

The Best Mutual Funds for 2010

By Rob Silverblatt

In the financial turmoil of the past decade, mutual fund investing has gotten decidedly more complicated. After all, over the course of just 10 years, investors have looked on as two bear markets ravished the economy, as a pair of bull markets jolted stocks back to life, and as the Internet and housing bubbles inflated to their breaking points and then burst.

For investors, the search for the perfect mutual fund has always been something of a holy grail quest. But in the midst of the past decade's abrupt market cycles, investors have approached their fund-hunting efforts with newfound intensity. With that in mind, *U.S. News* has created a unique rankings system that is designed for long-term investors looking for broad access to information about funds. In the process, *U.S. News* has assigned scores to upwards of 4,500 distinct mutual funds.

About the U.S. News Mutual Fund Score

Methodology

The *U.S. News* Mutual Fund Score is produced using an equal weighting of the overall ratings provided by our data sources.

Individual fund rating systems are normalized to a 100-point scale based on point totals assigned to individual scoring systems. For Morningstar's and S&P's five-star ranking and Zacks five-point scale, each star or point awarded would receive 20 points. In TheStreet.com's A-to-E scale, a highly rated "A" fund would receive 100 points, while a low-rated "E" would receive 20 points. The five Lipper Leader categories are each worth a total of 20 points, giving 4 points to each 1-to-5 point scale assigned to each section of the Lipper rankings. The *U.S. News* score is calculated by dividing total points awarded according to the above system by the number data sources (5). Points are then normalized to a 1-to-10 scale, which constitutes the *U.S. News* score. The combined *U.S. News* Mutual Fund Score rates funds on a scale of 1 to 10, with 10 being the highest.

As of March 1, 2010

Fund Category: Foreign Large Blend (out of 214 funds)

Score	Fund	Performance
8.3	Harbor International Fund HAINX, Foreign Large Blend	-5.7% (YTD) 65.0% (1Y) -2.9% (3Y) 7.2% (5Y)
8.0	Oppenheimer International Diversified Fund OIDAX, Foreign Large Blend	-3.2% (YTD) 68.1% (1Y) -3.4% (3Y) — (5Y)
7.9	Vanguard International Growth Fund VWIGX, Foreign Large Blend	-4.4% (YTD) 64.3% (1Y) -4.8% (3Y) 4.2% (5Y)
7.8	Schroder International Alpha Fund SCIEX, Foreign Large Blend	-5.6% (YTD) 64.5% (1Y) -5.6% (3Y) 4.1% (5Y)
7.7	Dreyfus International Stock Fund DISAX, Foreign Large Blend	-1.7% (YTD) 48.3% (1Y) -0.3% (3Y) — (5Y)
7.7	Vanguard Tax Managed International Fund VTMGX, Foreign Large Blend	-4.7% (YTD) 56.6% (1Y) -7.7% (3Y) 2.3% (5Y)
7.6	Manning & Napier World Opportunities Series Fund EXWAX, Foreign Large Blend	-3.8% (YTD) 59.6% (1Y) -2.9% (3Y) 6.0% (5Y)

Fund Category: Intermediate-Term Bond (out of 328 funds)

Score	Fund	Performance
8.1	Dodge & Cox Income Fund DODIX, Intermediate-Term Bond	1.3% (YTD) 18.5% (1Y) 6.6% (3Y) 5.6% (5Y)
8.0	Delaware Core Plus Bond Fund DEGGX, Intermediate-Term Bond	2.0% (YTD) 22.9% (1Y) 7.6% (3Y) 5.7% (5Y)
8.0	Northern Institutional Core Bond Portfolio NOCBX, Intermediate-Term Bond	1.9% (YTD) 12.4% (1Y) 6.2% (3Y) 5.3% (5Y)
8.0	Schroder Total Return Fixed Income Fund SBBVX, Intermediate-Term Bond	1.3% (YTD) 10.3% (1Y) 6.7% (3Y) 5.6% (5Y)
8.0	Bernstein Intermediate Duration Portfolio SNIDX, Intermediate-Term Bond	2.4% (YTD) 21.5% (1Y) 6.1% (3Y) 5.3% (5Y)
8.0	Consulting Group Core Fixed Income Investments Fund TIIUX, Intermediate-Term Bond	2.5% (YTD) 17.0% (1Y) 7.3% (3Y) 5.9% (5Y)
8.0	Western Asset Intermediate Bond Portfolio WATIX, Intermediate-Term Bond	2.5% (YTD) 21.0% (1Y) 6.0% (3Y) 5.3% (5Y)

As of March 1, 2010

Fund Category: Foreign Large Value (out of 100 funds)

Score	Fund	Performance
8.0	Allianz NFJ International Value AFJAX, Foreign Large Value	-4.5% (YTD) 66.4% (1Y) -1.7% (3Y) 6.5% (5Y)
8.0	Templeton Institutional Fund Foreign Equity Series TFEQX, Foreign Large Value	-6.5% (YTD) 52.9% (1Y) -5.2% (3Y) 4.0% (5Y)
7.9	Oakmark International Fund OAKIX, Foreign Large Value	-3.3% (YTD) 85.4% (1Y) -4.0% (3Y) 5.1% (5Y)
7.7	Schroder International Diversified Value Fund SIDVX, Foreign Large Value	-2.1% (YTD) 83.8% (1Y) -4.2% (3Y) — (5Y)
7.5	Mckee International Equity Portfolio MKIEX, Foreign Large Value	-5.9% (YTD) 67.0% (1Y) -5.4% (3Y) 3.1% (5Y)
7.4	DFA International Core Equity Portfolio DFIEX, Foreign Large Value	-4.1% (YTD) 67.4% (1Y) -7.5% (3Y) — (5Y)
7.4	Thomas White International Fund TWWDX, Foreign Large Value	-3.5% (YTD) 57.9% (1Y) -4.8% (3Y) 6.2% (5Y)

Fund Category: Diversified Emerging Markets (out of 126 funds)

Score	Fund	Performance
8.3	DFA Emerging Markets Social Core Equity Fund DFESX, Diversified Emerging Markets	-4.6% (YTD) 107.6% (1Y) 4.9% (3Y) — (5Y)
8.3	DFA Emerging Markets Value Portfolio DFEVX, Diversified Emerging Markets	-5.0% (YTD) 119.5% (1Y) 6.3% (3Y) 14.8% (5Y)
8.6	Vanguard Emerging Markets Stock Index Fund VEIEX, Diversified Emerging Markets	-5.3% (YTD) 93.3% (1Y) 3.6% (3Y) 11.4% (5Y)
8.2	Schroder Emerging Market Equity Fund SEM VX, Diversified Emerging Markets	-6.9% (YTD) 87.4% (1Y) 4.4% (3Y) — (5Y)
8.2	JPMorgan Emerging Markets Equity Fund JFAMX, Diversified Emerging Markets	-4.7% (YTD) 84.0% (1Y) 3.3% (3Y) 11.3% (5Y)
8.1	Oppenheimer Developing Markets Fund ODMAX, Diversified Emerging Markets	-4.4% (YTD) 98.9% (1Y) 7.1% (3Y) 14.8% (5Y)
7.9	Eaton Vance Structured Emerging Markets Fund EAEMX, Diversified Emerging Markets	-2.4% (YTD) 94.4% (1Y) 2.1% (3Y) — (5Y)

As of March 1, 2010

Fund Category: Mid-Cap Growth (out of 250 funds)

Score	Fund	Performance
8.7	Buffalo Mid Cap Fund BUFMX, Mid-Cap Growth	1.0% (YTD) 65.4% (1Y) -1.4% (3Y) 4.2% (5Y)
8.7	PrimeCap Odyssey Aggressive Growth Fund POAGX, Mid-Cap Growth	3.1% (YTD) 78.7% (1Y) -0.1% (3Y) 6.6% (5Y)
8.7	T. Rowe Price Mid Cap Growth Fund RPMGX, Mid-Cap Growth	0.9% (YTD) 63.6% (1Y) 0.3% (3Y) 5.4% (5Y)
8.6	Schroder U.S. Small and Mid Cap Opportunities Fund SMDVX, Mid-Cap Growth	0.3% (YTD) 53.3% (1Y) -0.3% (3Y) — (5Y)
8.4	T. Rowe Price Institutional Mid Cap Equity Growth Fund PMEGX, Mid-Cap Growth	1.0% (YTD) 65.7% (1Y) 0.2% (3Y) 5.5% (5Y)
8.2	TCW Growth Equities Fund TGGEX, Mid-Cap Growth	2.0% (YTD) 71.9% (1Y) 1.1% (3Y) 6.3% (5Y)
5.2	Thrivent Mid Cap Growth Fund LBMGX, Mid-Cap Growth	1.0% (YTD) 70.8% (1Y) 0.8% (3Y) 5.0% (5Y)

***Go to <http://www.usnews.com/money/personal-finance/investing/articles/2010/02/23/about-the-us-news-mutual-fund-score.html> for more information on the Best Mutual Funds ratings and methodology.

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