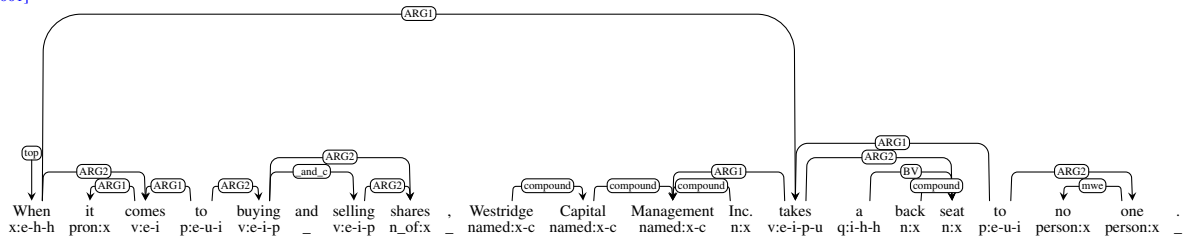
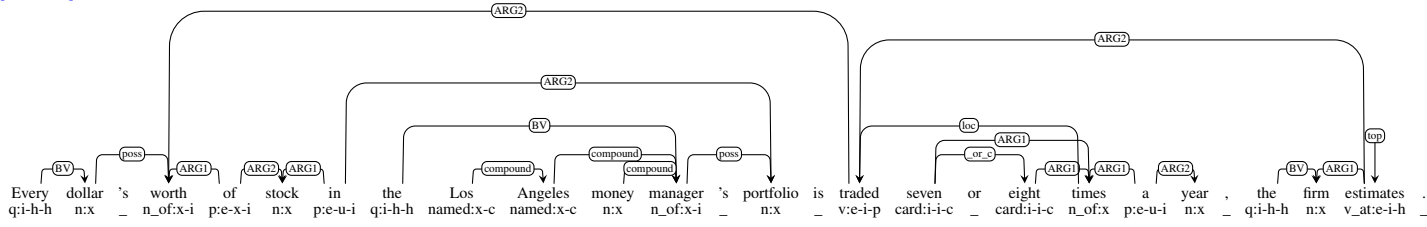


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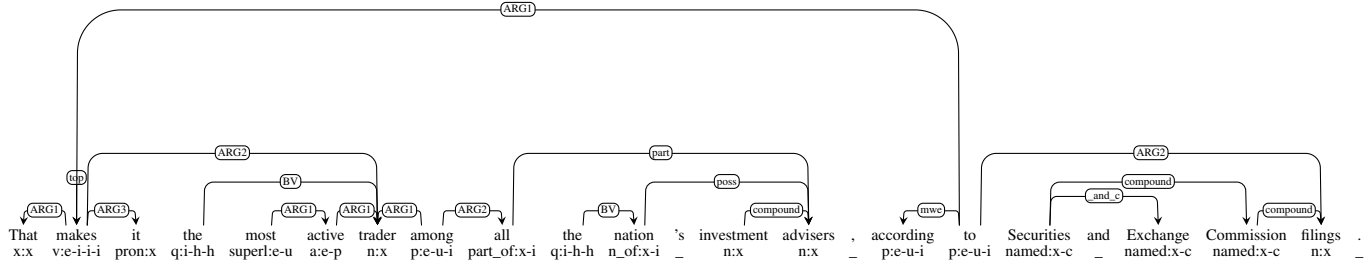
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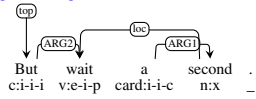
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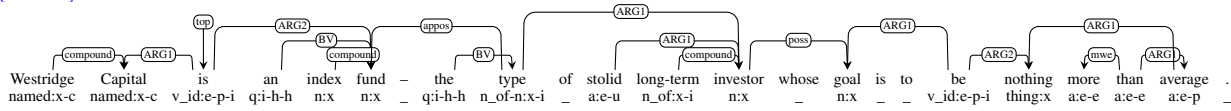
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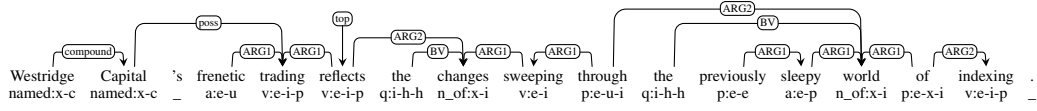
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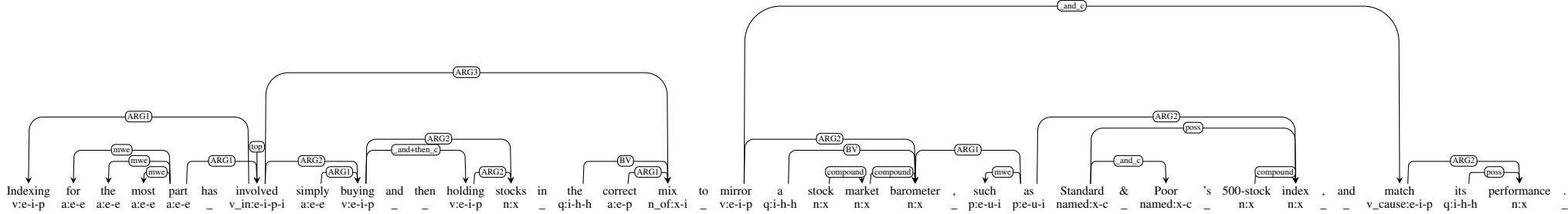
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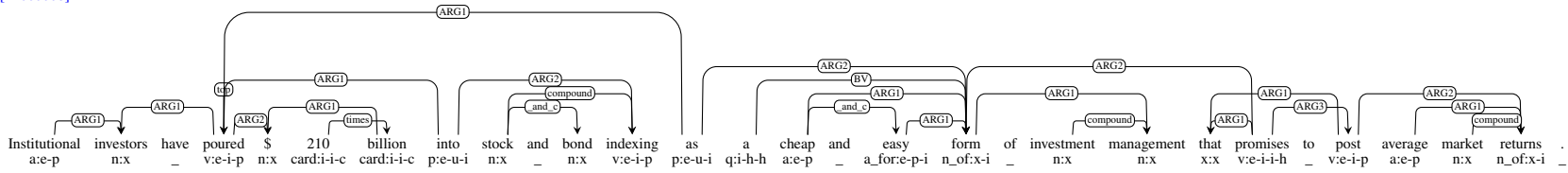
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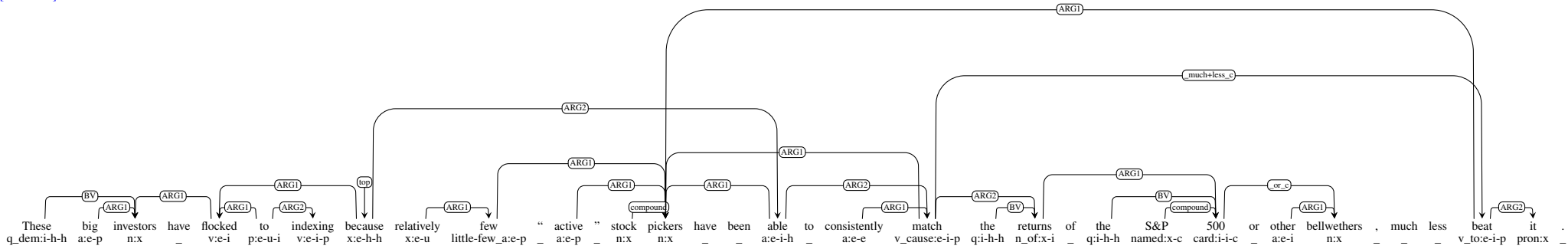
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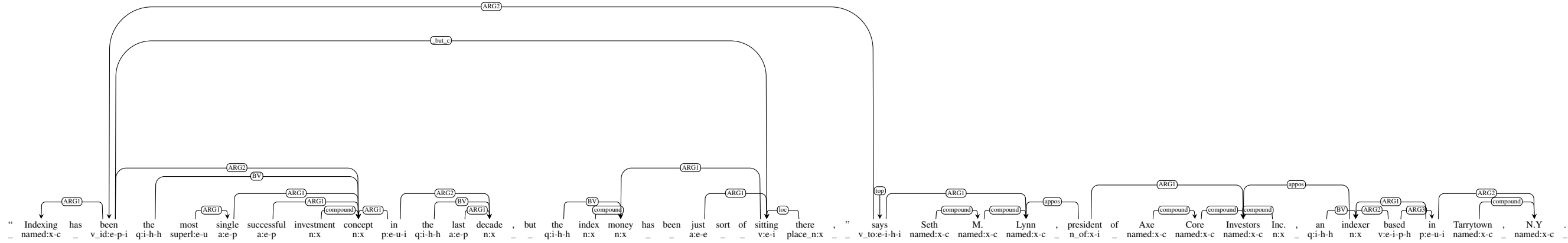


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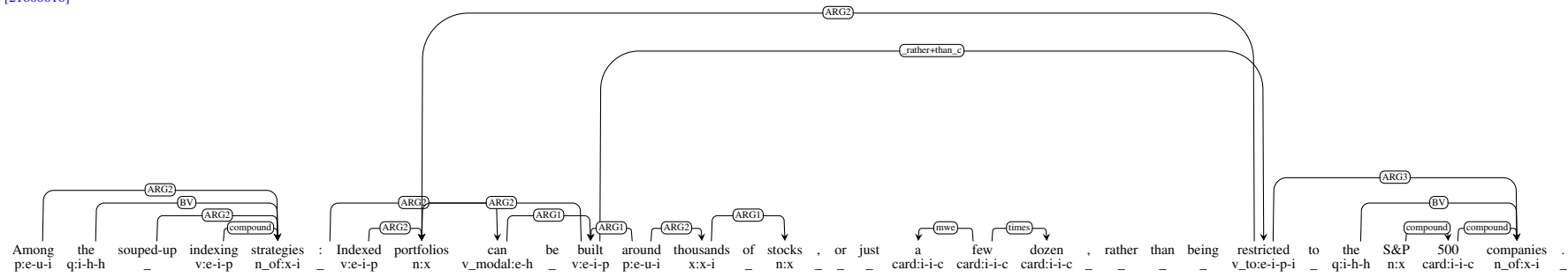


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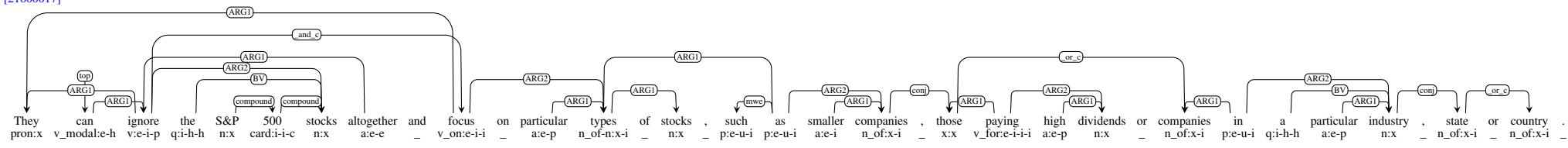




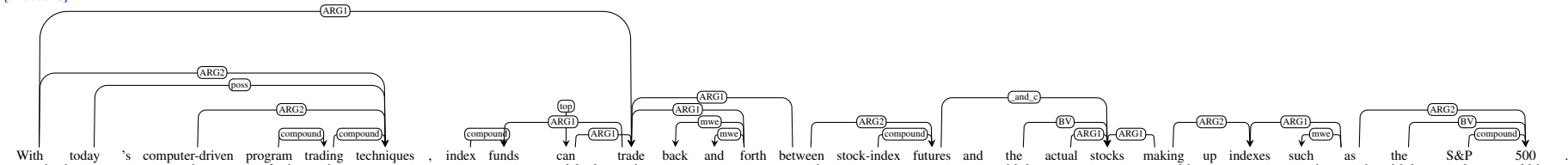
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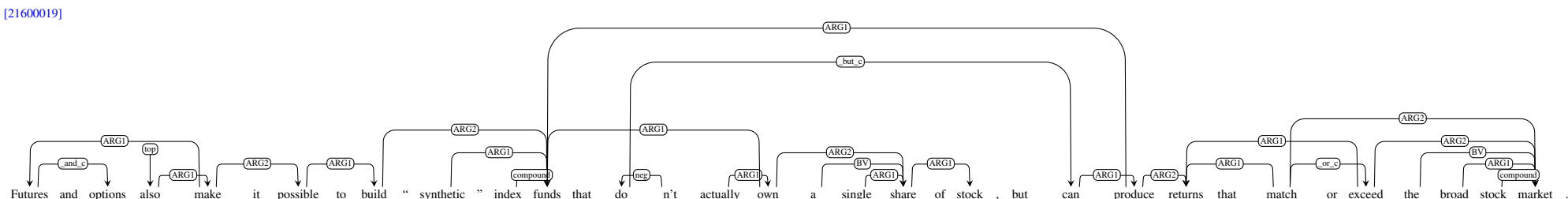
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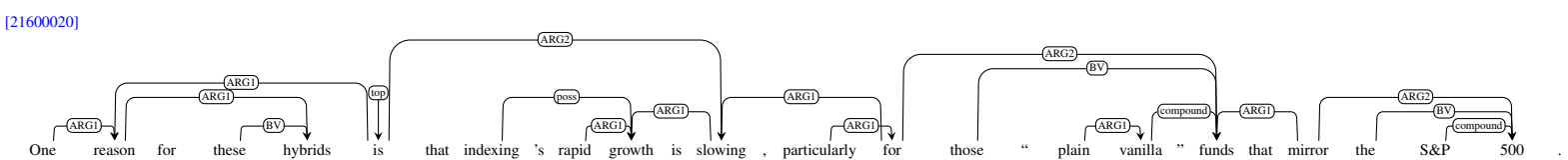
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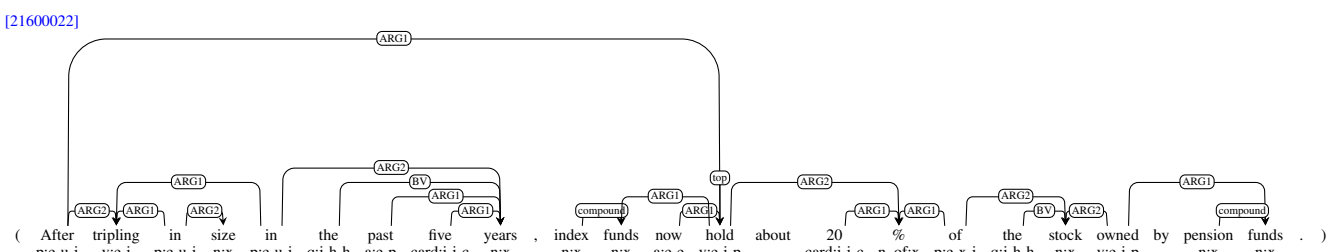
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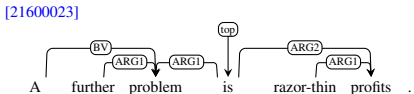
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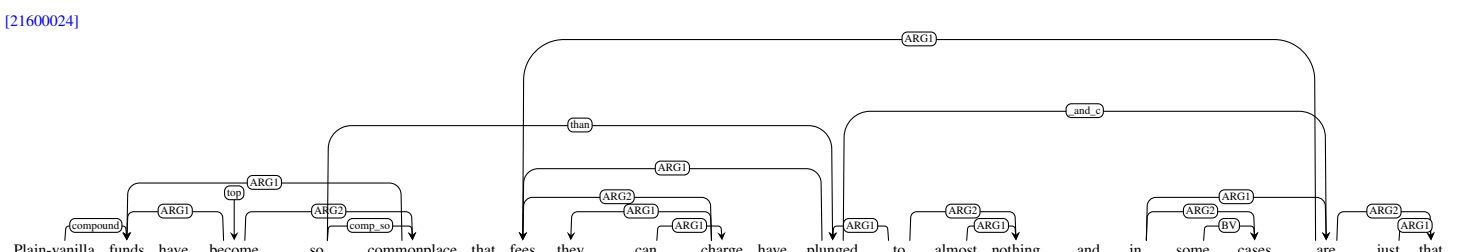
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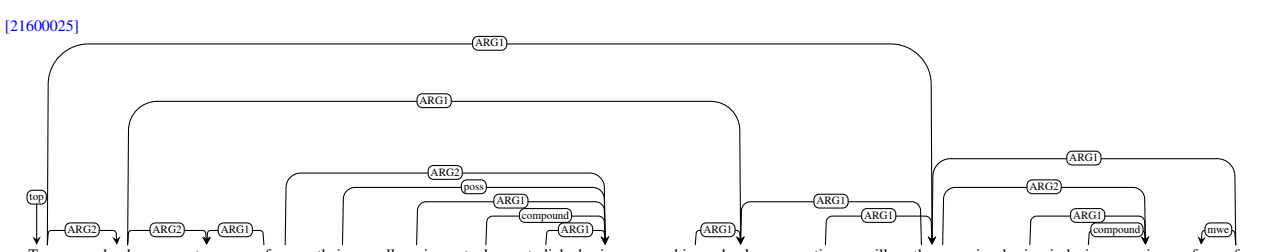
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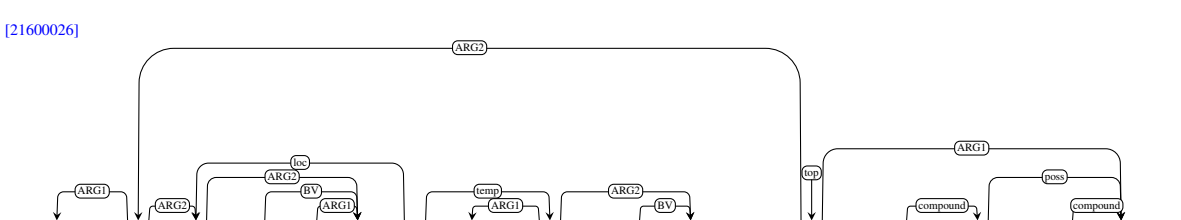
[21600024]



[21600025]



[21600026]



[21600027]

As a result, indexes have been looking for ways to give investors something more than the average for their money.

pe-u-i qi-h-h n\_of-x-i \_ n\_x \_ \_ v\_force-i-i \_ n\_of-x-h \_ v\_e-i-i n\_x n\_x v\_e-i-i n\_x n\_x n\_of-x-i pe-u-i qi-h-h n\_x \_

[21600028]

And many have been successful, as in the case of the index fund operated by hyper-trader Westridge Capital.

ci-i-i much-many\_ae-p \_ \_ ae-p \_ x-e-h-h pe-u-i qi-h-h n\_of-x-i pe-x-i qi-h-h n\_x n\_x v\_e-i-p \_ n\_x n\_x n\_of-x-i pe-u-i named-x-c n\_x \_

[21600030]

Strategies vary for Westridge Capital, which has \$300 million under management.

named-x-c v\_e-i pe-u-i named-x-c named-x-c \_ \_ v\_e-i-i n\_x card-i-i-c card-i-i-c pe-u-i n\_x \_

[21600031]

The firm sometimes buys S&P 500 futures when they are selling at a discount to the actual stocks, and will switch back and forth between stocks and stock-index futures to take advantages of any momentary price discrepancies.

qi-h-h n\_x n\_x v\_e-i-p n\_x card-i-i-c n\_x x-e-h-h pron\_x \_ v\_e-i-p pe-u-i qi-h-h n\_x pe-u-i qi-h-h ae-p n\_x \_ \_ v\_e-i ae-e ae-e ae-e pe-u-i n\_x \_ n\_x n\_x x-e-h-h v\_e-i-p-u n\_x pe-x-i qi-h-h ae-p n\_of-x n\_x \_

[21600032]

Mr. Carder also goes through periods when he buys stocks in conjunction with options to boost returns and protect against declines.

n\_x named-x-c a-e-h v\_through-e-i-i \_ n\_of-x-i qi-h-h pron\_x v\_e-i-p n\_x pe-u-i n\_x n\_x pe-u-i n\_x-h \_ v\_to-e-i-p-i n\_of-x-i \_ v\_e-i-p pe-u-i n\_x \_

[21600033]

And in some months, he buys stock-index futures and not stocks at all.

ci-i-i pe-u-i qi-h-h n\_x \_ pron\_x v\_e-i-p n\_x n\_x \_ \_ n\_x pe-u-i qi-h-h \_

[21600036]

Big indexers Bankers Trust Co. also uses futures in a strategy that on average has added one percentage point to its enhanced fund's returns.

ae-p n\_x named-x-c named-x-c n\_x ae-h v\_e-i-p n\_x pe-u-i qi-h-h n\_of-x-i \_ pe-u-i n\_of-x \_ v\_to-e-i-p-i card-i-i-c n\_of-x n\_of-x \_ qi-h-h v\_e-i-p n\_x \_ n\_of-x-i \_

[21600037]

J. Thomas Allen, president of Pittsburgh-based Advanced Investment Management Inc., agrees it's a good idea to jump between the S&P 500 stocks and futures.

named-x-c named-x-c named-x-c \_ n\_of-x-i \_ v\_e-i-p named-x-c named-x-c n\_x \_ v\_with-e-i-h-i pron\_x v\_id-e-p-i qi-h-h a\_at-for-of-e-p-i n\_of-x-h \_ v\_e-i pe-u-i qi-h-h n\_x card-i-i-c n\_x \_ n\_x \_

[21600038]

"You're buying the S&P, and you always want to hold the cheapest form of it," he says.

\_ pron\_x \_ v\_e-i-p qi-h-h n\_x \_ \_ pron\_x ae-e v\_e-i-h \_ v\_e-i-p qi-h-h ae-i n\_of-x-i pe-x-i pron\_x \_ \_ pron\_x v\_to-e-i-h-i \_

[21600039]

But some indexes make little or no use of futures, saying that these instruments present added risks for investors.

ci-i-i qi-h-h n\_x v\_e-i-p-u little-few\_ae-p \_ qi-h-h n\_of-x-i \_ n\_x \_ v\_to-e-i-h-i \_ q\_demi-h-h n\_of-x-i v\_to-e-i-p-i v\_to-e-i-p n\_of-x-i pe-i-i n\_x \_

[21600040]

"If the futures markets have a problem, then those products could have a problem," says John Zambruna, managing director of Prudential Insurance Co. of America's Investment Index Technologies Inc. unit.

\_ x-e-h-h qi-h-h n\_x n\_x v\_e-i-i qi-h-h n\_of-x-i \_ ae-h q\_demi-h-h n\_x v\_mod-e-h v\_e-i qi-h-h n\_of-x-i \_ \_ v\_to-e-i-h-i named-x-c named-x-c \_ v\_e-i-p n\_of-x-i \_ named-x-c named-x-c n\_x pe-x-i named-x-c \_ named-x-c named-x-c named-x-c n\_x n\_of-x-i \_

[21600041]

Prudential currently is seeking approval to offer a new fund offering a return equal to the S&P 500 index plus 5/100 of a percentage point.

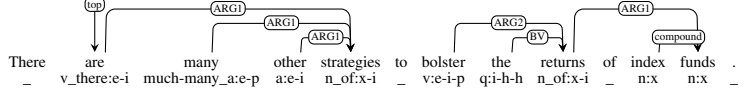
named-x-c ae-e \_ v\_e-i-p n\_of-x-h \_ v\_e-i-p qi-h-h ae-p n\_x v\_e-i-p qi-h-h n\_of-x-i a\_to-e-p-i \_ qi-h-h named-x-c card-i-i-c n\_x \_ fraction-i-i-c \_ card-i-i-c n\_of-x n\_of-x \_

[21600042]

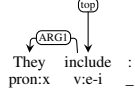
An added feature is that the slightly improved return would be guaranteed by Prudential.

qi-h-h v\_to-e-i-p n\_x v\_id-e-p-i x-x qi-h-h n\_x v\_cause-e-i-p n\_of-x-i v\_mod-e-h \_ v\_e-i-i-i \_ named-x-c \_

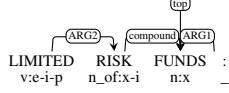
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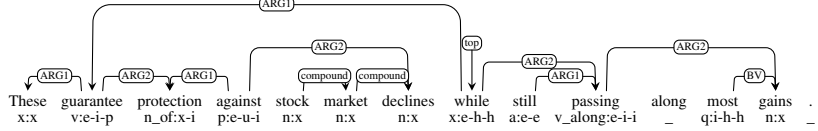
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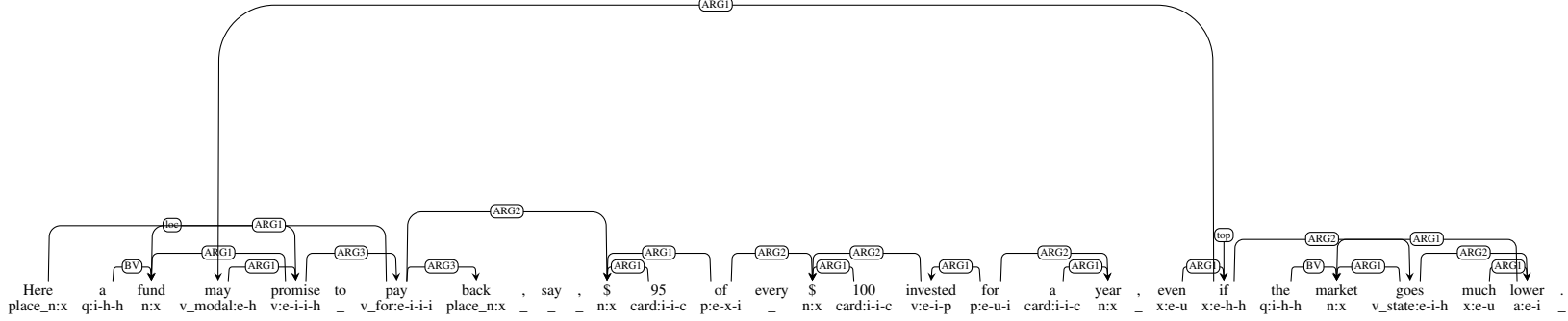
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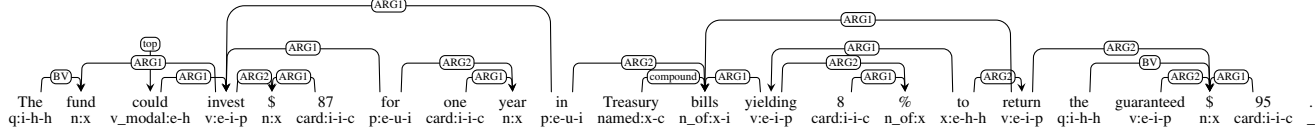
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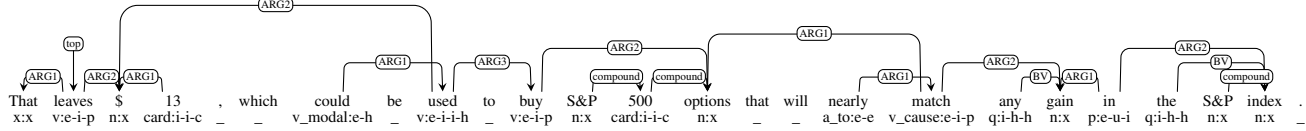
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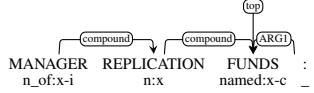
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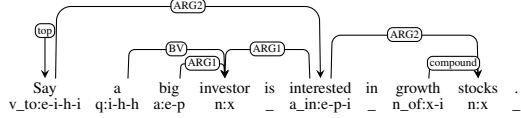
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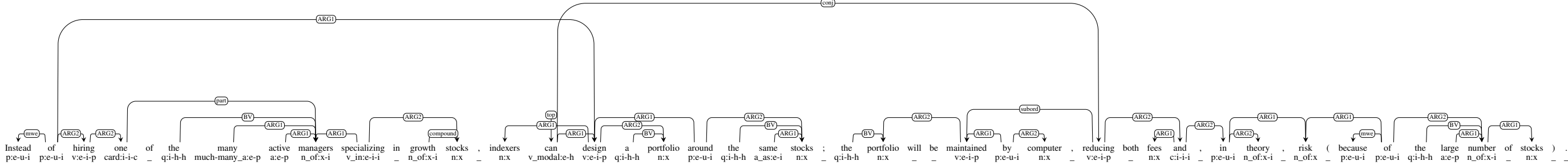
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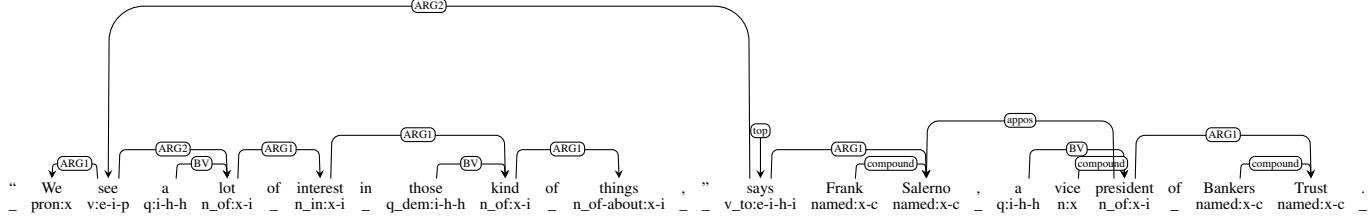
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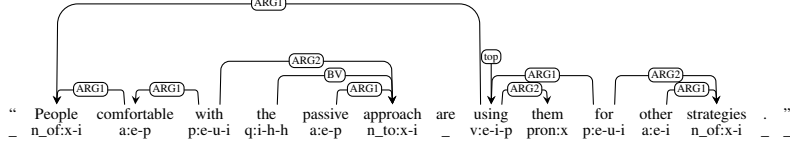
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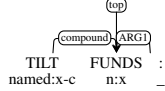
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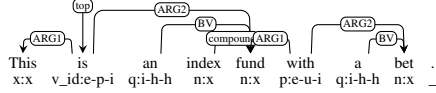
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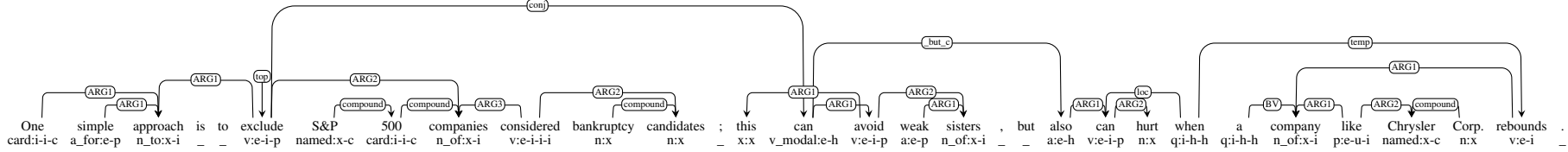
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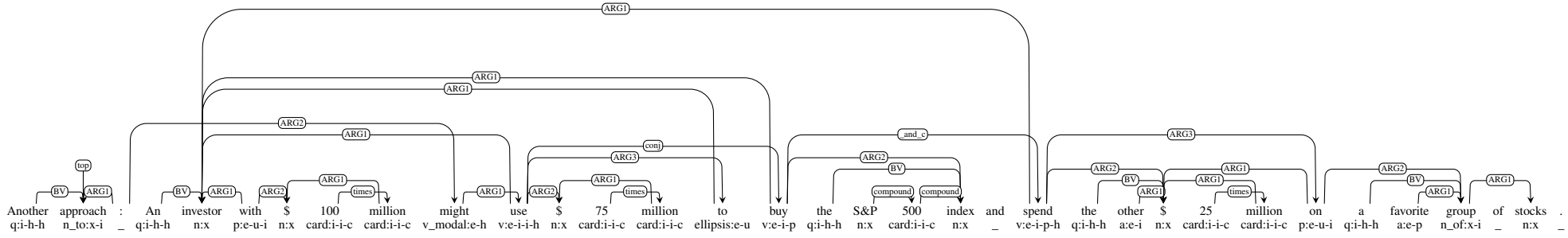
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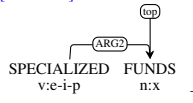
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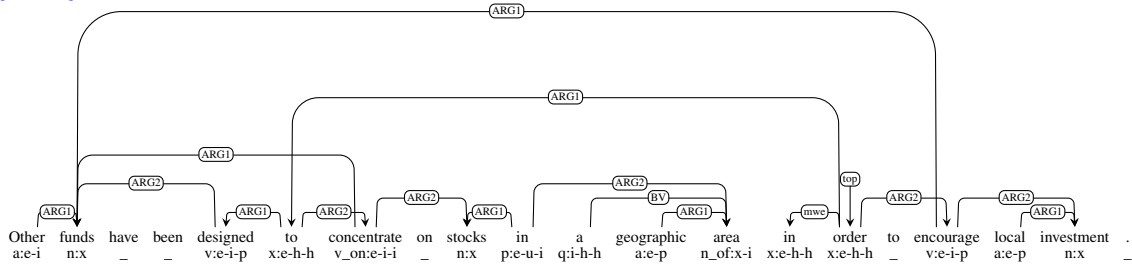
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[21600060]



[21600062]



[21600063]

