The Top Mutual Funds Over Five Years: The Bear's Claw Marks Remain

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Article Highlights

- The losses incurred by stock funds in 2008 continue to impact their five-year returns.
- Long-term government bond remains the top category, but it is at risk of falling in the rankings.
- Three Fidelity mutual funds rank among the six best in terms of five-year performance.

Our five-year rankings of mutual fund performance continue to be influenced by the last bear market.

The significant losses incurred by stock funds throughout 2008 are still negatively impacting their five-year annualized returns. In contrast, bonds occupy the top four spots and eight of the top 10 spots in the category ranking (Table 1). When looking at the rankings, keep this observation in mind, as the results show the scratch marks from the bear market's claws.

We are seeing cracks in the glass ceiling that has kept many stock funds out of the top spots over the past few years. Consumer discretionary sector funds rank fifth in category performance and health sector funds rank sixth. The consumer discretionary funds included in our analysis fell by an average of 38.3% in 2008, but rebounded by 49.8% in 2009, recouping much of their losses. Health sector funds fared better in 2008, losing 26.0%, but also enjoyed a smaller rebound in 2009, gaining 28.5%.

On the surface, these returns may seem to suggest that an investor who put money into either category at the start of 2008 would have emerged at the end of 2009 with a breakeven balance. The law of numbers does not work quite that way. Using consumer discretionary sector funds as an example, $100 invested at the very start of 2008 would have fallen to $61.70 by the end of the year (a loss of 38.3%). At the end of 2009, the balance would have rebounded to $92.43, as the investor realized a 49.8% return on his balance of $61.70 at the start of the year. The bigger the loss, the bigger the percentage return necessary to get back to breakeven. A 100% gain is required to breakeven from a 50% loss. This is why many stock fund categories lag their bond peers in the current five-year ranking: A significant rebound was required just to get them back to where they were at the start of 2008.

The impact of this rule can be seen in the stock funds with the best five-year performance. Many of those with the best five-year returns also tended to hold up better than their category peers during the last bear market. Many also have below-average risk index scores relative to their peers. This is not universally the case with all funds, so be sure to do your research.

Added Data

Table 2 shows the top mutual funds over five years in each fund category, with 10 years of performance figures and risk and composition statistics. New in this year's analysis are average statistics on all funds. Located at the bottom of Table 2 on pages 14 and 15, this row shows you the average return, yield, expense and turnover for all covered funds. The "all funds" average provides a useful gauge for determining which fund categories have experienced better short-term and long-term performance, lower or higher costs, greater or less tax efficiency and higher or lower risk.

Although this gauge shows the characteristics of the "average" fund, keep in mind that when choosing among

Table 1. Five-Year Returns for Category Averages

	5-Yr Annual Avg Return (%)	Total Risk Index (X)	Bull Market Return (%)	Bear Market Return (%)
Gov't: Long-Term Bond	10.0	1.00	41.3	20.5
International Bond: Emerging	9.0	0.51	87.7	(18.6)
General Bond: Long-Term	8.8	0.44	66.9	(7.4)
Corp High-Yield Bond	7.7	0.50	81.7	(20.5)
Consumer Discretionary Sector	7.3	1.41	188.3	(53.4)
Health Sector	6.5	1.02	110.3	(35.6)
Inflation-Protected Bond	6.5	0.30	42.0	0.1
General Bond: Interm-Term	6.2	0.20	39.2	(0.8)
Muni Nat'l: Long-Term	5.7	0.28	33.8	(0.8)
International Bond: General	5.5	0.41	38.8	(3.9)
Gov't: Interm-Term Bond	5.3	0.20	20.1	10.7
Muni Nat'l: High-Yield	5.3	0.30	51.7	(15.4)
Consumer Staples Sector	5.2	0.79	110.5	(38.7)
Muni Nat'l: Interm-Term	5.0	0.22	24.3	4.1
Convertible Bond	4.6	0.78	91.6	(33.2)
Mortgage-Backed Bond	4.4	0.13	22.9	3.4
Real Estate Sector	4.2	1.28	216.0	(64.7)
Target Date: In Retirement	3.9	0.46	56.6	(19.8)
Small-Cap Stock	3.4	1.42	138.1	(52.7)
Balanced: Domestic	3.3	0.68	70.4	(31.7)
Technology Sector	2.9	1.41	129.2	(53.1)
Target Date: 2010–2019	2.9	0.59	67.9	(32.5)
General Bond: Short-Term	2.8	0.10	22.8	(4.4)
Muni Nat'l: Short-Term	2.8	0.06	10.5	4.7
Mid-Cap Stock	2.5	1.29	123.8	(51.1)
Gov't: Short-Term Bond	2.5	0.08	8.1	6.8
Balanced: Global	2.3	0.77	79.3	(38.9)
Target Date: 2020–2029	2.3	0.77	81.6	(40.6)
Industrials Sector	2.0	1.41	135.9	(55.3)
Target Date: 2030–2039	1.8	0.95	94.0	(46.6)
Target Date: 2040–2049	1.6	1.05	99.8	(48.7)
Target Date: 2050–2059	1.5	1.10	103.0	(50.1)
Large-Cap Stock	1.1	1.17	108.2	(50.6)
Communications Sector	0.6	1.28	115.6	(55.7)
Utilities Sector	0.6	0.77	79.6	(42.9)
Long-Short	(0.4)	0.47	25.2	(17.6)
Global Stock	(0.6)	1.20	99.5	(52.3)
International Bond: Currency	(0.9)	0.79	6.7	(5.5)
Precious Metals Sector	(1.2)	2.04	56.5	(43.6)
Real Estate Global Sector	(2.1)	1.43	168.2	(70.6)
Foreign Stock	(2.4)	1.41	98.5	(57.7)
Natural Res/Commodities Sector	(2.5)	1.76	110.0	(57.3)
Regional/Country Stock	(3.8)	1.56	112.9	(61.5)
Financial Sector	(4.2)	1.44	100.0	(61.3)
Emerging Stock	(4.8)	1.64	135.6	(67.7)
Energy Sector	(7.0)	2.05	78.6	(58.1)
Contra Stock Market	(18.1)	1.58	(70.5)	72.9

**Bull market is defined as 3/1/2009 through 12/31/2012. Bear market is defined as 11/1/2007 through 2/28/2009.*
Source: "The Individual Investor's Guide to the Top Mutual Funds 2013," February 2013 AAII Journal. Data from Morningstar Inc. is through 12/31/2012.

funds, you should compare each fund to its peers. A domestic large-cap fund will have different return, yield and cost characteristics than an emerging market bond fund has. Even within categories, differences can emerge, so also pay attention to how the manager invests. For instance, a value-oriented stock fund may perform differently than a growth-oriented fund.

The Top Stock Funds

Three Fidelity funds rank among the six best mutual funds in terms of five-year performance: Fidelity Select Retailing fund (FSRPX), Fidelity Small Cap Discovery fund (FSCRX) and Fidelity Select Biotechnology fund (FBIOX). All three ranked in the top quartile of their respective categories for 2008 full-year and bear market performance. Fidelity Select Retailing and Fidelity Small Cap Discovery funds also have bull market returns that are better than their peers. (We define the last bear market as lasting from November 1, 2007, through February 28, 2009. The current bull market is defined as having started on March 1, 2009, and the returns you see in this article are through December 31, 2012.)

Fidelity Select Retailing and Fidelity Select Biotechnology funds have redemption fees of 0.75% that apply to redemptions made within 30 days of a share purchase. Fidelity Small Cap Discovery fund charges a redemption fee of 1.50% for redemptions made within 90 days. Some fund companies use these redemption fees to discourage short-term trading with their funds, and the proceeds normally go back into the fund.

Fidelity Select Retailing fund invests at least 80% of its assets in retailing stocks, as its name implies. The fund held up remarkably well in 2008 relative to the broad market, falling by 29.6%. It then more than recouped its loss with a 57.8% rebound in 2009.

Fidelity Select Biotechnology fund held up well for a domestic stock fund in 2008, losing just 11.4%. The fund's focus on less economically sensitive companies is the reason why. Notably, annual performance for this fund has improved during each of the past four years, a trend we do not often see, and one that may not be sustained in the future.

Fidelity Small Cap Discovery fund closed to new investors on January 31, 2013. The fund invests in both growth and value small-cap stocks and has ranked in the top quartile of small-cap funds for five consecutive years. Good performance attracts investor dollars, which can pose a challenge if assets under management (AUM) become too large. Such an occurrence can leave a fund's manager with more money than good ideas to invest it in. This would particularly be the case for funds that invest in stocks or sectors with less liquidity. So while we're sorry to tell you this fund is closed, we do applaud Fidelity for acting to keep the fund from being a victim of its own success.

Fidelity offers a large number of funds. Good performance by some of its funds should not be viewed as a sign that all of its funds are top performers. Evaluate each fund separately, regardless of how attractive other offerings from the same fund family appear.

Reynolds Blue Chip Growth fund (RBCGX) ranked as the best large-cap fund by five-year annualized performance for the second consecutive year. The fund lost only 5.1% in 2008 and posted gains of 41.8% and 24.5% in 2009 and 2010, respectively. During the past two years (2011 and 2012), the fund has lagged its peers, however. Given that it also outperformed its peers in 2003, it is possible that the fund's manager, Frederick Reynolds, performs best during the early stages of a bull market.

Pay attention to the Reynolds Blue Chip Growth fund's turnover ratio of 99%. This is approximately 50% higher than the 65% average for the large-cap fund category. Higher rates of turnover not only create more timing risk (getting into and out stocks at the wrong time), but can also drive up costs. The fund's expense ratio of 1.55% compares to a 0.95% average for large-cap funds.

Long-Term Bonds Remain #1

For the second consecutive year, long-term government bond funds had the best five-year performance of any category. The average annualized five-year return of 10.0% is down somewhat from a year ago, when the category enjoyed an 11.3% annualized five-year return. The decline reflects a stabilization of rates, as yields on the benchmark 10-year Treasury note ended 2012 at 1.76% versus 1.87% at the end of 2011.

Leading the category, and all bond funds, was Direxion Monthly 10 Year Note Bull 2X fund (DXKLX). The fund attempts to double the performance of a 10-year Treasury bond index on a monthly basis.

Rydex Government Long Bond 1.2x Strategy fund (RYGBX), the second-best-performing bond fund, also uses leverage to increase its exposure. Rather than track the 10-year note, the fund seeks 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.

Higher Bond Yields and Higher Risk

The quest for yield is reflected in the performance of emerging international bond funds, long-term general bond funds and corporate high-yield bond funds. The three categories rank second, third and fourth with five-year annualized returns of 9.0%, 8.8% and 7.7%, respectively. Their average yields at the end 2012 were 4.6%, 4.0% and 5.8%, respectively.

Though these yields may look attractive, they reflect greater risks. The average total risk index (a measure of how volatile a fund's returns are relative to all mutual funds tracked by AAII) for these three categories is 0.51, 0.44 and 0.50, respectively. Though these levels are below that of the typical stock fund, they are more than double the risk index scores for many other bond fund categories.

The top fund within these three bond categories is Fidelity New Markets Income fund (FNMIX). The fund has a five-year annualized return of 11.1% and a 2012 year-end yield of 4.3%. The fund invests primarily in emerging market debt and has 60% of its portfolio allocated to Latin American and emerging European countries. As such, the fund is exposed to currency fluctuations, the strength or weaknesses of less-developed economies and political unrest. Though the fund is slightly less volatile than its peers in the emerging international bond category, its total risk index of 0.48 implies that it may not be suitable for investors who prefer capital preservation and reduced volatility over the increased volatility that comes with higher yields. Fidelity New Markets Income fund also charges a 1.00% redemption fee on withdrawals made within 90 days of purchase.

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 funds investing in bonds with longer durations (higher sensitivity to interest rate changes) or greater credit risk. Though the future is always uncertain, it seems unlikely these bond funds will continue to enjoy the same

(continued on page 16)

Table 2. Top Funds Over Five Years

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%) Fund	Cat +/-	Annual Total Return (%) 2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	Bull* Market Return (%) Fund	Cat +/-
		Overall Five-Year Top Performers														
		Fidelity Sel Retailing (FSRPX)	12.9	5.6	24.8	3.3	28.0	57.8	(29.6)	(8.0)	15.1	7.1	16.1	31.1	181.7	(6.6)
I		Direxion 10 Year Note Bull 2X (DXKLX)	12.6	2.6	5.4	30.3	11.6	(19.1)	45.6	17.7	(1.3)	—	—	—	39.6	(1.7)
	C	Fidelity Small Cap Discovery (FSCRX)	12.4	9.0	24.0	0.3	32.3	50.6	(27.6)	(2.7)	9.4	9.1	14.9	34.4	207.0	68.9
		Rydex Biotechnology Inv (RYOIX)	12.4	5.9	36.5	11.3	10.5	19.4	(10.6)	5.6	(3.1)	11.7	1.8	46.4	125.7	15.4
		Reynolds Blue Chip Grth (RBCGX)	12.3	11.2	13.6	(6.2)	24.5	41.8	(5.1)	8.2	1.3	(3.4)	(1.5)	41.8	88.9	(19.3)
		Fidelity Sel Biotech (FBIOX)	12.0	5.5	36.5	18.1	11.4	10.7	(11.4)	2.6	3.5	8.7	11.9	32.9	115.6	5.3
I		Rydex Govt LgBd 1.2x Str Inv (RYGBX)	11.2	1.2	4.5	42.9	10.4	(31.3)	49.9	10.3	(3.2)	8.3	9.5	(1.7)	42.5	1.2
		Wasatch-Hoisington US Tr (WHOSX)	11.2	1.2	2.7	41.2	10.1	(22.6)	37.7	10.0	(0.2)	10.4	10.2	1.2	44.5	3.2
		Fidelity New Markets Inc (FNMIX)	11.1	2.1	20.0	7.9	10.9	44.5	(18.3)	5.6	11.9	11.0	12.5	30.9	107.4	19.7
		Matthew 25 (MXXVX)	11.0	9.9	31.6	10.4	31.9	47.8	(40.5)	(19.2)	3.7	5.0	20.0	32.1	245.8	137.6
		Large-Cap Stock Category Average	1.1	0.0	15.4	(0.7)	15.3	31.8	(38.4)	8.3	13.2	6.6	11.7	30.6	108.2	0.0
		Reynolds Blue Chip Grth (RBCGX)	12.3	11.2	13.6	(6.2)	24.5	41.8	(5.1)	8.2	1.3	(3.4)	(1.5)	41.8	88.9	(19.3)
		Matthew 25 (MXXVX)	11.0	9.9	31.6	10.4	31.9	47.8	(40.5)	(19.2)	3.7	5.0	20.0	32.1	245.8	137.6
		Yacktman Focused Svc (YAFFX)	10.5	9.4	10.5	7.4	11.8	62.7	(23.5)	3.4	16.1	(1.9)	9.9	31.7	162.2	54.0
		Yacktman Svc (YACKX)	9.6	8.5	11.4	7.3	12.6	59.3	(26.1)	3.3	15.9	(1.3)	9.9	33.0	163.3	55.1
		Marsico Flex Cap (MFCFX)	9.4	8.3	21.6	(4.4)	35.8	51.0	(34.4)	15.0	—	—	—	—	182.1	73.9
		Mid-Cap Stock Category Average	2.5	0.0	14.9	(3.1)	23.8	37.6	(39.6)	9.3	13.4	9.8	17.4	39.8	123.8	0.0
		Tilson Dividend (TILDX)	9.7	7.2	17.9	(2.4)	20.6	43.9	(20.6)	(0.7)	15.7	—	—	—	120.2	(3.6)
		Appleseed (APPLX)	8.7	6.2	13.3	(2.6)	4.9	59.9	(18.1)	(2.1)	—	—	—	—	103.5	(20.3)
	C	FMI Common Stk (FMIMX)	8.4	5.9	10.1	4.5	22.1	33.8	(20.5)	(2.0)	17.1	9.4	18.7	24.0	127.8	4.0
		Weitz Partners III Opp Instl (WPOPX)	8.1	5.6	12.9	5.5	33.0	42.0	(34.5)	(12.9)	20.3	—	—	—	140.4	16.6
		PRIMECAP Odyssey Agg Gr (POAGX)	7.6	5.1	21.2	(0.5)	21.5	50.4	(34.6)	(0.2)	21.5	7.9	—	—	154.3	30.5
		Small-Cap Stock Category Average	3.4	0.0	15.8	(4.0)	27.1	37.5	(38.0)	2.6	14.8	7.6	17.9	47.5	138.1	0.0
	C	Fidelity Small Cap Discovery (FSCRX)	12.4	9.0	24.0	0.3	32.3	50.6	(27.6)	(2.7)	9.4	9.1	14.9	34.4	207.0	68.9
		SouthernSun SmCp Inv (SSSFX)	10.1	6.7	18.9	5.7	48.3	32.2	(34.3)	7.4	11.3	0.6	24.2	—	239.2	101.1
	C	Dreyfus Opport Small Cap (DSCVX)	8.9	5.5	20.7	(14.4)	32.3	64.3	(32.0)	4.9	5.0	7.1	12.7	86.5	156.5	18.4
		Homestead Small Co Stk (HSCSX)	8.9	5.5	19.6	0.5	33.9	45.0	(34.4)	1.3	16.6	9.5	13.2	32.4	185.0	46.9
		Parnassus Small-Cap (PARSX)	8.5	5.1	18.4	(13.4)	37.4	42.4	(25.1)	(4.0)	18.7	—	—	—	139.3	1.2
		Long-Short Category Average	(0.4)	0.0	2.4	(0.6)	4.4	10.6	(13.4)	7.2	10.0	5.1	7.4	11.8	25.2	0.0
		Wasatch Long/Short Inv (FMLSX)	4.4	4.8	8.6	1.7	9.4	30.0	(21.0)	4.9	14.7	3.8	4.4	—	64.8	39.6
	C	TFS Market Neutral (TFSMX)	4.3	4.7	7.8	0.1	6.2	16.6	(7.3)	11.4	24.1	5.8	—	—	35.7	10.5
		Contra Stock Market Cat Average	(18.1)	0.0	(20.6)	(15.3)	(26.7)	(35.5)	30.9	(6.4)	(9.0)	(2.7)	(15.2)	(33.9)	(70.5)	0.0
		PIMCO StksPLUS Sh D (PSSDX)	0.2	18.3	(7.2)	(5.3)	(9.0)	(14.4)	47.7	5.9	—	—	—	—	(42.5)	28.0
I		Rydex Inv S&P 500 Str Inv (RYURX)	(8.1)	10.0	(16.1)	(8.4)	(16.9)	(27.3)	40.9	1.2	(7.0)	(0.7)	(9.9)	(23.8)	(61.1)	9.4
		Communications Sector Cat Average	0.6	0.0	16.6	(4.5)	20.2	48.9	(47.3)	15.7	24.3	6.0	24.8	43.5	115.6	0.0
		T. Rowe Price Med & Tele (PRMTX)	7.0	6.4	22.6	(0.1)	26.7	68.5	(46.5)	21.8	28.5	18.1	26.3	55.9	185.8	70.2
		Fidelity Sel Telecommun (FSTCX)	1.3	0.7	18.6	(4.3)	18.3	51.5	(47.7)	8.1	26.7	5.1	17.5	25.5	103.1	(12.5)
		Consumer Discretionary Sector Cat Avg	7.3	0.0	24.9	(0.9)	29.6	49.8	(38.3)	(5.7)	14.3	3.1	12.5	37.3	188.3	0.0
		Fidelity Sel Retailing (FSRPX)	12.9	5.6	24.8	3.3	28.0	57.8	(29.6)	(8.0)	15.1	7.1	16.1	31.1	181.7	(6.6)
		Fidelity Sel Multimedia (FBMPX)	10.0	2.7	34.2	1.8	25.7	54.4	(39.3)	(9.3)	14.0	7.4	3.0	43.8	222.4	34.1
		Consumer Staples Sector Cat Average	5.2	0.0	11.9	10.5	16.1	24.1	(27.3)	13.3	17.0	(1.7)	15.6	21.0	110.5	0.0
		Fidelity Sel Consumer Staples (FDFAX)	6.3	1.1	15.3	8.8	15.1	20.9	(22.3)	21.4	20.1	5.8	15.8	14.1	102.1	(8.4)
		Rydex Consumer Prod Inv (RYCIX)	6.2	1.0	9.7	14.0	17.5	19.3	(23.1)	11.3	17.2	(0.6)	13.2	21.6	103.1	(7.4)
		Energy Sector Category Average	(7.0)	0.0	1.0	(10.6)	17.3	48.0	(53.8)	43.6	13.3	48.7	35.5	24.3	78.6	0.0
		ICON Energy S (ICENX)	(1.1)	5.9	4.7	(5.6)	17.7	22.1	(33.4)	38.7	9.6	41.9	38.1	32.6	69.7	(8.9)
		Vanguard Energy Inv (VGENX)	(2.0)	5.0	2.6	(1.8)	13.4	38.3	(42.9)	37.0	19.6	44.6	36.6	33.8	78.0	(0.6)
		Financial Sector Category Average	(4.2)	0.0	24.4	(13.1)	13.1	22.2	(44.4)	(8.8)	15.0	6.9	14.1	35.0	100.0	0.0
		FBR Small Cap Financial Inv (HSFNX)	5.7	9.9	21.4	(15.7)	17.5	20.1	(8.8)	(22.2)	11.8	(1.6)	16.0	41.0	66.9	(33.1)
		T. Rowe Price Fincl Svcs (PRISX)	(1.3)	2.9	27.4	(15.3)	12.8	28.4	(40.1)	(9.4)	15.9	5.1	13.4	35.0	107.9	7.9

Bear* Market Return (%) Fund	Cat +/-	Yield (%)	Tax-Cost Ratio (%)	Risk Index (X) Cat	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 (%)
(40.2)	13.2	0.6	0.9	0.94	1.33	557	97.0	0.0	0.2	2.8	5.0	217	35	62.9	0.90	0.75R	—
41.8	21.3	0.0	1.0	0.98	0.99	27	0.0	0.0	100.0	0.0	0.0	0	1	100.0	1.90	—	0.25
(45.0)	7.7	0.9	0.3	0.99	1.40	3,880	98.9	0.0	0.3	0.9	2.9	20	72	25.8	1.07	1.50R	—
(26.4)	9.2	0.0	0.0	1.34	1.38	124	99.0	0.0	(0.1)	1.1	5.4	333	45	52.9	1.36	—	—
(7.7)	42.9	0.0	0.0	1.20	1.40	171	100.0	0.0	0.0	0.0	9.1	99	900	16.5	1.55	—	0.11
(25.4)	10.2	0.0	0.2	1.28	1.31	2,731	98.5	0.0	0.0	1.5	1.8	106	147	58.9	0.83	0.75R	—
26.5	6.0	1.6	0.9	1.35	1.36	121	0.0	89.8	(0.2)	10.4	0.0	2,322	5	89.8	0.95	—	—
24.2	3.7	2.2	1.6	1.25	1.26	276	0.0	98.3	0.0	1.7	0.0	13	18	84.4	0.75	2.00R	—
(18.7)	(0.1)	4.3	2.3	0.92	0.48	7,243	2.7	86.3	0.0	11.0	86.3	132	250	14.4	0.87	1.00R	—
(56.9)	(6.3)	0.2	0.4	1.13	1.33	310	95.9	0.0	3.5	0.6	0.0	23	24	65.4	1.22	2.00R	—
(50.6)	0.0	1.1	0.5	1.00	1.17	2,722	95.0	0.5	0.6	3.9	7.1	65	212	33.1	0.95	—	—
(7.7)	42.9	0.0	0.0	1.20	1.40	171	100.0	0.0	0.0	0.0	9.1	99	900	16.5	1.55	—	0.11
(56.9)	(6.3)	0.2	0.4	1.13	1.33	310	95.9	0.0	3.5	0.6	0.0	23	24	65.4	1.22	2.00R	—
(38.3)	12.3	0.8	0.6	0.69	0.81	6,599	83.6	0.1	0.0	16.3	1.2	2	44	58.7	1.25	2.00R	—
(41.0)	9.6	1.3	0.6	0.72	0.84	8,670	84.2	0.0	0.0	15.8	0.9	3	47	51.5	0.80	2.00R	—
(47.4)	3.2	0.6	0.5	0.88	1.03	575	71.0	8.9	1.1	19.0	18.9	121	52	30.7	1.41	2.00R	0.25
(51.1)	0.0	0.5	0.4	1.00	1.29	1,418	95.3	0.1	0.5	4.1	5.8	69	211	26.3	1.08	—	—
(33.2)	17.9	1.5	0.8	0.75	0.96	60	76.6	0.0	3.6	19.8	8.9	110	31	43.4	2.10	2.00R	—
(31.3)	19.8	1.8	0.8	0.69	0.89	203	71.6	0.0	17.5	11.0	29.4	—	34	51.3	1.35	2.00R	—
(38.3)	12.8	0.3	1.1	0.85	1.10	1,102	91.6	0.0	0.0	8.4	0.0	43	43	34.2	1.21	—	—
(41.4)	9.7	0.0	0.3	0.84	1.08	564	80.3	0.0	0.1	19.6	5.3	44	44	40.2	1.31	—	—
(49.3)	1.8	0.0	0.2	1.06	1.37	1,688	92.0	0.0	0.0	8.0	6.3	14	116	33.9	0.69	—	—
(52.7)	0.0	0.5	0.4	1.00	1.42	858	94.4	0.0	0.4	5.2	5.2	60	302	19.5	1.21	—	—
(45.0)	7.7	0.9	0.3	0.99	1.40	3,880	98.9	0.0	0.3	0.9	2.9	20	72	25.8	1.07	1.50R	—
(54.1)	(1.4)	0.5	0.5	1.19	1.70	237	95.5	0.0	0.0	4.5	0.0	31	26	48.6	1.35	2.00R	0.25
(44.0)	8.7	0.0	0.8	1.29	1.83	641	99.9	0.0	0.0	0.1	0.8	86	76	27.1	1.16	—	—
(48.1)	4.6	0.8	0.2	0.97	1.37	386	90.7	0.0	0.9	8.4	0.0	2	53	33.2	1.08	2.00R	—
(43.2)	9.5	0.0	0.2	1.06	1.51	681	96.0	0.0	0.0	4.0	9.5	40	42	39.3	1.20	—	—
(17.6)	0.0	0.5	0.5	1.00	0.47	705	52.9	2.5	5.6	39.0	5.3	355	247	35.8	1.68	—	—
(26.5)	(8.9)	0.0	0.2	1.84	0.87	1,584	66.5	0.0	(0.4)	33.9	11.0	71	54	28.5	1.30	2.00R	—
(6.4)	11.2	0.0	0.9	0.90	0.43	1,829	24.5	1.2	(1.7)	75.9	3.2	751	2,577	12.7	2.50	2.00R	—
72.9	0.0	0.0	0.3	1.00	1.58	40	(8.6)	1.7	0.8	106.1	(3.4)	830	132	10.3	1.70	—	—
90.2	17.3	1.9	2.6	0.64	1.01	83	(106.2)	85.6	8.5	112.2	(72.2)	635	835	136.5	1.06	—	0.25
78.5	5.6	0.0	0.1	0.65	1.04	126	(0.2)	0.0	(0.2)	100.4	0.0	—	9	0.2	1.41	—	—
(55.7)	0.0	1.3	0.6	1.00	1.28	559	92.1	0.0	0.2	7.7	21.6	89	62	58.6	1.15	—	—
(53.9)	1.8	0.5	1.0	0.96	1.23	2,306	95.0	0.0	1.0	4.1	18.0	41	60	55.1	0.83	—	—
(52.5)	3.2	2.2	0.6	0.81	1.04	382	98.4	0.0	0.0	1.6	8.0	72	35	74.9	0.90	0.75R	—
(53.4)	0.0	0.5	0.5	1.00	1.41	326	97.4	0.0	0.1	2.5	7.1	107	45	57.3	1.03	—	—
(40.2)	13.2	0.6	0.9	0.94	1.33	557	97.0	0.0	0.2	2.8	5.0	217	35	62.9	0.90	0.75R	—
(54.1)	(0.7)	0.8	0.3	0.98	1.38	476	97.5	0.0	0.0	2.5	3.4	85	47	63.9	0.90	0.75R	—
(38.7)	0.0	1.2	0.9	1.00	0.79	496	98.6	0.0	0.0	1.3	16.0	173	51	54.4	1.22	—	—
(32.4)	6.3	1.6	0.7	1.10	0.87	1,331	96.5	0.0	0.0	3.5	33.4	35	60	65.8	0.83	0.75R	—
(33.4)	5.3	0.3	1.5	0.95	0.74	117	99.4	0.0	0.1	0.5	9.9	402	64	36.3	1.35	—	—
(58.1)	0.0	0.7	0.4	1.00	2.05	845	95.3	0.0	0.1	4.6	26.3	84	66	48.1	1.18	—	—
(42.4)	15.7	1.5	1.6	0.81	1.66	536	99.0	0.0	1.0	0.0	14.8	74	36	57.8	1.20	—	—
(48.4)	9.7	2.2	0.9	0.81	1.67	5,118	96.1	0.0	0.1	3.8	41.9	24	146	36.5	0.34	—	—
(61.3)	0.0	1.2	0.5	1.00	1.44	268	96.3	0.0	0.4	3.2	10.1	133	89	45.2	1.16	—	—
(23.1)	38.2	0.6	0.4	0.96	1.39	180	99.4	0.0	0.0	0.6	2.1	70	64	31.1	1.56	—	0.25
(59.2)	2.1	1.3	0.5	1.01	1.46	374	92.8	0.0	1.8	5.4	3.4	40	82	28.0	0.98	—	—

Table 2. Top Funds Over Five Years (Continued)

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%)		Annual Total Return (%)										Bull* Market Return (%)	
			Fund	Cat +/-	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	Fund	Cat +/-
		Health Sector Category Average	6.5	0.0	21.4	8.4	11.2	28.5	(26.0)	11.3	3.5	14.2	13.8	30.6	110.3	0.0
		Rydex Biotechnology Inv (RYOIX)	12.4	5.9	36.5	11.3	10.5	19.4	(10.6)	5.6	(3.1)	11.7	1.8	46.4	125.7	15.4
		Fidelity Sel Biotech (FBIOX)	12.0	5.5	36.5	18.1	11.4	10.7	(11.4)	2.6	3.5	8.7	11.9	32.9	115.6	5.3
		Industrials Sector Category Average	2.0	0.0	15.8	(5.8)	28.2	24.1	(35.6)	10.1	14.0	12.1	18.3	33.1	135.9	0.0
		Fidelity Sel Transportation (FSRFX)	5.9	3.9	11.1	(5.3)	41.2	23.2	(27.1)	(0.6)	9.4	11.9	27.0	38.1	147.3	11.4
		Fidelity Sel Industrials (FCYIX)	4.4	2.4	19.6	(4.9)	31.0	38.9	(40.2)	17.7	14.7	12.3	23.4	37.6	168.9	33.0
		Natural Res/Commodities Sector Cat Avg	(2.5)	0.0	7.4	(15.0)	25.6	53.7	(51.8)	38.6	15.2	19.9	24.5	44.0	110.0	0.0
		Fidelity Sel Chemicals (FSCHX)	9.8	12.3	30.0	0.2	30.7	65.3	(43.4)	28.4	16.8	1.1	32.8	35.1	204.6	94.6
		Fidelity Sel Materials (FSDPX)	5.7	8.2	20.1	(8.2)	28.0	78.6	(47.6)	29.2	19.4	14.3	13.0	50.3	178.0	68.0
		Precious Metals Sector Cat Average	(1.2)	0.0	(11.1)	(22.9)	41.5	59.0	(37.4)	23.7	33.1	33.3	(7.0)	58.3	56.5	0.0
		Tocqueville Gold (TGLDX)	7.4	8.6	(8.8)	(15.9)	53.3	86.5	(35.0)	12.4	39.2	30.0	(5.9)	53.6	105.9	49.4
		USAA Prec Metals & Min (USAGX)	3.9	5.1	(11.9)	(19.6)	39.9	62.4	(24.6)	27.6	43.1	39.2	(10.8)	71.4	61.8	5.3
		Real Estate Sector Category Average	4.2	0.0	18.2	6.7	27.5	30.8	(40.9)	(14.6)	33.0	11.7	31.9	41.0	216.0	0.0
		Fidelity Real Estate Inc (FRIFX)	8.4	4.2	18.8	4.7	18.8	46.8	(31.1)	(6.5)	11.7	5.0	11.7	—	122.4	(93.6)
		Stratton Month Div REIT (STMDX)	7.4	3.2	18.7	5.1	22.6	33.9	(30.4)	(15.4)	28.3	4.1	22.1	32.3	184.6	(31.4)
		Real Estate Global Sector Cat Avg	(2.1)	0.0	34.2	(15.0)	17.7	48.9	(53.3)	(8.9)	27.0	13.9	37.7	68.5	168.2	0.0
		Schwab Gbl Real Estate (SWASX)	1.0	3.1	25.5	(8.5)	19.4	40.5	(45.5)	—	—	—	—	—	161.2	(7.0)
I		Northern Global RE Idx (NGREX)	0.0	2.1	29.4	(9.0)	19.3	36.9	(48.1)	(8.5)	—	—	—	—	167.4	(0.8)
		Technology Sector Category Avg	2.9	0.0	14.0	(5.5)	19.8	64.9	(45.4)	15.6	9.4	4.3	3.4	52.9	129.2	0.0
		Fidelity Sel IT Services (FBSOX)	9.1	6.2	19.8	2.2	18.4	59.0	(33.0)	11.5	14.6	6.1	14.6	26.1	143.6	14.4
		T. Rowe Price Glb Tech (PRGTX)	7.7	4.8	19.2	(1.7)	22.6	80.2	(44.1)	13.4	10.0	10.9	10.2	49.8	179.0	49.8
		Utilities Sector Category Average	0.6	0.0	4.7	15.7	10.8	14.4	(32.6)	16.5	25.7	12.6	22.5	24.6	79.6	0.0
I		Hennessy Gas Utility Idx Inv (GASFX)	6.0	5.4	7.4	25.1	12.3	23.9	(28.3)	14.0	21.2	13.5	23.0	23.4	116.6	37.0
		Gabelli Utilities AAA (GABUX)	3.0	2.4	4.2	8.0	12.9	15.4	(20.9)	8.5	23.0	8.3	15.5	29.4	72.5	(7.1)
		Global Stock Category Average	(0.6)	0.0	16.9	(7.6)	14.6	36.2	(40.6)	12.6	20.6	12.3	15.1	38.3	99.5	0.0
		Oakmark Global Select I (OAKWX)	6.0	6.6	23.9	(5.9)	11.0	53.5	(32.5)	(1.2)	—	—	—	—	137.1	37.6
		Old Westbury Glb Sm & Mid (OWSMX)	6.0	6.6	17.3	(7.9)	24.1	32.4	(24.4)	6.5	20.6	—	—	—	90.9	(8.6)
		Artisan Global Value Investor (ARTGX)	5.7	6.3	18.9	1.5	16.1	33.3	(29.3)	—	—	—	—	—	132.9	33.4
		Tweedy, Browne Value (TWEBX)	3.8	4.4	15.4	(1.8)	10.5	27.6	(24.4)	0.6	11.6	2.3	9.4	23.2	88.5	(11.0)
		USAA World Grth (USAWX)	2.8	3.4	23.4	(4.4)	12.1	31.3	(34.0)	9.3	23.9	7.7	18.3	27.7	113.8	14.3
		Foreign Stock Category Average	(2.4)	0.0	20.1	(14.1)	14.0	38.6	(45.2)	12.4	25.6	17.8	19.7	42.6	98.5	0.0
		Westcore Int'l Small Cap (WTIFX)	5.9	8.3	24.8	(5.8)	35.2	64.1	(48.9)	2.9	18.7	19.5	3.2	58.1	175.8	77.3
	C	Artisan Intl Val Inv (ARTKX)	4.8	7.2	22.8	(7.2)	18.8	33.4	(30.2)	(0.7)	34.4	10.0	32.2	56.5	123.1	24.6
		Oakmark Intl I (OAKIX)	3.5	5.9	29.2	(14.1)	16.2	56.2	(41.1)	(0.6)	30.6	14.1	19.0	38.0	147.2	48.7
		Wasatch Intl Gr (WAIGX)	3.5	5.9	33.0	(12.1)	34.2	64.1	(54.0)	12.4	23.7	18.3	22.9	44.9	206.9	108.4
		Oakmark Intl II (OARIX)	3.2	5.6	28.7	(14.4)	15.8	56.3	(41.4)	(1.0)	30.0	13.8	18.7	37.3	143.8	45.3
		Regional/Country Stock Cat Avg	(3.8)	0.0	19.1	(18.3)	16.4	58.1	(50.0)	27.4	26.6	28.6	20.8	50.2	112.9	0.0
		Matthews Asia Dividend Inv (MAPIX)	7.9	11.7	21.6	(10.1)	22.8	47.5	(26.0)	18.0	—	—	—	—	122.4	9.5
		Matthews Asian Gr & Inc Inv (MACSX)	5.3	9.1	26.8	(10.7)	19.1	41.4	(32.1)	21.5	23.3	15.7	21.4	38.6	107.0	(5.9)
		Matthews Pacific Tiger (MAPTX)	4.3	8.1	21.0	(11.5)	22.2	75.3	(46.2)	33.6	27.2	22.5	23.3	60.1	173.1	60.2
		Matthews Asia Growth Inv (MPACX)	3.3	7.1	17.4	(12.7)	26.8	44.8	(37.5)	11.9	17.3	18.8	22.3	—	132.6	19.7
		Matthews Korea Inv (MAKOX)	1.7	5.5	24.0	(6.5)	21.8	62.9	(52.7)	18.8	12.9	58.7	23.4	33.2	206.0	93.1
		Emerging Stock Category Average	(4.8)	0.0	20.2	(21.6)	20.0	79.6	(59.7)	40.9	33.8	34.9	26.3	60.4	135.6	0.0
	C	Wasatch Emg Mkts S/C (WAEMX)	7.7	12.5	27.7	(14.1)	41.2	117.7	(57.1)	—	—	—	—	—	278.2	142.6
	C	Lazard Emg Mkt Eq Open (LZOEX)	1.4	6.2	22.0	(18.1)	22.4	69.1	(48.1)	32.7	29.9	41.3	30.1	54.5	141.4	5.8
		Driehaus Emerg Mkts Grth (DREGX)	(0.6)	4.2	19.5	(15.1)	23.5	70.0	(54.5)	42.3	41.2	38.9	24.1	65.5	144.6	9.0
		Columbia Emg Mkts Z (UMEMX)	(1.0)	3.8	24.1	(18.9)	20.0	76.8	(55.4)	26.9	33.7	29.0	30.0	63.8	138.6	3.0
		Harding Loevner Emg Mkt Adv (HLEMX)	(1.0)	3.8	22.7	(17.6)	20.9	63.4	(52.4)	35.9	28.7	38.6	28.8	56.3	133.8	(1.8)
		Balanced: Domestic Cat Average	3.3	0.0	11.0	1.1	11.8	22.0	(23.1)	7.3	11.0	5.7	10.3	22.0	70.4	0.0
		Villere Bal Inv (VILLX)	8.6	5.3	21.0	8.8	21.1	31.3	(27.9)	2.2	5.9	3.3	15.1	33.6	142.0	71.6

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							
(35.6)	0.0	0.5	0.4	1.00	1.02	1,598	97.2	0.0	0.3	2.5	16.4	120	84	46.3	0.97	—	—
(26.4)	9.2	0.0	0.0	1.34	1.38	124	99.0	0.0	(0.1)	1.1	5.4	333	45	52.9	1.36	—	—
(25.4)	10.2	0.0	0.2	1.28	1.31	2,731	98.5	0.0	0.0	1.5	1.8	106	147	58.9	0.83	0.75R	—
(55.3)	0.0	0.8	0.4	1.00	1.41	246	96.8	0.0	0.3	2.9	7.2	218	50	56.3	1.01	—	—
(51.9)	3.4	0.8	0.7	1.03	1.45	168	94.9	0.0	0.5	4.6	4.4	82	52	64.8	0.88	0.75R	—
(55.5)	(0.2)	1.0	0.4	1.04	1.45	662	94.9	0.0	0.6	4.5	5.1	102	71	44.8	0.87	0.75R	—
(57.3)	0.0	0.9	0.9	1.00	1.76	817	84.7	9.5	2.9	2.9	31.1	94	131	48.5	1.25	—	—
(48.6)	8.7	1.3	0.6	0.95	1.67	911	92.8	0.0	0.3	6.9	12.4	119	40	63.0	0.85	0.75R	—
(53.7)	3.6	1.1	0.5	0.96	1.70	1,060	95.2	0.0	0.5	4.3	12.5	94	53	49.6	0.85	0.75R	—
(43.6)	0.0	0.5	1.0	1.00	2.04	916	87.1	0.6	2.7	9.7	75.0	155	74	49.1	1.29	—	—
(37.6)	6.0	0.0	0.3	0.89	1.82	2,119	87.4	0.0	12.4	0.2	73.5	3	88	45.8	1.26	2.00R	0.25
(30.5)	13.1	0.0	1.3	0.94	1.92	1,369	96.8	0.0	0.3	2.8	84.0	20	53	47.9	1.17	—	—
(64.7)	0.0	1.9	1.1	1.00	1.28	1,203	89.3	3.1	2.9	4.7	1.3	120	83	43.4	1.03	—	—
(34.9)	29.8	4.7	2.0	0.32	0.41	2,613	23.6	52.0	15.1	9.4	4.0	27	506	15.5	0.90	0.75R	—
(55.6)	9.1	1.2	1.6	0.91	1.17	84	96.9	0.0	0.0	3.1	0.0	15	44	31.4	1.03	1.50R	—
(70.6)	0.0	3.3	1.1	1.00	1.43	420	94.2	0.0	2.8	3.0	69.4	66	197	29.7	1.03	—	—
(65.3)	5.3	6.0	1.8	0.91	1.30	215	97.4	0.0	0.6	2.0	54.9	120	106	29.1	1.05	2.00R	—
(67.5)	3.1	3.7	1.1	0.93	1.33	1,137	94.0	0.0	1.9	4.1	55.8	5	488	20.0	0.50	2.00R	—
(53.1)	0.0	0.1	0.1	1.00	1.41	449	97.1	0.2	0.5	2.2	15.1	172	83	47.9	1.24	—	—
(38.7)	14.4	0.0	0.1	0.94	1.34	333	98.9	0.0	0.0	1.1	8.4	143	78	59.2	0.91	0.75R	—
(52.9)	0.2	0.0	0.5	1.08	1.53	703	93.7	0.0	1.6	4.7	19.4	111	82	49.9	0.98	—	—
(42.9)	0.0	2.6	1.0	1.00	0.77	396	91.5	0.0	0.1	8.4	5.1	106	74	49.6	1.12	—	—
(38.5)	4.4	2.7	1.3	1.09	0.84	713	98.5	0.0	0.0	1.5	14.7	17	64	48.3	0.65	—	—
(33.4)	9.5	3.3	0.5	0.90	0.69	599	83.3	0.0	0.0	16.7	13.4	22	285	20.7	1.40	2.00R	0.25
(52.3)	0.0	1.0	0.5	1.00	1.20	919	94.0	0.7	1.2	4.2	44.8	95	360	30.0	1.25	—	—
(47.9)	4.4	1.3	0.5	1.13	1.36	630	97.8	0.0	0.0	2.2	53.6	36	21	54.9	1.24	—	—
(35.7)	16.6	1.1	0.7	1.04	1.25	4,984	96.7	0.0	0.8	2.5	69.7	28	6,221	10.6	1.14	—	—
—	—	0.5	0.4	0.88	1.06	226	90.0	0.0	0.6	9.4	38.3	—	48	35.3	1.55	2.00R	—
(39.4)	12.9	1.0	1.1	0.71	0.85	545	84.9	0.0	(1.0)	16.1	42.5	10	51	32.5	1.41	—	—
(47.9)	4.4	0.9	0.4	1.05	1.27	724	99.5	0.0	0.0	0.5	52.6	12	98	24.6	1.30	—	—
(57.7)	0.0	1.9	0.8	1.00	1.41	2,546	96.1	0.1	1.1	2.8	93.4	54	353	23.4	1.11	—	—
(57.8)	(0.1)	1.2	0.5	0.94	1.33	327	98.8	0.0	0.0	1.3	98.8	27	44	45.8	1.51	2.00R	—
(46.9)	10.8	1.0	0.4	0.85	1.21	5,416	86.8	0.0	1.9	11.4	72.3	20	53	36.3	1.24	2.00R	—
(54.9)	2.8	2.1	1.2	1.01	1.43	10,796	92.8	0.0	3.9	3.4	89.5	38	56	32.5	1.06	—	—
(65.9)	(8.2)	0.4	0.1	0.98	1.38	580	92.8	0.0	3.1	4.2	91.7	44	82	23.4	1.57	2.00R	—
(55.0)	2.7	1.8	1.0	1.01	1.43	280	92.8	0.0	3.9	3.4	89.5	38	56	32.5	1.45	—	—
(61.5)	0.0	1.4	0.8	1.00	1.56	751	98.7	0.3	1.6	(0.6)	98.4	158	97	38.8	1.34	—	—
(34.8)	26.7	3.8	1.3	0.59	0.92	2,767	99.8	0.0	0.2	0.0	99.8	16	62	32.4	1.10	2.00R	—
(38.1)	23.4	2.5	1.5	0.57	0.88	3,206	81.8	0.0	18.1	0.1	81.8	17	68	28.6	1.12	2.00R	—
(58.0)	3.5	0.6	1.1	0.84	1.31	2,994	99.9	0.0	0.1	0.0	99.9	11	73	25.3	1.11	2.00R	—
(53.6)	7.9	0.0	0.6	0.74	1.14	277	100.0	0.0	0.0	0.0	100.0	28	57	29.8	1.18	2.00R	—
(67.4)	(5.9)	0.0	0.8	1.00	1.55	142	92.8	0.0	7.2	0.0	92.8	30	53	38.8	1.18	2.00R	—
(67.7)	0.0	1.0	0.6	1.00	1.64	1,046	93.2	1.0	2.3	3.5	93.6	77	237	26.0	1.44	—	—
(63.8)	3.9	0.5	0.1	0.85	1.40	1,623	93.9	0.0	3.4	2.7	93.9	39	102	16.1	1.95	2.00R	—
(57.2)	10.5	1.5	1.3	0.95	1.56	2,633	96.3	0.0	0.9	2.9	96.3	23	88	26.1	1.42	1.00R	0.25
(62.3)	5.4	0.4	1.6	0.84	1.38	985	96.9	0.0	2.0	1.1	95.8	342	94	23.6	1.68	2.00R	—
(63.6)	4.1	0.5	1.4	0.93	1.52	219	95.0	0.0	3.2	1.9	94.2	35	141	20.5	1.54	—	—
(61.2)	6.5	0.7	0.6	0.89	1.45	1,731	94.6	1.3	3.2	0.9	95.9	33	82	23.4	1.49	2.00R	—
(31.7)	0.0	1.8	0.8	1.00	0.68	2,866	55.2	32.9	3.4	8.6	13.4	64	699	40.3	0.91	—	—
(39.5)	(7.8)	0.6	0.5	1.55	1.06	304	65.9	22.9	2.6	8.5	3.0	17	67	35.8	1.00	—	—

Table 2. Top Funds Over Five Years (Continued)

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%) Fund	Cat +/-	Annual Total Return (%) 2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	Bull* Market Return (%) Fund	Cat +/-
		Berwyn Inc (BERIX)	7.4	4.1	7.9	3.0	10.0	30.2	(10.2)	6.8	8.6	1.9	7.9	16.2	63.4	(7.0)
		Permanent Port (PRPFX)	7.2	3.9	6.9	2.1	19.3	19.0	(8.4)	12.4	13.8	7.6	12.0	20.4	66.5	(3.9)
		Vanguard Wellesley Inc (VWINX)	6.9	3.6	10.0	9.6	10.6	16.0	(9.9)	5.6	11.2	3.4	7.5	9.6	70.8	0.4
		Bruce (BRUFX)	6.6	3.3	7.8	7.2	23.9	32.2	(27.3)	(5.2)	17.7	7.6	57.1	66.8	108.4	38.0
		Balanced: Global Category Average	2.3	0.0	12.4	(1.9)	13.3	28.0	(29.4)	8.4	11.8	7.3	11.9	29.6	79.3	0.0
		PIMCO All Asset All Authy D (PAUDX)	7.8	5.5	17.3	2.5	10.1	18.9	(7.6)	9.4	2.4	—	—	—	71.6	(7.7)
		PIMCO All Asset D (PASDX)	6.4	4.1	15.0	1.9	13.3	22.4	(16.0)	7.9	4.6	5.8	11.1	—	77.6	(1.7)
		USAA First Start Grth (UFSGX)	4.1	1.8	14.8	(2.3)	15.7	36.6	(31.0)	4.0	(1.0)	10.7	11.3	28.7	102.4	23.1
		Fidelity Asset Mgr 40% (FFANX)	3.7	1.4	10.2	0.4	12.1	25.9	(23.3)	—	—	—	—	—	66.2	(13.1)
		AmCent One Choice: Mod Inv (AOMIX)	3.0	0.7	13.2	0.8	12.7	21.7	(26.0)	9.8	12.8	6.5	—	—	76.2	(3.1)
		Target Date: In Retirement Cat Avg	3.9	0.0	8.4	2.3	10.0	18.3	(14.1)	6.5	8.1	3.8	5.6	10.9	56.6	0.0
		Amer Beacon Ret Inc&Ap Inv (AANPX)	5.1	1.2	6.6	2.6	7.3	14.2	(4.4)	6.6	5.5	1.3	4.2	—	36.2	(20.4)
		Vanguard Target Rtmt Inc Inv (VTINX)	4.8	0.9	8.2	5.2	9.3	14.2	(11.0)	8.1	6.3	3.3	6.8	—	51.9	(4.7)
		Target Date: 2010-2019 Cat Average	2.9	0.0	10.3	1.4	11.3	21.2	(23.3)	6.7	11.5	5.8	8.9	19.9	67.9	0.0
		Vanguard Target Rtmt 2010 Inv (VTENX)	3.7	0.8	10.1	3.3	11.4	19.3	(20.7)	7.6	—	—	—	—	69.0	1.1
		AmCent LIVESTRONG 2015 Inv (ARFIX)	3.6	0.7	10.5	3.1	10.8	18.2	(20.2)	8.5	10.5	4.7	—	—	65.2	(2.7)
		T. Rowe Price Rtmt 2010 (TRRAX)	3.6	0.7	12.4	0.5	12.6	27.9	(26.8)	6.6	12.8	6.2	11.1	23.7	80.7	12.8
		Target Date: 2020-2029 Cat Average	2.3	0.0	12.4	(0.2)	13.1	25.8	(29.6)	7.0	13.1	6.9	10.5	25.9	81.6	0.0
		AmCent LIVESTRONG 2025 Inv (ARWIX)	3.1	0.8	12.1	1.7	12.5	21.2	(25.1)	9.2	11.8	6.4	—	—	74.9	(6.7)
		T. Rowe Price Rtmt 2020 (TRRBX)	3.0	0.7	15.0	(1.3)	14.7	34.1	(33.5)	6.7	14.6	7.1	12.8	27.4	98.3	16.7
		Target Date: 2030-2039 Cat Average	1.8	0.0	14.3	(1.9)	14.7	29.6	(34.5)	7.6	14.4	7.9	11.8	29.2	94.0	0.0
		Schwab Target 2030 (SWDRX)	3.0	1.2	14.7	(0.7)	14.0	26.5	(29.3)	3.7	14.1	—	—	—	88.7	(5.3)
		T. Rowe Price Rtmt 2030 (TRRCX)	2.5	0.7	16.8	(2.8)	16.0	37.9	(37.8)	6.8	16.1	8.1	14.1	29.9	110.0	16.0
		Target Date: 2040-2049 Cat Average	1.6	0.0	15.3	(3.1)	15.6	31.4	(36.2)	7.7	15.2	8.0	12.7	30.5	99.8	0.0
		Schwab Target 2040 (SWERX)	3.1	1.5	16.3	(1.8)	14.8	28.9	(31.2)	3.5	15.0	—	—	—	96.9	(2.9)
		T. Rowe Price Rtmt 2040 (TRRDX)	2.3	0.7	17.5	(3.5)	16.5	39.0	(38.9)	6.7	16.2	8.1	14.1	29.9	113.2	13.4
		T. Rowe Price Rtmt 2045 (TRRKX)	2.3	0.7	17.6	(3.5)	16.4	39.0	(38.9)	6.8	16.1	—	—	—	113.3	13.5
		Target Date: 2050-2059 Cat Average	1.5	0.0	15.8	(3.4)	15.8	32.8	(38.3)	7.7					103.0	0.0
		T. Rowe Price Rtmt 2050 (TRRMX)	2.3	0.8	17.5	(3.4)	16.4	38.9	(38.8)	6.8	—	—	—	—	113.3	10.3
		T. Rowe Price Rtmt 2055 (TRRNX)	2.3	0.8	17.6	(3.4)	16.4	38.9	(38.9)	6.8	—	—	—	—	113.4	10.4
		Corporate High-Yield Bond Cat Avg	7.7	0.0	13.4	3.1	12.9	39.6	(20.8)	2.5	9.6	2.2	9.4	20.8	81.7	0.0
	C	Nubrgr Ber Hi Inc Bd Inv (NHINX)	10.6	2.9	14.4	2.9	14.6	51.5	(19.1)	1.6	8.0	1.6	7.7	11.8	98.1	16.4
		Federated High-Yield Svc (FHYTX)	9.7	2.0	18.3	3.4	16.3	55.5	(28.2)	3.1	11.1	2.4	11.6	22.8	116.5	34.8
		SSgA High Yield Bond Instl (SSHYX)	9.6	1.9	15.0	3.6	15.2	51.2	(23.7)	2.6	8.3	1.9	8.9	19.7	98.4	16.7
		Convertible Bond Category Average	4.6	0.0	12.3	(2.1)	16.5	40.5	(28.5)	8.9	14.0	5.2	8.7	24.1	91.6	0.0
		Osterweis Strategic Inc (OSTIX)	7.9	3.3	8.5	4.0	10.1	24.8	(5.6)	3.4	9.9	2.6	7.3	16.5	52.5	(39.1)
		Vanguard Convertible Sec Inv (VCVSX)	4.7	0.1	14.4	(6.8)	19.2	40.8	(29.8)	10.6	12.9	6.6	7.2	31.5	81.1	(10.5)
		Mortgage-Backed Bond Cat Average	4.4	0.0	3.2	5.7	5.7	6.7	1.2	5.9	4.2	2.4	3.4	2.4	22.9	0.0
		TCW Total Return Bond N (TGMNX)	9.3	4.9	13.0	3.8	10.3	19.5	0.8	6.1	5.0	2.9	4.9	2.7	53.0	30.1
		Payden GNMA (PYGNX)	6.5	2.1	3.5	8.1	6.6	6.4	7.6	6.2	4.4	2.9	4.1	3.0	26.2	3.3
		PIMCO GNMA D (PGNDX)	6.4	2.0	2.5	7.9	7.5	9.3	4.8	7.0	4.6	2.8	3.7	2.9	28.3	5.4
		Gov't: Short-Term Bond Cat Average	2.5	0.0	0.9	2.4	2.8	1.2	5.5	6.4	3.8	1.9	1.7	1.7	8.1	0.0
		AmCent Zero Coupon 2015 Inv (BTFTX)	5.8	3.3	1.4	7.5	8.8	(1.0)	12.7	10.0	2.0	4.9	9.0	3.9	22.1	14.0
		Payden US Government (PYUSX)	3.6	1.1	2.0	2.7	2.9	2.8	7.5	7.0	4.0	1.0	1.4	1.1	11.0	2.9
		Vanguard ShtTm Fed Inv (VSGBX)	3.4	0.9	1.4	2.7	3.2	2.7	7.0	7.4	4.3	1.8	1.3	1.9	10.4	2.3
		Gov't: Intermed-Term Bond Cat Avg	5.3	0.0	2.5	7.7	5.4	1.6	9.5	7.7	3.5	1.9	2.7	2.3	20.1	0.0
I		Fidelity Spar Intm Bd Ix Inv (FIBIX)	6.9	1.6	3.3	12.9	8.4	(5.1)	16.3	10.0	2.6	—	—	—	25.1	5.0
		T. Rowe Price US Try Int (PRTIX)	6.4	1.1	2.6	10.4	7.0	(1.4)	14.1	9.9	2.5	1.5	1.1	1.8	22.6	2.5
		Vanguard IntTm Treas Inv (VFITX)	6.1	0.8	2.6	9.7	7.3	(1.7)	13.3	9.9	3.1	2.3	3.4	2.3	22.5	2.4

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 (%)
(12.0)	19.7	2.8	1.6	0.55	0.38	1,447	26.0	24.0	26.9	23.1	2.3	71	87	23.9	0.67	1.00R	—
(15.1)	16.6	0.6	0.3	1.05	0.72	16,842	31.6	22.9	27.0	18.5	7.6	9	156	33.3	0.71	—	—
(18.8)	12.9	3.1	1.2	0.51	0.35	11,648	37.2	58.9	0.0	4.0	15.9	33	1,379	13.8	0.25	—	—
(39.5)	(7.8)	3.7	1.3	0.90	0.61	352	43.3	30.2	11.9	14.6	4.4	10	65	37.8	0.81	—	—
(38.9)	0.0	2.1	1.0	1.00	0.77	813	51.1	41.8	5.7	1.5	32.8	72	464	48.6	1.16	—	—
(15.1)	23.8	5.5	2.3	0.78	0.60	1,744	(10.6)	122.7	13.7	(25.7)	47.2	55	45	90.2	1.58	—	0.25
(23.3)	15.6	4.9	2.2	0.69	0.53	1,012	2.1	94.0	9.5	(5.6)	48.5	56	44	68.5	1.29	—	0.25
(41.4)	(2.5)	2.0	0.9	1.08	0.83	240	68.7	23.0	5.9	2.5	24.1	85	406	32.3	1.44	—	—
(29.2)	9.7	1.5	1.0	0.68	0.52	373	37.3	42.5	9.1	11.1	13.7	21	2,359	19.5	0.59	—	—
(35.6)	3.3	2.0	0.9	1.00	0.77	932	63.1	29.0	0.8	7.1	21.1	16	15	84.2	0.90	—	—
(19.8)	0.0	2.5	1.0	1.00	0.46	1,282	35.8	50.6	3.6	10.0	18.3	27	665	78.8	0.51	—	—
(5.1)	14.7	2.2	1.1	0.46	0.21	156	4.8	81.8	11.1	2.4	10.3	54	280	17.3	1.11	—	—
(16.4)	3.4	2.2	0.9	0.72	0.33	9,711	29.7	62.2	0.1	8.0	14.4	7	6	95.1	0.17	—	—
(32.5)	0.0	1.9	1.0	1.00	0.59	4,067	44.0	47.1	1.4	7.5	22.7	24	1,602	69.2	0.61	—	—
(30.3)	2.2	2.2	0.8	0.89	0.53	6,435	42.9	52.4	0.2	4.5	18.2	12	6	98.4	0.17	—	—
(29.0)	3.5	2.0	0.9	0.96	0.57	478	46.1	40.9	0.9	12.2	16.7	19	16	84.4	0.80	—	—
(35.7)	(3.2)	2.3	1.0	1.20	0.72	4,617	51.5	41.4	0.8	6.3	25.3	23	19	86.9	0.61	—	—
(40.6)	0.0	1.9	0.8	1.00	0.77	5,968	58.5	34.1	1.1	6.3	25.1	23	1,375	72.1	0.68	—	—
(35.0)	5.6	1.9	0.8	0.91	0.70	648	56.3	34.9	0.8	8.0	18.3	21	16	85.2	0.86	—	—
(43.6)	(3.0)	2.0	0.9	1.19	0.92	12,477	68.8	25.4	0.7	5.1	28.4	22	19	83.3	0.70	—	—
(46.6)	0.0	1.7	0.7	1.00	0.95	4,907	73.6	19.9	1.1	5.4	26.6	18	1,476	74.5	0.71	—	—
(42.1)	4.5	2.0	0.7	0.99	0.94	451	75.2	20.7	0.3	3.7	25.9	8	19	79.9	0.77	2.00R	—
(48.6)	(2.0)	1.6	0.7	1.14	1.09	10,597	82.3	12.9	0.6	4.2	30.3	22	18	87.8	0.75	—	—
(48.7)	0.0	1.6	0.7	1.00	1.05	3,219	82.4	11.9	1.1	4.6	28.1	18	1,598	75.5	0.73	—	—
(44.9)	3.8	1.9	0.6	1.01	1.06	448	86.0	9.3	0.3	4.4	26.3	3	19	82.2	0.84	2.00R	—
(49.8)	(1.1)	1.4	0.7	1.09	1.16	6,982	89.0	6.7	0.5	3.8	31.0	22	18	89.6	0.78	—	—
(49.8)	(1.1)	1.3	0.7	1.09	1.15	3,062	89.1	6.6	0.5	3.8	31.0	28	18	89.5	0.78	—	—
(50.1)	0.0	1.5		1.00	1.10	1,112	84.3	10.0	0.6	5.1	29.0	19	14	91.5	0.66	—	—
(49.9)	0.2	1.3	0.6	1.05	1.15	1,576	89.0	6.6	0.5	3.9	30.9	32	18	89.5	0.78	—	—
(49.9)	0.2	1.3	0.6	1.05	1.15	459	89.0	6.7	0.5	3.8	30.9	37	18	89.5	0.78	—	—
(20.5)	0.0	5.8	2.5	1.00	0.50	1,426	1.4	84.8	4.4	9.4	15.7	132	308	19.0	0.96	—	—
(18.3)	2.2	6.0	2.8	1.11	0.56	337	0.0	90.7	4.3	5.0	14.0	88	308	10.9	0.87	—	—
(27.8)	(7.3)	6.2	2.6	1.28	0.65	327	6.5	85.6	4.2	3.8	7.4	50	418	10.1	1.01	2.00R	—
(21.6)	(1.1)	6.4	2.8	1.14	0.57	141	0.0	91.8	0.4	7.8	14.3	196	242	14.8	0.77	—	0.24
(33.2)	0.0	3.2	1.5	1.00	0.78	1,302	13.3	19.4	62.2	5.1	5.1	70	112	29.7	0.82	—	—
(3.9)	29.3	5.4	2.1	0.27	0.21	2,749	0.0	71.2	12.3	16.5	7.8	87	102	19.2	0.93	2.00R	—
(33.0)	0.2	3.7	1.8	1.06	0.83	1,636	0.3	13.3	85.2	1.2	12.0	90	210	47.5	0.59	—	—
3.4	0.0	2.8	1.5	1.00	0.13	1,743	0.0	99.6	(0.5)	0.9	15.4	383	1,669	43.3	0.70	—	—
3.2	(0.2)	5.7	2.6	1.39	0.18	2,475	0.0	99.4	0.0	0.6	7.4	123	566	21.0	0.74	—	0.25
10.8	7.4	3.3	1.7	1.06	0.13	849	0.0	148.7	0.7	(49.4)	51.8	23	364	55.3	0.50	—	—
8.4	5.0	2.2	1.8	1.17	0.15	279	0.0	115.7	1.5	(17.2)	18.8	2,397	727	62.9	0.90	—	0.25
6.8	0.0	0.9	0.8	1.00	0.08	357	0.0	81.8	2.7	15.5	6.0	257	126	46.4	0.55	—	—
12.9	6.1	2.3	1.7	2.92	0.25	286	0.0	99.8	0.0	0.2	7.9	40	35	78.8	0.56	—	—
9.8	3.0	1.7	1.0	1.00	0.09	127	0.0	114.0	0.0	(14.0)	18.1	76	68	37.8	0.45	—	—
9.5	2.7	0.6	1.0	0.92	0.08	1,999	0.0	89.2	1.1	9.7	6.6	411	687	28.2	0.20	—	—
10.7	0.0	1.9	1.3	1.00	0.20	739	0.0	95.5	2.6	1.9	6.2	244	234	44.8	0.55	—	—
15.8	5.1	2.0	1.3	1.79	0.35	447	0.0	99.4	0.0	0.6	0.0	76	57	39.3	0.20	—	—
15.6	4.9	2.2	1.2	1.46	0.29	581	0.0	99.6	0.0	0.5	0.0	57	113	70.1	0.49	—	—
14.0	3.3	1.3	1.5	1.36	0.27	2,081	0.0	98.9	1.1	0.0	3.4	273	256	45.9	0.20	—	—

Table 2. Top Funds Over Five Years (Continued)

Index Fund	Closed	Fund Name (Ticker)	5-Year Annual Return (%) Fund	Cat +/-	Annual Total Return (%) 2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	Bull* Market Return (%) Fund	Cat +/-
		Gov't: Long-Term Bond Cat Avg	10.0	0.0	3.8	32.5	10.5	(18.5)	31.7	10.6	(0.5)	8.8	9.2	1.4	41.3	0.0
I		Direxion 10 Year Note Bull 2X (DXKLX)	12.6	2.6	5.4	30.3	11.6	(19.1)	45.6	17.7	(1.3)	—	—	—	39.6	(1.7)
I		Rydex Govt LgBd 1.2x Str Inv (RYGBX)	11.2	1.2	4.5	42.9	10.4	(31.3)	49.9	10.3	(3.2)	8.3	9.5	(1.7)	42.5	1.2
		Wasatch-Hoisington US Tr (WHOSX)	11.2	1.2	2.7	41.2	10.1	(22.6)	37.7	10.0	(0.2)	10.4	10.2	1.2	44.5	3.2
		Inflation-Protected Bond Cat Avg	6.5	0.0	6.3	12.2	5.9	11.1	(2.4)	10.8	0.0	2.3	8.0	7.8	42.0	0.0
		PIMCO Real Ret D (PRRDX)	7.4	0.9	8.8	11.1	7.3	18.4	(6.9)	11.0	(0.2)	2.1	8.7	8.0	53.9	11.9
		AmCent Inf-Adj Bond Inv (ACITX)	6.8	0.3	6.6	13.0	5.4	10.5	(1.1)	10.9	0.0	2.4	7.9	7.3	41.4	(0.6)
		Vanguard Infl-Prot Secs Inv (VIPSX)	6.6	0.1	6.7	13.2	6.1	10.8	(2.9)	11.5	0.4	2.5	8.2	8.0	43.2	1.2
		General Bond: Short-Term Cat Average	2.8	0.0	3.8	1.8	5.0	10.2	(5.4)	4.2	4.5	1.9	2.2	3.5	22.8	0.0
		Thompson Bond (THOPX)	8.1	5.3	9.3	3.0	7.3	24.8	(2.1)	5.6	5.7	(0.1)	3.1	13.6	48.6	25.8
		Metropolitan West Str Inc M (MWSTX)	5.0	2.2	12.4	1.5	18.1	31.6	(28.1)	(3.4)	5.5	3.0	5.8	—	84.6	61.8
		Homestead Short-Term Bd (HOSBX)	4.8	2.0	4.5	1.8	5.7	16.3	(3.6)	4.6	4.3	2.2	1.6	1.8	29.1	6.3
		William Blair Inc N (WBRRX)	4.8	2.0	6.0	5.2	6.0	9.5	(2.2)	1.0	4.2	1.7	2.6	3.6	30.7	7.9
		General Bond: Intermed-Term Cat Avg	6.2	0.0	6.8	6.0	7.6	13.0	(1.1)	5.2	4.6	2.0	4.6	6.7	39.2	0.0
		PIMCO Invt Grd Corp D (PBDDX)	10.2	4.0	14.5	6.4	11.2	18.2	1.4	6.7	3.7	2.1	—	—	67.0	27.8
		Columbia Corp Inc Z (SRINX)	8.5	2.3	10.7	8.7	8.9	28.5	(10.7)	1.7	4.5	2.1	6.0	11.9	70.3	31.1
		Metro West Total Ret Bd M (MWTRX)	8.5	2.3	11.3	5.1	11.5	17.0	(1.5)	6.2	6.9	3.1	5.1	13.8	54.6	15.4
		General Bond: Long-Term Cat Avg	8.8	0.0	10.8	13.2	10.2	15.9	(3.9)	5.2	4.5	3.8	7.3	8.9	66.9	0.0
I		Vanguard LongTm Bd Idx Inv (VBLTX)	10.0	1.2	8.4	22.0	10.2	1.7	8.6	6.5	2.6	5.3	8.4	5.5	61.2	(5.7)
		Vanguard LongTm InvGrde Inv (VWESX)	10.0	1.2	11.6	17.1	10.7	8.7	2.2	3.7	2.8	5.1	8.9	6.2	71.4	4.5
		Muni Nat'l: Short-Term Bond Cat Avg	2.8	0.0	1.4	2.9	1.6	5.8	2.2	3.8	3.3	1.6	1.5	2.7	10.5	0.0
		T. Rowe Price T/F Sh-Int (PRFSX)	3.7	0.9	2.1	4.5	2.0	7.2	3.0	3.8	3.2	0.9	1.6	2.7	14.6	4.1
		USAA Tax Ex Short-Term (USSTX)	3.5	0.7	2.5	4.4	2.9	6.8	1.3	3.3	3.5	1.7	1.5	2.9	15.2	4.7
		WF Adv S/T Muni Bd Inv (STSMX)	3.3	0.5	2.2	3.2	2.5	10.4	(1.4)	3.9	3.6	2.6	3.2	4.0	16.4	5.9
		Muni Nat'l: Intermed-Term Bond Cat Avg	5.0	0.0	4.7	8.8	2.2	10.0	(0.2)	3.5	3.7	1.8	2.9	4.4	24.3	0.0
		BMO Interm T/F Y (MITFX)	6.4	1.4	6.6	9.1	3.0	12.8	0.7	4.2	3.5	0.9	2.5	4.1	30.3	6.0
		Commerce Natl TF Int Bd (CFNLX)	6.0	1.0	7.5	11.4	2.7	8.6	0.4	3.6	3.6	2.2	3.2	4.9	29.1	4.8
		USAA Tax Ex Interm-Term (USATX)	5.8	0.8	7.1	10.1	2.8	18.2	(7.4)	1.9	4.5	3.0	4.2	5.1	35.8	11.5
		Muni Nat'l: Long-Term Bond Cat Avg	5.7	0.0	8.0	10.5	1.8	15.2	(5.6)	2.2	4.7	3.4	4.5	5.3	33.8	0.0
		WF Adv Muni Bond Inv (SXFIX)	6.6	0.9	10.2	10.0	3.5	24.3	(11.7)	2.1	5.7	5.0	10.3	6.7	47.4	13.6
		T. Rowe Price Sum Muni Inc (PRINX)	6.3	0.6	9.8	10.6	2.3	18.6	(8.1)	1.6	5.4	4.2	5.1	6.0	39.9	6.1
		DWS Mgd Muni Bd S (SCMBX)	6.2	0.5	9.7	9.8	1.4	17.5	(5.8)	3.5	5.0	3.8	3.0	5.2	36.3	2.5
		Muni Nat'l: High-Yield Bond Cat Avg	5.3	0.0	12.0	10.6	3.3	26.8	(19.9)	(0.8)	6.5	5.2	5.5	6.0	51.7	0.0
		T. Rowe Price T/F Hi-Yld (PRFHX)	6.2	0.9	13.6	10.9	3.9	31.4	(21.5)	(1.2)	6.8	6.2	6.6	7.1	61.1	9.4
		DWS Strat H/Y Tx-Fr S (SHYTX)	6.0	0.7	12.4	10.0	2.5	35.6	(22.0)	2.7	6.0	5.4	4.8	6.2	56.1	4.4
		Vanguard Hi-Yld T/E (VWAHX)	6.0	0.7	9.3	10.9	2.5	20.1	(10.5)	1.5	5.5	4.3	4.9	6.3	41.4	(10.3)
		Int'l Bond: General Cat Average	5.5	0.0	6.5	3.4	6.0	12.3	(0.4)	7.3	5.5	(3.3)	7.9	12.8	38.8	0.0
		PIMCO Frgn Bd (Unhedged) D (PFBDX)	8.2	2.7	6.2	7.9	12.0	20.8	(4.5)	10.0	6.1	(9.5)	—	—	66.0	27.2
		PIMCO Frgn Bd (USD-Hgd) D (PFODX)	8.0	2.5	10.7	6.3	8.7	18.5	(2.9)	3.5	2.4	5.2	6.1	3.1	51.0	12.2
		Int'l Bond: Emerging Cat Average	9.0	0.0	18.7	3.9	12.3	34.3	(17.0)	4.7	11.4	12.8	13.2	27.5	87.7	0.0
		Fidelity New Markets Inc (FNMIX)	11.1	2.1	20.0	7.9	10.9	44.5	(18.3)	5.6	11.9	11.0	12.5	30.9	107.4	19.7
		Payden Emerging Mkts Bond (PYEMX)	10.5	1.5	19.3	5.7	12.8	28.8	(10.3)	2.8	10.0	11.7	13.1	18.3	84.8	(2.9)
		Int'l Bond: Currency Category Average	(0.9)	0.0	0.5	(3.5)	0.9	3.1	(4.4)	7.0	5.9				6.7	0.0
		Merk Hard Currency Inv (MERKX)	3.1	4.0	4.1	(0.8)	4.6	13.8	(5.0)	15.1	11.6	—	—	—	30.0	23.3
		PIMCO Emerg Mkts Curr D (PLMDX)	2.5	3.4	8.1	(5.4)	7.4	21.1	(14.9)	12.7	11.4	—	—	—	44.1	37.4
		All Funds Average	1.8	0.0	12.5	(1.8)	14.5	29.5	(28.7)	8.4	12.9	8.5	12.1	28.5	89.3	0.0

**Bull market is defined as 3/1/2009 through 12/31/2012. Bear market is defined as 11/1/2007 through 2/28/2009.*
Source: "The Individual Investor's Guide to the Top Mutual Funds 2013," February 2013 AAII Journal. *Data from Morningstar Inc. is through 12/31/2012.*

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 (%)
20.5	**0.0**	**2.0**	**1.4**	**1.00**	**1.00**	**331**	**0.0**	**81.9**	**10.1**	**8.0**	**0.5**	**994**	**42**	**72.7**	**0.79**	**—**	**—**
41.8	**21.3**	0.0	1.0	0.98	0.99	27	0.0	0.0	100.0	0.0	0.0	0	1	100.0	1.90	—	0.25
26.5	**6.0**	1.6	0.9	1.35	1.36	121	0.0	89.8	(0.2)	10.4	0.0	2,322	5	89.8	0.95	—	—
24.2	3.7	2.2	1.6	1.25	1.26	276	0.0	98.3	0.0	1.7	0.0	13	18	84.4	0.75	2.00R	—
0.1	**0.0**	**1.7**	**1.1**	**1.00**	**0.30**	**3,013**	**0.0**	**102.1**	**0.2**	**(2.3)**	**3.7**	**49**	**150**	**56.4**	**0.50**	**—**	**—**
(3.4)	(3.5)	2.3	1.6	1.05	0.32	2,669	0.0	126.0	1.6	(27.6)	27.8	129	818	65.5	0.85	—	0.25
2.0	**1.9**	2.2	1.1	1.02	0.31	3,701	0.0	99.5	0.4	0.1	0.6	26	137	44.2	0.48	—	—
0.1	0.0	2.5	1.1	1.02	0.31	16,075	0.0	100.0	0.0	0.0	0.0	28	34	46.1	**0.20**	**—**	—
(4.4)	**0.0**	**1.8**	**1.1**	**1.00**	**0.10**	**1,392**	**0.1**	**85.6**	**1.7**	**12.6**	**16.3**	**86**	**557**	**24.7**	**0.65**	**—**	**—**
0.5	4.9	3.3	1.6	1.79	0.18	1,354	0.0	84.8	2.9	12.4	11.7	14	595	19.2	0.80	—	—
(32.5)	(28.1)	5.5	3.1	2.64	0.26	31	0.0	80.4	1.2	18.4	8.1	70	210	14.8	2.10	—	0.25
(1.3)	3.1	2.5	1.6	0.71	0.07	426	0.0	61.6	3.1	35.4	11.0	31	448	11.9	0.77	—	—
(2.9)	1.5	3.4	1.5	1.36	0.13	69	0.0	96.5	0.0	3.5	9.4	39	152	20.0	0.85	—	0.15
(0.8)	**0.0**	**2.8**	**1.5**	**1.00**	**0.20**	**3,934**	**0.7**	**90.2**	**1.6**	**7.5**	**14.2**	**156**	**1,430**	**27.3**	**0.65**	**—**	**—**
(0.5)	0.3	4.3	2.6	1.57	0.31	968	0.0	221.5	3.4	(124.9)	117.1	124	1,423	88.6	0.90	—	0.25
(11.9)	(11.1)	3.3	1.9	1.46	0.29	536	0.0	93.5	1.6	4.9	12.3	6	526	14.8	0.71	—	—
(0.3)	0.5	3.7	2.1	0.96	0.19	10,124	0.0	93.5	1.4	5.0	11.5	156	1,128	24.1	0.62	—	0.21
(7.4)	**0.0**	**4.0**	**1.7**	**1.00**	**0.44**	**2,611**	**0.2**	**93.8**	**1.6**	**4.4**	**12.3**	**41**	**622**	**18.1**	**0.52**	**—**	**—**
2.2	**9.6**	3.9	1.8	1.39	0.61	2,904	0.0	99.1	0.0	0.9	12.4	45	1,385	23.7	0.22	—	—
(4.9)	**2.5**	4.6	2.0	1.27	0.56	4,472	0.0	98.9	0.1	1.0	8.6	29	470	9.8	**0.22**	**—**	—
4.7	**0.0**	**1.3**	**0.0**	**1.00**	**0.06**	**1,376**	**0.0**	**84.9**	**0.8**	**14.3**	**0.0**	**51**	**623**	**14.5**	**0.52**	**—**	**—**
6.1	**1.4**	1.7	0.0	1.67	0.11	1,930	0.0	93.9	0.0	6.1	0.0	23	481	9.5	0.50	—	—
4.2	(0.5)	2.1	0.0	1.11	0.07	2,168	0.0	86.1	0.0	13.9	0.0	16	378	11.8	0.55	—	—
2.0	(2.7)	1.4	0.0	0.78	0.05	2,106	0.0	92.5	(1.7)	9.2	0.0	72	823	10.8	0.63	—	—
4.1	**0.0**	**2.5**	**0.0**	**1.00**	**0.22**	**1,656**	**0.0**	**93.4**	**0.6**	**6.0**	**0.0**	**34**	**587**	**12.8**	**0.56**	**—**	**—**
5.9	**1.8**	2.7	0.1	0.97	0.22	894	0.0	93.8	0.0	6.2	0.0	—	1,096	5.7	0.55	2.00R	—
5.1	1.0	3.0	0.2	1.16	0.26	257	0.0	95.1	0.0	5.0	0.0	44	231	18.4	0.69	—	—
(1.9)	(6.0)	3.7	0.0	1.06	0.24	3,321	0.0	99.0	0.0	1.0	0.0	13	556	9.5	0.54	—	—
(0.8)	**0.0**	**3.3**	**0.1**	**1.00**	**0.28**	**1,663**	**0.0**	**97.1**	**1.1**	**1.9**	**0.0**	**37**	**511**	**12.5**	**0.54**	**—**	**—**
(6.3)	(5.5)	2.8	0.1	**0.85**	0.24	636	0.0	97.0	(1.4)	4.4	0.0	63	749	13.1	0.78	—	—
(2.8)	(2.0)	3.7	0.0	1.08	0.30	853	0.0	99.1	0.0	0.9	0.0	10	376	11.1	0.50	—	—
0.3	1.1	4.3	0.0	1.10	0.31	2,675	0.0	97.4	0.9	1.7	0.0	27	568	9.4	0.58	—	—
(15.4)	**0.0**	**4.2**	**0.0**	**1.00**	**0.30**	**883**	**0.0**	**98.1**	**0.2**	**1.7**	**0.1**	**27**	**398**	**11.3**	**0.68**	**—**	**—**
(17.1)	(1.7)	4.3	0.0	1.02	0.31	2,601	0.0	100.0	0.0	0.0	0.0	13	554	9.2	0.68	2.00R	—
(13.5)	**1.9**	4.5	0.0	1.12	0.34	1,099	0.0	99.7	0.0	0.3	0.0	29	422	10.0	0.66	—	—
(5.1)	**10.3**	3.7	0.0	**0.95**	0.29	1,606	0.0	97.8	0.0	2.2	0.0	20	1,015	4.7	**0.20**	**—**	—
(3.9)	**0.0**	**3.3**	**1.7**	**1.00**	**0.41**	**693**	**0.0**	**90.7**	**3.3**	**6.0**	**67.6**	**159**	**336**	**37.1**	**0.83**	**—**	**—**
(8.4)	(4.5)	3.0	2.4	1.36	0.56	664	0.0	100.7	13.4	(14.1)	84.5	486	968	48.1	0.90	—	0.25
(1.0)	2.9	4.0	2.2	**0.57**	0.23	386	0.0	103.6	6.7	(10.3)	83.5	355	952	38.1	0.90	—	0.25
(18.6)	**0.0**	**4.6**	**2.2**	**1.00**	**0.51**	**2,482**	**0.6**	**97.5**	**2.1**	**(0.2)**	**96.1**	**83**	**332**	**21.0**	**0.97**	**—**	**—**
(18.7)	(0.1)	4.3	2.3	0.92	0.48	7,243	2.7	86.3	0.0	11.0	86.3	132	250	14.4	0.87	1.00R	—
(12.7)	**5.9**	5.4	2.1	1.04	0.54	598	0.0	93.8	3.3	2.9	92.1	85	176	15.9	**0.85**	**2.00R**	—
(5.5)	**0.0**	**0.2**	**0.7**	**1.00**	**0.79**	**92**	**0.0**	**5.5**	**3.6**	**91.0**	**5.1**	**456**	**63**	**4.8**	**1.50**	**—**	**—**
(10.1)	(4.6)	0.0	0.6	0.93	0.74	466	0.0	11.5	8.4	80.1	11.5	94	38	20.0	**1.30**	**—**	0.25
(21.8)	(16.3)	1.6	0.8	0.88	0.70	134	0.0	32.1	20.8	47.1	29.5	49	412	18.8	**1.25**	**—**	0.25
(36.4)	**0.0**	**1.6**	**0.7**	**1.00**	**1.01**	**1,815**	**66.2**	**25.1**	**1.6**	**7.2**	**21.1**	**105**	**393**	**32.9**	**0.99**	**—**	**—**

Data through year-end 2012 on all mutual funds tracked by AAII is available in a downloadable Excel file at AAII.com. The online guide contains roughly 1,560 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 2013."

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outperformance given the prevailing bond market valuations.

Consistency of performance also matters. Wasatch-Hoisington U.S. Treasury fund (WHOSX) ranks as the third-best bond fund and the eighth-best mutual fund overall in terms of five-year annualized performance, but its year-by-year performance is not as impressive. The fund lagged its long-term government bond category peers in 2009, 2010 and in 2012. In contrast, the Matthew 25 fund (MXXVX) has ranked in the top quartile for large-cap funds during each of the past four years. Its 11.0% five-year annualized return is second-best for its category and 10th best overall. But the Matthew 25 fund is highly concentrated with its holdings.

Be sure to take the extra step of looking at how long the current manager has been running the fund. Schwab Global Real Estate fund (SWASX) was among the best global real estate sector funds in 2008, 2010 and 2011, but the fund's management team has since changed: Paul Alan Davis took over as the fund's manager in February 2012 and Jonas Svallin joined him as co-manager in June 2012. Their tenure has so far been too short to make any assessment about whether the fund will continue to lead its peers over the next five years. (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. Yacktman Focused fund's (YAFFX) total risk index of 0.81 may seem high relative to bond funds, but its category risk index of 0.69 implies that the fund experiences significantly less volatility in its returns than the average large-cap stock fund does.

Costs Matter

Lower expenses are always preferable; however, 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 0.69% expense ratio for mid-cap stock fund PRIMECAP Odyssey Aggressive Growth (POAGX) is not comparable to the 1.06% expense ratio for foreign stock fund Oakmark International I (OAKIX).

In addition to the expense ratio, a 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 a certain amount is invested or if the fund is held for a certain period of time. For example, as previously noted, Fidelity Select Retailing and Fidelity Select Biotechnology funds charge 0.75% redemption fees on redemptions made within 30 days of a share purchase. Terms vary by fund, so read the mutual fund's prospectus for specific information about the fee and other charges. (None of this year's top five-year performers charge front-end loads, but a few have some type of redemption charge.)

If a mutual fund is held in a taxable account, the tax-cost ratio should be considered. Since mutual funds are composed 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 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 has a tax-cost ratio below the average for small-cap stock funds, and it kept its portfolio turnover to just 20% 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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