

50 top U.S. general stock funds

FUND	TICKER	QTR	1YR	RANK	5YRS*
Comstock: CapValA m	DRCVX	32.1	54.2	█	2.0
Rydex: InvOTC2xH b	RYVNX	28.1	86.9	█	-1.4
Leuthold: GrizShort	GRZZX	22.8	73.7	█	6.1
Rydex: InvN100Inv	RYAIX	20.4	50.6	█	3.3
Rydex: InvSP500H b	RYTPX	20.4	66.1	█	0.1
Rydex: InvRuStrH b	RYSHX	18.9	25.9	█	NA
Rydex: SP500SInv	RYURX	18.3	43.3	█	3.9
Federated: PrdntBrA b	BEARX	16.6	26.9	█	6.6
Rydex: MgFtrStrH b	RYMFX	8.2	8.5	█	NA
American Cent: LgStMNA m	ALIAH	5.2	-2.9	█	NA
Direxion: HYBearI b	PHBRX	3.5	9.4	█	NA
JPMorgan: HighStatS	HSKXS	3.2	10.0	█	NA
SunAmerica-Funds: 2015HWA m	HWFAH	3.1	-5.2	█	NA
JPMorgan: ISMktNeut	JPMNX	3.0	-0.5	█	2.9
Pioneer: PtrPIIB m	PPFBX	2.2	3.9	█	2.7
Caldwell & Orkin: MarketOpp	COAGX	2.0	-4.7	█	6.1
Nakoma: AbslRtrn	NARFX	1.8	-4.3	█	NA
DWS-Scudder: Trgt2014 m	KRFEX	1.5	0.1	█	3.9
Waddell & Reed: InvConSA m	WICAX	1.1	2.2	█	4.0
Fidelity Select: AirTrans	FSAIX	0.8	-32.6	█	2.4
Hussman: StrTotRet	HSTRX	0.6	6.3	█	7.4
ING: IPLEVIII B	IBIIX	0.6	-4.9	█	0.8
James Advantage: GoldRainA b	GLRBX	0.6	-5.5	█	6.3
Managers: AMGFQGIAA m	MGAAX	0.4	4.8	█	NA
Oppenheimer: PrnPrIIB m	OBPMX	0.3	-7.5	█	0.8
JPMorgan: MktNeuSel	OGNIX	0.2	-0.2	█	2.6
Gabelli: Matkrs b	MATRX	-0.2	0.2	█	1.4
TFS: MktNeut	TFSMX	-0.3	-7.3	█	NA
Arbitrage: ArbitrageR b	ARBFX	-0.7	-0.6	█	2.5
Merger: MergerF	MERFX	-0.7	-2.3	█	2.9
Appleton: GrpPlusFd b	AGPLX	-0.8	-5.1	█	NA
DWS-Scudder: Trgt2013 m	KRFDX	-0.8	-3.7	█	3.5
Virtus: MktNeuA m	EMNAX	-0.9	-6.1	█	-2.0
Pioneer: PtrPrPIB m	PPPBX	-1.1	-3.3	█	2.4
Gabelli: ABC	GABCX	-1.2	-2.6	█	4.6
SunAmerica-Funds: 2020HiWaA m	HWKAX	-1.3	-16.7	█	NA
DWS-Scudder: Trgt2011 m	KRFBX	-1.5	-3.3	█	3.2
DWS-Scudder: Trgt2010 m	KRFAX	-1.9	-3.6	█	2.7
DWS-Scudder: Trgt2012 m	KRFXC	-2.1	-5.6	█	2.9
AARP Investment: Cons b	AACNX	-2.2	-7.1	█	NA
Direxion: HCMFdmS b	HCMFX	-2.3	-10.3	█	NA
ING: PrinPrXB m	IPXBX	-2.4	-9.3	█	NA
Oppenheimer: PrinPrMSB m	OBPPX	-2.7	-21.5	█	-0.5
Reynolds: BlueChip b	RBCGX	-2.7	-5.1	█	-0.1
Manning & Napier: PBConTrmSEXDA	-2.8	-5.0	█	4.0	
Nationwide: DestConSv b	NDCSX	-2.8	-6.2	█	2.5
PIMCO: AllAuthA m	PAUAX	-2.9	-7.0	█	NA
ING: PrinPrXB m	IXSBX	-3.1	-9.1	█	NA
Vanguard: WellsI	VWINX	-3.1	-9.8	█	3.4
Wells Fargo: Otlk2010I	WFOAX	-3.6	-10.7	█	NA

25 top U.S. industry stock funds

FUND	TICKER	QTR	1YR	RANK	5YRS*
Direxion: CommTrlnv b	DXCTX	14.5	0.0	█	NA
Fidelity Select: Gold	FSAGX	1.8	-20.5	█	3.8
RiverSource: PrecMet&MinA m	INPMX	1.7	0.1	█	9.0
First Eagle: Gold m	SGOVX	0.9	-14.3	█	4.7
Monterey: OCMGold m	OCMGX	0.7	-26.6	█	6.2
Evergreen: PrecMetA m	EKWAX	-0.9	-21.9	█	11.0
American Cent: GIGold	BGEIX	-1.7	-27.2	█	4.8
Van Eck: IntlGoldA m	INIVX	-4.1	-28.9	█	10.4
US Global Investors: Gld&Prec b	USERX	-4.5	-27.1	█	9.7
USAA: FcMIMin	USAGX	-4.8	-24.9	█	11.3
DWS-Scudder: GdPrMS	SCGDG	-6.2	-32.7	█	3.3
ICON: Tel Util	ICTUX	-6.4	-20.5	█	6.1
Tocqueville: Gold b	TGLDX	-6.5	-5.0	█	7.0
Gabelli: GldAAA b	GLDAX	-7.1	-1.0	█	4.0
FrankTemp-Hanklin: Gld m	FXGLX	-7.2	-0.9	█	8.7
Eaton Vance: WidwH m	ETHSX	-8.3	-7.2	█	2.6
Burnham: BurnFinSA m	BURKX	-8.4	-4.8	█	-0.5
FBR: SmCapFin b	FCAPX	-8.4	-1.9	█	1.9
Gabelli: UtilC m	GALUX	-8.5	-1.5	█	0.0
AIM: GldPrCm b	FGLIX	-9.1	-8.7	█	7.3
Rydex: UtilInv	RYUX	-9.1	-27.7	█	4.8
Fidelity Select: Pharm	FSLPX	-9.2	-22.7	█	2.3
Vanguard: HlthCare	VGHGX	-9.2	-18.5	█	3.6
Putnam: UtilGrIn m	PUGIX	-9.6	-30.5	█	6.8
Fidelity Select: BltTech	FBIOX	-10.1	-11.4	█	2.8

25 top international stock funds

FUND	TICKER	QTR	1YR	RANK	5YRS*
DFA: JapnSmCol	DFJSX	4.8	-12.1	█	5.0
MFS: GltTotRtA m	MFWTX	-5.3	-15.6	█	6.8
Dreyfus: GrtChinaA m	DPCAX	-6.3	-5.7	█	6.8
First Eagle: Overseas m	SGOVX	-7.0	-21.0	█	8.3
BlackRock: GlobAlcA m	MDLQX	-7.7	-20.6	█	6.3
AIG Retirement: GlobStrat	VLRSX	-8.8	-20.8	█	NA
Ivy: AssetStrA m	WASAX	-8.8	-25.9	█	11.6
JPMorgan: ItpdJpnA m	CVJAX	-9.2	-34.1	█	2.0
Waddell & Reed Adv: AssetStrA m	UNASX	-9.2	-25.9	█	12.3
Matthews Asian: Japan	MJFOX	-9.7	-28.4	█	-3.5
FrankTemp-Templeton: IncomeA m	TINCX	-9.8	-24.7	█	NA
SPARX Funds: JapanInst	SPARX	-9.9	-27.5	█	2.0
Fidelity: GlobBal	FGBLX	-10.0	-23.3	█	4.2
T Rowe Price: Japan	PRJPX	-10.3	-31.4	█	NA
First Eagle: GldA m	SGENX	-10.7	-21.1	█	7.3
Japan: Japan S b	SJPNX	-11.0	-31.1	█	-2.1
Fidelity: JapanSmCo	FJSCX	-11.3	-34.5	█	-4.9
Advisors Inner Circl: StrBall	FIBTX	-11.4	0.0	█	NA
Matthews Asian: PacEqInc	MAPIX	-11.5	-26.0	█	NA
Nuveen: TwIntVal	NGRRX	-11.5	-29.2	█	6.2
Old Westbury: GlbSmMdCp	OWSMX	-11.5	-24.4	█	NA
Columbia: GrChinaA m	NGCAX	-11.7	-50.1	█	10.9
Cohen & Steers: GlnlfsA m	CSUAX	-11.8	-36.9	█	NA
UBS PACE: AltStrP	PASPX	-11.8	-24.1	█	NA
Evergreen: AstAIIc m	EACFX	-12.0	-22.8	█	1.6

25 top bond funds

FUND	TICKER	QTR	1YR	RANK	5YRS*
Vanguard: ExDuTrlxl	VEDTX	48.5	55.5	█	NA
Rydex: GvLgBdlv	RYGBX	41.5	50.0	█	13.7
Wasatch: HoisUSTrs	WHOSX	31.5	37.8	█	13.0
American Cent: TarMat25	BTTRX	23.6	26.5	█	12.7
T Rowe Price: USTRlgrTm	PRULX	17.8	23.3	█	8.8
Vanguard: LTTsry	VUSTX	17.6	22.5	█	9.2
Federated: USGovBdls	FEDBX	17.5	20.5	█	8.5
Dreyfus: USTrsLgt	DRGBX	17.1	21.6	█	8.3
American Cent: TarMat20	BTMTX	14.0	17.0	█	9.8
PIMCO: LgTmGovIs	PGOVX	13.6	13.6	█	7.1
Vanguard: LTBond	VBLTX	13.0	8.6	█	6.3
ISI: TotRtTrs m	TRUSX	11.5	15.0	█	6.4
Vanguard: LTIInvGr	VWESX	11.1	2.3	█	4.6
Fidelity Spartan: FdSplntlv	FIBIX	10.6	16.4	█	NA
Northern: GlbFxlnc	NOIFX	9.7	11.0	█	5.0
Dreyfus: IntBndA f	DIBAX	9.6	11.1	█	NA
Evergreen: IntlBdls	ESICX	9.5	8.6	█	5.5
DFA: IntGovFII	DFIGX	9.3	12.9	█	6.3
Columbia: USTrsldz	IUTIX	8.8	13.9	█	6.1
Northern Instl: USTrs A	BTIAX	8.8	13.8	█	6.2
Morgan Stanley Intl: IntlFxl	MPIFX	8.6	8.4	█	4.9
RidgeWorth: InvGrI	STIGX	8.5	8.5	█	5.3
T Rowe Price: USTrlnt	PRITX	8.5	14.1	█	5.7
Delaware Invest: ExtDurBdA m	DEEAX	8.2	-2.9	█	3.6
RidgeWorth: USGovtl x	SUGTX	8.1	12.4	█	5.6

Money&Markets

Q U A R T E R L Y

FundReview

Market's drop hammers funds

There was one safe bet that mutual fund investors could make in 2008 — that the stock market was a place to lose a lot of money.

Funds' performance stats show that Wall Street's decline was a punishing that investors had almost nowhere to hide. A majority of fund categories had negative returns, according to Lipper Inc., which tracks fund performance. Financial services and natural resources funds showed some of the worst numbers. Bear market funds, which wager that stocks will fall, were among the few successes.

"This is the kind of market where investors throw out relative performance," said Lipper analyst Jeff Tjornehoj. "Was there really much of a difference between a fund that was down 40 percent and one that was down 42 percent? Not really."

The numbers would have been worse if the market hadn't rallied. SOURCE: Morningstar

Selected fund category performance

CATEGORY	YTD	3MO	5YR*
Stock funds			
Specialty health	-24.5%	-16.4%	0.9%
Large value	-38.1	-22.8	-2.1
Large growth	-41.5	-24.4	-3.7
Specialty natural resources	-49.8	-34.3	5.3
Conservative Allocation	-19.3	-10.4	0.4
Foreign large Value	-42.6	-20.5	1.7
Foreign large Blend	-44.3	-21.3	1.2
Fixed income funds			
Long government	31.7	26.9	10.3
World bond	-2.2	1.0	3.1
Alternative funds			
Bear market	32.2	9.1	1.2
Currency	-2.9	-2.3	5.1
Long-short	-15.2	-9.2	1.1
Specialty precious metals	-30.6	-7.2	5.9

from the multiyear lows set Nov. 20.

Tjornehoj said Wall Street's move off its lows has helped keep some investors in the market.

"They don't feel they need to bail out. They feel they'll miss that bounce off (the) bottom," he said. Moreover, "if your fund is down 30 or 40 percent, bailing out now is unlikely to im-

prove your status."

The market's chaos wiped out gains that some sectors were building on partly in 2008. While the commodities markets shot higher in the first half, giving a lift to funds that focused on natural resources and raw materials, the abrupt turnaround in commodities including crude oil

drop from \$147 a barrel to around \$40 weighed on those funds.

Financial services funds, which suffered as banks and insurance companies were pummeled by the credit crisis and the collapse of Lehman Brothers Holdings Inc. and Bear Stearns Cos., also tumbled.

Defensive areas like utilities did well by comparison. Health care funds also kept ahead of the broader market. Companies in the sector are seen as less likely to see business fall off in a tough economy.

Looking at funds that focus on market capitalization, small-cap funds suffered more than those focused on larger companies. Investors often flock to larger, dividend-paying companies during times of economic upheaval.

Investors are likely to remain cautious.

"An event like this can shake your faith in what's going on like some time," Tjornehoj said.

Key Alter portfolio when markets go down like they did this year, they tend to outperform. He says, "I know names in the market that are approved."

Which companies do you like?
Some of the names that we have are Nestle, Novartis AG (NVS) and Roche.

What areas do you like?
Our favorite region is in developed, continental Europe. PE (price-to-earnings) ratios are attractive and (stocks) have a 6.5 percent dividend yield, versus the U.S. at 3 percent.

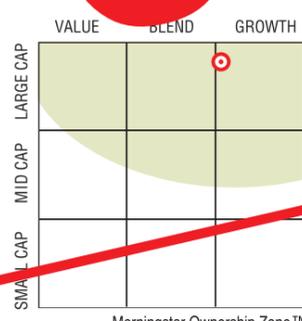
What are you avoiding?
Companies with big pensions are going to face higher expenses —

What are you looking for before getting bullish?
When we see corporate bond yields and credit default swap spreads and mortgage rates start to come down, then we will know things are returning to normal and we can afford to add more risk to our strategy.

Will 2009 be better?
In 2008, nothing went up. The safest major market was Switzerland, and that was down 32 percent. But we think 2009 will be a year where there is dislocation: some sectors will go up. Some countries will have positive returns. The markets will be more rational.



Walter



○ Fund target represents weighted average of stock holdings
■ Represents 75% of fund's stock holdings

Morningstar Category	World Stock
Morningstar Rating	★★★★☆
Assets	\$14 million
Expense Ratio	1.42%
Minimum Init. Invest.	1,000
Percent Return 3 MOS	-18.7
1 YR	-40.4
3 YRS (annualized)	-7.1
5 YRS (annualized)	NA

20 top funds by assets

FUND, ASSETS (in billions)	TICKER	CAT	QTR	1YR	RANK	3YRS*	5YRS*	
PIMCO Total Return Instl	\$78	PTTRX	CI	5.0	4.8	█	5.9	5.2
American Funds Growth Fd of America	52	AGTHX	LG	-23.1	-39.1	█	-9.1	-0.8
American Funds Capital Income Bldr	52	CAIBX	IH	-14.2	-30.1	█	-1.9	3.1
American Funds CapWorld Growth/Inc	46	CWGIX	WS	-19.3	-38.4	█	-3.9	4.0
Fidelity Contrafund	44	FCNTX	LG	-20.4	-37.2	█	-5.7	2.3
American Funds Investment Co. Amer	42	AIVSX	LV	-19.0	-34.7	█	-7.1	-1.2
American Funds Income Fd of America	41	AMECX	MA	-15.3	-28.8	█	-3.9	0.7
American Funds Washington Mutual	38	AWSHX	LV	-20.2	-33.1	█	-6.4	-1.3
Vanguard 500 Index	38	VFINX	LB	-21.9	-37.0	█	-8.4	-2.3
Vanguard Total Stock Index	38	VTSMX	LB	-22.7	-37.0	█	-8.5	-1.8
Dodge & Cox Stock	31	DODGX	LV	-23.3	-43.3	█	-12.4	-2.6
American Funds EuropePacific Growth	31	AEPGX	FB	-19.3	-40.5	█	-4.8	4.6
Vanguard Institutional Index	30	VINIX	LB	-21.9	-37.0	█	-8.3	-2.2
Vanguard Total Bond Mkt Index	28	VBMFX	CI	4.4	5.1	█	5.4	4.6
American Funds Balanced	26	ABALX	MA	-14.5	-25.7	█	-4.0	-0.1
American Funds New Perspective	26	ANWPX	WS	-19.8	-37.8	█	-4.7	1.9
Fidelity Diversified Intl	25	FDIVX	FG	-23.4	-45.2	█	-8.0	1.8
Dodge & Cox International Stock	24	DODFX	FV	-26.1	-46.7	█	-8.6	3.3
American Funds Fundamental Investor	23	ANCFX	LB	-23.3	-39.7	█	-6.5	0.8
PIMCO Total Return Admin	23	PTTRX	CI	4.9	4.6	█	5.7	4.9

Notes on data: All prices as of end of quarter. Quintile boxes show fund performance vs. other funds in its category, from top 20 percent (far-left box) to bottom 20 percent (far-right box). *Three-year and five-year returns annualized.

U.S. general stock funds

CATEGORY, TOP FUNDS	TICKER	QTR	1YR	5YRS*
Bear Market - 88 funds	BM	6.9	28.2	0.2
Comstock CapValA m	DRCVX	32.1	54.2	2.0
Rydex InvOTC2xH b	RYVNX	28.1		