The Top Mutual Funds Over Five Years: Bond Funds Take the Lead

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Article Highlights

- Bond fund categories lead the rankings, occupying nine of the top 10 spots.
- The last bear market adversely affected the five-year performance for stock funds.
- When looking at five-year performance, be sure to consider the economic and market environment that existed over the period.

Context is always important when looking at historical return data, especially five-year performance for mutual funds.

The period covered in this year's Top Funds Over Five Years article starts on January 1, 2007—months before the severe bear market started. As of the end of 2011, neither the S&P 500 index nor the broader Wilshire 5000 index had rebounded back to the price levels they traded at at the start of the five-year period that this article covers.

The five-year period also saw a large drop in interest rates. Yields on the benchmark 10-year Treasury bond fell from 4.71% on December 29, 2006, to 1.87% on December 30, 2011. Since bond yields and prices are inversely related, bonds rallied over the past five years.

Given this backdrop, it should be no surprise that bond funds dominate this year's list of the mutual funds with the best five-year performance. Out of the 10 top-ranking mutual fund categories, nine are in the bond arena. The only category preventing a clean sweep in the top 10 is the gold sector. Yet even gold lost some of its luster, falling from the top spot in last year's ranking to ninth place in this year's ranking.

Stock fund categories barely make an appearance in the top half of the performance rankings. The health care sector, which is less economically sensitive, elbowed its way into the 12th spot, while the technology sector does not appear until the 18th spot. To put these rankings into perspective, we track performance for 39 categories, shown in Table 1.

Bonds: Long and Long Term

The three mutual funds with the best five-year performance share the common trait of focusing on long-term bonds. Long-term bonds are more sensitive to changes in interest rates than short-term bonds. The reason for this is that the longer the time to maturity, the longer the bond's stated interest rate stays unchanged. In a falling interest rate environment, investors want to lock in a higher interest rate for a longer period of time, which boosts long-term bond prices. (In a rising interest rate environment, the opposite happens. Investors don't want to be locked into long-term fixed interest rates, and place downward pressure on long-term bond prices.)

Direxion Monthly 10 Year Note Bull 2X fund (DXKLX) and Rydex Government Long Bond 1.2x Strategy fund (RYGBX) use leverage to increase their exposure to long-term bonds. DXKLX attempts to return double the performance of a 10-year Treasury bond index on a monthly basis. RYGBX uses leverage to magnify the daily return of the 30-year bond by 120%. Leverage can enhance returns during favorable market conditions, but also increases losses during periods of market turbulence. DXKLX and RYGBX ranked first and third among all mutual funds, with five-year annualized returns of 15.1% and 12.4%, respectively.

Wasatch-Hoisington U.S. Treasury fund (WHOSX) ranked second in terms of all overall performance, with a five-year annualized return of 12.8%. The fund holds principal-only Treasury STRIPS, which are very sensitive to changes in interest rates. A principal-only STRIPS, also

Table 1. Five-Year Returns for Category Averages

Category Averages	5-Yr Annual Avg Return (%)	Total Risk Index (X)	Bull* Market Return (%)	Bear* Market Return (%)
Gov't: Long-Term Bond	11.3	0.94	3.9	19.9
General Bond: Long-Term	7.6	0.45	37.7	(7.4)
Inflation-Protected Bond	7.4	0.33	24.0	0.1
Int'l Bond: Emerging	6.3	0.49	55.9	(18.6)
Gov't: Interm-Term Bond	6.2	0.21	9.7	10.6
General Bond: Interm-Term	5.9	0.21	25.7	(1.0)
Corp High-Yield Bond	5.6	0.55	62.9	(20.5)
Int'l Bond: General	5.5	0.43	30.4	(3.9)
Gold Sector	5.4	2.02	131.0	(43.6)
Mortgage-Backed Bond	4.9	0.14	14.4	3.4
Muni Nat'l: Interm-Term	4.8	0.24	11.1	4.1
Health Sector	4.7	0.97	85.2	(35.6)
Muni Nat'l: Long-Term	4.5	0.29	14.1	(0.8)
Convertible Bond	3.9	0.75	87.1	(33.2)
Gov't: Short-Term Bond	3.6	0.09	5.3	6.7
Muni Nat'l: Short-Term	3.2	0.08	6.6	4.7
Target Date: 2000-2014	3.0	0.47	45.8	(24.9)
Technology Sector	2.9	1.27	133.7	(53.6)
General Bond: Short-Term	2.9	0.14	17.4	(4.4)
Muni Nat'l: High-Yield	2.8	0.39	23.5	(15.4)
Utilities Sector	2.7	0.81	64.7	(43.2)
Balanced: Domestic	2.3	0.69	60.8	(32.1)
Balanced: Global	1.5	0.77	74.7	(39.0)
Target Date: 2015-2029	1.4	0.76	69.5	(38.3)
Mid-Cap Stock	1.2	1.25	121.7	(51.2)
Telecommunications Sector	0.9	1.19	113.7	(53.7)
Small-Cap Stock	0.8	1.43	138.5	(52.9)
Energy/Resources Sector	0.5	1.81	145.1	(57.9)
Int'l Bond: Currency	0.3	0.72	12.6	(5.5)
Target Date: 2030+	0.2	1.02	91.7	(48.0)
Long-Short	(0.2)	0.48	20.4	(18.5)
Large-Cap Stock	(0.3)	1.15	98.3	(50.6)
Global Stock	(1.6)	1.17	97.7	(52.6)
Emerging Stock	(2.3)	1.70	166.4	(67.5)
Regional/Country Stock	(2.6)	1.58	133.4	(61.5)
Foreign Stock	(3.9)	1.37	108.3	(58.0)
Real Estate Sector	(4.3)	1.74	173.2	(66.3)
Financial/Banking Sector	(10.2)	1.55	93.5	(61.3)
Contra Market	(15.6)	1.59	(61.7)	72.9

**Bull market is defined as 3/1/2009 through 4/30/2011. Bear market is defined as 11/1/2007 through 2/28/2009.*
Source: "The Individual Investor's Guide to the Top Mutual Funds 2012," February 2012 AAII Journal. *Data from Morningstar Inc. is through 12/31/2011.*

known as a zero-coupon bond, does not receive regular interest rate payments. Rather, a single payment is received at maturity. These bonds are bought at a discount to their par (face) value and appreciate in value as they move toward their maturity date. Since the rate of appreciation is tied to the bond's yield, prices for such bonds can be very volatile. A falling interest rate environment favors STRIPS because they allow an investor to lock in a higher interest rate. (A rising interest rate environment hurts the prices of zero-coupon bonds.)

Wasatch-Hoisington U.S. Treasury fund's objective allows its manager, Van Hoisington, to shift between short- and long-term bonds, depending on his outlook for the interest rate environment. Currently, the fund has an effective duration of 20.2 years, which is long. (Duration is a measure of a bond's interest rate sensitivity.) Though the fund has done well over the past five years, its future performance will rely on Hoisington's ability to properly react to any changes in bond market conditions.

Two Gold Funds Stay on Top

Though the gold sector itself slipped in the overall rankings, two gold funds continued to hold onto their top-six overall ranking for five-year performance: Tocqueville Gold (TGLDX) and USAA Precious Metals & Minerals (USAGX). The two funds both realized five-year annualized returns of 11.9%, even after falling 15.9% and 19.7%, respectively, last year.

TGLDX holds physical gold in addition to its investments in gold mining companies. The precious metal accounted for 6.7% of the fund's portfolio at the end of 2011, an increase over the 5.6% allocation held at the end of 2010. USAGX invests in precious metal mining companies, but the fund does not hold physical gold itself. Tocqueville Gold's small allocation to gold helped the fund last year, as gold mining stocks fared worse than gold itself.

Though the gold sector ranks in the top 10 for five-year performance, it was the worst-performing mutual fund category last year, losing 22.9%. Not only are these funds influenced by metals prices, but valuations, stock market conditions, mining costs and reserves in the ground also play a role.

How to Judge the Numbers

Top-performing lists can be dangerous to your financial health unless you take the time to carefully analyze the numbers.

When perusing any top-performers list, make sure you understand *how* a fund managed to thrive over the long term. If it did so by taking a riskier approach, then the possibility of greater returns comes with the possibility of greater return variability.

Less Risk

- Low Expense Ratios
- High Tax Efficiency
- Consistently Good Performance Year-to-Year Relative to Similar Funds
- Low Category Risk
- Well Diversified

More Risk

- Big Variations in Year-to-Year Returns
- Bull Market Star, Bear Market Dog
- High Category Risk
- Small Number of Holdings, Industry Concentrations

The Top Stock Funds

Reynolds Blue Chip Growth (RBCGX) led all non-sector stock funds with a five-year annualized return of 11.2%. It also ranked in the top quartile of large-cap funds in 2008, 2009 and 2010. The fund lost 6.2% last year, however, trailing the large-cap category average.

Though the name implies large companies, the fund's manager, Frederick L. Reynolds, considers companies with market capitalizations as small as $1 billion. This gives Reynolds the flexibility to oversee a very large portfolio—his fund held in excess of 1,000 stocks at the end of 2011. Allocations can shift, with Reynolds boosting the fund's cash allocation in late 2007 and moving back into stocks in 2009.

Two Yacktman funds rank among the top performers, Yacktman Focused fund (YAFFX) and Yacktman fund (YACKX). These funds returned 9.1% and 8.0%, respectively, on an annualized basis over the last five years. Both also ranked in the top quartile last year for large-cap fund performance, returning 7.4% and 7.3%, respectively. (They were also top performers in 2008 and 2009.)

Whereas Reynolds is focused on growth, father and son co-managers Donald Yacktman and Stephen Yacktman and fellow co-manager Jason Subotky take a value-oriented approach. The Yacktmans also differ from Reynolds in their philosophy toward portfolio size, holding 54 securities in YACKX and 53 securities in YAFFX. (The average large-cap fund holds 210 securities.) Whereas too many securities can increase costs, too few securities can lead to increased volatility and larger losses if the fund managers make a mistake. The 10 largest holdings account for 53.6% of YACKX's portfolio and 60.3% of YAFFX's portfolio.

Fund Listings

Table 2 on pages 10 through 17 shows the top funds over five years for each category. In addition to five-year performance, returns are displayed for each of the past 10 years and for the most recent bull and bear markets. Returns that are in the top 25% of all funds within the investment category are shown in boldface. Other pertinent information is presented, including yield, tax-cost ratio, risk, portfolio composition and expenses. Risk and expense numbers that are in the lowest 25% of all funds within the investment category are shown in boldface.

Look Beyond Performance

Five-year performance figures are very useful when evaluating fund managers because they balance consistency of performance with changing market and economic conditions. Any fund manager can get lucky over the course of a single year, but talent and a good strategy are required to outperform over a period of several years. A five-year period strikes a balance of offsetting the impact of a single year's performance but not being so long that comparisons between funds become harder because of changes in managers and objectives.

Even though five years is a good time period for fund evaluation, an understanding of market and economic history adds context to the numbers. Solely building a portfolio by selecting funds from the categories with the best current five-year performance would result in a portfolio that has a significant allocation to bond funds. Though the future is always uncertain, it seems unlikely that bond funds will enjoy the same outperformance given the current low interest-rate environment.

Consistency of performance also matters. Wasatch-Hoisington U.S. Treasury fund topped the average long-term government bond fund by 9.4 percentage points last year, but underperformed its category average in 2007, 2009 and 2010. Conversely, Tocqueville Gold has given its shareholders a return above its category average during seven out of the past 10 years, including the last four consecutive years.

Be sure to take the extra step of looking at how long the current manager has been running the fund. For example, Henry Ellenbogen took over T. Rowe Price New Horizons fund (PRNHX) in March 2010. Though PRNHX ranked in the top quartile of all small-cap stock funds for the past two years, the fund's performance prior to 2010 does not

(continued on page 16)

Table 2. Top Funds Over Five Years

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%) Fund	5-Year Annual Return (%) Cat +/-	Annual Total Return (%) 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Bull* Market Return (%) Fund	Bull* Market Return (%) Cat +/-
		Overall Five-Year Top Performers														
I		Direxion 10 Year Note Bull 2X (DXKLX)	15.1	3.8	30.3	11.6	(19.1)	45.6	17.7	(1.3)	—	—	—	—	2.5	(1.4)
		Wasatch-Hoisington US Tr (WHOSX)	12.8	1.5	41.2	10.1	(22.6)	37.7	10.0	(0.2)	10.4	10.2	1.2	16.8	(0.4)	(4.3)
I		Rydex Govt LgBd 1.2x Str Inv (RYGBX)	12.4	1.1	42.9	10.4	(31.3)	49.9	10.3	(3.2)	8.3	9.5	(1.7)	19.0	(4.1)	(8.0)
		Tocqueville Gold (TGLDX)	11.9	6.5	(15.9)	53.3	86.5	(35.0)	12.4	39.2	30.0	(5.9)	53.6	83.2	180.7	49.7
		USAA Prec Metals & Min (USAGX)	11.9	6.5	(19.7)	39.9	62.4	(24.6)	27.6	43.1	39.2	(10.8)	71.4	67.6	130.4	(0.6)
I		ProFunds US Govt Plus Inv (GVPIX)	11.4	0.1	44.4	9.3	(34.0)	49.5	10.3	(4.7)	9.1	8.7	(3.2)	—	(9.0)	(12.9)
		Large-Cap Stock Category Average	(0.3)	0.0	(0.9)	15.3	31.9	(38.5)	8.3	13.0	6.5	11.7	30.7	(21.0)	98.3	0.0
		Reynolds Blue Chip Grth (RBCGX)	11.2	11.5	(6.2)	24.5	41.8	(5.1)	8.2	1.3	(3.4)	(1.5)	41.8	(36.6)	95.1	(3.2)
		Yacktman Focused (YAFFX)	9.1	9.4	7.4	11.8	62.7	(23.5)	3.4	16.1	(1.9)	9.9	31.7	14.9	140.6	42.3
		WF Adv Grth Inv (SGROX)	8.7	9.0	7.8	26.1	47.3	(40.5)	27.4	7.7	8.9	12.5	30.1	(25.3)	140.5	42.2
		Marsico Flex Cap (MFCFX)	8.1	8.4	(4.4)	35.8	51.0	(34.4)	15.0	—	—	—	—	—	161.7	63.4
		Yacktman (YACKX)	8.0	8.3	7.3	12.6	59.3	(26.1)	3.3	15.9	(1.3)	9.9	33.0	11.4	141.1	42.8
		Mid-Cap Stock Category Average	1.2	0.0	(3.1)	23.6	36.9	(39.6)	9.5	13.8	10.1	17.5	39.2	(17.9)	121.7	0.0
		Scout Mid Cap (UMBMX)	8.3	7.1	0.3	27.8	47.1	(35.1)	21.9	—	—	—	—	—	143.9	22.2
	C	Royce Premier Invt (RYPRX)	6.1	4.9	(0.9)	26.4	33.2	(28.3)	12.7	8.8	17.0	22.8	38.7	(7.8)	128.7	7.0
		Tilson Dividend (TILDX)	6.0	4.8	(2.4)	20.6	43.9	(20.6)	(0.7)	15.7	—	—	—	—	105.8	(15.9)
	C	FMI Common Stk (FMIMX)	5.9	4.7	4.5	22.1	33.8	(20.5)	(2.0)	17.1	9.4	18.7	24.0	(5.8)	116.7	(5.0)
		Meridian Grth (MERDX)	5.8	4.6	1.0	31.3	36.1	(30.4)	5.4	15.8	0.3	14.4	47.9	(17.9)	118.1	(3.6)
		Small-Cap Stock Category Average	0.8	0.0	(4.3)	26.9	37.6	(38.3)	2.6	14.7	7.5	17.7	48.2	(17.2)	138.5	0.0
		SouthernSun SmCp Inv (SSSFX)	7.9	7.1	5.7	48.3	32.2	(34.3)	7.4	11.3	0.6	24.2	—	—	210.7	72.2
		Janus Triton T (JATTX)	7.7	6.9	2.5	31.3	49.9	(40.6)	20.6	15.8	—	—	—	—	148.5	10.0
		Fidelity Small Cap Discovery (FSCRX)	7.1	6.3	0.3	32.3	50.6	(27.6)	(2.7)	9.4	9.1	14.9	34.4	(21.1)	174.5	36.0
		T. Rowe Price New Horiz (PRNHX)	6.0	5.2	6.6	34.6	43.8	(38.8)	6.2	7.3	11.9	17.9	49.3	(26.6)	153.8	15.3
	C	Dreyfus Opport Small Cap (DSCVX)	5.8	5.0	(14.4)	32.3	64.3	(32.0)	4.9	5.0	7.1	12.7	86.5	(41.3)	169.4	30.9
		Long-Short Category Average	(0.2)	0.0	(1.8)	3.2	7.2	(15.2)	7.2	10.4	4.7	7.1	15.0	3.4	20.4	0.0
	C	TFS Market Neutral (TFSMX)	5.0	5.2	0.1	6.2	16.6	(7.3)	11.4	24.1	5.8	—	—	—	32.9	12.5
	C	Arbitrage R (ARBFX)	4.4	4.6	4.5	1.4	10.0	(0.7)	7.1	5.8	(0.3)	0.5	15.1	9.2	10.5	(9.9)
		Contra Stock Market Category Average	(15.6)	0.0	(15.3)	(26.7)	(35.5)	30.9	(6.4)	(9.0)	(2.7)	(15.2)	(33.9)	28.0	(61.7)	0.0
		PIMCO StksPLUS Sh D (PSSDX)	2.9	18.5	(5.3)	(9.0)	(14.4)	47.7	5.9	—	—	—	—	—	(38.8)	22.9
I		Rydex Inv S&P 500 Str Inv (RYURX)	(4.6)	11.0	(8.4)	(16.9)	(27.3)	40.9	1.2	(7.0)	(0.7)	(9.9)	(23.8)	22.2	(54.0)	7.7
		Energy/Resources Sector Cat Average	0.5	0.0	(12.5)	21.1	52.8	(53.5)	42.9	13.7	41.0	31.1	32.5	(7.0)	145.1	0.0
		Fidelity Sel Materials (FSDPX)	7.3	6.8	(8.2)	28.0	78.6	(47.6)	29.2	19.4	14.3	13.0	50.3	1.0	176.8	31.7
		ICON Energy S (ICENX)	4.6	4.1	(5.6)	17.7	22.1	(33.4)	38.7	9.6	41.9	38.1	32.6	(5.8)	97.8	(47.3)
		Financial/Banking Sector Cat Avg	(10.2)	0.0	(13.1)	13.1	22.2	(44.4)	(8.8)	15.0	6.9	14.1	35.0	(7.2)	93.5	0.0
		FBR Small Cap Financial Inv (FBRSX)	(3.3)	6.9	(15.7)	17.5	20.1	(8.8)	(22.2)	11.8	(1.6)	16.0	41.0	18.6	67.2	(26.3)
		Fidelity Sel Insurance (FSPCX)	(6.8)	3.4	(5.2)	20.1	21.8	(47.0)	(4.4)	11.3	13.7	12.7	27.4	(5.7)	115.4	21.9
		Gold Sector Category Average	5.4	0.0	(22.9)	41.5	59.0	(37.4)	23.7	33.1	33.3	(7.0)	58.3	67.5	131.0	0.0
		Tocqueville Gold (TGLDX)	11.9	6.5	(15.9)	53.3	86.5	(35.0)	12.4	39.2	30.0	(5.9)	53.6	83.2	180.7	49.7
		USAA Prec Metals & Min (USAGX)	11.9	6.5	(19.7)	39.9	62.4	(24.6)	27.6	43.1	39.2	(10.8)	71.4	67.6	130.4	(0.6)
		Health Sector Category Average	4.7	0.0	8.4	11.2	28.5	(26.0)	11.3	3.5	14.2	13.8	30.6	(22.8)	85.2	0.0
		Fidelity Sel Pharma (FPHAX)	7.7	3.0	13.6	16.3	25.4	(22.8)	13.3	12.4	9.7	3.3	20.3	(23.4)	93.2	8.0
		T. Rowe Price Health Sci (PRHSX)	7.6	2.9	11.0	16.3	32.1	(28.8)	18.7	9.5	13.5	15.8	37.4	(27.8)	100.7	15.5
		Real Estate Sector Cat Average	(4.3)	0.0	0.4	24.6	36.3	(44.2)	(13.3)	32.1	12.0	32.7	44.7	4.6	173.2	0.0
		CGM Realty (CGMRX)	4.6	8.9	1.0	29.5	34.3	(46.9)	34.4	29.0	26.9	35.5	89.7	3.4	171.5	(1.7)
		Fidelity Real Estate Inc (FRIFX)	3.3	7.6	4.7	18.8	46.8	(31.1)	(6.5)	11.7	5.0	11.7	—	—	88.6	(84.6)
		Technology Sector Category Average	2.9	0.0	(5.6)	19.5	64.2	(45.6)	15.4	9.2	4.7	3.2	54.9	(40.0)	133.7	0.0
		Fidelity Sel Software (FSCSX)	7.0	4.1	2.1	18.9	61.5	(42.2)	23.8	24.9	0.0	7.6	35.0	(23.4)	122.9	(10.8)
		T. Rowe Price Glb Tech (PRGTX)	6.6	3.7	(1.7)	22.6	80.2	(44.1)	13.4	10.0	10.9	10.2	49.8	(29.9)	172.4	38.7

Bear* Market Return (%) Fund	Bear* Market Return (%) Cat +/-	Yield (%)	Tax-Cost Ratio (%)	Risk Index (X) Cat	Risk Index (X) Total	Total Assets ($ Mil)	Portfolio (%) Stock	Portfolio (%) Bond	Portfolio (%) Other	Portfolio (%) Cash	% of Port in Foreign Issues	Portfolio Turnover Ratio (%)	Number of Holdings	% of Port in Top 10 Holdings	Expense Ratio (%)	Max Load (%)	12b-1 Fee (%)
																	—
41.8	21.9	0.0	1.0	1.05	0.99	33	0.0	100.0	0.0	0.0	100.0	0	1	100.0	1.97	—	0.25
24.2	4.3	2.8	1.7	1.23	1.16	229	0.0	98.6	0.0	1.4	0.0	44	16	88.3	0.75	2.00R	—
26.5	6.6	2.1	1.1	1.40	1.31	93	0.0	95.5	(0.8)	5.3	0.0	1,930	5	95.5	0.98	—	—
(37.6)	6.0	0.0	0.7	0.90	1.81	2,291	82.4	0.0	10.5	7.1	69.0	3	85	40.5	1.35	2.00R	0.25
(30.5)	13.1	0.2	1.5	0.96	1.94	1,847	95.0	0.0	1.7	3.3	81.7	24	47	50.6	1.15	—	—
26.0	6.1	0.2	0.6	1.43	1.34	39	0.0	27.7	0.0	72.3	0.0	9,189	5	27.7	1.39	—	—
(50.6)	0.0	0.9	0.6	1.00	1.15	2,496	94.9	0.5	0.2	4.4	6.8	69	210	33.0	0.96	—	—
(7.7)	42.9	0.0	0.0	1.04	1.20	207	100.0	0.0	0.0	0.0	12.5	55	1,025	8.5	1.80	—	0.09
(38.3)	12.3	0.6	1.1	1.08	1.25	4,424	88.8	0.2	1.0	10.0	1.3	6	53	60.3	1.25	2.00R	—
(48.3)	2.3	0.0	0.0	0.93	1.08	1,902	95.8	0.0	0.0	4.3	3.4	54	103	30.8	1.29	—	—
(47.4)	3.2	0.4	0.6	0.98	1.14	417	86.2	7.4	0.2	6.2	29.5	231	58	31.9	1.49	2.00R	0.25
(41.0)	9.6	1.1	1.1	1.07	1.24	6,280	89.0	0.0	1.2	9.7	0.7	10	54	53.6	0.85	2.00R	—
(51.2)	0.0	0.3	0.6	1.00	1.25	1,436	95.2	0.1	0.5	4.2	5.6	70	222	27.3	1.06	—	—
(46.0)	5.2	0.7	1.0	0.97	1.22	798	93.0	0.0	0.0	7.0	3.5	195	53	41.0	1.04	2.00R	—
(42.8)	8.4	0.3	0.9	1.06	1.33	4,544	85.7	0.0	2.0	12.3	14.9	10	76	20.5	1.12	1.00R	—
(33.2)	18.0	0.6	1.0	0.74	0.92	76	89.5	0.0	0.0	10.5	11.5	110	36	52.7	1.95	2.00R	—
(38.3)	12.9	0.2	1.4	0.97	1.22	1,083	90.5	0.0	0.0	9.5	0.0	26	47	31.6	1.24	—	—
(42.0)	9.2	0.2	0.8	0.91	1.15	2,450	96.1	0.0	0.0	3.9	5.8	26	55	25.8	0.81	2.00R	—
(52.9)	0.0	0.2	0.6	1.00	1.43	812	94.3	0.0	0.7	5.0	5.5	64	290	20.5	1.23	—	—
(54.1)	(1.2)	0.0	0.6	1.26	1.81	148	90.1	0.0	0.0	10.0	0.0	38	26	44.2	1.51	2.00R	0.25
(49.4)	3.5	0.0	0.9	0.83	1.19	1,016	95.7	0.0	0.0	4.3	5.2	42	89	20.2	1.00	—	—
(45.0)	7.9	0.0	0.4	1.06	1.53	2,037	99.2	0.0	0.3	0.5	2.5	11	67	26.9	1.08	1.50R	—
(49.9)	3.0	0.0	1.1	0.85	1.23	7,901	96.1	0.0	3.0	0.9	7.6	46	243	18.3	0.81	—	—
(44.0)	8.9	0.0	2.0	1.21	1.73	579	98.4	0.0	0.0	1.7	2.1	123	82	26.9	1.22	—	—
(18.5)	0.0	0.2	0.8	1.00	0.48	964	43.5	2.5	12.8	41.3	2.6	435	274	41.2	1.88	—	—
(6.4)	12.1	0.0	1.1	0.88	0.42	1,688	31.8	0.9	0.1	67.2	4.4	751	2,542	6.9	2.50	2.00R	—
1.3	19.8	0.0	1.2	0.36	0.17	1,066	76.0	0.0	9.2	14.9	31.4	389	99	34.0	1.53	2.00R	0.25
72.9	0.0	0.1	0.7	1.00	1.59	60	(50.0)	7.0	(0.8)	143.8	(3.6)	805	134	34.2	1.64	—	—
90.2	17.3	2.3	2.8	0.62	0.98	91	(99.9)	229.2	13.2	(42.5)	21.6	483	866	229.8	1.04	—	0.25
78.5	5.6	0.0	0.4	0.68	1.08	203	(2.4)	0.0	(4.9)	107.2	(2.0)	—	16	2.4	1.44	—	—
(57.9)	0.0	2.0	0.9	1.00	1.81	992	89.1	5.9	1.3	3.7	29.3	120	118	48.7	1.20	—	—
(53.7)	4.2	0.9	0.5	0.93	1.69	923	94.5	0.0	0.6	4.9	14.5	87	61	48.6	0.88	0.75R	—
(42.4)	15.5	0.8	2.2	0.85	1.53	617	99.9	0.0	0.0	0.1	6.4	88	44	59.5	1.24	—	—
(61.3)	0.0	0.9	0.8	1.00	1.55	195	95.6	0.0	1.4	2.9	8.9	114	82	47.4	1.11	—	—
(23.1)	38.2	1.8	1.3	0.86	1.33	147	90.8	0.0	0.0	9.2	0.6	70	63	33.9	1.53	1.00R	0.25
(63.1)	(1.8)	0.9	0.5	0.91	1.42	253	98.8	0.0	0.0	1.3	10.6	193	38	66.1	0.93	0.75R	—
(43.6)	0.0	1.6	1.4	1.00	2.02	1,090	85.3	0.4	2.0	12.2	74.6	174	67	50.0	1.31	—	—
(37.6)	6.0	0.0	0.7	0.90	1.81	2,291	82.4	0.0	10.5	7.1	69.0	3	85	40.5	1.35	2.00R	0.25
(30.5)	13.1	0.2	1.5	0.96	1.94	1,847	95.0	0.0	1.7	3.3	81.7	24	47	50.6	1.15	—	—
(35.6)	0.0	0.3	0.4	1.00	0.97	1,302	97.8	0.0	0.3	1.8	15.5	122	80	43.7	1.00	—	—
(34.7)	0.9	0.8	0.7	0.97	0.95	651	96.3	0.0	0.0	3.6	39.5	102	110	46.0	0.94	0.75R	—
(35.6)	0.0	0.0	0.6	1.02	0.99	3,016	98.6	0.0	0.6	0.8	18.9	36	190	29.2	0.84	—	—
(66.3)	0.0	2.0	1.4	1.00	1.74	784	92.5	2.3	1.9	3.2	20.4	93	100	41.7	1.08	—	—
(64.0)	2.3	1.0	1.3	1.05	1.83	1,515	99.5	0.0	0.0	0.5	0.0	133	20	64.3	0.89	—	—
(34.9)	31.4	5.1	2.1	0.32	0.56	1,679	25.0	54.2	14.4	6.4	10.3	25	455	14.7	0.92	0.75R	—
(53.6)	0.0	0.0	0.1	1.00	1.27	403	94.1	0.0	3.7	2.1	16.1	143	81	41.1	1.30	—	—
(47.6)	6.0	0.0	0.7	0.87	1.11	1,354	92.8	0.0	0.0	7.2	4.6	189	128	52.9	0.84	0.75R	—
(52.9)	0.7	0.0	0.2	1.11	1.41	537	95.4	0.0	3.5	1.1	29.3	135	101	35.1	1.04	—	—

Table 2. Top Funds Over Five Years (Continued)

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%) Fund	Cat +/-	Annual Total Return (%) 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Bull* Market Return (%) Fund	Cat +/-
		Telecommunications Sector Cat Average	0.9	0.0	(1.3)	19.4	44.5	(44.2)	13.4	23.0	6.8	21.0	41.3	(34.5)	113.7	0.0
		T. Rowe Price Med & Tele (PRMTX)	6.8	5.9	(0.1)	26.7	68.5	(46.5)	21.8	28.5	18.1	26.3	55.9	(28.4)	162.1	48.4
		Fidelity Sel Wireless (FWRLX)	3.1	2.2	(1.0)	15.1	59.0	(49.7)	27.4	8.7	17.3	42.5	68.3	(55.3)	95.7	(18.0)
		Utilities Sector Category Average	2.7	0.0	15.9	11.2	15.2	(32.9)	15.6	25.9	12.8	23.5	24.5	(26.2)	64.7	0.0
I		FBR Gas Utility Idx Inv (GASFX)	7.3	4.6	25.1	12.3	23.9	(28.3)	14.0	21.2	13.5	23.0	23.4	(24.0)	84.3	19.6
		Gabelli Utilities AAA (GABUX)	3.9	1.2	8.0	12.9	15.4	(20.9)	8.5	23.0	8.3	15.5	29.4	(15.1)	66.6	1.9
		Miscellaneous Sector Cat Average	2.3	0.0	(2.6)	27.4	39.4	(37.7)	9.2	15.2	6.0	17.3	33.1	(15.5)	144.0	0.0
		Fidelity Sel Chemicals (FSCHX)	9.5	7.2	0.2	30.7	65.3	(43.4)	28.4	16.8	1.1	32.8	35.1	(9.7)	171.7	27.7
		Fidelity Sel IT Services (FBSOX)	7.5	5.2	2.2	18.4	59.0	(33.0)	11.5	14.6	6.1	14.6	26.1	(26.9)	122.6	(21.4)
		Global Stock Category Average	(1.6)	0.0	(7.7)	14.4	35.8	(41.4)	13.0	20.8	13.1	15.5	38.8	(17.6)	97.7	0.0
		Old Westbury Glb Sm & Mid (OWSMX)	4.0	5.6	(7.9)	24.1	32.4	(24.4)	6.5	20.6	—	—	—	—	93.5	(4.2)
		Wintergreen Inv (WGRNX)	3.6	5.2	0.5	21.0	32.7	(39.1)	21.1	20.1	—	—	—	—	99.1	1.4
		Janus Global Research T (JARFX)	2.2	3.8	(7.6)	20.6	45.1	(45.5)	26.7	18.3	—	—	—	—	117.8	20.1
		Oakmark Global Select I (OAKWX)	1.3	2.9	(5.9)	11.0	53.5	(32.5)	(1.2)	—	—	—	—	—	123.9	26.2
		Tweedy, Browne Value (TWEBX)	1.0	2.6	(1.8)	10.5	27.6	(24.4)	0.6	11.6	2.3	9.4	23.2	(15.0)	76.8	(20.9)
		Foreign Stock Category Average	(3.9)	0.0	(14.3)	13.9	38.7	(45.4)	12.6	25.6	17.9	19.6	42.8	(13.9)	108.3	0.0
	C	Driehaus Intl Sm Cp Grth (DRIOX)	4.0	7.9	(11.4)	27.1	55.1	(53.2)	48.5	33.7	36.2	25.2	100.0	—	143.4	35.1
		Westcore Int'l Small Cap (WTIFX)	1.9	5.8	(5.8)	35.2	64.1	(48.9)	2.9	18.7	19.5	3.2	58.1	(18.5)	165.1	56.8
	C	Artisan Intl Val Inv (ARTKX)	0.4	4.3	(7.2)	18.8	33.4	(30.2)	(0.7)	34.4	10.0	32.2	56.5	—	111.1	2.8
		Harding Loevner Intl Eq (HLMIX)	0.4	4.3	(9.8)	17.4	40.5	(39.3)	13.0	23.0	20.1	11.6	26.9	(15.1)	117.2	8.9
		Harding Loevner Intl Inv (HLMNX)	0.2	4.1	(10.1)	17.3	40.1	(39.5)	12.7	22.6	—	—	—	—	116.0	7.7
		Regional/Country Stock Cat Average	(2.6)	0.0	(18.3)	16.4	58.1	(50.0)	27.4	26.6	28.6	20.8	50.2	(9.8)	133.4	0.0
		Matthews China Inv (MCHFX)	7.7	10.3	(19.0)	15.7	78.3	(49.0)	70.1	64.8	6.9	3.8	65.0	(7.6)	137.5	4.1
		Matthews Asia Dividend Inv (MAPIX)	7.3	9.9	(10.1)	22.8	47.5	(26.0)	18.0	—	—	—	—	—	107.8	(25.6)
		T. Rowe Price New Asia (PRASX)	6.8	9.4	(12.2)	20.3	102.7	(61.0)	66.3	36.1	26.4	18.6	53.5	(9.4)	186.8	53.4
		Matthews Pacific Tiger (MAPTX)	6.4	9.0	(11.5)	22.2	75.3	(46.2)	33.6	27.2	22.5	23.3	60.1	(6.5)	164.0	30.6
		Fidelity China Region (FHKCX)	4.6	7.2	(20.4)	18.0	65.5	(44.9)	46.2	29.6	14.4	11.5	45.4	(15.1)	125.3	(8.1)
		T. Rowe Price Latin Amer (PRLAX)	4.6	7.2	(25.2)	18.4	114.3	(55.8)	48.9	51.2	60.0	38.3	57.9	(18.1)	174.6	41.2
		Emerging Stock Category Average	(2.3)	0.0	(21.7)	19.8	80.0	(59.5)	40.3	33.8	34.7	26.4	59.7	(5.9)	166.4	0.0
	C	Lazard Emg Mkt Eq Open (LZOEX)	3.1	5.4	(18.1)	22.4	69.1	(48.1)	32.7	29.9	41.3	30.1	54.5	(0.7)	148.2	(18.2)
		Driehaus Emerg Mkts Grth (DREGX)	2.9	5.2	(15.1)	23.5	70.0	(54.5)	42.3	41.2	38.9	24.1	65.5	(7.7)	155.2	(11.2)
I		Vanguard Emerg Mkt Idx (VEIEX)	2.1	4.4	(18.8)	18.8	75.9	(52.9)	38.9	29.3	32.0	26.1	57.6	(7.5)	155.4	(11.0)
		Harding Loevner Emg Mkt (HLEMX)	1.1	3.4	(17.6)	20.9	63.4	(52.4)	35.9	28.7	38.6	28.8	56.3	(6.6)	135.7	(30.7)
I		Northern Emerging Mkts Idx (NOEMX)	1.1	3.4	(19.2)	18.2	72.6	(53.1)	36.5	—	—	—	—	—	147.9	(18.5)
		Balanced: Domestic Category Average	2.3	0.0	1.0	11.8	21.9	(23.4)	7.3	11.0	5.7	10.2	22.1	(7.9)	60.8	0.0
		Permanent Port (PRPFX)	8.3	6.0	2.1	19.3	19.0	(8.4)	12.4	13.8	7.6	12.0	20.4	14.3	65.6	4.8
		Berwyn Inc (BERIX)	7.2	4.9	3.0	10.0	30.2	(10.2)	6.8	8.6	1.9	7.9	16.2	9.3	51.9	(8.9)
		Hussman Strategic Tot Ret (HSTRX)	7.1	4.8	4.0	7.0	5.8	6.3	12.6	5.6	6.0	6.5	9.8	—	17.2	(43.6)
		Vanguard Wellesley Inc (VWINX)	6.0	3.7	9.6	10.6	16.0	(9.9)	5.6	11.2	3.4	7.5	9.6	4.6	49.1	(11.7)
		Janus Conserv Alloc T (JSPCX)	5.0	2.7	1.3	10.6	23.3	(16.1)	10.1	11.0	—	—	—	—	50.5	(10.3)
		Balanced: Global Category Average	1.5	0.0	(1.6)	13.5	27.7	(29.6)	8.7	12.0	7.3	11.9	29.6	(17.8)	74.7	0.0
		PIMCO All Asset All Authy D (PAUDX)	6.3	4.8	2.5	10.1	18.9	(7.6)	9.4	2.4	—	—	—	—	50.8	(23.9)
		PIMCO All Asset D (PASDX)	5.1	3.6	1.9	13.3	22.4	(16.0)	7.9	4.6	5.8	11.1	—	—	60.2	(14.5)
		Fidelity Global Bal (FGBLX)	3.2	1.7	(2.5)	12.5	22.5	(23.3)	13.7	13.6	9.0	13.6	29.9	(6.2)	69.1	(5.6)
		Target Date: 2000-2014 Cat Average	3.0	0.0	2.7	9.6	17.5	(17.6)	6.6	9.3	4.5	6.9	14.7	(3.0)	45.8	0.0
		Vanguard Target Rtmt Inc Inv (VTINX)	4.8	1.8	5.2	9.3	14.2	(11.0)	8.1	6.3	3.3	6.8	—	—	39.2	(6.6)
	C	Vanguard Target Rtmt 2005 Inv (VTOVX)	4.0	1.0	5.1	9.7	16.1	(15.9)	8.1	8.2	3.5	7.7	—	—	45.1	(0.7)
		Target Date: 2015-2029 Cat Average	1.4	0.0	0.1	12.6	24.9	(27.9)	7.0	12.5	6.4	9.9	24.2	(14.9)	69.5	0.0
		AmCent LIVESTRONG 2015 Inv (ARFIX)	3.2	1.8	3.1	10.8	18.2	(20.2)	8.5	10.5	4.7	—	—	—	53.1	(16.4)
		AmCent LIVESTRONG 2025 Inv (ARWIX)	2.6	1.2	1.7	12.5	21.2	(25.1)	9.2	11.8	6.4	—	—	—	63.0	(6.5)

Bear* Market Return (%) Fund	Cat +/-	Yield (%)	Tax-Cost Ratio (%)	Risk Index (X) Cat	Risk Index (X) Total	Total Assets ($ Mil)	Portfolio (%) Stock	Bond	Other	Cash	% of Port in Foreign Issues	Portfolio Turnover Ratio (%)	Number of Holdings	% of Port in Top 10 Holdings	Expense Ratio (%)	Max Load (%)	12b-1 Fee (%)
(53.7)	0.0	1.7	0.9	1.00	1.19	383	92.4	0.0	1.0	6.6	19.2	121	65	55.7	1.17	—	—
(53.9)	(0.2)	0.6	1.1	1.03	1.22	1,883	97.2	0.0	2.2	0.6	20.5	42	54	50.8	0.84	—	—
(53.3)	0.4	1.1	0.7	0.91	1.08	256	98.9	0.0	0.0	1.2	37.2	111	46	60.4	0.92	0.75R	—
(43.2)	0.0	2.0	0.9	1.00	0.81	447	88.5	(0.0)	0.2	11.3	5.1	179	81	45.0	1.07	—	—
(38.5)	4.7	2.3	1.5	1.04	0.85	537	97.8	0.0	0.0	2.2	14.8	17	65	46.4	0.76	1.00R	—
(33.4)	9.8	0.9	0.5	0.96	0.78	686	79.9	(0.0)	0.0	20.1	11.6	19	271	20.0	1.43	2.00R	0.25
(52.6)	0.0	0.5	0.8	1.00	1.49	248	97.3	0.0	0.1	2.6	8.8	180	50	57.4	1.12	—	—
(48.6)	4.0	0.7	0.6	1.07	1.60	673	95.6	0.0	0.0	4.4	9.4	108	33	60.8	0.90	0.75R	—
(38.7)	13.9	0.0	0.5	0.77	1.15	240	99.2	0.0	0.0	0.9	4.3	156	84	60.2	0.94	0.75R	—
(52.6)	0.0	1.0	0.7	1.00	1.17	904	91.0	1.5	1.3	6.3	44.8	81	326	34.4	1.35	—	—
(35.7)	16.9	0.7	0.7	0.89	1.04	4,395	94.2	0.0	0.3	5.5	65.9	37	6,084	12.5	1.15	—	—
(49.9)	2.7	0.0	0.2	0.84	0.98	1,495	86.1	0.0	0.4	13.5	62.3	12	42	47.6	1.89	2.00R	0.21
(54.4)	(1.8)	0.2	0.4	1.03	1.21	103	98.3	0.0	1.3	0.5	41.2	78	136	14.0	1.23	2.00R	—
(47.9)	4.7	0.0	0.7	1.15	1.35	443	96.6	0.0	0.0	3.4	50.0	49	21	55.1	1.29	2.00R	—
(39.4)	13.2	1.3	1.3	0.76	0.90	432	90.9	0.0	(0.1)	9.2	46.9	11	50	40.5	1.40	—	—
(58.0)	0.0	1.8	1.0	1.00	1.37	2,244	96.5	0.1	0.9	2.5	94.8	61	326	24.2	1.14	—	—
(58.8)	(0.8)	0.6	0.9	0.93	1.27	233	98.1	0.0	0.0	1.9	98.1	298	90	19.9	1.75	2.00R	—
(57.8)	0.2	1.7	0.5	0.89	1.22	134	96.5	0.0	0.0	3.5	96.5	44	39	50.2	1.51	2.00R	—
(46.9)	11.1	0.1	0.7	0.89	1.22	3,408	93.1	2.6	0.0	4.3	81.8	31	49	36.8	1.22	2.00R	—
(51.4)	6.6	0.8	1.2	0.94	1.28	1,047	96.9	0.0	4.9	(1.8)	92.4	15	62	32.8	0.86	2.00R	—
(51.5)	6.5	0.5	1.1	0.94	1.28	201	96.9	0.0	4.9	(1.8)	92.4	15	62	32.8	1.25	2.00R	0.25
(61.5)	0.0	1.2	1.1	1.00	1.58	725	94.9	0.3	1.3	3.5	94.6	171	99	35.6	1.35	—	—
(60.0)	1.5	1.2	1.5	0.93	1.48	1,842	100.0	0.0	0.0	0.0	100.0	—	62	27.0	1.15	2.00R	—
(34.8)	26.7	2.9	1.4	0.61	0.97	1,930	99.8	0.0	0.2	0.0	99.8	—	73	29.8	1.14	2.00R	—
(67.5)	(6.0)	0.9	1.4	1.03	1.63	3,950	94.1	0.0	0.7	5.2	94.1	68	102	24.1	0.96	2.00R	—
(58.0)	3.5	0.5	1.5	0.96	1.52	2,784	99.9	0.0	0.0	0.1	99.9	—	72	24.7	1.09	2.00R	—
(57.1)	4.4	1.1	0.8	0.96	1.51	1,365	100.0	0.0	0.0	0.0	100.0	87	111	35.0	1.06	1.50R	—
(61.6)	(0.1)	1.8	0.8	1.12	1.78	2,080	100.0	0.0	0.0	0.1	98.3	15	50	57.5	1.24	2.00R	—
(67.5)	0.0	0.8	1.3	1.00	1.70	1,140	94.1	0.2	1.4	4.3	93.9	80	235	25.9	1.56	—	—
(57.2)	10.3	2.8	1.7	0.88	1.50	2,735	98.4	0.0	0.0	1.6	98.4	23	97	27.0	1.49	1.00R	0.25
(62.3)	5.2	0.0	2.7	0.85	1.45	744	95.8	0.0	1.2	3.1	95.8	293	82	24.5	1.69	2.00R	—
(62.7)	4.8	2.2	0.5	0.94	1.59	2,279	97.1	0.0	2.2	0.7	97.0	15	905	12.4	0.35	0.25R	—
(61.2)	6.3	0.8	0.6	0.87	1.48	1,492	94.6	1.0	3.0	1.4	94.7	33	86	23.3	1.49	2.00R	—
(62.8)	4.7	1.5	0.7	0.91	1.56	1,406	95.2	0.0	2.6	2.2	95.1	41	939	14.4	0.30	2.00R	—
(32.1)	0.0	2.1	1.0	1.00	0.69	2,531	53.4	34.2	2.9	9.6	12.7	59	660	45.4	0.90	—	—
(15.1)	17.0	0.9	0.3	0.96	0.66	15,405	31.4	26.9	25.3	16.4	6.6	9	171	30.8	0.77	—	—
(12.0)	20.1	3.3	1.8	0.59	0.41	1,312	27.9	37.6	23.6	11.0	2.2	49	85	33.9	0.68	1.00R	—
6.0	38.1	0.7	1.4	0.43	0.30	2,729	19.9	35.0	0.0	45.1	13.0	254	43	85.0	0.72	1.50R	—
(18.8)	13.3	3.6	1.3	0.66	0.45	10,280	35.2	61.3	0.9	2.5	15.9	48	1,110	14.0	0.28	—	—
(20.7)	11.4	3.0	1.1	0.70	0.48	18	35.5	56.4	0.9	7.2	17.2	12	17	95.8	0.95	—	—
(39.0)	0.0	3.4	1.1	1.00	0.77	540	50.4	38.2	5.8	5.6	33.8	75	425	57.4	1.05	—	—
(15.1)	23.9	8.2	2.4	0.74	0.57	945	(4.8)	111.3	30.2	(36.7)	40.8	68	40	79.2	1.51	—	0.25
(23.3)	15.7	6.6	2.3	0.71	0.55	756	1.5	85.7	21.8	(9.0)	35.7	77	39	64.0	1.28	—	0.25
(34.6)	4.4	1.1	1.0	1.09	0.84	482	52.9	38.5	1.7	6.9	53.2	197	1,010	19.2	1.06	1.00R	—
(24.9)	0.0	2.3	1.1	1.00	0.47	2,015	31.7	55.7	1.2	11.3	17.7	26	1,120	80.2	0.55	—	—
(16.4)	8.5	2.7	1.0	0.81	0.38	5,402	29.0	62.4	0.9	7.7	11.6	14	6	100.0	0.17	—	—
(23.4)	1.5	2.8	0.9	0.95	0.45	2,301	31.1	60.8	1.0	7.2	12.2	27	6	100.0	0.17	—	—
(38.3)	0.0	2.0	1.0	1.00	0.76	4,928	56.4	36.3	1.1	6.2	24.6	24	1,344	71.6	0.69	—	—
(29.0)	9.3	2.4	1.0	0.79	0.60	341	46.3	41.3	1.2	11.2	15.9	4	15	93.1	0.78	—	—
(35.0)	3.3	2.2	0.9	0.94	0.72	440	56.6	34.6	1.3	7.5	16.8	3	15	89.7	0.83	—	—

Table 2. Top Funds Over Five Years (Continued)

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%) Fund	5-Year Annual Return (%) Cat +/-	Annual Total Return (%) 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Bull* Market Return (%) Fund	Bull* Market Return (%) Cat +/-
		Target Date: 2030+ Category Average	0.2	0.0	(2.8)	15.3	31.2	(35.8)	7.6	14.8	7.9	12.2	29.8	(18.5)	91.7	0.0
		AmCent LIVESTRONG 2035 Inv (ARYIX)	1.7	1.5	0.3	14.2	24.3	(30.6)	10.3	13.6	7.4	—	—	—	74.8	(16.9)
		AmCent LIVESTRONG 2045 Inv (AROIX)	1.2	1.0	(0.8)	15.5	26.3	(33.7)	10.7	14.5	7.8	—	—	—	83.5	(8.2)
		Corporate High-Yield Bond Cat Average	5.6	0.0	3.2	12.9	39.6	(20.8)	2.5	9.6	2.2	9.4	20.8	0.2	62.9	0.0
	C	Nubrgr Ber Hi Inc Bd Inv (NHINX)	8.0	2.4	2.9	14.6	51.5	(19.1)	1.6	8.0	1.6	7.7	11.8	6.4	76.9	14.0
		TIAA-CREF Hi-Yld Rtl (TIYRX)	7.4	1.8	5.9	14.3	41.5	(19.6)	3.6	—	—	—	—	—	66.6	3.7
		Fidelity Capital & Inc (FAGIX)	6.9	1.3	(1.9)	17.1	72.1	(31.9)	3.7	13.0	5.0	12.5	39.1	(0.4)	115.5	52.6
		Convertible Bond Category Average	3.9	0.0	(2.0)	16.5	40.5	(28.5)	8.9	14.0	5.2	8.7	24.1	(9.3)	87.1	0.0
		Osterweis Strategic Inc (OSTIX)	6.9	3.0	4.0	10.1	24.8	(5.6)	3.4	9.9	2.6	7.3	16.5	—	39.2	(47.9)
		Vanguard Convertible Sec Inv (VCVSX)	3.9	0.0	(6.8)	19.2	40.8	(29.8)	10.6	12.9	6.6	7.2	31.5	(9.4)	80.7	(6.4)
		Mortgage-Backed Bond Cat Average	4.9	0.0	5.6	5.7	6.7	1.2	5.9	4.2	2.4	3.4	2.4	8.0	14.4	0.0
		TCW Total Return Bond N (TGMNX)	7.9	3.0	3.8	10.3	19.5	0.8	6.1	5.0	2.9	4.9	2.7	11.0	33.3	18.9
		PIMCO GNMA D (PGNDX)	7.3	2.4	7.9	7.5	9.3	4.8	7.0	4.6	2.8	3.7	2.9	8.5	18.1	3.7
		Fidelity GNMA (FGMNX)	7.1	2.2	7.9	7.0	6.9	7.1	6.7	4.1	2.6	4.2	2.2	8.6	15.4	1.0
		Gov't: Short-Term Bond Cat Average	3.6	0.0	2.3	2.6	1.7	5.2	6.4	3.8	2.0	1.6	1.7	6.7	5.3	0.0
		AmCent Zero Coupon 2015 Inv (BTFTX)	8.4	4.8	11.8	8.8	(1.0)	12.7	10.0	2.0	4.9	9.0	3.9	21.2	13.7	8.4
		Payden US Government (PYUSX)	4.6	1.0	2.7	2.9	2.8	7.5	7.0	4.0	1.0	1.4	1.1	8.1	6.6	1.3
		Vanguard ShtTm Fed Inv (VSGBX)	4.6	1.0	2.7	3.2	2.7	7.0	7.4	4.3	1.8	1.3	1.9	7.6	6.8	1.5
		Gov't: Interm-Term Bond Cat Average	6.2	0.0	7.6	5.5	1.2	9.5	7.6	3.5	1.9	2.8	2.3	9.9	9.7	0.0
I		Fidelity Spar Intm Bd Ix Inv (FIBIX)	8.3	2.1	12.9	8.4	(5.1)	16.3	10.0	2.6	—	—	—	—	8.9	(0.8)
		T. Rowe Price US Try Int (PRTIX)	7.9	1.7	10.4	7.0	(1.4)	14.1	9.9	2.5	1.5	1.1	1.8	12.0	9.7	0.0
		Vanguard IntTm Treas Inv (VFITX)	7.6	1.4	9.7	7.3	(1.7)	13.3	9.9	3.1	2.3	3.4	2.3	14.1	10.2	0.5
		Gov't: Long-Term Bond Cat Average	11.3	0.0	31.8	10.6	(17.9)	30.7	10.4	(0.3)	8.5	9.0	1.4	17.1	3.9	0.0
I		Direxion 10 Year Note Bull 2X (DXKLX)	15.1	3.8	30.3	11.6	(19.1)	45.6	17.7	(1.3)	—	—	—	—	2.5	(1.4)
		Wasatch-Hoisington US Tr (WHOSX)	12.8	1.5	41.2	10.1	(22.6)	37.7	10.0	(0.2)	10.4	10.2	1.2	16.8	(0.4)	(4.3)
		Inflation-Protected Bond Cat Average	7.4	0.0	12.2	5.9	11.1	(2.4)	10.8	0.0	2.3	8.0	7.8	16.0	24.0	0.0
		PIMCO Real Ret D (PRRDX)	7.9	0.5	11.1	7.3	18.4	(6.9)	11.0	(0.2)	2.1	8.7	8.0	16.5	32.9	8.9
		AmCent Inf-Adj Bond Inv (ACITX)	7.6	0.2	13.0	5.4	10.5	(1.1)	10.9	0.0	2.4	7.9	7.3	15.1	22.4	(1.6)
		Vanguard Infl-Prot Secs Inv (VIPSX)	7.6	0.2	13.2	6.1	10.8	(2.9)	11.5	0.4	2.5	8.2	8.0	16.6	23.6	(0.4)
		General Bond: Short-Term Cat Average	2.9	0.0	1.6	5.0	10.3	(5.4)	4.1	4.6	2.0	2.2	3.6	4.2	17.4	0.0
		Thompson Plumb Bond (THOPX)	7.3	4.4	3.0	7.3	24.8	(2.1)	5.6	5.7	(0.1)	3.1	13.6	1.8	35.8	18.4
		Weitz Short-Interm Inc Instl (WEFIX)	5.1	2.2	2.1	4.7	10.8	2.2	6.0	4.0	1.6	2.6	6.3	4.1	16.6	(0.8)
		PIMCO Low Duration D (PLDDX)	4.9	2.0	1.4	4.6	13.0	(1.6)	7.5	3.4	1.2	2.0	2.6	7.3	21.9	4.5
		General Bond: Interm-Term Cat Average	5.9	0.0	6.0	7.6	13.0	(1.4)	5.3	4.6	1.9	4.5	6.6	8.8	25.7	0.0
		PIMCO Invt Grd Corp D (PBDDX)	8.7	2.8	6.4	11.2	18.2	1.4	6.7	3.7	2.1	—	—	—	42.6	16.9
		TCW Core Fixed-Inc N (TGFNX)	8.3	2.4	6.6	9.8	15.2	3.6	6.9	3.6	0.3	4.9	7.3	10.9	30.8	5.1
I		Vanguard Intm Bd Idx Adm (VBILX)	7.9	2.0	10.7	9.4	6.8	5.0	7.6	3.9	1.8	5.3	5.7	10.9	22.5	(3.2)
		General Bond: Long-Term Cat Average	7.6	0.0	13.2	10.2	15.9	(3.9)	5.2	4.5	3.8	7.3	8.9	10.6	37.7	0.0
I		Vanguard LongTm Bd Idx Inv (VBLTX)	9.6	2.0	22.0	10.2	1.7	8.6	6.5	2.6	5.3	8.4	5.5	14.3	24.3	(13.4)
		Vanguard LongTm InvGrde Inv (VWESX)	8.4	0.8	17.1	10.7	8.7	2.2	3.7	2.8	5.1	8.9	6.2	13.2	34.7	(3.0)
		Muni Nat'l: Short-Term Bond Cat Avg	3.2	0.0	2.9	1.6	5.8	2.2	3.8	3.3	1.6	1.5	2.7	4.5	6.6	0.0
		T. Rowe Price T/F Sh-Int (PRFSX)	4.1	0.9	4.5	2.0	7.2	3.0	3.8	3.2	0.9	1.6	2.7	6.1	8.6	2.0
		USAA Tax Ex Short-Term (USSTX)	3.7	0.5	4.4	2.9	6.8	1.3	3.3	3.5	1.7	1.5	2.9	4.9	9.0	2.4
		Vanguard LtdTm T/E (VMLTX)	3.6	0.4	3.7	1.9	5.5	2.9	4.3	3.3	1.1	1.5	2.7	6.3	7.1	0.5
		Muni Nat'l: Interm-Term Bond Cat Avg	4.8	0.0	8.8	2.2	10.0	(0.2)	3.5	3.7	1.8	2.9	4.4	8.7	11.1	0.0
		BMO Interm T/F Y (MITFX)	5.9	1.1	9.1	3.0	12.8	0.7	4.2	3.5	0.9	2.5	4.1	9.3	14.3	3.2
		Baird Intermediate Muni Bd Inv (BMBSX)	5.3	0.5	8.3	2.1	5.9	6.0	4.6	3.4	1.1	2.4	4.6	10.4	9.2	(1.9)
		TIAA-CREF Tx-Ex Bd Rtl (TIXRX)	5.3	0.5	11.8	2.1	11.6	(2.1)	3.7	—	—	—	—	—	13.3	2.2

Bear* Market Return (%) Fund	Bear* Market Return (%) Cat +/-	Yield (%)	Tax-Cost Ratio (%)	Risk Index (X) Cat	Risk Index (X) Total	Total Assets ($ Mil)	Portfolio (%) Stock	Portfolio (%) Bond	Portfolio (%) Other	Portfolio (%) Cash	% of Port in Foreign Issues	Portfolio Turnover Ratio (%)	Number of Holdings	% of Port in Top 10 Holdings	Expense Ratio (%)	Max Load (%)	12b-1 Fee (%)
(48.0)	**0.0**	**1.6**	**0.8**	**1.00**	**1.02**	**2,925**	**80.0**	**13.7**	**1.2**	**5.2**	**27.4**	**21**	**1,193**	**79.1**	**0.68**	**—**	**—**
(41.6)	**6.4**	1.9	0.8	**0.83**	0.85	290	68.5	24.6	1.5	5.4	16.6	3	14	91.8	0.89	—	—
(45.3)	**2.7**	1.8	0.8	**0.93**	0.95	164	78.7	17.9	1.8	1.6	18.5	2	13	95.5	0.93	—	—
(20.5)	**0.0**	**6.4**	**2.5**	**1.00**	**0.55**	**1,339**	**1.6**	**84.7**	**3.1**	**10.6**	**17.6**	**144**	**280**	**19.8**	**0.96**	**—**	**—**
(18.3)	2.2	7.0	2.8	1.16	0.63	312	0.0	88.8	0.6	10.7	6.5	88	283	10.8	0.96	—	—
(18.6)	1.9	6.9	2.7	1.01	0.55	186	0.0	95.9	1.4	2.7	13.5	43	296	11.3	**0.59**	2.00R	0.12
(33.2)	(12.7)	6.4	2.5	1.47	0.80	8,908	10.6	75.1	2.5	11.8	19.9	65	535	13.1	**0.76**	1.00R	—
(33.2)	**0.0**	**3.8**	**1.7**	**1.00**	**0.75**	**1,460**	**15.7**	**23.0**	**55.1**	**6.2**	**5.4**	**66**	**122**	**37.5**	**0.81**	**—**	**—**
(3.9)	**29.3**	5.7	2.1	**0.32**	0.24	1,952	0.0	76.8	9.9	13.3	6.2	115	86	33.2	0.98	2.00R	—
(33.0)	**0.2**	4.3	2.0	1.02	0.76	1,645	0.0	12.9	85.3	1.9	8.8	103	205	54.1	0.68	1.00R	—
3.4	**0.0**	**3.0**	**1.6**	**1.00**	**0.14**	**1,643**	**0.0**	**97.3**	**0.0**	**2.7**	**20.5**	**335**	**1,856**	**49.4**	**0.69**	**—**	**—**
3.2	(0.2)	6.6	2.5	1.62	0.23	1,786	0.0	99.3	(0.5)	1.2	4.8	141	442	15.6	0.74	—	0.25
8.4	5.0	1.8	2.0	0.96	0.13	271	0.0	126.4	6.9	(33.3)	32.2	1,990	833	124.2	0.90	—	0.25
10.4	**7.0**	3.2	1.7	1.00	0.14	9,445	0.0	92.5	0.0	7.5	2.6	367	175	79.3	**0.45**	—	—
6.7	**0.0**	**1.0**	**1.0**	**1.00**	**0.09**	**475**	**0.0**	**79.1**	**1.9**	**18.9**	**8.6**	**211**	**108**	**44.6**	**0.54**	**—**	**—**
12.9	**6.2**	3.5	1.6	4.00	0.35	339	0.0	99.5	0.0	0.5	6.7	19	45	72.8	0.57	—	—
9.8	**3.1**	1.5	1.1	1.00	0.09	60	0.0	103.5	0.0	(3.5)	10.7	76	46	48.3	0.60	—	—
9.5	**2.8**	1.0	1.2	0.93	0.08	2,284	0.0	83.0	1.1	15.9	6.9	211	534	26.9	**0.22**	—	—
10.6	**0.0**	**2.3**	**1.4**	**1.00**	**0.21**	**766**	**0.0**	**94.3**	**1.7**	**3.9**	**4.8**	**200**	**198**	**48.5**	**0.58**	**—**	**—**
15.8	**5.2**	2.4	1.4	1.75	0.37	996	0.0	99.5	0.0	0.5	0.0	45	58	40.8	**0.20**	—	—
15.6	**5.0**	2.7	1.3	1.36	0.28	489	0.0	99.0	0.0	1.0	0.0	33	129	73.0	0.51	—	—
14.0	**3.4**	1.9	1.6	1.42	0.30	2,349	0.0	87.7	1.3	11.0	3.2	80	96	42.2	**0.22**	—	—
19.9	**0.0**	**2.3**	**1.6**	**1.00**	**0.94**	**299**	**0.0**	**91.9**	**0.0**	**8.1**	**16.1**	**1,059**	**30**	**75.4**	**0.86**	**—**	**—**
41.8	**21.9**	0.0	1.0	1.05	0.99	33	0.0	100.0	0.0	0.0	100.0	0	1	100.0	1.97	—	0.25
24.2	4.3	2.8	1.7	1.23	1.16	229	0.0	98.6	0.0	1.4	0.0	44	16	88.3	0.75	2.00R	—
0.1	**0.0**	**3.0**	**1.3**	**1.00**	**0.33**	**2,725**	**0.0**	**100.7**	**0.4**	**(1.1)**	**2.5**	**57**	**175**	**53.1**	**0.50**	**—**	**—**
(3.4)	(3.5)	3.5	1.9	1.07	0.35	2,162	0.2	116.1	2.9	(19.2)	18.3	174	1,029	57.4	0.85	—	0.25
2.0	**1.9**	3.5	1.2	**0.98**	0.32	3,164	0.0	99.5	0.3	0.2	0.2	33	160	44.4	0.48	—	—
0.1	0.0	4.0	1.3	1.02	0.33	15,220	0.0	100.0	0.0	0.0	0.0	29	32	47.4	**0.22**	—	—
(4.4)	**0.0**	**2.2**	**1.3**	**1.00**	**0.14**	**1,490**	**0.1**	**83.7**	**2.0**	**14.2**	**19.1**	**87**	**487**	**25.3**	**0.65**	**—**	**—**
0.5	4.9	3.7	1.7	2.54	0.35	679	0.1	90.2	1.4	8.3	9.9	10	519	20.4	0.80	—	—
5.4	**9.8**	2.2	1.1	0.83	0.12	1,398	2.4	81.2	1.6	14.8	1.8	38	219	20.5	0.65	—	—
(0.6)	3.8	2.4	1.4	1.38	0.19	1,781	0.0	95.2	35.8	(31.0)	48.6	461	2,156	53.6	0.75	—	0.25
(1.0)	**0.0**	**3.4**	**1.6**	**1.00**	**0.21**	**3,459**	**0.8**	**90.3**	**2.3**	**6.5**	**13.8**	**166**	**1,304**	**28.2**	**0.66**	**—**	**—**
(0.5)	0.5	4.7	2.6	1.57	0.34	464	0.0	138.4	26.8	(65.2)	79.4	325	1,229	46.0	0.90	—	0.25
5.0	6.0	3.4	1.9	0.92	0.20	277	0.0	87.8	0.0	12.2	7.6	280	323	20.7	0.78	—	0.25
5.0	**6.0**	3.7	1.6	1.24	0.27	5,320	0.0	99.4	0.1	0.5	11.2	46	1,168	28.9	**0.11**	—	—
(7.4)	**0.0**	**4.5**	**1.8**	**1.00**	**0.45**	**2,386**	**0.2**	**94.3**	**1.0**	**4.5**	**12.8**	**37**	**542**	**16.6**	**0.52**	**—**	**—**
2.2	**9.6**	4.2	1.8	1.22	0.55	2,727	0.0	99.1	0.4	0.5	11.0	54	1,169	29.1	**0.22**	—	—
(4.9)	**2.5**	5.0	2.0	1.21	0.54	4,121	0.0	99.2	0.0	0.8	8.5	19	381	11.1	0.24	—	—
4.7	**0.0**	**1.7**	**0.0**	**1.00**	**0.08**	**1,452**	**0.0**	**86.9**	**0.4**	**12.7**	**0.4**	**50**	**561**	**14.7**	**0.53**	**—**	**—**
6.1	**1.4**	2.2	0.0	1.50	0.12	1,566	0.0	85.6	0.0	14.4	0.0	19	395	9.9	0.49	—	—
4.2	(0.5)	2.6	0.0	1.07	0.09	2,029	0.0	88.7	0.0	11.3	0.0	10	335	11.5	0.54	—	—
5.6	0.9	2.2	0.0	1.36	0.11	3,182	0.0	91.7	0.0	8.3	0.0	14	1,559	5.7	**0.20**	—	—
4.1	**0.0**	**2.9**	**0.0**	**1.00**	**0.24**	**1,625**	**0.0**	**95.0**	**0.8**	**4.2**	**4.2**	**31**	**537**	**13.8**	**0.56**	**—**	**—**
5.9	**1.8**	3.3	0.1	0.88	0.21	479	0.0	93.3	0.0	6.7	0.0	—	745	11.3	0.56	2.00R	—
9.4	**5.3**	2.4	0.0	0.90	0.22	256	0.0	98.3	0.0	1.7	0.0	9	281	15.3	0.55	—	0.25
2.6	(1.5)	3.1	0.0	1.32	0.31	328	0.0	96.4	0.0	3.6	0.0	11	281	9.5	0.55	—	0.12

Table 2. Top Funds Over Five Years (Continued)

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%) Fund	Cat +/-	Annual Total Return (%) 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Bull* Market Return (%) Fund	Cat +/-
		Muni Nat'l: Long-Term Bond Cat Avg	**4.5**	**0.0**	**10.5**	**1.8**	**15.2**	**(5.6)**	**2.2**	**4.7**	**3.4**	**4.5**	**5.3**	**9.4**	**14.1**	**0.0**
		Schwab Tax-Fr (SWNTX)	5.2	0.7	9.5	3.3	11.7	0.3	1.6	3.9	2.0	4.0	5.4	10.9	14.0	(0.1)
		Fidelity Tax-Free Bond (FTABX)	5.0	0.5	10.9	2.1	13.2	(3.4)	3.1	4.8	3.7	4.8	6.1	10.6	13.3	(0.8)
		WF Adv Muni Bond Inv (SXFIX)	5.0	0.5	10.0	3.5	24.3	(11.7)	2.1	5.7	5.0	10.3	6.7	6.4	24.0	9.9
		Muni Nat'l: High-Yield Bond Cat Avg	**2.8**	**0.0**	**10.6**	**3.3**	**26.8**	**(19.9)**	**(0.8)**	**6.5**	**5.2**	**5.5**	**6.0**	**7.4**	**23.5**	**0.0**
		Vanguard Hi-Yld T/E (VWAHX)	4.4	1.6	10.9	2.5	20.1	(10.5)	1.5	5.5	4.3	4.9	6.3	7.3	18.4	(5.1)
		T. Rowe Price T/F Hi-Yld (PRFHX)	3.2	0.4	10.9	3.9	31.4	(21.5)	(1.2)	6.8	6.2	6.6	7.1	6.3	28.8	5.3
		Int'l Bond: General Cat Average	**5.5**	**0.0**	**3.4**	**6.0**	**12.3**	**(0.4)**	**7.3**	**5.5**	**(3.3)**	**7.9**	**12.8**	**14.6**	**30.4**	**0.0**
		PIMCO Frgn Bd (Unhedged) D (PFBDX)	8.9	3.4	7.9	12.0	20.8	(4.5)	10.0	6.1	(9.5)	—	—	—	53.3	22.9
		PIMCO Frgn Bd (USD-Hgd) D (PFODX)	6.6	1.1	6.3	8.7	18.5	(2.9)	3.5	2.4	5.2	6.1	3.1	7.2	29.2	(1.2)
		Int'l Bond: Emerging Cat Average	**6.3**	**0.0**	**3.9**	**12.3**	**34.3**	**(17.0)**	**4.7**	**11.4**	**12.8**	**13.2**	**27.5**	**11.6**	**55.9**	**0.0**
		Fidelity New Markets Inc (FNMIX)	8.3	2.0	7.9	10.9	44.5	(18.3)	5.6	11.9	11.0	12.5	30.9	12.7	64.3	8.4
		Payden Emerging Mkts Bond (PYEMX)	7.2	0.9	5.7	12.8	28.8	(10.3)	2.8	10.0	11.7	13.1	18.3	9.7	50.8	(5.1)
		Int'l Bond: Currency Cat Average	**0.3**	**0.0**	**(3.5)**	**0.9**	**3.1**	**(4.4)**	**7.0**	**5.9**					**12.6**	**0.0**
		Merk Hard Currency Inv (MERKX)	5.2	4.9	(0.8)	4.6	13.8	(5.0)	15.1	11.6	—	—	—	—	35.9	23.3
		PIMCO Emerg Mkts Curr D (PLMDX)	3.4	3.1	(5.4)	7.4	21.1	(14.9)	12.7	11.4	—	—	—	—	50.2	37.6
		Index Benchmarks														
		DJ US Total Full Cap	0.3		0.5	17.7	29.4	(37.3)	5.7	15.9	6.3	12.6	31.6	(20.9)	101.0	—
		S&P 500 Equal Weighted	1.8		(0.1)	21.9	46.3	(39.7)	1.5	15.8	8.1	17.0	41.0	(18.2)	141.5	—
		S&P 500	(0.3)		2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	93.9	—
		S&P 500 Growth	2.4		4.7	15.1	31.6	(34.9)	9.1	11.0	4.0	6.1	25.7	(23.6)	88.9	—
		S&P 500 Value	(3.0)		(0.5)	15.1	21.2	(39.2)	2.0	20.8	5.8	15.7	31.8	(20.9)	100.0	—
		S&P MidCap 400	3.0		(2.0)	26.3	37.0	(36.5)	7.7	10.0	12.3	16.2	35.3	(14.7)	131.8	—
		S&P SmallCap 600	1.9		1.0	26.3	25.6	(31.1)	(0.3)	15.1	7.7	22.7	38.8	(14.6)	128.0	—
		MSCI EAFE GR USD	(4.3)		(11.7)	8.2	32.5	(43.1)	11.6	26.9	14.0	20.7	39.2	(15.7)	94.2	—
		MSCI Europe	(4.6)		(10.5)	4.5	36.8	(46.1)	14.4	34.4	9.9	21.4	39.1	(18.1)	106.0	—
		MSCI Far East	(5.3)		(14.6)	16.6	12.8	(32.3)	0.3	8.9	24.2	16.7	36.4	(10.8)	53.8	—
		MSCI Pacific	(3.4)		(13.6)	16.1	24.3	(36.2)	5.6	12.5	23.0	19.3	39.0	(9.0)	74.5	—
		BarCap US Agg Bond	6.5		7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3	16.2	—
		BofAML US Corp Master Bond	6.6		7.5	9.5	19.8	(6.8)	4.6	4.4	2.0	5.4	8.3	10.2	36.3	—
		BofAML US HY C Pay Bond	7.3		4.5	15.2	56.3	(26.2)	2.2	11.6	2.8	10.8	27.2	(1.1)	86.6	—
		BarCap GNMA	7.0		7.9	6.7	5.4	7.9	7.0	4.6	3.2	4.4	2.9	8.7	13.9	—
		BarCap US Government 1-3 Yr	3.8		1.6	2.4	1.4	6.7	7.1	4.1	1.7	1.1	2.0	6.0	4.5	—
		BarCap US Government Interm	5.9		6.1	5.0	(0.3)	10.4	8.5	3.8	1.7	2.3	2.3	9.6	7.2	—
		BarCap US Government Long	10.8		29.1	9.4	(12.2)	22.7	9.6	2.1	6.6	7.9	2.6	17.0	6.8	—
		BarCap Municipal	5.2		10.7	2.4	12.9	(2.5)	3.4	4.8	3.5	4.5	5.3	9.6	13.4	—
		USTREAS Stat US T-Bill 90 Day	1.2		0.1	0.2	0.2	1.4	4.4	4.8	3.3	1.4	1.0	1.6	0.2	—

**Bull market is defined as 3/1/2009 through 4/30/2011. Bear market is defined as 11/1/2007 through 2/28/2009.*
Source: "The Individual Investor's Guide to the Top Mutual Funds 2011," February 2012 AAII Journal*. Data from Morningstar Inc. is through 12/31/2011.*

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provide much insight as to how Ellenbogen will perform in the future. (The online version of this article, available at AAII.com, shows when the current manager for each fund started.)

You should also consider how much risk a fund's strategy incurs. Funds that use leverage, such as Rydex Government Long Bond 1.2x Strategy fund, will be more volatile than their non-leveraged category peers. Risk is also relative to the category in which a fund operates. Vanguard Emerging Market Index fund's (VEIEX) total risk index of 1.59 may seem high when compared to other stock funds, but the fund incurs less risk than the average emerging market fund.

Costs Matter

Lower expenses are always preferable, though—as is the case with performance—costs are relative. A mid-cap domestic stock fund is cheaper to operate than a global stock fund. As a result, the 0.81% expense ratio for mid-cap stock fund Meridian Growth (MERDX) is not comparable to the 1.15% expense ratio for global stock fund Old Westbury Global Small & Mid Cap (OWSMX).

In addition to the expense ratio, a

Bear* Market Return (%)		Yield (%)	Tax-Cost Ratio (%)	Risk Index (X)		Total Assets ($ Mil)	Portfolio (%)				% of Port in Foreign Issues	Portfolio Turnover Ratio (%)	Number of Holdings	% of Port in Top 10 Holdings	Expense Ratio (%)	Max Load (%)	12b-1 Fee (%)
Fund	Cat +/-			Cat	Total		Stock	Bond	Other	Cash							
(0.8)	0.0	3.8	0.0	1.00	0.29	1,436	0.0	97.9	0.5	1.6	(0.6)	38	467	13.9	0.55	–	–
4.5	5.3	2.7	0.2	0.73	0.22	514	0.0	95.5	0.0	4.5	0.0	128	398	11.0	0.49	–	–
1.5	2.3	4.0	0.0	0.90	0.27	2,099	0.0	99.0	0.1	0.9	0.0	18	798	7.5	0.25	0.50R	–
(6.3)	(5.5)	4.1	0.1	1.02	0.30	387	0.0	99.6	0.0	0.4	(9.2)	69	769	19.9	0.78	–	–
(15.4)	0.0	4.8	0.0	1.00	0.39	710	0.0	98.4	(0.1)	1.6	0.5	27	348	12.1	0.65	–	–
(5.1)	10.3	4.3	0.0	0.85	0.34	1,371	0.0	97.8	0.0	2.3	0.0	19	758	6.8	0.20	–	–
(17.1)	(1.7)	4.9	0.0	1.01	0.40	1,779	0.0	99.9	0.0	0.1	0.0	24	492	8.7	0.68	2.00R	–
(3.9)	0.0	3.9	1.7	1.00	0.43	787	0.0	94.5	6.4	(0.9)	68.5	147	344	37.8	0.86	–	–
(8.4)	(4.5)	4.5	2.5	1.44	0.63	626	0.0	102.1	22.0	(24.1)	75.7	427	923	41.9	0.90	–	0.25
(1.0)	2.9	3.6	1.9	0.56	0.24	310	0.0	96.9	25.1	(22.0)	68.7	236	860	45.7	0.90	–	0.25
(18.6)	0.0	5.6	2.3	1.00	0.49	1,681	0.1	99.8	6.7	(6.6)	96.7	90	273	27.7	0.98	–	–
(18.7)	(0.1)	5.7	2.3	1.06	0.52	4,235	0.0	94.6	0.0	5.4	89.5	98	221	16.4	0.89	1.00R	–
(12.7)	5.9	6.1	2.1	0.94	0.47	628	0.0	85.8	0.4	13.8	83.2	85	119	18.4	0.86	2.00R	–
(5.5)	0.0	0.9	1.2	1.00	0.72	133	0.0	5.0	6.6	88.4	4.5	446	64	8.4	1.49	–	–
(10.1)	(4.6)	1.6	0.9	0.92	0.66	478	0.0	10.2	6.9	82.9	10.2	49	40	17.0	1.30	–	0.25
(21.8)	(16.3)	1.4	1.6	0.90	0.65	255	0.0	30.1	46.3	23.6	25.6	31	418	49.8	1.25	–	0.25
(50.8)	–	–	–	–	1.13												
(53.7)	–	–	–	–	1.34												
(50.9)	–	–	–	–	1.10												
(45.2)	–	–	–	–	1.01												
(56.5)	–	–	–	–	1.24												
(49.5)	–	–	–	–	1.29												
(51.3)	–	–	–	–	1.46												
(56.3)	–	–	–	–	1.32												
(58.9)	–	–	–	–	1.50												
(47.0)	–	–	–	–	0.99												
(50.6)	–	–	–	–	1.07												
6.0	–	–	–	–	0.16												
(7.2)	–	–	–	–	0.30												
(26.2)	–	–	–	–	0.64												
10.7	–	–	–	–	0.14												
8.4	–	–	–	–	0.06												
11.8	–	–	–	–	0.17												
16.0	–	–	–	–	0.77												
2.5	–	–	–	–	0.27												
1.9	–	–	–	–	0.00												

Data through year-end 2011 on all mutual funds tracked by AAII is available in a downloadable Excel file at AAII.com. The online guide contains roughly 1,500 funds and reports additional data, portfolio manager and tenure, fund minimums and additional fund portfolio characteristics. Go to www.aaii.com/guides/mfguide to access the expanded version of AAII's "Guide to the Top Funds 2012."

maximum load may be listed. A load is a fee charged for buying (front-end load) or selling (back-end load or redemption fee) a fund. These fees are often reduced or waived if the fund is held for a certain period of time or if a certain amount is invested. For example, the two Yacktman funds charge a 2% back-end load if shares are redeemed within 30 days of purchase. Terms vary by fund, so read the mutual fund's prospectus for specific information about the load and other charges.

If a mutual fund is held in a taxable account, the tax-cost ratio should be considered. Since mutual funds are comprised of pooled investment dollars, net capital gains are passed onto shareholders of record at the time the fund sells the security. Shareholders must pay taxes on these gains, regardless of whether they sold shares of the mutual fund itself or not, and regardless of how long they have owned the mutual fund.

Portfolio turnover plays a role in both expenses and tax costs, with higher levels indicative of more active trading by the fund manager. Investors seeking lower costs and/or less tax exposure may want to opt for funds with lower portfolio turnover ratios.

If costs or tax efficiency are among

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Be Careful With Non-Cash Gifts

An interesting issue is what kind of assets should be gifted. The four most common categories are closely held business stock, marketable securities, real estate and cash.

A problem with the first three occurs if the gifted asset declines in value from the time of the gift to death, since the gifted amount is brought back into the estate at death at the value of the original gift. If a $5 million piece of real estate had been gifted that is worth $3 million at death, $5 million is brought back into the estate for estate tax tabulation. I have observed several clients who had gifted hard assets only to see their value tumble in the past several years.

The bottom line is that it can be risky to gift assets other than cash.

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the key characteristics you examine when looking at mutual funds, consider an index fund. Since they don't rely on the skills of an active manager, their costs tend to be lower. Some actively managed funds do a good job of controlling costs, however. Fidelity Small Cap Discovery fund (FSCRX) has a tax-cost ratio below the average for small-cap stock funds, and it kept its portfolio turnover to just 11% last year.

Further Evaluation

Before investing in any fund, read the prospectus. Have a clear understanding of the fund's objective, strategy, risks and cost structure.

Next, obtain the latest fund report and review the holdings. What securities are currently being held in the fund? How much of the portfolio is concentrated in each of the key holdings? If the fund manager provides commentary, read it to get additional insight into his thought process.

Finally, remember that even though mutual funds are intended to be long-term investments, you should never buy and then forget about them. Like any investment, mutual funds should be periodically monitored to make sure the objective has not changed and the fund is performing as expected given prevailing market conditions and historical performance.

Pay attention not only to current performance, but also to current performance relative to historical performance and relative to the fund's category average. A mutual fund that lags in market conditions that it historically has done well in should receive more scrutiny than a mutual fund that is following its historical volatility trends and is producing returns that are similar to those of its peers.

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