



## Q1 2008 Performance among the Most Popular Mutual Funds in the Advisor Perspectives Universe

*April 22, 2008*

Each quarter we look at the performance of the top 25 [Most Popular Mutual Funds](#) in the AP (Advisor Perspectives) universe in each of four asset classes. This is the fourth such study: previous studies were done at the ends of [Q4 of 2007](#), [Q3 of 2007](#), and [Q2 of 2007](#). This study analyzes the most popular funds as of March 31, 2007, and looks at performance during Q1 of 2008 and for the 12 month period ending March 31, 2008.

Over the 12 month period, foreign equity funds in the AP universe significantly outperformed their benchmark, delivering an average performance of 4.08%, compared to -2.76% for their benchmark, the EFA exchange traded fund. Of the top 25 foreign equity funds, 18 outperformed their benchmark over this period, with five funds (AEPGX, MACSX, HAINX, ANWPX, and FICDX) outperforming the benchmark in all four quarters. Muni bond funds also performed consistently above their benchmark for the 12 month period, with 15 of 25 funds outperforming the Lehman Muni Bond Index. Of the 25 US equity funds, 12 outperformed the S&P 500 for the 12 month period. Taxable bond funds fared the worst, with only 4 funds outperforming the Lehman AGG over the 12 month period.

Detailed findings of the current study are as follows:

- **US Equities:** For Q1 of 2008, the top 25 funds outperformed the S&P 500 by 55 basis points (-8.89% versus -9.44%), with 14 of 25 funds beating the benchmark. For the 12 month period, these 25 funds underperformed the S&P 500 by 92 basis points (-6.07% versus -5.85%), with only 12 of 25 funds beating the benchmark. The most popular fund, the Growth of America Fund (AGTHX), was also the only fund to outperform the index in all four quarters. The sixth most popular fund, the Fidelity Contrafund (FCNTX) had the best outperformance against the S&P 500 (beating the benchmark by 10.02%) over the 12 month period. Of the 25 funds, 15 outperformed their secondary, style box-specific benchmarks for the 12 month period.
- **Foreign Equities:** For Q1 of 2008, only 9 of the 25 funds outperformed the benchmark, but average performance across all 25 funds was 2 basis points above the benchmark (-8.79% versus -8.81%). As we note above, for the 12 month period, foreign equities consistently outperformed their benchmark, the EFA. Three of the 25 funds (FEMKX, SSEMXX, and



HLEMX) are emerging market funds, and these funds each outperformed the EEM exchange traded fund, a more appropriate benchmark.

- Taxable Bonds:** For Q1 of 2008, only 4 of 25 funds outperformed the Lehman AGG benchmark, and the 25 funds on average underperformed the AGG by 336 basis points (-1.02% versus 2.34%). Overall underperformance was influenced by the Schwab Yield Plus Fund (SWYPX), which returned -19.87% for the quarter and has been scrutinized widely in the media. For the 12 month period, performance across the 25 funds has been equally disappointing, with only 4 of 25 funds outperforming the AGG. The 25 funds underperformed the AGG by 541 basis points over the 12 months (2.16% versus 7.57%)
- Muni Bond Funds:** For Q1 of 2008, 19 of 25 muni bond funds outperformed the Lehman muni bond exchange traded fund TFI (we began using this ETF as the benchmark on 1/1/08). The 25 funds outperformed the TFI by 78 basis points (-.45% versus -1.23%). For the 12 month period, 15 of 25 funds outperformed the benchmark, but overall underperformed the benchmark by 15 basis points (1.34% versus 1.49%).

The results for Q1 of 2008 are summarized below:

	Average Return	Benchmark Return	Benchmark	# of Funds Outperforming Benchmark
US Equities	-8.89%	-9.44%	SPY	14 of 25
Foreign Equities	-8.79%	-8.81%	EFA	9 of 25
Taxable Bonds	-1.02%	2.34%	AGG	4 of 25
Muni Bonds	-.45%	-1.23%	TFI	19 of 25

The results for the prior 12 months are summarized below:

	Average Return	Benchmark Return	Benchmark	# of Funds Outperforming Benchmark
US Equities	-6.07%	-5.15%	SPY	12 of 25
Foreign Equities	4.08%	-2.76%	EFA	18 of 25



Taxable Bonds	2.16%	7.57%	AGG	4 of 25
Muni Bonds	1.34%	1.49%	TFI	15 of 25

## Background and Methodology

The Advisor Perspectives universe tracks the investments of high- and ultra-high net worth investors whose assets are managed by Registered Investment Advisors. The size of the universe is approximately \$50 billion and the average account size is approximately \$900,000. However, 94% of the assets are concentrated in a group of accounts with an average account size of approximately \$4 million, so data from the universe is biased by this demographic, and therefore represents the investment decisions of ultra-high net worth investors.

The most popular mutual funds are determined based on the AUM (assets under management) for each fund within the Advisor Perspectives universe. The inception of the Advisor Perspectives service was in Q1 of 2007. The first complete calendar quarter of data was Q2 of 2007.

The funds used in this study were the most popular funds as of March 31, 2007. Only actively managed funds were considered; index funds, enhanced index funds, and ETFs were not included in this study.

To calculate the AUM of each fund, assets are consolidated across all share classes held in the Advisor Perspectives universe. For this study, performance data was obtained for the share class most appropriate for advisors (either a load-waived share class or an institutional share class).

Performance data and style-box classifications were obtained from Morningstar. Detailed data is presented in the four tables below.

## US Equities

(LC = Large Cap; MC = Mid Cap; SC = Small Cap)  
(G = Growth; B = Blend; V = Value)

Ticker	Fund	Style	Performance				T12	T12 Perf. v. SPY	T12 Perf. v. Scndry Indx
			Q2-07	Q3-07	Q4-07	Q1-08			
AGTHX.lw	GROWTH OF AMERICA FUND	LC/G	7.71	4.43	-2.72	-7.88	0.80	5.95	1.69



DODGX	DODGE AND COX STOCK FUND	LC/B	5.41	-1.92	-4.78	-11.93	-13.30	-8.15	-8.15
FRIAX	FRANKLIN TEMPLETON CUSTODIAN INCOME FUND	LC/B	2.47	1.39	-2.10	-5.58	-3.96	1.19	1.19
SRVEX.lw	VICTORY DIVERSIFIED STOCK FUND	LC/G	9.10	3.43	-1.64	-9.31	0.66	5.81	1.55
FEQIX	FIDELITY EQUITY INCOME FUND	LC/B	7.31	-0.41	-6.12	-9.70	-9.40	-4.25	-4.25
FCNTX	FIDELITY CONTRAFUND FUND	LC/G	7.50	7.16	2.53	-11.21	4.87	10.02	5.77
ABALX.lw	BALANCED FUND	LC/G	5.02	2.77	-1.97	-5.90	-0.44	4.71	0.46
JENIX	JENSEN FUND	LC/G	5.13	3.41	0.06	-7.10	1.06	6.21	1.95
TAVFX	THIRD AVENUE VALUE FUND	MC/B	4.45	2.97	-4.70	-12.05	-9.85	-4.70	-0.80
FMCSX	FIDELITY MID CAP STOCK FUND	MC/G	7.67	-0.19	-5.54	-13.17	-11.86	-6.70	-7.10
UMBIX	EXCELSIOR VALUE AND RESTRUCTURING FUND	LC/V	10.05	-1.55	-1.43	-7.99	-1.74	3.41	8.36
FRESX	FIDELITY REAL ESTATE INVESTMENT FUND	LC/B	-11.14	0.59	-15.19	4.75	-20.59	-15.44	-15.44
MXXIX	MARSICO 21ST CENTURY FUND	LC/G	10.32	6.36	0.59	-14.11	1.37	6.53	2.27
PRWCX	TROWEPRICE CAPITAL APPRECIATION FUND	LC/B	5.83	-1.08	-1.59	-3.87	-0.96	4.19	4.19
FLMVX	JP MORGAN MID CAP VALUE FUND	MC/V	4.22	-1.21	-3.45	-8.32	-8.86	-3.71	5.37
AWSHX.lw	WASHINGTON MUTUAL FUND	LC/B	6.71	1.80	-5.18	-7.97	-5.21	-0.05	-0.05
FDCAx	FIDELITY CAPITAL APPRECIATION FUND	LC/B	7.50	3.09	-5.73	-12.41	-8.49	-3.34	-3.34
FDVLX	FIDELITY VALUE FUND	MC/V	6.35	-1.60	-6.78	-9.19	-11.41	-6.26	2.82
MPMCX	MELLON MID CAP STOCK FUND	MC/G	7.33	0.41	-0.06	-10.86	-3.99	1.16	0.76
DNVYX	DAVIS NEW YORK VENTURE FUND	LC/B	6.56	-0.26	-1.98	-9.12	-5.32	-0.17	-0.17
PAMCX	TROWEPRICE MID CAP GROWTH FUND	MC/G	11.48	3.38	-1.29	-10.76	1.52	6.67	6.28
AIVSX.lw	INVESTMENT COMPANY OF AMERICAN FUND	LC/B	6.91	2.50	-4.33	-8.98	-4.58	0.58	0.58
HWLAX.lw	HOTCHKIS AND WILEY LARGE CAP VALUE FUND	LC/V	3.80	-7.37	-8.37	-11.18	-21.75	-16.59	-11.65
LLPFX	LONGLEAF PARTNERS FUND	LC/B	8.08	-1.45	-8.55	-10.89	-13.20	-8.05	-8.05
FLPSX	FIDELITY LOW PRICED STOCK FUND	MC/B	6.34	-2.57	-2.94	-7.63	-7.11	-1.96	1.94
	<b>Average</b>		<b>6.08</b>	<b>0.96</b>	<b>-3.73</b>	<b>-8.89</b>	<b>-6.07</b>	<b>-0.92</b>	<b>-0.55</b>
SPY	SPDRs	LC/B	6.24	2.01	-3.36	-9.44	-5.15		
IWF	iShares Russell 1000 Growth Index	LC/G	6.81	4.16	-0.79	-10.21	-0.89		



IWD	iShares Russell 1000 Value Index	LC/V	4.88	-0.28	-5.81	-8.74	-10.10		
IWP	iShares Russell Midcap Growth Index	MC/G	6.68	2.08	-1.74	-10.99	-4.76		
IWR	iShares Russell Midcap Index	MC/B	5.25	-0.42	-3.59	-9.99	-9.05		
IWS	iShares Russell Midcap Value Index	MC/V	3.62	-3.58	-6.02	-8.66	-14.24		

## Foreign Equities

(LC = Large Cap; MC = Mid Cap; SC = Small Cap)  
(G = Growth; B = Blend; V = Value)

Ticker	Fund	Style	Performance				T12	T12 Perf. V. EFA
			Q2-07	Q3-07	Q4-07	Q1-08		
DODFX	DODGE AND COX INTERNATIONAL STOCK FUND	LC/B	6.61	0.43	-0.65	-10.78	-5.09	-2.34
AEPGX.lw	AMERICAN EUROPACIFIC GROWTH FUND	LC/B	8.43	5.23	1.29	-7.94	6.40	9.15
BJBIX	JULIUS BAER INTERNATIONAL EQUITY FUND	LC/B	8.82	1.97	0.88	-9.23	1.61	4.36
MACSX	MATTHEWS ASIAN GROWTH AND INCOME FUND	LC/V	8.89	5.67	3.10	-4.25	13.59	16.34
SGOVX.lw	FIRST EAGLE SOGEN OVERSEAS FUND	LC/B	3.71	1.55	-1.19	-1.86	2.13	4.88
FDIVX	FIDELITY DIVERSIFIED INTERNATIONAL FUND	LC/B	7.77	4.87	-0.41	-9.62	1.73	4.48
SGENX.lw	FIRST EAGLE SOGEN GLOBAL FUND	LC/B	4.48	1.37	1.36	-1.60	5.63	8.39
ARTIX	ARTISAN INTERNATIONAL FUND	LC/B	5.53	5.34	2.84	-11.35	1.35	4.10
MAPTX	MATTHEWS PACIFIC TIGER INTERNATIONAL FUND	LC/B	16.69	10.34	4.56	-11.99	18.49	21.24
JFEIX	JP MORGAN INTREPID EUROPEAN FUND	LC/B	9.23	1.91	-1.41	-10.53	-1.81	0.95
OAKEX	OAKMARK INTERNATIONAL SMALL CAP FUND	SC/V	2.52	-6.60	-9.52	-8.08	-20.36	-17.61
SNIVX	SANFORD C BERNSTEIN BERNSTEIN TAX MANAGED INTERNATIONAL VALUE FUND	LC/B	6.63	2.45	-4.59	-10.03	-6.23	-3.47



TBGVX	TWEEDY BROWNE GLOBAL VALUE FUND	LC/B	5.94	-0.64	-2.20	-9.03	-6.35	-3.59
FEMKX	FIDELITY EMERGING MARKETS FUND	LC/B	15.59	13.62	6.56	-13.32	21.31	24.06
TGVAX.lw	THORNBURG INTERNATIONAL VALUE FUND	LC/B	12.23	10.20	0.16	-10.72	10.60	13.35
NIIVX	ING INTERNATIONAL VALUE FUND	LC/B	4.87	-0.35	-1.11	-12.06	-9.12	-6.36
SSEMXX	SSGA EMERGING MARKETS FUND	LC/B	15.70	15.69	2.47	-12.26	20.34	23.10
HAINX	HARBOR INTERNATIONAL FUND	LC/B	10.29	5.95	1.12	-6.89	10.02	12.78
NAIGX.lw	NUVEEN TRADEWINDS INTERNATIONAL VALUE FUND	LC/B	5.99	4.54	-1.96	-4.15	4.12	6.88
ANWPX.lw	NEW PERSPECTIVE FUND	LC/B	8.49	5.14	0.00	-7.34	5.69	8.45
PRIDX	TROWEPRICE INTERNATIONAL DISCOVERY FUND	MC/B	9.01	2.80	-1.50	-9.95	-0.60	2.15
FDVAX.lw	FIDELITY ADVISORS DIVERSIFIED INTERNATIONAL FUND	LC/B	6.23	1.70	-2.70	-9.67	-5.05	-2.29
HLEMX	HARDING LOEVNER EMERGING MARKETS FUND	LC/B	12.80	12.97	5.36	-9.90	20.97	23.72
FICDX	FIDELITY CANADA FUND	LC/B	16.21	9.53	1.78	-7.48	19.86	22.62
SEITX	SEI INTERNATIONAL EQUITY FUND	LC/B	7.05	0.56	-4.34	-9.83	-7.15	-4.39
	<b>Average</b>		<b>8.79</b>	<b>4.65</b>	<b>0.00</b>	<b>-8.79</b>	<b>4.08</b>	<b>6.84</b>
EFA	iShares MSCI EAFE Index		6.49	2.09	-1.91	-8.81	-2.76	
EEM	iShares MSCI Emerging Markets Index		12.62	13.96	2.77	-11.41	16.85	

## Taxable Bonds

(ST = Short Term; MT = Medium Term; LT = Long Term)  
(IG = Investment Grade; MG = Mid Grade)

Ticker	Fund	Style	Performance				T12	T12 Perf. v. Lehman Bond Index
			Q2-07	Q3-07	Q4-07	Q1-08		
PTTAX.lw	PIMCO TOTAL RETURN FUND	MT/IG	-1.44	4.47	3.80	3.20	10.30	2.72
PTLAX.lw	PIMCO LOW DURATION FUND	ST/IG	-0.42	3.60	2.59	1.28	7.19	-0.38
PTRAX	PIMCO TOTAL RETURN	MT/IG	-1.39	4.52	3.86	3.25	10.52	2.95



ADVISOR PERSPECTIVES

	ADMINISTRATIVE FUND								
DODIX	DODGE AND COX INCOME FUND	MT/IG	-0.24	2.10	1.32	0.56	3.78	-3.80	
SWYPX	SCHWAB YIELD PLUS FUND	ST/MG	1.11	-1.04	-2.57	-19.87	-21.88	-29.46	
JBSEX	JP MORGAN BOND FUND	MT/IG	-0.44	0.07	0.14	-4.49	-4.71	-12.28	
TRLVX	SEI INSTITUTIONAL MANAGED CORE FIXED INCOME FUND	MT/IG	-0.88	1.98	1.36	0.09	2.55	-5.02	
LSBDX	LOOMIS SAYLES I BOND FUND	LT/MG	1.86	3.23	1.20	-1.77	4.53	-3.05	
SDFIX	STANDISH FIXED INCOME FUND	MT/IG	-0.71	1.09	1.64	0.82	2.85	-4.72	
VFSTX	VANGUARD SHORT TERM INVESTMENT GRADE FUND	ST/IG	0.46	1.91	1.81	1.20	5.48	-2.09	
ABNDX.lw	BOND OF AMERICAN FUND	MT/MG	-0.26	1.74	0.30	-1.33	0.43	-7.15	
FBNDX	FIDELITY INVESTMENT GRADE BOND FUND	MT/IG	-0.69	1.00	0.93	-0.52	0.71	-6.86	
PHDAX.lw	PIMCO HIGH YIELD FUND	MT/MG	-0.02	0.95	0.20	-1.83	-0.72	-8.29	
AHITX.lw	AMERICAN HIGH INCOME TRUST FUND	MT/MG	0.98	-0.24	-1.59	-3.90	-4.73	-12.30	
FSICX	FIDELITY STRATEGIC INCOME FUND	MT/MG	0.10	2.26	1.31	0.93	4.67	-2.91	
NEFZX.lw	LOOMIS SAYLES STRATEGIC INCOME TRUST II FUND	LT/MG	1.90	2.85	0.71	-2.03	3.41	-4.17	
VFIIX	VANGUARD GOVERNMENT NATIONAL MORTGAGE ASSOCIATION FUND	MT/IG	-0.66	2.95	3.29	2.23	7.99	0.42	
OHYAX.lw	JP MORGAN HIGH YIELD BOND FUND	MT/MG	-0.33	0.46	-1.15	-3.39	-4.38	-11.95	
DFIHX	DFA ONE YEAR FIXED INCOME FUND	ST/IG	1.28	1.20	1.26	0.85	4.67	-2.91	
HABDX	HARBOR BOND FUND	MT/IG	-1.33	4.37	3.96	3.26	10.55	2.98	
FAGIX	FIDELITY CAPITAL AND INCOME FUND	MT/MG	2.31	-0.49	-1.14	-4.38	-3.76	-11.33	
FSHBX	FIDELITY SHORT TERM BOND FUND	ST/IG	0.28	0.20	0.05	-1.00	-0.47	-8.05	
PARRX	PIMCO REAL RETURN FUND	LT/IG	-1.44	4.77	5.17	5.48	14.55	6.98	
EABLX	EATON VANCE FLOATING RATE FUND	MT/IG	1.32	-1.39	-0.10	-6.24	-6.42	-13.99	
OMBIX	JP MORGAN MORTGAGE BACKED SECURITIES FUND	MT/IG	-0.41	2.81	2.22	2.07	6.83	-0.75	
	<b>Average</b>		<b>0.04</b>	<b>1.81</b>	<b>1.22</b>	<b>-1.02</b>	<b>2.16</b>	<b>-5.42</b>	
AGG	iShares Lehman Aggregate Bond		-0.63	2.71	2.99	2.34	7.57		



## Muni Bonds

(ST = Short Term; MT = Medium Term; LT = Long Term)  
 (IG = Investment Grade; MG = Mid Grade)

Ticker	Fund	Style	Performance				T12	T12 Perf. v. Lehman Bond Index
			Q2-07	Q3-07	Q4-07	Q1-08		
VSITX	JP MORGAN INTERMEDIATE TAX FREE FUND	MT/IG	-0.47	2.11	1.43	0.63	3.73	2.24
VMLTX	VANGUARD LIMITED TERM TAX EXEMPT FUND	ST/IG	0.21	1.74	1.45	1.32	4.80	3.30
NHMAX.lw	NUVEEN HIGH YIELD MUNICIPALS BOND FUND	LT/MG	-0.67	-2.30	-3.31	-5.49	-11.32	-12.81
ACTHX.lw	VANKAMPEN HIGH YIELD MUNICIPALS FUND	LT/MG	-0.09	-1.08	-1.30	-2.29	-4.69	-6.18
VWITX	VANGUARD INTERMEDIATE TERM TAX EXEMPT FUND	MT/IG	-0.56	1.74	1.50	0.03	2.72	1.22
SNDPX	SANFORD BERNSTEIN DIVERSIFIED MUNICIPALS FUND	MT/IG	-0.39	2.16	1.43	1.43	4.69	3.20
LTMIX	THORNBURG INVESTORS TRUST LIMITED TERM MUNICIPALS FUND	MT/IG	0.03	1.95	1.34	1.05	4.43	2.94
VMPAX.lw	EVERGREEN STRATEGIC MUNICIPALS BOND FUND	LT/IG	0.60	0.82	0.85	0.37	2.67	1.17
VNYTX	VANGUARD NEW YORK LONG TERM TAX EXEMPT FUND	MT/IG	-0.87	1.46	1.18	-1.20	0.54	-0.95
VWSTX	VANGUARD SHORT TERM TAX EXEMPT FUND	ST/IG	0.66	1.26	1.31	1.39	4.70	3.21
VMATX	VANGUARD MASSACHUSETTS TAX EXEMPT FUND	MT/IG	-0.93	1.67	1.54	-0.85	1.41	-0.09
SNNYX	SANFORD BERNSTEIN NEW YORK MUNICIPALS FUND	MT/IG	-0.31	2.19	1.30	1.22	4.46	2.96
HLTAX	JP MORGAN MUNICIPALS INCOME FUND	LT/IG	-0.52	2.09	1.14	0.28	3.00	1.51
SEIMX	SEI TAX EXEMPT TRUST INTERMEDIATE MUNICIPALS FUND	MT/IG	-0.66	1.58	1.01	0.40	2.34	0.84



SZMAX.lw	DWS TAX FREE TRUST INTERMEDIATE TAX AMT FREE FUND	MT/IG	-0.49	2.16	1.42	0.41	3.53	2.03
VCADX	VANGUARD CALIFORNIA INTERMEDIATE TERM TAX EXEMPT FUND	MT/IG	-0.46	1.67	1.12	-0.19	2.14	0.65
VWAHX	VANGUARD HIGH YIELD TAX EXEMPT FUND	MT/MG	-0.62	0.81	0.51	-1.39	-0.70	-2.20
SCMBX	DWS MUNICIPALS TRUST MANAGED MUNICIPALS BOND FUND	MT/IG	-0.55	2.18	1.04	-1.15	1.49	0.00
JNYIX	JP MORGAN NEW YORK TAX FREE BOND FUND	MT/IG	-0.43	2.17	1.59	0.83	4.21	2.71
KCTAX.lw	DWS STATE TAX FREE INCOME CALIFORNIA TAX FREE INCOME FUND	MT/IG	-0.71	2.00	0.78	-1.11	0.93	-0.56
ETCTX.lw	EATON VANCE CONNECTICUT MUNICIPALS FUND	LT/IG	-0.86	1.54	0.19	-2.79	-1.96	-3.45
MPMFX	MORGAN STANLEY INSTITUTIONAL MUNICIPALS FUND	MT/MG	-0.24	1.82	0.73	-0.80	1.50	0.00
LHIAX.lw	COLUMBIA SERIES TRUST I HIGH YIELD MUNICIPALS FUND	LT/MG	-0.47	-0.45	-1.97	-3.39	-6.16	-7.66
FLTMX	FIDELITY SPARTAN INTERMEDIATE MUNICIPALS INCOME FUND	MT/IG	-0.45	2.11	1.52	0.56	3.77	2.28
	<b>Average</b>		<b>-0.39</b>	<b>1.39</b>	<b>0.74</b>	<b>-0.45</b>	<b>1.34</b>	<b>-0.15</b>
TFI	Lehman Muni Bond Index (TFI starting 1/1/2008)		-0.60	1.82	1.53	-1.23	1.49	

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