cas.)	52.14	49.84	64.27	10.3%	14.9	4.57	3.34	2.08	2.38	7.50
Expeditors Int'l	EXPD	Industrial Services	55.51	45.59	69.02	15.4%	32.7	4.26	2.18	3.63	3.06	7.96
Express Scripts 'A'	ESRX	Pharmacy Services	57.86	50.50	77.71	15.6%	24.3	3.47	2.74	4.13	4.27	8.86
Exxon Mobil Corp.	XOM	Petroleum (Integrated)	59.90	57.78	71.42	9.1%	13.5	4.03	2.69	1.86	4.56	7.96
FactSet Research	FDS	Information Services	35.00	31.74	50.25	14.7%	24.3	3.53	2.67	3.56	3.01	7.74
Fair Isaac	FIC	Computer Software/Svcs	40.87	40.04	60.59	12.4%	22.0	3.15	3.01	3.61	3.88	8.28
Fastenal Co.	FAST	Retail Building Supply	60.58	58.21	90.36	17.0%	28.3	3.92	2.80	3.72	2.81	8.03
Federated Investors	FI	Financial Svcs. (Div.)	31.06	30.57	44.95	11.0%	17.3	3.44	3.53	3.01	2.98	7.85
Fifth Third Bancorp	FITB	Bank (Midwest)	41.41	58.48	81.43	9.8%	13.8	4.26	4.86	2.51	2.02	8.27
First Data Corp.	FDC	Computer Software/Svcs	41.55	45.20	67.85	12.1%	18.1	4.63	4.15	2.77	2.89	8.75
First Horizon National	FHN	Bank (Midwest)	39.08	46.11	60.83	8.8%	11.2	3.55	4.21	2.35	2.09	7.40
Fiserv Inc.	FISV	Computer Software/Svcs	44.90	46.50	70.42	13.4%	19.5	3.21	3.63	3.22	4.44	8.80
Florida Rock	FRK	Cement & Aggregates	56.60	37.52	48.45	13.0%	25.3	3.78	1.43	3.29	4.47	7.86
Forest Labs.	FRX	Drug	44.40	43.60	66.72	12.6%	20.7	3.52	4.10	3.67	3.72	9.10
Franklin Electric	FELE	Electrical Equipment	42.25	33.75	47.61	11.3%	23.0	4.05	2.72	2.35	3.00	7.34
Franklin Resources	BEN	Financial Svcs. (Div.)	80.44	59.94	80.89	12.2%	19.2	3.40	2.35	2.76	3.56	7.31
Freddie Mac	FRE	Financial Svcs. (Div.)	60.38	84.09	113.31	9.0%	8.9	2.80	4.83	2.65	2.49	7.74
FTI Consulting	FCN	Industrial Services	24.90	23.34	35.64	11.3%	19.3	2.03	3.08	3.18	3.81	7.34
Gallagher (Arthur J.)	AJG	Financial Svcs. (Div.)	28.56	34.63	48.50	9.4%	14.3	4.52	3.60	2.58	3.13	8.38
Gen'l Dynamics	GD	Aerospace/Defense	114.59	111.53	149.96	10.0%	16.0	4.38	2.98	2.36	3.66	8.11
Gen'l Electric	GE	Electrical Equipment	33.61	37.93	53.33	9.8%	18.6	4.69	3.31	2.47	2.63	7.94
GlaxoSmithKline ADR	GSK	Drug	48.72	46.53	53.93	7.4%	16.5	3.71	2.45	2.25	4.07	7.57
Golden West Fin'l	GDW	Thrift	60.99	57.16	77.58	12.4%	12.9	3.88	3.01	2.99	3.05	7.84
Graco Inc.	GGG	Machinery	37.21	26.69	37.55	12.2%	20.1	3.99	1.63	3.17	3.52	7.46
Grainger (W.W.)	GWV	Electrical Equipment	64.32	59.67	78.09	8.2%	18.4	4.07	2.73	1.79	4.30	7.82
Harley-Davidson	HDI	Recreation	49.26	55.61	81.43	12.5%	14.9	4.04	3.94	3.83	2.39	8.61
Harte-Hanks	HHS	Advertising	25.66	25.77	35.11	11.3%	19.4	4.08	3.44	2.43	2.71	7.67
HCA Inc.	HCA	Medical Services	49.30	48.17	67.66	11.2%	15.8	2.95	3.54	2.43	3.21	7.36
HCC Insurance Hldgs.	HCC	Insurance (Prop/Cas.)	26.65	26.90	36.88	12.8%	11.8	2.61	3.68	3.11	3.81	8.01
Health Mgmt. Assoc.	HMA	Medical Services	24.32	28.50	42.72	12.5%	15.7	3.18	3.97	3.34	3.17	8.27
Henry (Jack) & Assoc.	JKHY	Computer Software/Svcs	19.56	20.66	32.71	13.6%	21.5	3.19	3.48	3.34	3.82	8.39
Hilb Rogal & Hobbs	HRH	Financial Svcs. (Div.)	35.22	38.17	55.90	11.1%	14.8	3.31	3.40	3.19	2.70	7.63
Home Depot	HD	Retail Building Supply	40.32	50.03	77.61	12.5%	15.6	4.63	4.20	3.39	3.34	9.43
Horton D.R.	DHI	Homebuilding	36.92	37.58	49.55	15.0%	8.6	3.83	3.56	4.42	4.64	9.97

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Houston Expl Co	THX	Petroleum (Producing)	58.90	53.49	72.89	10.8%	9.3	2.02	3.72	3.24	3.98	7.86
Illinois Tool Works	ITW	Metal Fabricating	84.28	89.67	130.80	11.6%	16.4	4.54	3.41	2.56	2.66	7.98
Ingersoll-Rand	IR	Machinery	79.62	72.10	104.86	11.1%	26.2	3.53	3.15	2.68	4.08	8.14
Int'l Business Mach.	IBM	Computers/Peripherals	80.62	88.37	132.35	9.9%	16.2	4.05	3.64	1.78	2.93	7.51
Intuit Inc.	INTU	Computer Software/Svcs	45.84	47.59	67.52	12.4%	21.9	2.57	3.68	3.83	3.21	8.06
Investors Finl Svcs	IFIN	Financial Svcs. (Div.)	35.12	41.50	71.49	16.7%	15.1	2.42	4.04	4.27	1.54	7.43
Investors Title Co	ITIC	Financial Svcs. (Div.)	39.51	34.58	45.21	9.8%	9.9	3.14	3.41	2.46	3.05	7.31
ITT Educational	ESI	Educational Services	50.84	48.61	84.47	18.1%	21.6	2.97	2.96	3.79	2.86	7.62
ITT Industries	ITT	Diversified Co.	109.12	87.09	114.91	9.9%	20.3	3.79	2.48	2.13	4.14	7.60
Jabil Circuit	JBL	Electronics	29.44	29.79	45.83	12.2%	21.3	2.29	3.70	3.43	3.13	7.60
Jefferson-Pilot Corp.	JP	Insurance (Life)	49.73	52.85	68.27	8.4%	12.1	4.41	3.69	1.90	2.60	7.63
Johnson & Johnson	JNJ	Medical Supplies	63.39	66.40	91.55	11.0%	18.3	5.00	2.96	2.86	3.56	8.72
Johnson Controls	JCI	Auto Parts	59.98	60.96	83.25	10.6%	12.9	4.38	2.99	2.73	3.38	8.17
Journal Register	JRC	Newspaper	18.75	21.94	30.05	8.3%	15.8	2.47	4.20	2.39	3.34	7.51
KB Home	KBH	Homebuilding	74.20	72.15	97.52	15.6%	8.2	3.78	3.68	4.17	4.34	9.68
Kohl's Corp.	KSS	Retail Store	52.45	52.89	90.45	14.6%	20.8	3.40	4.17	3.53	2.97	8.52
Lancaster Colony	LANC	Household Products	45.75	39.68	50.93	6.6%	20.1	4.77	2.51	1.26	3.81	7.48
Landstar Sys.	LSTR	Trucking	36.32	19.41	28.96	15.2%	24.1	3.44	1.19	3.03	4.50	7.37
Lauder (Estee)	EL	Toiletries/Cosmetics	40.39	41.05	54.72	10.3%	19.8	3.68	3.35	2.58	2.97	7.62
Legg Mason	LM	Securities Brokerage	104.53	80.86	118.73	13.9%	25.7	3.31	1.89	3.61	3.36	7.38
Lehman Bros. Holdings	LEH	Securities Brokerage	105.66	122.95	155.87	11.0%	11.4	2.68	3.30	2.61	4.06	7.67
Lennar Corp.	LEN	Homebuilding	62.10	65.94	91.65	14.2%	7.8	3.13	4.22	4.08	4.49	9.65
Lexmark Intl 'A'	LXK	Office Equip/Supplies	62.98	80.01	120.57	10.8%	14.2	3.60	4.50	2.87	1.83	7.76
Lifepoint Hospitals Inc	LPNT	Medical Services	45.48	37.95	58.94	14.7%	17.4	2.54	2.98	3.22	3.89	7.65
Lilly (Eli)	LLY	Drug	55.02	55.59	78.47	9.4%	19.3	3.96	3.12	2.04	3.33	7.54
Linear Technology	LLTC	Semiconductor	37.93	40.19	64.71	16.4%	26.7	3.47	3.71	3.14	2.50	7.77
Liz Claiborne	LIZ	Apparel	41.03	45.50	62.13	10.3%	13.5	4.57	3.57	2.17	3.33	8.27
Lowe's Cos.	LOW	Retail Building Supply	64.31	67.85	103.70	14.6%	19.6	4.19	3.45	3.74	3.41	8.97
M&T Bank Corp.	MTB	Bank	106.62	105.55	138.98	10.0%	15.8	4.20	3.38	2.60	2.82	7.88
M.D.C. Holdings	MDC	Homebuilding	76.38	80.18	105.46	13.9%	7.8	3.65	3.57	4.04	4.40	9.50
Manpower Inc.	MAN	Human Resources	45.06	47.32	73.26	10.8%	15.8	2.97	3.72	2.17	3.24	7.33
Manulife Fin'l	MFC	Insurance (Life)	50.94	49.46	64.58	12.6%	14.8	4.09	3.32	2.93	3.16	8.18
Matthews Intl	MATW	Diversified Co.	40.00	35.45	47.50	12.6%	21.1	3.71	2.69	3.00	3.14	7.60
Maxim Integrated	MXIM	Semiconductor	42.65	45.20	73.96	16.3%	27.3	3.03	3.58	3.33	2.66	7.64
MBNA Corp.	KRB	Financial Svcs. (Div.)	25.20	25.55	39.44	10.9%	12.6	3.80	4.02	2.80	3.77	8.72
McDonald's Corp.	MCD	Restaurant	32.45	33.33	44.77	8.5%	16.3	4.06	3.24	1.91	3.53	7.72
McGraw-Hill	MHP	Publishing	48.22	46.98	61.82	11.3%	21.4	4.27	2.18	2.73	2.96	7.36
MDU Resources	MDU	Electric Utility (West)	32.18	30.33	35.79	7.9%	15.3	3.91	2.60	1.84	3.85	7.40
Medicis Pharmac.	MRX	Drug	34.01	32.28	45.58	12.3%	22.4	2.88	3.00	2.95	3.48	7.46
Medtronic Inc.	MDT	Medical Supplies	57.00	54.62	76.31	13.6%	27.7	4.32	2.92	3.23	3.86	8.68
Mentor Corp.	MNT	Medical Supplies	52.60	29.95	45.82	14.4%	32.5	2.99	1.51	3.43	5.00	7.84
Mercury Interactive	MERQE	Computer Software/Svcs	36.62	44.05	76.77	15.7%	23.6	1.71	4.57	3.89	2.85	7.90
Meredith Corp.	MDP	Publishing	49.10	51.64	68.62	10.9%	18.9	3.45	3.20	2.98	3.25	7.80
Meritage Corp.	MTH	Homebuilding	78.29	57.35	75.48	12.1%	8.8	2.45	2.59	4.60	3.45	7.94
Microsoft Corp.	MSFT	Computer Software/Svcs	27.38	29.19	39.95	10.8%	22.3	4.28	4.07	2.53	3.84	8.92
Moody's Corp.	MCO	Information Services	49.11	36.79	50.23	14.1%	28.7	3.52	1.78	4.01	3.82	7.96
Mylan Labs.	MYL	Drug	18.39	19.15	28.59	10.1%	20.4	3.34	3.82	3.04	3.99	8.60
Nabors Inds.	NBR	Oilfield Svcs/Equip.	67.00	59.99	76.29	11.4%	18.4	1.99	3.11	3.11	5.00	8.01
New York Community	NYB	Thrift	17.58	20.43	31.28	8.9%	13.0	2.20	4.15	3.40	2.64	7.51
Newfield Exploration	NFX	Natural Gas (Div.)	47.22	43.46	52.23	12.3%	14.1	2.04	3.22	3.36	3.64	7.43
NIKE Inc. 'B'	NKE	Shoe	78.91	81.07	115.92	12.3%	16.4	4.48	3.22	2.78	2.91	8.11
North Fork Bancorp	NFB	Bank	27.49	31.01	44.93	10.6%	12.5	3.55	4.10	2.44	2.38	7.56
NVR Inc.	NVR	Homebuilding	885.00	774.01	1069.17	16.6%	10.8	3.66	3.11	4.85	4.36	9.69
Omnicare Inc.	OCR	Pharmacy Services	52.55	46.48	62.73	10.8%	21.1	2.83	2.50	2.88	4.56	7.74
Omnicom Group	OMC	Advertising	80.44	83.90	121.24	9.6%	18.3	3.72	3.46	2.66	2.49	7.48
Oracle Corp.	ORCL	Computer Software/Svcs	12.99	14.59	23.27	14.3%	17.3	2.97	3.78	3.47	3.51	8.32
O'Reilly Automotive	ORLY	Retail Automotive	27.57	25.71	38.16	13.1%	20.4	3.64	3.03	3.60	3.74	8.49
Oshkosh Truck	OSK	Auto & Truck	40.11	29.78	48.25	15.5%	17.5	3.29	2.74	3.83	3.14	7.34
Pacific Cap Bancorp New	PCBC	Bank	31.34	30.93	41.75	8.9%	14.1	3.40	3.26	3.43	2.63	7.72
Pacific Sunwear	PSUN	Retail (Special Lines)	23.86	27.07	43.07	15.8%	14.4	3.23	3.61	3.69	2.99	8.19
Patterson Cos.	PDCO	Medical Supplies	40.06	40.58	61.15	15.1%	27.1	3.71	3.22	3.73	2.83	8.18
Paychex Inc.	PAYX	Computer Software/Svcs	34.13	38.02	53.46	13.6%	31.9	3.98	2.61	3.48	4.07	8.57
PepsiCo Inc.	PEP	Beverage (Soft Drink)	54.85	53.07	68.93	9.7%	21.1	4.98	2.37	2.22	3.76	8.08
Pfizer Inc.	PFE	Drug	25.48	37.87	53.32	9.3%	12.7	4.92	4.76	2.70	3.11	9.38
Pharmac. Product	PPDI	Drug	56.27	42.38	64.22	14.3%	25.0	2.09	2.47	3.61	4.42	7.63

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Company Name	Ticker Symbol	Industry Name	8/31/05 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
Polo Ralph Lauren `A`	RL	Apparel	49.55	45.80	61.27	11.9%	16.9	3.46	2.96	2.30	4.35	7.92
Popular Inc.	BPOP	Bank	27.35	28.99	38.56	9.9%	13.7	3.57	3.26	2.42	3.07	7.47
Price (T. Rowe) Group	TROW	Financial Svcs. (Div.)	63.00	56.81	81.77	12.5%	21.0	4.09	2.79	2.57	3.13	7.62
Procter & Gamble	PG	Household Products	55.48	55.05	69.77	9.9%	20.2	4.66	2.60	2.18	3.66	7.94
Pulte Homes	PHM	Homebuilding	86.20	73.54	110.26	15.3%	17.1	3.76	3.58	3.74	4.36	9.36
QLogic Corp.	QLGC	Semiconductor	34.56	36.20	57.66	12.0%	18.5	3.02	4.45	2.99	3.32	8.35
Qualcomm Inc.	QCOM	Telecom. Equipment	39.71	36.50	51.31	14.8%	32.3	2.88	2.70	4.44	3.52	8.20
RenaissanceRe Hldgs Ltd	RNR	Insurance (Prop/Cas.)	45.31	58.76	81.44	9.7%	7.2	2.42	4.47	3.03	3.07	7.87
ResMed Inc.	RMD	Medical Supplies	72.34	46.92	73.00	15.0%	70.9	3.22	2.14	4.20	3.74	8.06
Respironics Inc.	RESP	Medical Supplies	39.16	25.56	35.56	13.7%	29.9	2.97	1.95	3.35	4.13	7.51
Roper Inds.	ROP	Machinery	38.52	57.43	92.56	13.2%	22.4	3.12	5.00	2.79	3.13	8.51
Ross Stores	ROST	Retail (Special Lines)	24.83	24.68	40.00	14.1%	18.3	3.58	3.12	3.21	2.25	7.37
Royal Bank of Canada	RY	Bank (Canadian)	80.75	83.25	104.99	8.4%	14.3	4.16	3.11	2.48	2.51	7.43
Ryland Group	RYL	Homebuilding	72.36	74.13	98.74	13.6%	8.6	3.13	3.44	3.56	3.85	8.48
Schein (Henry)	HSIC	Medical Supplies	41.69	36.75	53.52	12.5%	21.9	2.75	3.08	3.17	3.31	7.46
SCP Pool Corp	POOL	Recreation	36.60	21.96	33.24	14.7%	25.2	3.62	1.50	4.49	3.83	8.15
SEI Investments	SEIC	Computer Software/Svcs	36.16	37.17	55.59	12.1%	20.7	3.82	3.11	3.49	2.79	8.00
Sherwin-Williams	SHW	Chemical (Specialty)	46.36	47.92	63.63	10.6%	14.1	3.86	2.87	2.20	3.35	7.44
Simpson Mfg Inc	SSD	Building Materials	37.23	28.02	39.20	13.0%	18.6	4.03	1.81	3.20	3.75	7.76
SLM Corporation	SLM	Financial Svcs. (Div.)	49.75	49.57	70.70	14.2%	19.9	4.32	3.05	3.42	2.95	8.33
St. Jude Medical	STJ	Medical Supplies	45.90	34.84	50.50	15.0%	31.4	3.36	2.38	3.28	4.37	8.12
Standard Pacific Corp.	SPF	Homebuilding	43.93	36.67	57.90	12.8%	7.5	3.07	3.33	3.34	4.83	8.18
Staples Inc.	SPLS	Office Equip/Supplies	21.93	20.90	31.44	13.3%	19.8	3.22	3.03	3.09	2.92	7.43
State Street Corp.	STT	Bank	48.33	51.87	75.80	10.8%	17.9	3.46	3.75	2.78	2.64	7.66
Stericycle Inc.	SRCL	Environmental	58.13	53.51	77.27	15.1%	27.5	2.24	3.05	3.84	4.46	8.24
Stone Energy	SGY	Petroleum (Producing)	52.39	56.11	80.06	7.9%	7.6	1.62	4.26	2.98	3.49	7.48
Strayer Education	STRA	Educational Services	100.92	96.69	146.78	15.2%	32.0	3.78	2.50	3.52	2.85	7.66
Stryker Corp.	SYK	Medical Supplies	54.55	51.63	77.16	16.7%	31.0	4.02	2.83	4.25	3.99	9.15
Sunoco Inc.	SUN	Petroleum (Integrated)	72.70	48.09	55.03	7.2%	23.5	2.12	2.13	3.26	5.00	7.58
Swift Transportation	SWFT	Trucking	19.96	24.80	38.09	11.7%	13.0	1.86	4.98	2.68	2.57	7.32
Symantec Corp.	SYMC	Computer Software/Svcs	20.97	19.75	30.89	12.9%	26.2	2.86	3.13	3.37	2.75	7.34
Synovus Financial	SNV	Bank	28.77	31.25	45.24	11.2%	17.4	3.76	3.73	2.70	3.01	8.00
Sysco Corp.	SY	Food Wholesalers	33.38	33.86	49.48	12.8%	21.4	4.99	2.58	2.98	2.48	7.90
Target Corp.	TGT	Retail Store	53.75	53.06	79.75	12.9%	20.1	3.88	3.05	2.79	2.96	7.69
Techne Corp.	TECH	Biotechnology	56.97	38.37	57.11	12.7%	32.2	3.81	1.81	3.56	4.32	8.18
Teleflex Inc.	TFX	Diversified Co.	68.85	66.30	89.46	9.6%	18.9	3.76	2.64	2.39	4.01	7.76
Telefonos de Mexico ADR	TMX	Foreign Telecom.	19.20	25.50	34.03	9.8%	8.1	2.75	4.21	2.22	3.36	7.60
Thor Inds.	THO	Manuf. Housing/RV	33.20	32.54	48.67	14.1%	14.7	2.94	2.80	3.89	2.61	7.42
3M Company	MMM	Chemical (Diversified)	71.15	72.31	96.06	9.3%	16.7	4.32	3.14	2.19	2.67	7.47
Tiffany & Co.	TIF	Retail (Special Lines)	37.42	35.16	53.03	12.0%	24.9	3.82	3.10	2.70	3.25	7.80
TJX Companies	TJX	Retail (Special Lines)	20.91	25.39	39.70	13.2%	14.4	4.47	4.03	3.02	2.31	8.38
Toll Brothers	TOL	Homebuilding	48.05	48.08	67.45	16.8%	10.4	3.24	3.45	4.51	3.77	9.07
Torchmark Corp.	TMK	Insurance (Life)	52.74	53.65	67.15	8.3%	11.4	4.20	3.68	1.99	2.24	7.35
Toro Co.	TTC	Home Appliance	38.83	32.84	43.13	11.5%	15.6	3.45	2.15	3.67	3.25	7.58
Total ADR	TOT	Petroleum (Integrated)	131.84	142.85	164.44	7.7%	11.3	3.81	2.42	2.01	4.65	7.81
Total System Svcs.	TSS	Financial Svcs. (Div.)	23.45	26.20	42.11	14.9%	23.5	3.92	4.44	3.47	3.17	9.09
Tractor Supply	TSCO	Retail Building Supply	51.46	39.03	63.32	15.6%	26.9	3.06	2.25	3.81	3.86	7.86
Transatlantic Hldgs.	TRH	Insurance (Prop/Cas.)	58.00	71.84	105.82	11.6%	10.7	2.63	4.20	2.98	2.50	7.46
UCBH Hldgs Inc	UCBH	Bank	19.07	19.05	29.51	13.8%	18.7	2.78	2.88	3.84	3.49	7.88
United Parcel Serv.	UPS	Air Transport	70.89	75.09	100.58	11.0%	20.6	3.87	3.10	2.63	3.22	7.77
United Technologies	UTX	Diversified Co.	50.00	50.44	68.01	10.4%	16.1	4.44	3.22	2.47	2.63	7.74
UnitedHealth Group	UNH	Medical Services	51.50	50.14	69.58	16.5%	20.6	4.29	2.91	3.91	3.67	8.95
Urban Outfitters	URBN	Retail (Special Lines)	55.66	29.81	50.62	19.3%	34.6	2.78	1.65	4.66	3.25	7.48
Walgreen Co.	WAG	Pharmacy Services	46.33	44.27	63.27	13.6%	28.6	5.00	2.45	3.20	4.27	9.05
Wal-Mart Stores	WMT	Retail Store	44.96	54.75	82.35	12.8%	16.9	4.79	4.30	2.95	2.98	9.10
Washington Mutual	WM	Thrift	41.58	42.23	59.40	9.0%	11.0	3.13	3.97	2.22	2.75	7.32
Waters Corp.	WAT	Precision Instrument	45.47	43.99	67.46	13.9%	22.4	2.61	3.27	2.91	3.50	7.44
Watsco Inc.	WSO	Retail Building Supply	48.76	44.49	58.00	11.5%	22.1	3.49	2.27	3.06	3.53	7.49
Wells Fargo	WFC	Bank	59.62	69.33	92.93	10.7%	13.2	3.90	3.44	2.41	2.77	7.59
Werner Enterprises	WERN	Trucking	17.85	19.77	28.86	10.4%	13.7	3.41	3.94	2.57	2.26	7.38
Williams-Sonoma	WSM	Retail (Special Lines)	40.25	37.79	56.99	13.1%	21.6	3.09	3.36	3.37	2.37	7.39
Wrigley (Wm.) Jr.	WWY	Food Processing	71.05	71.47	88.84	11.1%	28.4	4.93	2.32	2.43	3.94	8.26
XTO Energy	XTO	Natural Gas (Div.)	39.80	35.87	47.50	15.4%	16.9	1.64	2.82	4.57	5.00	8.51
Yahoo! Inc.	YHOO	Internet	33.32	26.89	39.64	15.4%	60.6	1.84	2.52	5.00	2.93	7.45
Zions Bancorp.	ZION	Bank	69.86	71.62	96.83	10.7%	13.6	3.57	3.49	2.46	2.63	7.36