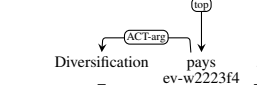
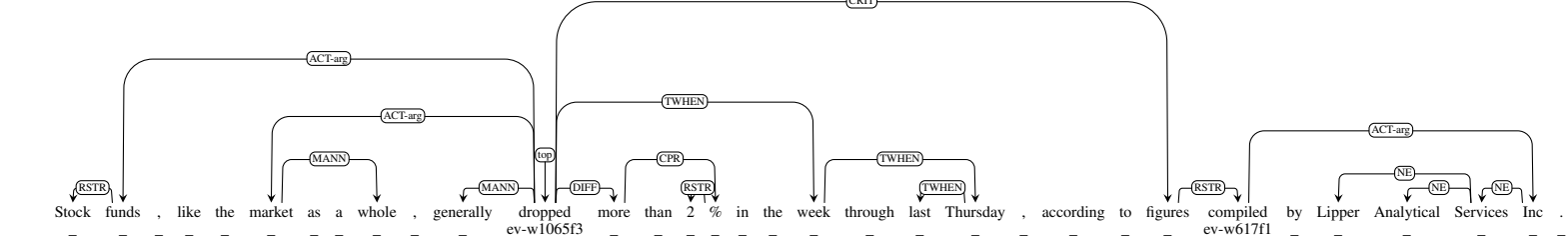


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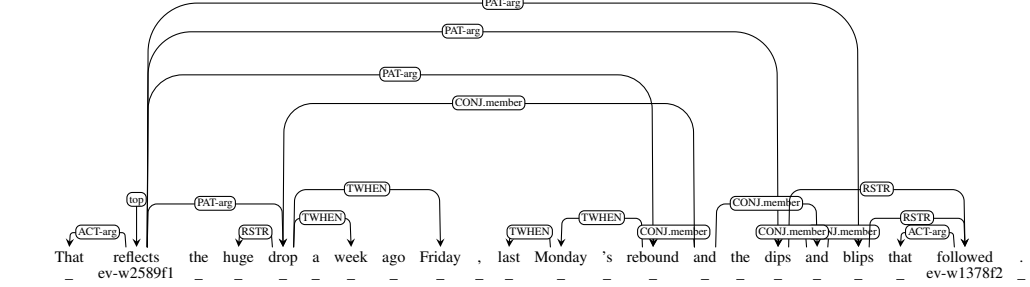
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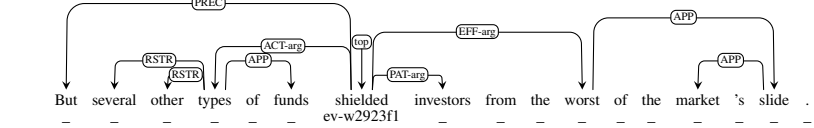
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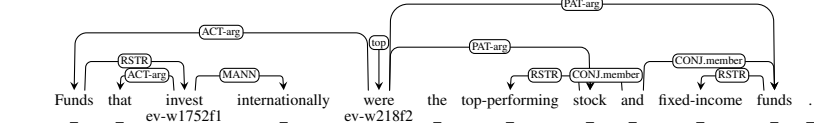
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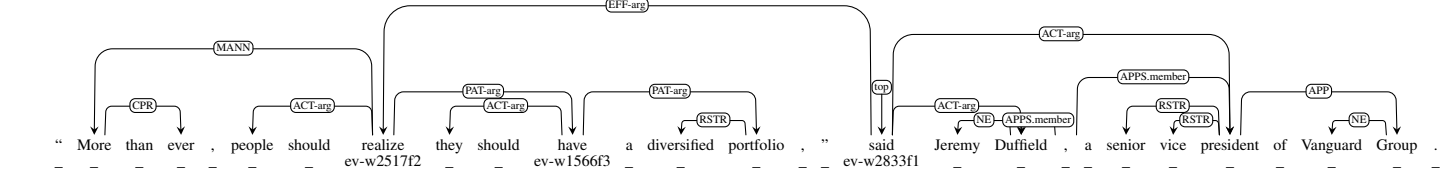
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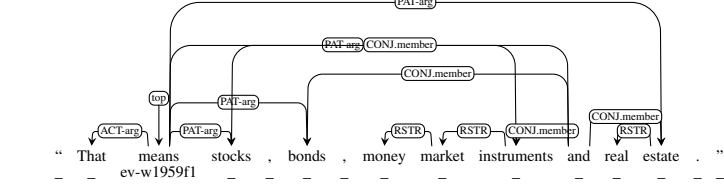
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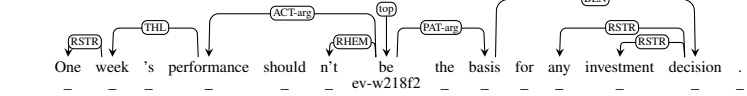
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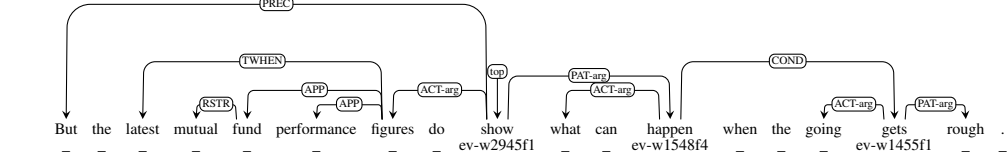
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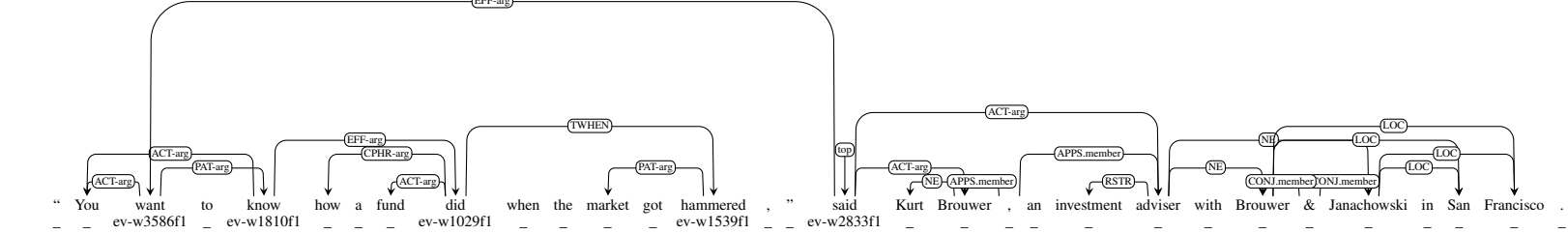
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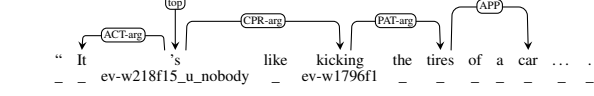
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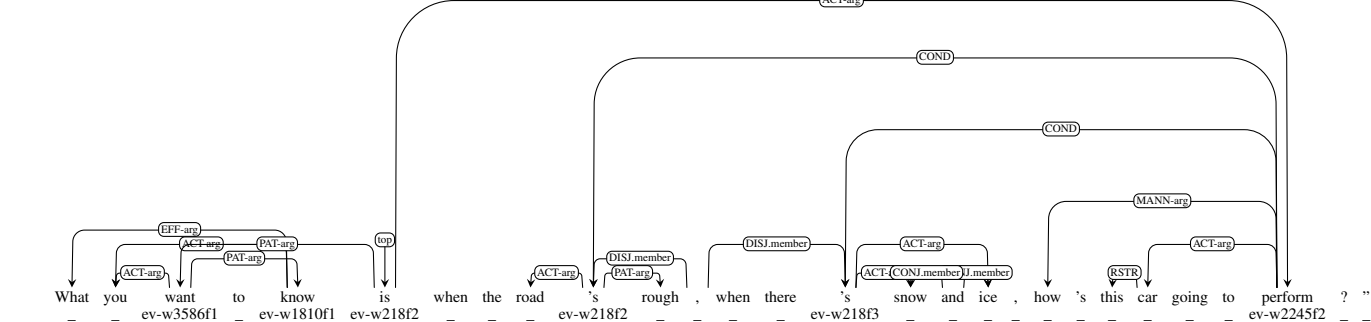
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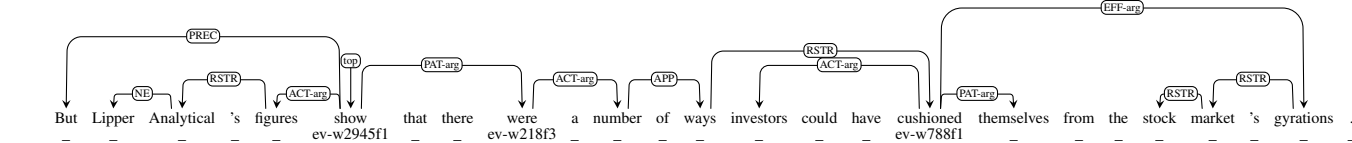
[21453012]



[21453013]



[21453015]



[21453016]

Gold-oriented funds , for instance , which invest in companies that mine and process the precious metal , posted an average decline of 1.15 % .

[21453017]

Flexible portfolio funds , which allocate investments among stocks , bonds and money-market instruments and other investments , declined at about half the rate of stock funds - an average drop of 1.27 % , according to Lipper .

[21453019]

This gives them the added benefits of international diversification - including a foreign-exchange boost during periods , like the past week , when the dollar declines against other major currencies .

[21453020]

With all that going for them , global flexible portfolio funds declined only 1.07 % in the week through last Thursday .

[21453021]

But while the merits of diversification shine through when times are tough , there's also a price to pay : A diversified portfolio always underperforms an undiversified portfolio during those times when the investment in the undiversified portfolio is truly hot .

[21453022]

And Friday the 15th notwithstanding , stocks have been this year 's hot investment .

[21453023]

Thus , even including the latest week , the average general stock fund has soared more than 24 % so far this year , the Lipper Analytical figures show .

[21453024]

By comparison , global asset allocation funds have turned in an average total return of about 19 % , while domestic flexible portfolios are up about 17 % .

[21453025]

Fixed-income funds have returned 8.2 % , while gold funds , which tend to be volatile , have risen just 4.55 % , on average .

[21453026]

" That 's the problem with trying to hedge too much , " said Mr. Broover .

[21453027]

“ You do n't make any real money . ”
- - - - - ev-w1923f7 - - - - -

[21453030]

The \$ 4 million Monetta Fund , for instance , was the seventh top performing fund for the week , with a 2.65 % return .
- - - - - ev-w218f2 - - - - - ev-w2245f2 - - - - -

[21453031]

Its return so far this year has been a credible 21.71 % .
- - - - - ev-w218f2 - - - - -

[21453032]

The fund 's strategy is to sell when a stock appreciates 30 % over its cost .
- - - - - ev-w218f2 - - - - - ev-w2888f2 - - - - - ev-w122f1 - - - - -

[21453033]

By the time the market plummeted 10 days ago , Monetta was 55 % in cash , said Robert Bacarella , president and portfolio manager .
- - - - - ev-w2308f1 - - - - - ev-w218f2 - - - - - ev-w2833f1 - - - - -

[21453034]

Last Monday , he started buying the high-quality growth companies that people were throwing away at discount prices .
- - - - - ev-w3148f1 - - - - - ev-w410f1 - - - - - v-w569_u_nobodyf1_u_nobody - - - - -

[21453035]

Among Mr. Bacarella 's picks : Oracle Systems , Reebok International Ltd. and Digital Microwave Corp .
- - - - -

[21453036]

The fund 's cash position is now about 22 % , which Mr. Bacarella calls “ still bearish . ”
- - - - - ev-w218f2 - - - - - ev-w420f6 - - - - -

[21453037]

Among the big stock funds , Dreyfus Fund , with more than \$ 2 billion in assets , had a decline of just 1.49 % for the week and a return of 21.42 % for the year .
- - - - - ev-w1566f3 - - - - -

[21453039]

“ In a downward market , bonds act better , ” he said .
- - - - - ev-w42f2 - - - - - ev-w2833f1 - - - - -

[21453040]

“ We still think there 's a lot of unsettlement in this market . ”
- - - - - ev-w3363f1 - - - - - ev-w218f3 - - - - -

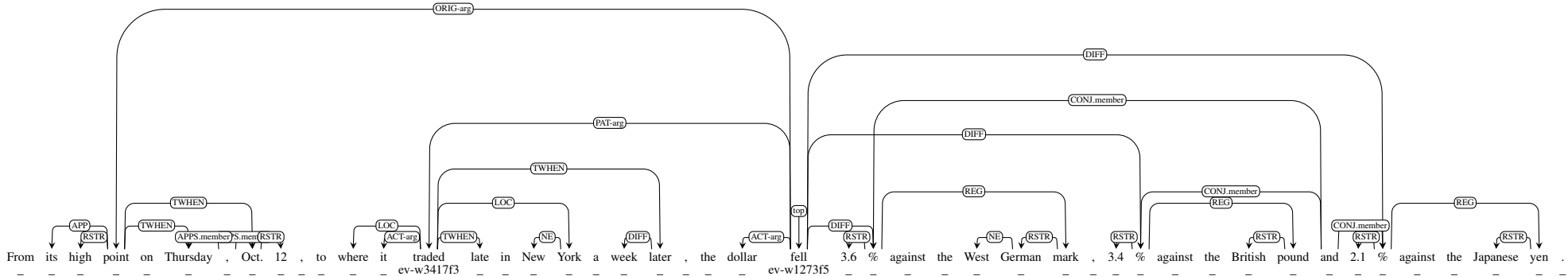
[21453041]

We believe interest rates will continue to trend lower , and the economy will slow around the world .
- - - - - ev-w239f3 - - - - - ev-w685f2 - - - - - ev-w3443f1 - - - - - ev-w3022f2 - - - - -

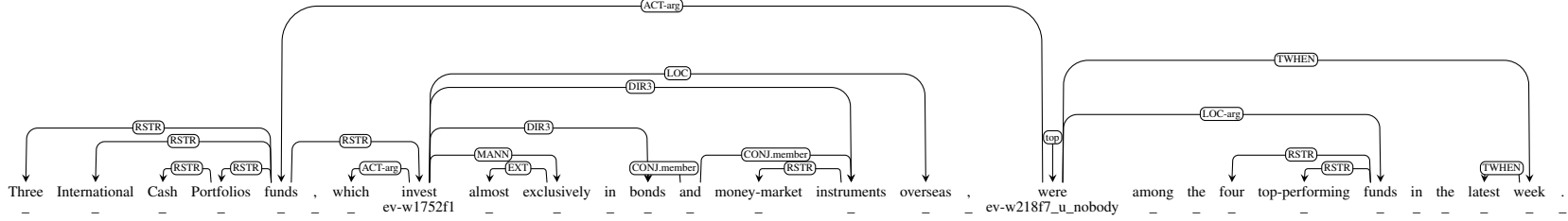
[21453042]

Many of the funds that did best in the last week are heavily invested overseas , giving them the benefit of foreign currency translations when the dollar is weak .
- - - - - ev-w1029f1 - - - - - ev-w1752f1 - - - - - ev-w1465f6 - - - - - ev-w218f2 - - - - -

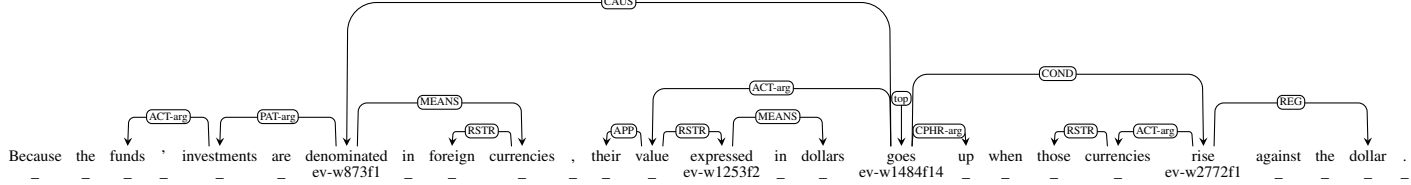
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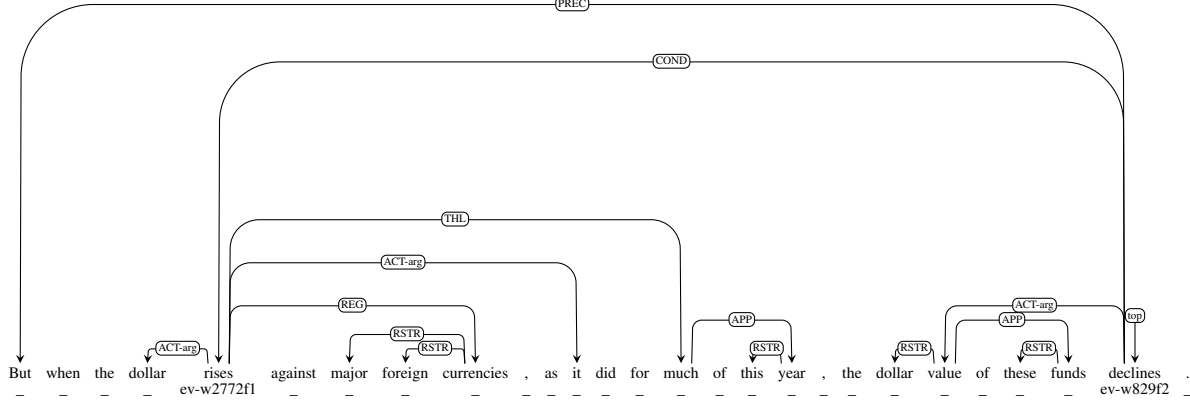
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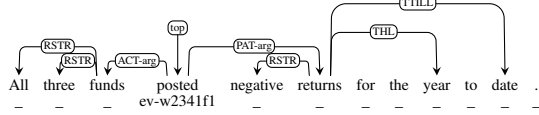
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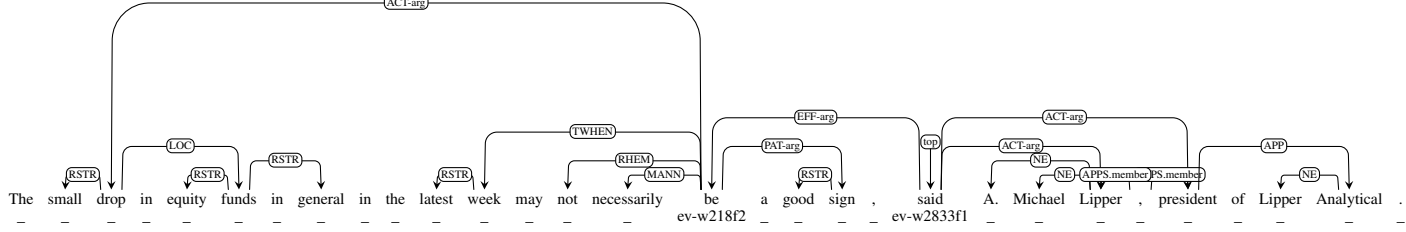
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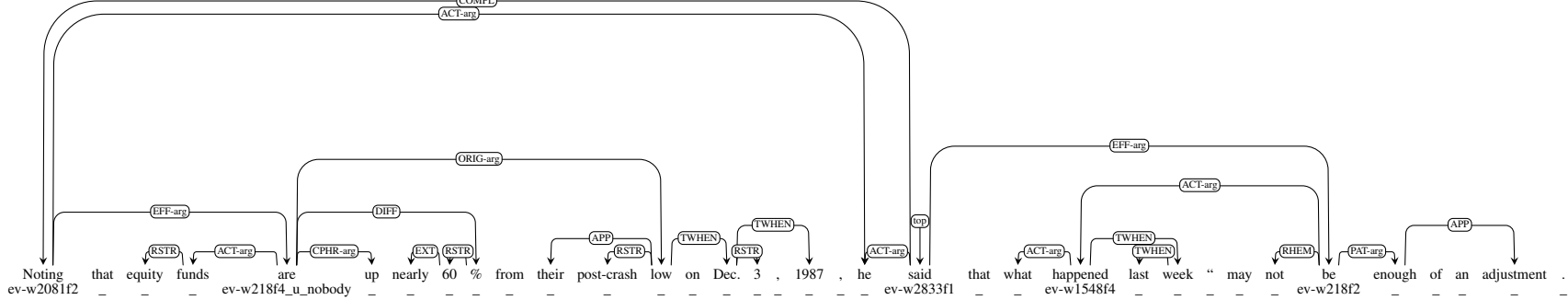
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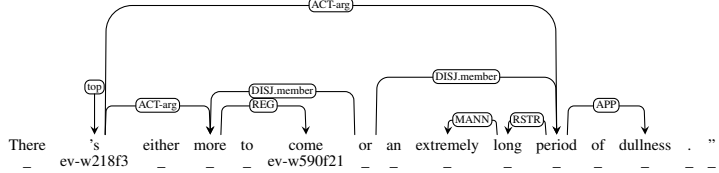
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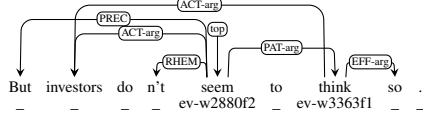
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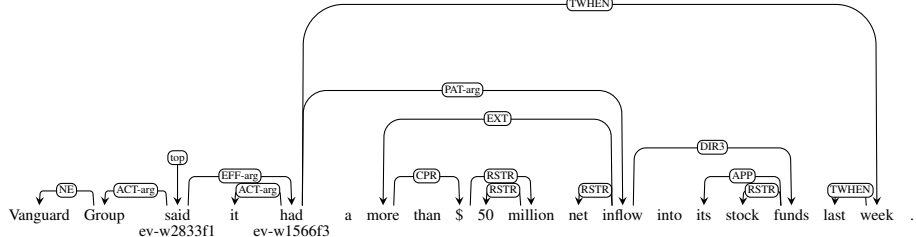
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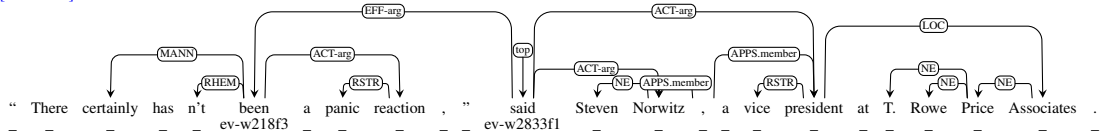
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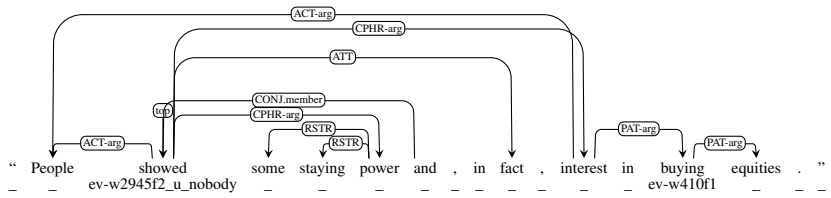
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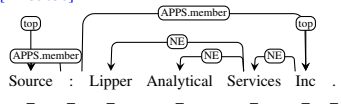
[21453056]



[21453057]



[21453058]



[21453061]

