

Mutual Funds Research Report

Executive Summary

- 1) Bond funds have low long-term returns. After inflation, returns are lower and if held in a taxable account, returns are even lower. Over the long-term, instead of buying bond funds, investors will be better off in my low-risk stock portfolio, which has higher average annual returns with the same risk of losses (drawdowns) as intermediate bonds.
- 2) Stock funds have low long-term returns due to the problems explained below. Over the long-term, instead of buying stock funds, investors will be better off in my mod-risk stock portfolio, which has higher average annual returns with lower risk of losses (drawdowns).
- 3) Most funds today are indexed vs. actively managed. Over the long-term, indexed fund do not have high returns. Why? 1) index funds buy stocks regardless of valuation; thus, index funds can overpay for stocks; 2) index funds are fully invested; thus, you get 100% of up and down markets; 3) index funds automatically re-balance their holdings quarterly, resulting in transaction fees when it buys and sells securities, which reduce returns.
- 4) When you include big down-market periods like 2000-2002 and 2007-2009 when the stock market lost >50% each time, most stock fund's average annual returns are below 10%. Since we have not had a 50%+ down-market period since 2009 (15 years), recent 15-year returns are misleading investors into thinking index funds are good investments. Just look at the 20-year return column which includes the 2007-2009 bear market.
- 5) With funds, you will own companies you may not want to own due to their anti-American practices such as Google, Microsoft and Meta. Also, big fund companies like Blackrock and Vanguard have infiltrated corporate boards rooms and are forcing anti-American practices like DEI and ESG. Blackrock is also doing some nefarious things with American investor money that are not in the best interest of the US.

Top Selling Bond Mutual Funds

Ticker	Name	Morningstar Category	Index Fund	Fund Size	Cost	Return (1Y)	Return (3Y)	Return (5Y)	Return (10Y)	Return (15Y)	Return (20Y)	Worst Loss %
VBMFX	Vanguard Total Bond Market Index	Intermediate Core Bond	Yes	345,654,539,319	0.15	1.33	(2.42)	(0.41)	1.26	2.22	2.91	(17.57)
PONAX	PIMCO Income	Multisector Bond	No	172,250,014,379	1.23	5.06	1.66	2.49	3.90	6.37		(11.12)
VTIBX	Vanguard Total Intl Bd Idx	Global Bond-USD Hedged	Yes	100,597,193,866	0.13	3.65	(0.61)	0.05	1.89			(14.90)
ABNDX	American Funds Bond Fund of Amer	Intermediate Core Bond	No	91,472,715,881	0.62	1.22	(2.52)	0.28	1.54	2.52	2.51	(16.39)
DODIX	Dodge & Cox Income	Intermediate Core-Plus Bond	No	90,125,757,658	0.41	2.35	(0.59)	1.26	2.49	3.36	3.88	(15.11)
FXNAX	Fidelity U.S. Bond Index	Intermediate Core Bond	Yes	61,015,864,610	0.03	1.44	(2.32)	(0.34)	1.34			(17.34)
VBISX	Vanguard Short-Term Bond Index	Short-Term Bond	Yes	58,231,254,050	0.15	3.62	0.79	1.15	1.52	1.67	2.37	(7.94)
VFSTX	Vanguard Short-Term Investment-Grade	Short-Term Bond	No	54,916,857,701	0.20	4.93	1.57	1.87	2.17	2.39	2.87	(8.63)
BAGSX	Baird Aggregate Bond	Intermediate Core Bond	No	51,252,898,081	0.55	1.73	(2.21)	(0.12)	1.52	2.86	3.16	(17.93)
PDBAX	PGIM Total Return Bond	Intermediate Core-Plus Bond	No	49,688,109,983	0.76	2.73	(2.15)	(0.18)	1.93	3.37	3.90	(19.33)
PGBOX	JPMorgan Core Bond	Intermediate Core Bond	No	49,176,713,782	0.75	1.92	(2.06)	(0.06)	1.39	2.37	3.07	(15.95)
PTTAX	PIMCO Total Return	Intermediate Core-Plus Bond	No	46,391,735,699	0.85	2.36	(2.40)	(0.12)	1.41	2.47	3.44	(18.17)
FPCIX	Strategic Advisers Core Income	Intermediate Core-Plus Bond	No	42,910,378,292	0.35	2.31	(2.17)	0.32	1.94	2.99		(17.42)
VBIIIX	Vanguard Inter-Term Bond Index	Intermediate Core Bond	Yes	42,608,381,456	0.15	1.61	(2.30)	(0.07)	1.71	3.07	3.57	(17.74)
LALDX	Lord Abbett Short Duration Income	Short-Term Bond	No	42,132,504,626	0.58	5.32	1.81	1.90	2.28	2.80	3.38	(6.36)
BASIX	BlackRock Strategic Income Opps Inv	Nontraditional Bond	No	40,038,988,340	0.99	5.00	1.87	2.64	2.66	3.62		(8.17)
FTBFX	Fidelity Total Bond Fund	Intermediate Core-Plus Bond	No	38,942,031,316	0.44	2.71	(1.33)	0.90	2.31	3.30	3.71	(16.04)
FEPAX	Fidelity Advisor Total Bond	Intermediate Core-Plus Bond	No	38,942,031,316	0.74	2.29	(1.63)	0.60	2.00	2.98	3.39	(16.33)
MWTRX	TCW MetWest Total Return Bd	Intermediate Core-Plus Bond	No	37,966,414,443	0.66	0.92	(3.11)	(0.52)	1.15	2.96	3.81	(19.10)
BCOSX	Baird Core Plus Bond	Intermediate Core-Plus Bond	No	36,365,332,314	0.55	2.35	(1.70)	0.32	1.91	3.18	3.72	(17.22)
VFICX	Vanguard Inter-Term Invmt-Grade	Corporate Bond	No	35,356,072,907	0.20	3.28	(1.17)	0.99	2.41	3.64	3.89	(18.47)
DLTNX	DoubleLine Total Return Bond	Intermediate Core-Plus Bond	No	30,270,722,164	0.75	2.97	(1.92)	(0.44)	1.23			(16.18)
JHNBX	JHancock Bond	Intermediate Core-Plus Bond	No	26,557,078,021	0.77	2.18	(2.58)	0.02	1.77	3.51	3.87	(18.16)
VIPSX	Vanguard Inflation-Protected Secs	Inflation-Protected Bond	No	26,481,249,861	0.20	1.75	(2.50)	1.67	2.06	2.65	3.09	(13.54)
BHYAX	BlackRock High Yield Inv	High Yield Bond	No	26,048,394,374	0.93	8.06	2.97	3.98	4.70	6.37	6.09	(14.33)

Bond Mutual Fund Averages	0.51	2.71	(1.25)	0.59	1.91	3.06	3.36	(15.21)
----------------------------------	-------------	-------------	---------------	-------------	-------------	-------------	-------------	----------------

Source: www.morningstar.com 12.31.24

Low Risk Stock Portfolio	7.51	1.67	4.65	7.26	9.58	10.68	(19.27)
---------------------------------	-------------	-------------	-------------	-------------	-------------	--------------	----------------

Top Selling Stock Mutual Funds

Ticker	Name	Morningstar Category	Index Fund	Fund Size	Cost	Return (1Y)	Return (3Y)	Return (5Y)	Return (10Y)	Return (15Y)	Return (20Y)	Worst Loss %
VTSMX	Vanguard Total Stock Mkt Idx	Large Blend	Yes	1,835,720,667,995	0.14	24.09	7.79	13.84	12.31	13.38	10.17	(50.89)
VFINX	Vanguard 500 Index	Large Blend	Yes	1,373,797,311,236	0.14	25.37	8.84	14.53	12.88	13.68	10.23	(50.97)
FXAIX	Fidelity 500 Index	Large Blend	Yes	631,618,263,443	0.02	25.53	8.99	14.68	13.02			(50.99)
VGTSX	Vanguard Total Intl Stock Index	Foreign Large Blend	Yes	442,793,546,259	0.18	5.20	0.69	4.29	4.98	4.76	4.91	(58.50)
AGTHX	American Funds Growth Fund of Amer	Large Growth	No	313,218,308,722	0.61	29.27	6.89	15.18	13.67	13.60	10.86	(48.80)
VIGRX	Vanguard Growth Index	Large Growth	Yes	281,727,336,414	0.17	33.75	9.19	18.50	15.61	15.67	12.04	(47.19)
VDVIX	Vanguard Developed Markets Index	Foreign Large Blend	Yes	198,081,170,699	0.17	3.13	0.92	4.76	5.33			(57.08)
VIVAX	Vanguard Value Index	Large Value	Yes	195,019,615,704	0.17	15.60	7.26	9.82	9.71	11.40	8.49	(54.86)
AWSHX	American Funds Washington Mutual	Large Blend	No	194,555,988,774	0.56	19.13	8.52	12.13	11.26	12.45	9.31	(48.95)
VIMSX	Vanguard Mid Cap Index	Mid-Cap Blend	Yes	189,759,907,906	0.17	15.19	2.67	9.83	9.33	11.77	9.38	(54.14)
NAESX	Vanguard Small Cap Index	Small Blend	Yes	167,260,780,742	0.17	13.97	3.43	9.20	8.86	11.38	8.96	(53.95)
FCNTX	Fidelity Contrafund	Large Growth	No	155,115,456,433	0.39	36.81	10.76	17.71	15.26	15.14	12.47	(46.34)
ANWPP	American Funds New Perspective	Global Large Growth	No	149,011,917,601	0.73	17.45	2.67	11.31	11.11	10.92	9.61	(49.08)
AIVSX	American Funds Invmt Co of Amer	Large Blend	No	147,625,173,507	0.58	25.45	10.78	14.35	11.77	12.28	9.59	(47.16)
ANCFX	American Funds Fundamental Invs	Large Blend	No	147,452,898,827	0.60	23.60	8.98	12.85	11.97	12.46	10.32	(50.06)
AEPGX	American Funds Europacific Growth	Foreign Large Growth	No	130,892,286,210	0.85	5.15	(2.12)	3.70	5.28	5.44	6.02	(51.30)
CWGX	American Funds Capital World Gr & Inc	Global Large Growth	No	121,183,218,754	0.75	14.31	4.54	8.69	8.17	8.48	7.89	(50.80)
VEXMX	Vanguard Extended Market Index	Mid-Cap Blend	Yes	120,284,321,077	0.19	16.96	2.32	9.85	9.25	11.61	9.20	(52.90)
SWPPX	Schwab S&P 500 Index	Large Blend	Yes	111,782,786,561	0.02	25.49	8.96	14.66	12.98	13.77	10.33	(50.72)
VEIEX	Vanguard Emerging Mkts Stock Idx	Emerging Market	Yes	110,765,122,757	0.29	10.97	(0.24)	2.86	3.84	3.16	5.91	(62.70)
OLGAX	JPMorgan Large Cap Growth	Large Growth	No	107,538,159,502	0.94	34.67	10.20	19.93	17.32	16.71	12.92	(47.75)
AMRMX	American Funds American Mutual	Large Value	No	98,671,757,864	0.59	14.93	6.32	9.51	9.25	10.73	8.53	(43.86)
AMCPX	American Funds AMCAP	Large Growth	No	88,016,481,977	0.67	21.75	4.19	11.32	10.90	12.31	9.58	(48.62)
VPMCX	Vanguard PRIMECAP	Large Blend	No	77,984,575,011	0.38	13.74	7.20	12.11	12.43	13.65	11.29	(44.36)
SMCWX	American Funds SMALLCAP World A	Global Small Growth	No	76,342,110,408	1.04	2.42	(5.14)	5.33	7.69	8.91	8.06	(59.73)

Stock Fund Averages	0.42	18.96	5.38	11.24	10.57	11.46	9.39	(51.27)
---------------------	------	-------	------	-------	-------	-------	------	---------

Source: www.morningstar.com 12.31.24

Mod Risk Stock Portfolio		16.96	9.27	14.86	14.92	17.37	18.70	(23.90)
--------------------------	--	-------	------	-------	-------	-------	-------	---------