

The Best Families in a Bruising Year

By Tom Sullivan

The following has been excerpted

2008 Fund-Family Rankings The Best Families Over Ten Years Franklin-Templeton Is King of the Decade

Rank	Family	Weighted Score	Rank	Family	Weighted Score
1.	Franklin Templeton	81.65	25.	Lord Abbett	55.63
2.	Pimco/Allianz	80.47	26.	Legg Mason	55.41
3.	GE Asset Management	78.60	27.	Delaware Management	55.40
4.	American Funds	74.92	28.	Wells Fargo	54.75
5.	MFS Investment Management	72.23	29.	Goldman Sachs	54.22
6.	Mainstay Funds	68.21	30.	Evergreen Invst Mgmt	53.40
7.	Waddell & Reed	68.08	31.	AIG	52.21
8.	Columbia Mgmt	67.58	32.	Calvert Funds	51.39
9.	T Rowe Price	67.46	33.	Charles Schwab	50.52
10.	Blackrock	66.52	34.	Allegiant Asset Mgmt	50.41
11.	Fidelity	65.85	35.	BNY Mellon/Dreyfus	46.78
12.	Van Kampen Asset Mgmt	65.21	36.	Morgan Stanley	46.51
13.	Eaton Vance Management	63.82	37.	Virtus Investment Partners	42.78
14.	American Century Invst Mgmt	63.69	38.	Alliance Bernstein	42.37
15.	Vanguard Group	62.81	39.	Russell Investment Group	42.05
16.	Ridgeworth Funds	62.57	40.	USAA	41.20
17.	Pioneer Invst Mgmt	61.17	41.	FAF Advisors	38.49
18.	Hartford	60.19	42.	DWS Investments	37.84
19.	Ivy Invst Mgmt	59.92	43.	Riversource Investments	35.85
20.	JPMorgan Chase	59.83	44.	Thrivent Financial For Lutherans	34.20
21.	Northern Trust Investments	59.44	45.	First Investors Mgmt	33.42
22.	Federated Investors	57.90	46.	Putnam Invst Mgmt	32.89
23.	Jennison Dryden Funds	57.78	47.	UBS Global	32.85
24.	Oppenheimer Funds	56.84	48.	SEI Group	25.44

Source: Lipper

10-year period ended December 31, 2008. Past performance does not guarantee future results.

(over please)

How We Rank the Fund Families

TO QUALIFY FOR THE Lipper/Barron's Fund Survey, a group must have at least three funds in Lipper's general U.S.-stock category, as well as one in world equity, which combines global and international funds. We also require at least one mixed-equity fund, which holds stocks and bonds. Fund shops also must have at least two taxable-bond funds and one tax exempt offering. Each fund's returns are adjusted for 12b-1 fees, which are used for marketing and distribution expenses. The funds usually add these fees back into returns. Our aim is to measure the manager's skill. Fund loads, or sales charges, aren't included in the calculation of returns, either.

Each fund's return is measured against those of all funds in its Lipper category, such as, say, small-cap value. That leads to a percentile ranking, with 100 the highest and 1 the lowest, which is then weighted by asset size, relative to the fund family's other assets in its general classification—world equity, for instance. If a family's biggest funds do well, that boosts its overall ranking. Poor performance in a big fund obviously has a big effect on the ranking.

Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds. The category weightings for the one-year results: general equity, 42.4%; world equity, 14.4%; mixed equity, 16.9%; taxable bond, 22.0%; tax-exempt bond, 4.2%.

The scoring: Say a company has a fund in the general U.S. equity category, that the fund has \$50 million in assets and that it accounts for half of the company's assets in that category. Its ranking is the 75th percentile. The first calculation would be 75×0.50 , which comes to 37.5. That score is then multiplied by 42.5, general equity's overall weighting in Lipper's universe. So it would be 37.5×0.425 , which totals 15.9. Similar calculations are done for each fund in our study. Then, all the numbers are added up for a total score. The fund shop with the highest score wins, both for every category and overall. The same process is repeated for the five- and 10-year rankings.

The following information is not part of the Barron's article excerpt.

For the 1-year period ended December 31, 2008, Franklin Templeton ranked 26 out of 59 fund families. For the 5-year period ended December 31, 2008, Franklin Templeton ranked 16 out of 53 fund families.

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FRANKLIN TEMPLETON
INVESTMENTS
Franklin Templeton Distributors, Inc.
One Franklin Parkway
San Mateo, California 94403-1906
(800) DIAL BEN® (800) 342-5236
TDD (Hearing Impaired) (800) 851-0637
franklintempleton.com

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