

Alternative Investments

Topics to be Discussed

Returns on Alternative Investments

Mutual Funds

Money Market Funds

Exchange Traded Funds

Returns on Alternative Investments

2008 Investment Scoreboard			
	TOTAL RETURN ON INVESTMENT		
STOCKS (includes price changes and dividends)	2006	2007	2008
Dow Jones Industrial Average	19.05%	8.88%	-31.93%
Standard & Poor's 500 Stock Index	15.79	5.49	-37.00
Russell 2000	18.37	-1.57	-33.79
Dow Jones Wilshire 5000	15.88	5.62	-37.23
BONDS (Barclays Capital Indexes)			
Long-Term Treasury Index	1.85%	9.81%	24.03%
U.S. Credit Index AA-rated segment	4.32	5.39	2.74
Municipal Bond Index	4.84	3.36	-2.47
Intermediate-Term Treasury Index	3.51	8.83	11.35
Mortgage-Backed Securities Index	5.22	6.90	8.34
MUTUAL FUNDS			
Lipper Growth Fund Index	10.28%	r7.83%	-a43.13%
Lipper Growth and Income Fund Index	15.57	r4.28	-a38.40
Lipper Balanced Fund Index	11.60	r6.53	-a26.73
Lipper International Fund Index	25.89	r14.25	-a43.95
Lipper Multi-Cap Value Index	17.07	-r1.04	-a38.63
BANK INSTRUMENTS (Bankrate.com National Index)			
One-Year Certificate of Deposit	3.70%	3.72%	2.39%
30-Month Certificate of Deposit	3.83	3.71	2.46
Money-Market Deposit Account	0.80	0.86	0.72
MONEY MARKET FUND			
iMoneyNet/12-month yield on all taxable funds	4.28%	4.69%	b2.04%
PRECIOUS METALS (S&P Goldman Sachs Commodity Index)			
Platinum	n.a.	36.07%	-38.22%
Gold	n.a.	29.92	3.91
Silver	n.a.	14.11	-25.44
RESIDENTIAL REAL ESTATE			
Office of Federal Housing Enterprise Oversight*	4.20%	-r0.70%	-c6.01%
COLLECTIBLES			
Rare Coins, top investment grade	15.80%	31.90%	8.80%

r - Revised.
a - Through Dec. 30, 2008.
b - Through Dec. 26, 2008.
c - 2008 figure is based on third quarter 2007 through third quarter 2008

Source: http://online.wsj.com/mdc/public/page/2_3024-ye08_scoreboard.html

Mutual Funds

Investment Company

- ☛ a pool of funds belonging to many individuals that is used to acquire a collection of individual investments such as stocks, bonds, and other publicly traded securities

Closed End Fund

- these authorize and issue stock at their inception, after which no more shares are sold
- the company does not redeem its shares
- shares are traded on open market

Open-end Investment Company (Mutual Funds)

- the open-end company may increase its capitalization at any time simply by selling more shares of its capital stock
- these companies do redeem their shares
- mutual funds vary based on a number of factors
 - ⇒ investment objective – such as growth vs. preservation of principal
 - ⇒ investment style – such as rapidly growing vs. undervalued by market
 - ⇒ investment strategy – such as passively managed index vs. actively managed individual company analysis

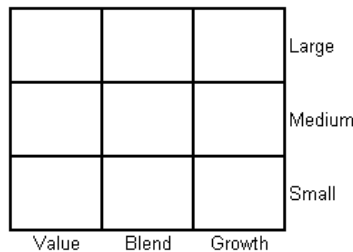
Bond funds

- ☛ municipal bond funds
- ☛ corporate bond funds
- ☛ mortgage-backed securities funds
- ☛ U. S. government bond funds

Stock funds

- ☛ growth funds – invest in stocks believed to be the fastest growing companies
- ☛ value funds – invest in large and mid-sized companies that appear to be undervalued
- ☛ blend funds – invest in a “blend” of growth and value stocks
- ☛ large-cap funds
- ☛ mid-cap funds
- ☛ small-cap funds

Morningstar Style Box™



International funds

- ☛ global funds – invest in both U. S. and international stocks
- ☛ foreign funds – invest primarily outside the U. S.
- ☛ country specific funds
- ☛ emerging markets funds – focus on small developing countries; considered very risky

Sector funds

- ☛ invest in a particular industry or segment of the market, e.g. automotive, technology, air transportation, biotechnology, utilities

Money market funds

- ☛ funds invest in short-term debt instruments

Index funds

- ☛ funds try to mimic a chosen index such as the S&P 500, Nasdaq or the Russell 2000

Mutual Fund Quotations – Closed-End Funds

CLOSED-END FUNDS

Closed-end Funds

Friday, January 23, 2009

SAVE TO SPREADSHEET
 AMEX | NASDAQ | NYSE | NASDAQ SMALL-CAP

AMEX	Symbol	Open	High	Low	Close	Net		Vol	52 Week		Div	Yield	Year-To-Date %Chg
						Chg	%Chg		High	Low			
ABERDEEN ASIA PACIFIC INCOME FUND INC	FAX	4.59	4.75	4.52	4.60	0.05	1.10	2,568,257	6.53	2.98	.42a	9.1	7.0
ABERDEEN AUSTRALIA EQUITY FUND INC	IAF	6.46	6.55	6.18	6.52	-0.13	-1.95	39,131	17.40	5.15	1.55e	23.8	-9.9
ABERDEEN GLOBAL INCOME FUND INC	FCO	8.41	8.78	8.41	8.64	-0.06	-0.69	48,130	12.60	6.25	.84a	9.7	2.2
BANCROFT FUND LTD.	BCV	10.78	11.21	10.78	11.02	-0.06	-0.54	12,869	19.51	8.32	.82e	7.4	-0.6
BLACKROCK BROAD INVESTMENT GRADE 2009 TERM TRUST INC.	BCT	12.33	12.40	12.33	12.39	0.06	0.49	10,286	14.18	11.37	j	...	2.0
BLACKROCK CALIFORNIA MUNICIPAL INCOME TRUST II	BCL	10.26	10.26	10.19	10.19	-0.07	-0.68	900	15.25	6.85	.68	6.7	12.6
BLACKROCK INVESTMENT QUALITY MUNICIPAL TRUST	RFA	8.95	8.95	8.89	8.89	-0.16	-1.77	1,700	12.07	6.53	.53	6.0	17.3
BLACKROCK MARYLAND MUNICIPAL BOND TRUST	BZM	14.03	14.03	13.61	13.61	-0.60	-4.22	1,000	18.63	8.70	.78a	5.7	22.8
BLACKROCK MUNICIPAL INCOME TRUST II	BLE	10.19	10.19	9.87	9.87	-0.32	-3.14	28,010	15.80	6.84	.79	8.0	8.5
BLACKROCK MUNIVEST FUND INC.	MVF	7.60	7.60	7.44	7.55	0.02	0.27	52,467	10.02	3.98	.52	6.9	13.2

Source: The Wall Street Journal Online
http://online.wsj.com/mdc/public/page/2_3024-CEF.html?mod=mdc_h_mfhl

MUTUAL FUND QUOTATIONS

VANGUARD EXPLORER FD

Net Asset Value:	39.31
Trade Time:	Jan 23
Change:	↑ 0.11 (0.28%)
Prev Close:	39.20
YTD Return*:	-40.40%
Net Assets*:	4.69B
Yield*:	0.67%

* As of 31-Dec-08



- Add VEXPX to Your Portfolio
- Set Alert for VEXPX
- Download Data
- Add Quotes to Your Web Site

Quotes delayed, except where indicated otherwise. For consolidated real-time quotes (incl. pre/post market data), sign up for a free trial of [Real-time Quotes](#).

FUND SUMMARY

The investment seeks to provide long-term capital appreciation. The fund invests mainly in the stocks of small companies. These companies tend to be unseasoned but are considered by the advisors to have superior growth potential. These companies often provide little or no dividend income.

FUND OPERATIONS

Last Dividend (30-Dec-08):	0.28
Last Cap Gain (17-Dec-07):	6.78
Annual Holdings Turnover	90.00%
Average for Category:	119.36%

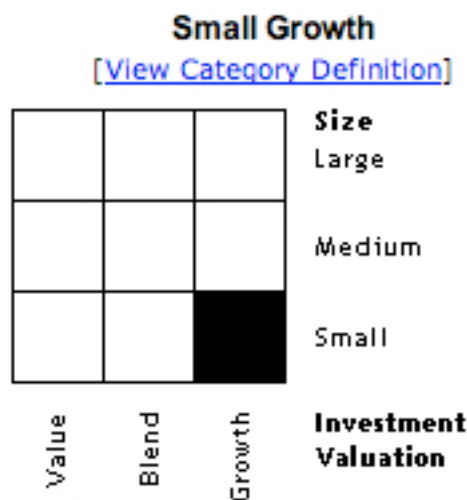
FEES & EXPENSES

Expense	VEXPX	Category Avg
Total Expense Ratio:	0.41%	1.58%
Max 12b1 Fee:	0.00%	N/A
Max Front End Sales Load:	0.00%	5.41%
Max Deferred Sales Load:	0.00%	2.65%
3 Yr Expense Projection*:	\$132	\$684
5 Yr Expense Projection*:	\$230	\$1,085
10 Yr Expense Projection*:	\$518	\$2,154

* Per \$10,000 Invested

FUND OVERVIEW	
Category:	Small Growth
Fund Family:	Vanguard
Net Assets:	4.69B
Year-to-Date Return:	-40.40%
Yield:	0.67%
Morningstar Rating:	★★★★
Fund Inception Date:	11-Dec-67

MORNINGSTAR STYLE BOX



[View Top Small Growth Funds](#)
[About the Morningstar Style Box](#)

Source: finance.yahoo.com

Mutual fund prices are quoted as “bid” and “ask”

- ☛ bid is price at which fund will redeem shares
 - same as NAV - net asset value
- ☛ ask or “offer” is price investor must pay to purchase shares
 - no-load funds are sold directly by the fund and some, but not all, are also sold by stockbrokers
 - ⇒ no commission or “load”
 - load funds are sold by stockbrokers or financial planners who charged a commission or “load”
 - low-load funds
 - no evidence that load funds perform better than no-loads
 - may be additional fees such as redemption fees

Mutual Fund Yardsticks

Friday, January 23, 2009

Mutual-fund categories and their benchmarks ranked by one-year total return. Yardsticks are based on categories compiled by The Wall Street Journal, based on Lipper, Inc. fund investment objectives. Performance for Yardsticks is based on an arithmetic average of all the mutual funds in the category.

Investment Objective	DAILY		TOTAL RETURN (%)					
	Chg	% Chg	4-wk	YTD	1-yr	Annualized		
						3-yr	5-yr	
Long Term US Treasury/Govt Bond	-0.03	-0.12	-1.88	-1.62		3.43	4.81	3.93
Lipper L-T Govt Bond Index	-0.96	-0.20	-0.84	-0.74		2.13	4.72	3.94
Mortgage	0.01	0.07	0.90	0.67		0.08	3.55	3.25
Intermediate Term Municipal Debt	-0.01	-0.09	4.02	3.26	-0.55		2.61	2.30
Intermediate Term US Treasury/Govt Bond	0.01	0.09	-1.03	-0.45	-3.70		3.05	3.57
Short Term Investment Grade Corp Bond	unch.	0.05	1.05	0.78	-5.44		0.93	1.21
Intmtd Investment Grade Corporate Bond	0.01	0.09	0.24	-0.10	-6.55		0.81	1.51
Single State Municipal Debt	-0.02	-0.18	4.84	3.81	-7.80		0.12	1.38
General Municipal Debt	-0.02	-0.16	4.49	3.45	-8.14		-0.52	0.99
Long Term Investment Grade Corporate Bond	-0.01	0.05	0.32	-0.15	-8.91		-0.03	1.16
General Taxable Bond	-0.02	-0.11	1.14	0.22	-12.88		-1.23	1.35
Health & Biotechnology	-0.05	-0.24	0.45	-1.99	-20.82		-5.69	-0.37
High Yield Taxable Bond	-0.01	-0.13	6.17	3.63	-21.01		-5.49	-1.47
Balanced	0.05	0.27	-1.90	-3.96	-24.56		-6.18	-1.52
Utility	0.09	0.52	-0.18	-3.69	-29.98		-2.84	5.48
Stock & Bond Funds	0.03	0.29	-3.20	-5.71	-30.97		-8.57	-2.09
Dow Jones Ind Dly Reinv	-77.20	-0.56	-4.95	-7.77	-32.22		-6.59	-2.94
Equity Income	0.12	0.55	-4.42	-7.89	-33.96		-9.81	-2.85
Small-Cap Value Funds	0.05	0.50	-5.96	-10.56	-34.90		-14.03	-4.05
Mid-Cap Core Funds	0.10	0.81	-1.53	-5.72	-35.61		-12.26	-3.34
Small-Cap Core Funds	0.05	0.47	-4.60	-9.09	-35.64		-14.11	-4.52
Vanguard Small Co. index	0.11	0.60	-5.25	-9.75	-35.91		-13.49	-3.96

Advantages of Mutual Funds

- ☛ professional investment management
- ☛ diversification
- ☛ freedom from housekeeping/recordkeeping
- ☛ freedom from emotional involvement

Performance of Mutual Funds (from finance.yahoo.com)

Performance As of 31-Dec-08

Get Performance for:

PERFORMANCE OVERVIEW	
Morningstar Return Rating:	Above average
Year to Date Return:	-40.40%
5-Year Average Return:	-3.11%
Number of Years Up:	31
Number of Years Down:	10
Best 1-Yr Total Return (1991):	55.90%
Worst 1-Yr Total Return (2008):	-40.40%
Best 3-Yr Total Return (1978-80):	35.87%
Worst 3-Yr Total Return (1972-74):	-16.57%

LOAD ADJUSTED RETURNS	
1-Year:	No load
3-Year:	No load
5-Year:	No load
10-Year:	No load

TRAILING RETURNS (%) VS. BENCHMARKS					
Return	VEXPX	Category	Diff	Index*	Diff
Year To Date	-40.40	-41.55	1.15	-37.00	-3.4
1-Month	4.20	4.90	-0.7	1.06	3.14
3-Month	-26.16	-26.65	0.49	-21.94	-4.22
1-Year	-40.40	-41.55	1.15	-37.00	-3.4
3-Year	-11.77	-11.35	-0.42	-8.36	-3.41
5-Year	-3.11	-3.52	0.41	-2.19	-0.92
Last Bull Market (31-May-06 to 30-Jun-07)	14.77	14.50	0.27	19.15	-4.38
Last Bear Market (31-Mar-02 to 30-Apr-03)	-20.85	-21.90	1.05	-17.13	-3.72

* Index means [S&P 500 TR]

Performance of Mutual Funds (continued)

ANNUAL TOTAL RETURN (%) HISTORY				
Year		VEXPX	Category	Diff
2008		-40.40	-41.55	1.15
2007		5.06	7.59	-2.53
2006		9.70	10.81	-1.11
2005		9.28	6.02	3.26
2004		13.75	12.41	1.34
2003		44.25	45.54	-1.29
2002		-24.58	-27.88	3.30
2001		0.56	-8.91	9.47
2000		9.22	-3.85	13.07
1999		37.26	64.77	-27.51

PAST QUARTERLY RETURNS (%) FOR VEXPX				
	Q1	Q2	Q3	Q4
2008	-12.26	2.95	-10.64	-26.16
2007	3.75	6.70	-1.06	-4.07
2006	11.45	-6.64	-1.64	7.18
2005	-3.16	3.79	5.42	3.14
2004	5.01	-0.01	-5.18	14.26
2003	-4.35	22.39	9.00	13.06
2002	1.33	-14.05	-18.47	6.22
2001	-10.30	14.42	-21.73	25.18
2000	15.97	-1.14	1.74	-6.37
1999	-6.98	18.18	-3.95	29.99

RANK IN CATEGORY (BY TOTAL RETURN)			
Period	Rank	Funds in Category	% Rank
Year To Date	300	834	35.97
1-Month	358	875	40.91
3-Month	373	868	42.97
6-Month	430	861	49.94
1-Year	269	834	32.25
3-Year	334	704	47.44
5-Year	215	574	37.46

Money Market Funds

Money Market Funds

TAXABLE FUNDS

GO TO: [Tax Exempt Funds](#)

Tuesday, January 16, 2007

The following quotations, collected by the National Association of Securities Dealers Inc., represent the average of annualized yields and dollar-weighted portfolio maturities. Yields don't include capital gains or losses. Assets are in millions.

	Avg. maturity	7-day yield	Assets
ABN AmroGvtS	10	4.69	55
ABN Amro GvtI	10	5.01	466
ABN AmroMMS	16	4.63	197
ABN AmroPrY	49	5.19	2,543
ABN AmroPrYS	49	4.94	13
ABN Amro Trsl	2	4.90	126
ABN AmroInvN	2	4.72	77
AIM MMCshRes	31	4.37	534
AIMMMInv	31	4.62	276
AXAEnterB p	37	4.71	n.a.
AXAEnte C	37	4.71	n.a.
AZMunCTIns	22	3.03	84
AccUSGov	59	4.78	1,279
ActAsInsGv	40	5.10	896
ActAsInst	46	5.19	1,442
ActiveAstGv	27	4.61	640
ActiveAstMny	49	4.74	8,590
AdvGovLiquid	76	4.35	n.a.
AdvPrimLiq p	36	4.28	n.a.
AlgerMM	21	4.40	54

Exchange Traded Funds

- ☛ type of investment company whose objective is to achieve the same return as a particular market index
- ☛ similar to an index fund
- ☛ ETF will invest in all or a representative sample of the securities included in the index
 - one type of ETF, known as Spiders or SPDRs, invests in all of the stocks contained in the S&P 500 Index
- ☛ because the ETF trades like a stock:
 - it's price fluctuates daily; it can be traded during a day
 - it does **not** have a Net Asset Value calculated daily like a mutual fund
 - it can be sold short, bought on margin
 - one can purchase as little as one share
 - the expense ratios for most ETFs are lower than the average mutual fund
 - you pay a commission to your broker when you buy or sell an ETF

BROWSE ETFs

Click on a category below for a list of related ETFs; scroll down to see results.

ASSET CLASS	SECTOR	MARKET CAP
Equity	Financial Services	Large-Cap
Fixed Income	Health/Biotechnology	Mid-Cap
	Natural Resources	Multi-Cap
REGION	Real Estate	Small-Cap
China Region	S&P 500 Index Objective	STYLE
Emerging Markets	Science/Technology	Core
European Region	Specialty/Misc.	Growth
Global	Telecommunication	Value
International	Utility	
Japanese		
Latin American		
Pacific Ex Japan		

Source: WSJOnline.com

Equity ETFs						
Name	Symbol	Last	Change	% Change		Volume
DB CrdeOil Short ETN		SZO	67.71	-4.00	-5.58%	11,700
DB Gold Double Long ETN		DGP	19.10	1.74	10.02%	4,003,200
DB Gold Double Short ETN		DZZ	23.66	-2.34	-9.00%	1,005,900
DB Gold Short ETN		DGZ	25.27	-1.24	-4.68%	13,200
DIAMONDS Trust 1		DIA	80.52	-0.64	-0.79%	44,704,000
Direxion:DevMk Bear 3X		DPK	88.07	1.39	1.60%	14,500
Direxion:DevMk Bull 3X		DZK	34.00	-0.36	-1.06%	3,400
Direxion:EmgMk Bear 3X		EDZ	82.33	-3.01	-3.53%	25,100
Direxion:EmgMk Bull 3X		EDC	35.00	1.31	3.89%	45,000
Direxion:EnergyBear 3X		ERY	35.76	-2.76	-7.17%	771,300
Direxion:EnergyBull 3X		ERX	35.21	2.21	6.70%	3,385,900
Direxion:Finl Bear 3X		FAZ	60.37	-5.83	-8.81%	12,951,600
Direxion:Finl Bull 3X		FAS	9.01	0.63	7.52%	79,527,500
Direxion:Lg Cap Bear 3X		BGZ	70.00	-1.00	-1.41%	8,600,000
Direxion:Lg Cap Bull 3X		BGU	28.14	0.51	1.85%	17,787,600
Direxion:MidCapBear 3X		MWN	72.87	-2.44	-3.24%	128,400
Direxion:MidCapBull 3X		MWJ	45.47	1.27	2.87%	147,100
Direxion:Sm Cap Bear 3X		TZA	60.27	-1.14	-1.86%	7,033,700
Direxion:Sm Cap Bull 3X		TNA	23.87	0.41	1.75%	12,207,800
Direxion:Tech Bear 3X		TYP	63.58	-3.38	-5.05%	35,700

ETF SNAPSHOT Sign up for Price & Volume Alerts

DIAMONDS Trust 1 (DIA)
1/23/2009
 Price: **\$80.52** Change: **-0.64** % Change: **-0.79%** Volume: **44,704,000** 52 Week High: **131.29** 52 Week Low: **74.50**

Performance (%) total return, cumulative through prior close.

	DIA	SP500
1 Day	-0.56	0.52
1 Week	-2.42	-2.13
1 Year	-32.28	-36.59
3 Years	-18.94	-30.98
5 Years	-14.62	-21.59

DIA Daily © BigCharts 1/23/09

Compare to Index:
 Period: 1D | 1W | 1M | 3M | 6M | 1Y | 3Y | 5Y Custom
[Go to Interactive Charting](#)

Note: Comparisons show price change only; not total return.

Investment Information	Detailed Information
Market Cap: \$8,323,674,480	Style: Core
Net Assets: \$8,966,000,000	Market Cap Classification: Large-Cap
NAV: \$80.76	Asset Class: Equity
Prem/Discount: -0.30%	Inception Date: 01/14/1998
Shares Outstanding: 103,374,000	Primary Exchange: NYSE ARCA
Avg Daily Vol: 33,704,700	Mgmt Co: STATE STREET BANK & TRUST CO/IFTC
Dividend Yield %: 2.10	Administrator: STATE STREET BANK & TRUST COMPANY
Latest Dividend: \$0.14 - 01/16/2009	Turnover: 1.00
The Trust seeks to provide investment results that, before expenses, generally corresponds to the price and yield performance of the component stocks of the DJIA. Dividend yield is based on regular and irregular dividends and may not reflect an established regular annual rate. Initial monthly and quarterly dividends are annualized and presented as an annual yield.	Beta: .86
	P/E: 11.84
	P/B: 2.88
	Expense Ratio: 0.16