

May 10, 2004

Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street, N. W.  
Washington, D.C. 20549-0609  
E-mail: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

**Re: Comments on “Mandatory Redemption Fees for Redeemable Fund Securities”  
(Release No. IC-26375A; File No. S7-11-04).**

Dear Mr. Katz,

On March 5, 2004, the Security and Exchange Commission (SEC) proposed rule to eliminate profit-motivated market-timing trades by imposing 2% mandatory redemption fees on fund that is redeemed within 5-days after purchase. Because of my continuous research interests in this specific area, I am concerned that the proposed rule may not serve its true objective.

I have performed at least two trading strategies related to your proposed 2% mandatory redemption fee rule. I don't like to provide details about the trading strategies in the SEC's public website because the SEC has been trying to discourage these strategies. Documenting just how profitable these trading strategies are in the public record may encourage others to use them (however, I will be happy to send the description of the strategies if the SEC is interested). Thus, I label the trading strategies with mysterious symbol 'A' and 'B' that would probably make the strategies impractical for a causal reader to use but might warn the SEC that considerable profit potential remain even after the SEC's proposal was implemented. However, both strategies 'A'

and ‘B’ are designed in such a way that investors don’t require to pay 2% redemption fee because in either cases investors hold the fund at least for a minimum of 5-days after the funds were initially purchased.

Even though trading strategies ‘A’ and ‘B’ are in line with the SEC’s proposal; however, trading strategy ‘B’ is more conservative than trading strategy ‘A’. I use trading strategies ‘A’ and ‘B’ on a sample of 117 international equity funds, 21 international bond funds and 6 international hybrid funds.<sup>1</sup> In order to conduct empirical investigation, I divide the sample into two sub samples with an approximately equal number of observations: sub sample I (initial sample) contains 1242 daily observations from January 4, 1993 through November 28, 1997 and sub sample II (holdout sample) contains 1237 daily observations from December 1, 1997 through October 31, 2002. This division allows me to test the hypotheses and develop trading strategies by using one sub-sample and then to evaluate the strategies using the holdout sample. This unique method takes care of data snooping bias, if any. Thus, I implemented trading strategies ‘A’ and ‘B’ on the holdout sample (i.e. from December 1, 1997 through October 31, 2002).

The preliminary results suggest that trading strategies ‘A’ and ‘B’ provide higher average daily returns and lower standard deviations (risks) than that of a buy-and-hold strategy for all categories of international funds (especially for equity funds). Again, I don’t want to disclose the names of any of my sample funds in this public domain. However, I can identify them as fund # 1, 2, 3 etc. For example, the average daily returns and risks of fund # 1 (under Pacific Asia Ex. Japan fund category) during the period December 1, 1997 through October 31, 2002 were

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<sup>1</sup> The sample of 117 international equity funds is selected from 8 different *Morning star* fund objective categories: Diversified Emerging market fund (4), Diversified Pacific/Asia fund (7), Europe fund (11), Foreign fund (56), Japan fund (4), Pacific/Asia excluding Japan fund (5), Latin America fund (1) and World fund (29).

-0.0088% and 1.7435% respectively for a buy-and-hold investor. But investors may increase the average daily returns and reduce the average daily risks of fund # 1 by following my proposed trading strategies 'A' and 'B'. The mean daily returns of fund # 1 are enhanced to 0.0978% and 0.0823% respectively under trading strategy 'A' and 'B' respectively. This implies an annualized return of 24.45% under strategy 'A' and 20.575% under strategy 'B' (assuming 250 trading days in a year). The mean daily standard deviations (risks) of fund # 1 are also reduced to 1.4954% and 1.2268% under strategy 'A' and 'B' respectively. The mean differences and standard deviations differences between buy-and-hold and trading strategies are statistically significant too.

Lets consider another fund (fund # 2) from foreign fund category. The average daily returns and risks of fund # 2 during the period December 1, 1997 through October 31, 2002 were -0.0352% and 1.3017% respectively for a buy-and-hold investor. However, the average daily returns of fund # 2 are enhanced to 0.0967% and 0.0462% under trading strategy 'A' and 'B' respectively. The mean daily standard deviations (risks) of fund # 2 are also reduced to 1.0905% and 0.9097% under strategy 'A' and 'B' respectively. Again, the mean differences and standard deviations differences between buy-and-hold and trading strategies are statistically significant.

The empirical results for both trading strategies 'A' and 'B' suggest that short-term investors may be beneficial from these trading strategies even after the SEC's proposed rule is implemented. The profits are specifically higher for the following categories of international equity funds: Diversified Emerging Market funds, Japan funds, Diversified Asia Pacific funds, Pacific Asia Excluding Japan funds, Europe funds, and foreign funds.

These are preliminary findings on the SEC's proposed rule. Since the rule is under consideration, my Ph.D. supervisor, Edward M. Miller, suggests that I should include the final results of my empirical investigation in my Ph.D. dissertation (which among other things examines the effects of various possible trading restrictions).<sup>2</sup>

I would like to express my concern about the proposed rule, as it may not serve the objective of protecting the interests of long-term investors from short-term investors. I appreciate the opportunity to comment on this issue. If I can be of any further assistance, please contact me at (504) 280-3701 (phone) or at [mmazumde@uno.edu](mailto:mmazumde@uno.edu) (e-mail). Thank you.

Sincerely,

M. Imtiaz Mazumder

Ph.D. Candidate

Department of Economics and Finance

University of New Orleans

New Orleans, LA 70148

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<sup>2</sup> If what was programmed is not exactly what the SEC proposed, I must say that it was what could be quickly done by adding or changing one number in an already written program. While this may not be the ideal set of calculations at this point, it appears to provide much more relevant data than would otherwise be available. According to the suggestion of my supervisor, Dr. Edward M. Miller, I thought it would be useful to do what could be done within the SEC's time limits and provide the results to aid in intelligent decision making.

**Table 3: Comparison between buy and hold and trading strategy returns (Strategy B)**

This table presents the returns from buy and hold and trading strategies. Column one lists the fund's ticker symbol. Columns two through four show mean returns, standard deviations of returns and cumulative returns of buy and hold strategy. Columns five through seven present mean returns, standard deviations of returns and cumulative returns of trading strategy when the alternative parking place of investment is considered as cash. Columns eight through ten provide mean returns, standard deviations of returns and cumulative returns of trading strategy when the alternative-parking place of investment is considered as money market.

**A. DIVERSIFIED EMERGING MARKET FUND**

Fund	Buy and Hold Returns			Trading Strategy Returns								
	Average	Standard Deviation	Cumulative	Fund and Cash			Fund and Index			Fund and Money Market		
				Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0318%	1.3224%	\$ 0.6050	0.0201%	0.9137%	\$ 1.2196	0.0228%	1.3609%	\$ 1.1815	0.0292%	0.9135%	\$ 1.3624
2	-0.0424%	1.3434%	\$ 0.5286	-0.0012%	0.9220%	\$ 0.9346	0.0307%	1.3758%	\$ 1.2992	0.0079%	0.9221%	\$ 1.0462
3	-0.0318%	1.4658%	\$ 0.5899	0.0489%	0.9800%	\$ 1.7222	0.0513%	1.4062%	\$ 1.6684	0.0580%	0.9796%	\$ 1.9294
4	-0.0319%	1.3084%	\$ 0.6054	0.0100%	0.9543%	\$ 1.0685	0.0126%	1.3886%	\$ 1.0351	0.0191%	0.9543%	\$ 1.1954
Portfolio	-0.0345%	1.2831%	\$ 0.5891	0.0225%	0.8831%	\$ 1.2587	0.0251%	1.3405%	\$ 1.2194	0.0316%	0.8829%	\$ 1.4084

**B. DIVERSIFIED ASIA PACIFIC FUND**

Ticker	Buy and Hold Returns			Trading Strategy Returns								
	Average	Standard Deviation	Cumulative	Fund and Cash			Fund and Index			Fund and Money Market		
				Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0014%	1.3893%	\$ 0.8723	0.0449%	0.9459%	\$ 1.6539	0.0770%	1.3909%	\$ 2.2993	0.0540%	0.9456%	\$ 1.8444
2	-0.0389%	1.4254%	\$ 0.5445	0.0273%	1.0363%	\$ 1.3226	-0.0153%	1.4920%	\$ 0.7202	0.0360%	1.0361%	\$ 1.4597
3	-0.0147%	1.3235%	\$ 0.7475	0.0370%	0.8940%	\$ 1.5121	0.0654%	1.3464%	\$ 2.0051	0.0462%	0.8937%	\$ 1.6843
4	-0.0347%	1.4110%	\$ 0.5729	0.0467%	0.8480%	\$ 1.7203	0.0754%	1.3163%	\$ 2.2812	0.0559%	0.8476%	\$ 1.9084
5	-0.0294%	1.3397%	\$ 0.6225	0.0369%	0.9138%	\$ 1.5058	0.0652%	1.3596%	\$ 1.9967	0.0460%	0.9135%	\$ 1.6781
6	-0.0471%	4.2347%	\$ 0.0231	0.0220%	0.8670%	\$ 1.2569	0.0542%	1.3390%	\$ 1.7474	0.0311%	0.8669%	\$ 1.4008
7	-0.0512%	1.2696%	\$ 0.4805	0.0130%	0.8493%	\$ 1.1272	0.0412%	1.3177%	\$ 1.4948	0.0221%	0.8493%	\$ 1.2574
Portfolio	-0.0310%	1.3295%	\$ 0.6106	0.0334%	0.8168%	\$ 1.4579	0.0617%	1.2965%	\$ 1.9333	0.0425%	0.8165%	\$ 1.6232

## C. EUROPE FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
				Fund and Cash			Fund and Index			Fund and Money Market		
	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0414%	1.5057%	\$ 0.5200	0.0219%	1.0631%	\$ 1.2372	0.0254%	1.4658%	\$ 1.1986	0.0311%	1.0630%	\$ 1.3685
2	-0.0511%	1.1944%	\$ 0.4837	-0.0335%	1.0540%	\$ 0.6135	-0.0310%	1.4589%	\$ 0.5943	-0.0243%	1.0544%	\$ 0.6869
3	-0.0592%	1.1280%	\$ 0.4415	-0.0165%	0.8190%	\$ 0.7805	0.0115%	1.2990%	\$ 1.0350	-0.0073%	0.8193%	\$ 0.8729
4	-0.0443%	1.3766%	\$ 0.5137	-0.0118%	0.9585%	\$ 0.8247	0.0209%	1.4010%	\$ 1.1464	-0.0026%	0.9587%	\$ 0.9137
5	-0.0666%	1.7461%	\$ 0.3617	-0.0078%	1.1160%	\$ 0.8484	0.0209%	1.5041%	\$ 1.1250	0.0013%	1.1162%	\$ 0.9405
6	-0.0495%	1.5844%	\$ 0.4596	-0.0486%	1.3031%	\$ 0.4913	-0.0163%	1.6565%	\$ 0.6830	-0.0395%	1.3035%	\$ 0.5468
7	-0.0418%	1.5714%	\$ 0.5100	0.0343%	1.0888%	\$ 1.4417	0.0381%	1.4848%	\$ 1.3966	0.0435%	1.0886%	\$ 1.5887
8	-0.0289%	1.3817%	\$ 0.6210	0.0344%	0.9611%	\$ 1.4521	0.0373%	1.3932%	\$ 1.4068	0.0435%	0.9609%	\$ 1.6182
9	-0.0280%	1.3644%	\$ 0.6298	0.0279%	0.9518%	\$ 1.3487	0.0313%	1.3871%	\$ 1.3066	0.0370%	0.9516%	\$ 1.4942
10	-0.0370%	1.3908%	\$ 0.5609	0.0134%	1.0081%	\$ 1.1187	0.0167%	1.4263%	\$ 1.0838	0.0225%	1.0081%	\$ 1.2402
11	-0.0152%	1.3483%	\$ 0.7405	0.0277%	0.9428%	\$ 1.3549	0.0315%	1.3813%	\$ 1.3126	0.0369%	0.9426%	\$ 1.4931
Portfolio	-0.0421%	1.1558%	\$ 0.5468	0.0111%	0.8088%	\$ 1.1119	0.0144%	1.2931%	\$ 1.0772	0.0203%	0.8088%	\$ 1.2339

## D. JAPAN FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
				Fund and Cash			Fund and Index			Fund and Money Market		
	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0193%	1.5653%	\$ 0.6914	0.0463%	1.1620%	\$ 1.6046	0.1111%	1.5308%	\$ 3.2073	0.0551%	1.1617%	\$ 1.7635
2	-0.0195%	1.7005%	\$ 0.6712	0.0655%	1.1688%	\$ 2.0031	0.1370%	1.5250%	\$ 4.3478	0.0744%	1.1684%	\$ 2.2082
3	-0.0320%	1.6781%	\$ 0.5826	0.0151%	1.2626%	\$ 1.0900	0.0808%	1.6035%	\$ 2.2171	0.0240%	1.2625%	\$ 1.2054
4	-0.0278%	1.5067%	\$ 0.6326	0.0184%	1.1079%	\$ 1.1624	0.0830%	1.4913%	\$ 2.3233	0.0273%	1.1079%	\$ 1.2817
Portfolio	-0.0246%	1.4668%	\$ 0.6608	0.0342%	1.0761%	\$ 1.4039	0.0988%	1.4681%	\$ 2.8061	0.0430%	1.0758%	\$ 1.5478

## E. PACIFIC ASIA EXCLUDING JAPAN FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
				Fund and Cash			Fund and Index			Fund and Money Market		
	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0309%	1.7032%	\$ 0.5698	0.0168%	1.1460%	\$ 1.1383	0.0450%	1.5257%	\$ 1.5095	0.0260%	1.1459%	\$ 1.2704
2	-0.0088%	1.7435%	\$ 0.7430	0.0732%	1.2273%	\$ 2.2772	0.0766%	1.5887%	\$ 2.2061	0.0823%	1.2268%	\$ 2.5222
3	-0.0470%	1.7022%	\$ 0.4651	0.0225%	1.0635%	\$ 1.2384	0.0509%	1.4647%	\$ 1.6422	0.0317%	1.0634%	\$ 1.3791
4	-0.0237%	1.6030%	\$ 0.6355	0.0474%	1.0834%	\$ 1.6563	0.0746%	1.4790%	\$ 2.1964	0.0565%	1.0831%	\$ 1.8700
5	-0.0025%	1.5777%	\$ 0.8302	0.0339%	1.1282%	\$ 1.4124	0.0662%	1.5210%	\$ 1.9635	0.0431%	1.1280%	\$ 1.5731
Portfolio	-0.0226%	1.5740%	\$ 0.6483	0.0286%	1.0504%	\$ 1.3335	0.0567%	1.4551%	\$ 1.7683	0.0377%	1.0502%	\$ 1.4883

## F. FOREIGN FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
				Fund and Cash			Fund and Index			Fund and Money Market		
	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0742%	1.5644%	\$ 0.3401	0.0137%	1.0445%	\$ 1.1151	0.0170%	1.4523%	\$ 1.0803	0.0228%	1.0444%	\$ 1.2359
2	-0.0220%	1.2165%	\$ 0.6951	0.0064%	0.8412%	\$ 1.0460	0.0390%	1.3231%	\$ 1.4541	0.0155%	0.8413%	\$ 1.1592
3	-0.0268%	1.0590%	\$ 0.6691	0.0083%	0.6998%	\$ 1.0822	0.0367%	1.2268%	\$ 1.4351	0.0174%	0.6998%	\$ 1.2035
4	-0.0285%	1.3708%	\$ 0.6239	-0.0057%	1.0458%	\$ 0.8779	0.0270%	1.4620%	\$ 1.2204	0.0034%	1.0459%	\$ 0.9722
5	-0.0143%	1.0919%	\$ 0.7778	-0.0009%	0.7980%	\$ 0.9627	0.0320%	1.2965%	\$ 1.3383	0.0083%	0.7981%	\$ 1.0640
6	-0.0601%	1.4149%	\$ 0.4186	0.0206%	0.9675%	\$ 1.2326	0.0242%	1.3981%	\$ 1.1941	0.0298%	0.9674%	\$ 1.3618
7	-0.0394%	1.1035%	\$ 0.5697	0.0017%	0.7500%	\$ 0.9943	0.0303%	1.2564%	\$ 1.3184	0.0109%	0.7501%	\$ 1.1045
8	-0.0284%	1.0914%	\$ 0.6530	0.0118%	0.7967%	\$ 1.1213	0.0150%	1.2856%	\$ 1.0863	0.0209%	0.7967%	\$ 1.2443
9	-0.0492%	1.2633%	\$ 0.4914	0.0230%	0.8581%	\$ 1.2835	0.0265%	1.3247%	\$ 1.2434	0.0321%	0.8580%	\$ 1.4202
10	-0.0371%	1.1629%	\$ 0.5808	0.0146%	0.8244%	\$ 1.1598	0.0179%	1.3029%	\$ 1.1236	0.0238%	0.8243%	\$ 1.2863
11	-0.0271%	1.1994%	\$ 0.6538	0.0408%	0.8172%	\$ 1.5967	0.0437%	1.2981%	\$ 1.5468	0.0499%	0.8168%	\$ 1.7787
12	-0.0343%	1.2144%	\$ 0.5959	0.0306%	0.8693%	\$ 1.4076	0.0341%	1.3319%	\$ 1.3636	0.0398%	0.8691%	\$ 1.5577
13	-0.0363%	1.2201%	\$ 0.5813	0.0261%	0.9020%	\$ 1.3272	0.0296%	1.3535%	\$ 1.2858	0.0353%	0.9019%	\$ 1.4687
14	-0.0844%	1.6449%	\$ 0.2911	-0.0273%	1.2683%	\$ 0.6391	0.0042%	1.6310%	\$ 0.8763	-0.0182%	1.2686%	\$ 0.7087
15	-0.0826%	1.6488%	\$ 0.2988	-0.0197%	1.2788%	\$ 0.7054	0.0131%	1.6371%	\$ 0.9806	-0.0106%	1.2790%	\$ 0.7808
16	-0.0603%	1.4516%	\$ 0.4107	0.0060%	1.1715%	\$ 0.9889	0.0095%	1.5463%	\$ 0.9580	0.0152%	1.1716%	\$ 1.0939
17	-0.0444%	1.2462%	\$ 0.5241	0.0285%	0.8652%	\$ 1.3685	0.0316%	1.3290%	\$ 1.3257	0.0377%	0.8650%	\$ 1.5211
18	-0.0365%	1.1611%	\$ 0.5857	0.0130%	0.8113%	\$ 1.1372	0.0455%	1.3040%	\$ 1.5810	0.0221%	0.8112%	\$ 1.2625
19	-0.0352%	1.3017%	\$ 0.5818	0.0371%	0.9100%	\$ 1.5143	0.0403%	1.3586%	\$ 1.4670	0.0462%	0.9097%	\$ 1.6814
20	-0.0337%	1.2324%	\$ 0.5998	-0.0055%	0.8424%	\$ 0.9039	0.0273%	1.3243%	\$ 1.2566	0.0036%	0.8425%	\$ 1.0002
21	-0.0023%	1.2627%	\$ 0.8942	0.0295%	0.8745%	\$ 1.3860	0.0182%	1.2306%	\$ 1.1399	0.0386%	0.8743%	\$ 1.5368
22	-0.0023%	0.9626%	\$ 0.9712	0.0122%	0.6485%	\$ 1.1427	0.0447%	1.2095%	\$ 1.5886	0.0213%	0.6484%	\$ 1.2684
23	-0.0179%	1.1354%	\$ 0.7389	0.0113%	0.7955%	\$ 1.1149	0.0439%	1.2944%	\$ 1.5499	0.0204%	0.7955%	\$ 1.2368
24	-0.0339%	1.2513%	\$ 0.5967	-0.0055%	0.8648%	\$ 0.9014	0.0272%	1.3386%	\$ 1.2532	0.0036%	0.8649%	\$ 0.9974
25	-0.0381%	1.1456%	\$ 0.5756	0.0190%	0.8105%	\$ 1.2272	0.0224%	1.2942%	\$ 1.1888	0.0282%	0.8104%	\$ 1.3604
26	-0.0633%	1.1455%	\$ 0.4210	0.0112%	0.8165%	\$ 1.1209	0.0151%	1.2986%	\$ 1.0859	0.0203%	0.8165%	\$ 1.2334
27	-0.0433%	1.2583%	\$ 0.5301	-0.0085%	0.9236%	\$ 0.8567	0.0237%	1.3771%	\$ 1.1910	0.0006%	0.9238%	\$ 0.9545

28	-0.0243%	1.1808%	\$ 0.6780	-0.0008%	0.7395%	\$ 0.9625	0.0275%	1.2501%	\$ 1.2763	0.0083%	0.7397%	\$ 1.0717
29	-0.0698%	1.4221%	\$ 0.3680	0.0084%	0.8566%	\$1.0680	0.0115%	1.3235%	\$ 1.0246	0.0176%	0.8567%	\$ 1.1871
30	-0.0212%	1.1016%	\$ 0.7122	0.0219%	0.7086%	\$ 1.2754	0.0501%	1.2315%	\$ 1.6913	0.0311%	0.7084%	\$ 1.4233
31	-0.0543%	1.2062%	\$ 0.4651	-0.0085%	0.7669%	\$ 0.8732	0.0461%	1.1932%	\$ 1.6190	0.0006%	0.7671%	\$ 0.9708
32	-0.0380%	1.1313%	\$ 0.5761	0.0003%	0.7488%	\$ 0.9808	0.0331%	1.2666%	\$ 1.3635	0.0095%	0.7489%	\$ 10852
33	-0.0213%	1.1733%	\$ 0.7034	0.0008%	0.8456%	\$ 0.9715	0.0333%	1.3259%	\$ 1.3506	0.0099%	0.8457%	\$ 1.0786
34	-0.0370%	1.2390%	\$ 0.5754	-0.0328%	0.8052%	\$ 0.6493	0.0002%	1.3019%	\$ 0.9027	-0.0237%	0.8057%	\$ 0.7164
35	-0.0020%	1.0669%	\$ 0.9078	0.0113%	0.7218%	\$ 1.1230	0.0399%	1.2395%	\$ 1.4892	0.0205%	0.7218%	\$ 1.2471
36	-0.0591%	1.3587%	\$ 0.4283	-0.0102%	0.9021%	\$ 0.8438	0.0183%	1.3529%	\$ 1.1189	-0.0011%	0.9023%	\$ 0.9375
37	-0.0297%	1.1863%	\$ 0.6321	0.0148%	0.7956%	\$ 1.1636	0.0180%	1.2849%	\$ 1.1273	0.0239%	0.7955%	\$ 1.2916
38	-0.0493%	1.1440%	\$ 0.5008	0.0070%	0.6979%	\$ 1.0661	0.0355%	1.2258%	\$ 1.4137	0.0162%	0.6979%	\$ 1.1850
39	-0.0979%	2.0448%	\$ 0.2081	-0.0708%	1.8802%	\$ 0.3045	-0.0425%	2.1342%	\$ 0.4037	-0.0616%	1.8806%	\$ 0.3395
40	-0.0409%	1.2615%	\$ 0.5454	0.0450%	0.8096%	\$ 1.6896	0.0482%	1.2935%	\$ 1.6369	0.0541%	0.8092%	\$ 1.8759
41	-0.0201%	1.1589%	\$ 0.7173	0.0151%	0.7834%	\$ 1.1698	0.0476%	1.2868%	\$ 1.6262	0.0242%	0.7834%	\$ 1.2985
42	-0.0533%	1.3328%	\$ 0.4631	-0.0177%	0.8645%	\$ 0.7739	0.0149%	1.3386%	\$ 1.0758	-0.0086%	0.8648%	\$ 0.8583
43	-0.0577%	1.3789%	\$ 0.4336	0.0076%	0.8539%	\$ 1.0554	0.0359%	1.3208%	\$ 1.3995	0.0167%	0.8540%	\$ 1.1755
44	-0.0380%	1.4195%	\$ 0.5514	0.0123%	0.9853%	\$ 1.0955	0.0401%	1.4091%	\$ 1.4526	0.0214%	0.9853%	\$ 1.2268
45	-0.0353%	1.2384%	\$ 0.5875	-0.0061%	0.8694%	\$ 0.8931	0.0265%	1.3415%	\$ 1.2415	0.0030%	0.8696%	\$ 0.9902
46	-0.0015%	1.2128%	\$ 0.8933	0.0122%	0.9448%	\$ 1.0953	0.0400%	1.3811%	\$ 1.4524	0.0214%	0.9448%	\$ 1.2282
47	-0.0375%	1.2400%	\$ 0.5717	-0.0068%	0.8663%	\$ 0.8865	0.0259%	1.3395%	\$ 1.2324	0.0024%	0.8665%	\$ 0.9827
48	-0.0166%	0.9423%	\$ 0.7702	-0.0140%	0.7044%	\$ 0.8202	0.0144%	1.2300%	\$ 1.0877	-0.0049%	0.7047%	\$ 0.9123
49	-0.0142%	0.8438%	\$ 0.8019	0.0062%	0.6501%	\$ 1.0513	0.0341%	1.1991%	\$ 1.3941	0.0153%	0.6502%	\$ 1.1766
50	-0.0228%	1.0414%	\$ 0.7052	-0.0043%	0.7143%	\$ 0.9213	0.0278%	1.2463%	\$ 1.2808	0.0048%	0.7145%	\$ 1.0283
51	-0.0277%	1.1546%	\$ 0.6532	0.0100%	0.8346%	\$ 1.0894	0.0130%	1.3093%	\$ 1.0554	0.0191%	0.8346%	\$ 1.2120
52	-0.0268%	1.2038%	\$ 0.6558	-0.0036%	0.8436%	\$ 0.9204	0.0287%	1.3247%	\$ 1.2796	0.0055%	0.8438%	\$ 1.0244
53	-0.0417%	1.2982%	\$ 0.5362	0.0031%	0.9530%	\$ 0.9860	0.0355%	1.3968%	\$ 1.3708	0.0122%	0.9530%	\$ 1.0966
54	-0.0628%	1.5055%	\$ 0.3954	-0.0414%	1.2679%	\$ 0.5411	-0.0128%	1.6205%	\$ 0.7176	-0.0323%	1.2683%	\$ 0.6005
55	-0.0338%	1.1537%	\$ 0.6060	0.0376%	0.8141%	\$ 1.5361	0.0405%	1.2962%	\$ 1.4881	0.0467%	0.8137%	\$ 1.7098
56	-0.0407%	1.3074%	\$ 0.5431	0.0305%	0.8754%	\$ 1.4077	0.0340%	1.3359%	\$ 1.3638	0.0397%	0.8752%	\$ 1.5578
Portfolio	-0.0380%	1.0174%	\$ 0.5863	-0.0026%	0.6997%	\$ 0.9472	0.0299%	1.2381%	\$ 1.3168	0.0065%	0.6998%	\$ 1.0515

## G. LATIN FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
	Average	Standard Deviation	Cumulative	Fund and Cash			Fund and Index			Fund and Money Market		
				Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0358%	1.7505%	\$ 0.5306	-0.0293%	1.2640%	\$ 0.6404	-0.0001%	1.5426%	\$ 0.8492	-0.0201%	1.2642%	\$ 0.7057



## H. WORLD FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
				Fund and Cash			Fund and Index			Fund and Money Market		
	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0614%	1.4194%	\$ 0.4117	-0.0329%	0.9312%	\$ 0.6339	-0.0017%	1.3852%	\$ 0.8692	-0.0238%	0.9316%	\$ 0.7054
2	-0.0115%	1.1286%	\$ 0.8004	-0.0169%	0.8351%	\$ 0.7873	0.0161%	1.3201%	\$ 1.0946	-0.0078%	0.8353%	\$ 0.8688
3	-0.0386%	1.3354%	\$ 0.5541	0.0473%	0.8431%	\$ 1.7254	0.0043%	1.3654%	\$ 0.9396	0.0559%	0.8427%	\$ 1.9112
4	-0.1966%	5.7550%	\$0.0111	-0.0069%	4.0788%	\$ 0.3183	-0.0511%	4.2174%	\$ 0.1733	0.0018%	4.0788%	\$ 0.3584
5	-0.0466%	1.3768%	\$ 0.4982	-0.0221%	0.8586%	\$ 0.7400	0.0100%	1.3380%	\$ 1.0133	-0.0130%	0.8589%	\$ 0.8132
6	-0.0839%	1.5975%	\$ 0.2987	-0.0610%	1.2058%	\$ 0.4294	-0.0284%	1.5816%	\$ 0.5970	-0.0519%	1.2064%	\$ 0.4764
7	-0.0373%	1.3071%	\$ 0.5659	0.0116%	0.7937%	\$ 1.1265	0.0437%	1.2964%	\$ 1.5474	0.0207%	0.7937%	\$ 1.2420
8	-0.0284%	1.1874%	\$ 0.6440	-0.0408%	0.8779%	\$ 0.5809	-0.0081%	1.3479%	\$ 0.8075	-0.0317%	0.8784%	\$ 0.6431
9	-0.0361%	1.1665%	\$ 0.5876	0.0222%	0.7211%	\$ 1.2885	0.0256%	1.2402%	\$ 1.2483	0.0313%	0.7209%	\$ 1.4266
10	-0.0347%	1.1259%	\$ 0.6014	0.0292%	0.7576%	\$ 0.6903	0.0048%	1.2744%	\$ 0.9597	-0.0201%	0.7581%	\$ 0.7529
11	-0.0625%	1.2150%	\$ 0.4210	-0.0317%	0.8206%	\$ 0.6595	0.0016%	1.3117%	\$ 0.9168	-0.0226%	0.8210%	\$ 0.7253
12	-0.0444%	1.1753%	\$ 0.5300	-0.0063%	0.8087%	\$ 0.8930	-0.0033%	1.2929%	\$ 0.8651	0.0029%	0.8089%	\$ 0.9949
13	-0.0159%	1.3633%	\$ 0.7319	-0.0128%	0.9564%	\$ 0.8165	0.0190%	1.4022%	\$ 1.1196	-0.0037%	0.9566%	\$ 0.9019
14	-0.0367%	1.1777%	\$ 0.5820	-0.0204%	0.7280%	\$ 0.7616	0.0125%	1.2551%	\$ 1.0588	-0.0113%	0.7283%	\$ 0.8419
15	-0.0186%	0.9791%	\$ 0.7487	-0.0126%	0.6861%	\$ 0.8382	0.0200%	1.2307%	\$ 1.1652	-0.0035%	0.6864%	\$ 0.9301
16	-0.0203%	1.3836%	\$ 0.6875	0.0027%	0.7713%	\$ 1.0024	0.0311%	1.2691%	\$ 1.3292	0.0119%	0.7714%	\$ 1.1159
17	-0.0114%	1.4375%	\$ 0.7632	-0.0077%	0.9752%	\$ 0.8681	0.0241%	1.4149%	\$ 1.1903	0.0014%	0.9753%	\$ 0.9597
18	-0.0336%	1.1754%	\$ 0.6032	-0.0156%	0.6772%	\$ 0.8116	0.0133%	1.2150%	\$ 1.0762	-0.0065%	0.6775%	\$ 0.8973
19	-0.0501%	1.3561%	\$ 0.4775	-0.0404%	1.0734%	\$ 0.5684	-0.0076%	1.4827%	\$ 0.7901	-0.0313%	1.0738%	\$ 0.6293
20	-0.0448%	1.4691%	\$ 0.5010	-0.0481%	1.0963%	\$ 0.5163	-0.0153%	1.4996%	\$ 0.7178	-0.0390%	1.0967%	\$ 0.5710
21	-0.0577%	1.6394%	\$ 0.4114	-0.0164%	0.9518%	\$ 0.7823	0.0155%	1.3992%	\$ 1.0727	-0.0073%	0.9520%	\$ 0.8635
22	-0.0135%	1.3259%	\$ 0.7581	-0.0078%	0.9101%	\$ 0.8687	0.0246%	1.3682%	\$ 1.2077	0.0013%	0.9103%	\$ 0.9648
23	-0.0515%	1.1389%	\$ 0.4863	-0.0064%	0.5807%	\$ 0.9185	0.0267%	1.1756%	\$ 1.2769	0.0028%	0.5810%	\$ 1.0134
24	-0.0178%	1.0038%	\$ 0.7536	-0.0149%	0.7167%	\$ 0.8137	0.0178%	1.2482%	\$ 1.1311	-0.0058%	0.7170%	\$ 0.9015
25	-0.0387%	1.0452%	\$ 0.5788	-0.0451%	0.7878%	\$ 0.5550	-0.0136%	1.2936%	\$ 0.7609	-0.0360%	0.7884%	\$ 0.6155
26	-0.0371%	0.8336%	\$ 0.6053	-0.0256%	0.5809%	\$ 0.7172	0.0067%	1.1756%	\$ 0.9971	-0.0165%	0.5815%	\$ 0.7982
27	-0.0186%	0.9710%	\$ 0.7483	-0.0291%	0.7464%	\$ 0.6788	0.0034%	1.2658%	\$ 0.9437	-0.0200%	0.7469%	\$ 0.7531
28	-0.0228%	0.9728%	\$ 0.7105	-0.0233%	0.7150%	\$ 0.7348	0.0096%	1.2476%	\$ 1.0216	-0.0141%	0.7154%	\$ 0.8126
29	-0.0254%	1.1032%	\$ 0.6772	-0.0200%	0.7548%	\$ 0.7586	0.0124%	1.2704%	\$ 1.0547	-0.0108%	0.7552%	\$ 0.8442
Portfolio	-0.0413%	1.0276%	\$ 0.5622	-0.0258%	0.6924%	\$ 0.7129	0.0069%	1.2347%	\$ 0.9911	-0.0167%	0.6928%	\$ 0.7897

## I. INTERNATIONAL BOND FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
				Fund and Cash			Fund and Index			Fund and Money Market		
	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0151%	0.2667%	\$ 0.8259	-0.0121%	0.2147%	\$ 0.8584	0.0186%	1.0470%	\$ 1.1770	-0.0030%	0.2157%	\$ 0.9606
2	-0.0128%	0.6809%	\$ 0.8299	-0.0096%	0.4998%	\$ 0.8802	0.0217%	1.1402%	\$ 1.2070	-0.0005%	0.5002%	\$ 0.9790
3	0.0028%	0.6001%	\$ 0.9979	-0.0075%	0.4129%	\$ 0.8962	-0.0200%	0.9586%	\$ 0.7371	0.0016%	0.4133%	\$ 1.0093

4	-0.0041%	0.3933%	\$ 0.9413	-0.0095%	0.2934%	\$ 0.8821	-0.0072%	1.0505%	\$ 0.8546	-0.0003%	0.2940%	\$ 0.9906
5	-0.0033%	0.4400%	\$ 0.9486	-0.0030%	0.3319%	\$ 0.9550	-0.0007%	1.0619%	\$ 0.9252	0.0061%	0.3322%	\$ 1.0709
6	-0.0005%	0.3154%	\$ 0.9871	-0.0053%	0.2709%	\$ 0.9336	0.0256%	1.0597%	\$ 1.2801	0.0038%	0.2714%	\$ 1.0438
7	-0.0101%	0.5236%	\$ 0.8675	-0.0083%	0.3647%	\$ 0.8900	-0.0062%	1.0727%	\$ 0.8622	0.0009%	0.3652%	\$ 1.0024
8	-0.0076%	0.3546%	\$ 0.9028	-0.0053%	0.2483%	\$ 0.9326	0.0254%	1.0542%	\$ 1.2788	0.0038%	0.2488%	\$ 1.0446
9	0.0011%	0.3267%	\$ 1.0069	-0.0080%	0.2942%	\$ 0.9008	0.0228%	1.0660%	\$ 1.2352	0.0011%	0.2947%	\$ 1.0082
10	-0.0056%	0.5551%	\$ 0.9034	-0.0094%	0.3849%	\$ 0.8753	-0.0221%	0.9470%	\$ 0.7199	-0.0003%	0.3854%	\$ 0.9871
11	-0.0123%	0.5462%	\$ 0.8438	-0.0117%	0.3735%	\$ 0.8526	-0.0555%	1.1349%	\$ 0.4643	-0.0030%	0.3740%	\$ 0.9552
12	-0.0043%	0.2796%	\$ 0.9438	-0.0050%	0.1571%	\$ 0.9398	0.0492%	0.9272%	\$ 1.7425	0.0041%	0.1579%	\$ 1.0505
13	-0.0156%	0.3964%	\$ 0.8163	-0.0063%	0.2787%	\$ 0.9193	-0.0039%	1.0465%	\$ 0.8906	0.0028%	0.2793%	\$ 1.0305
14	-0.0079%	0.4136%	\$ 0.8977	-0.0055%	0.3070%	\$ 0.9284	-0.0030%	1.0543%	\$ 0.8994	0.0037%	0.3074%	\$ 1.0405
15	0.0057%	0.4625%	\$ 1.0595	-0.0034%	0.3436%	\$ 0.9486	-0.0012%	1.0656%	\$ 0.9189	0.0057%	0.3440%	\$ 1.0658
16	-0.0014%	0.3737%	\$ 0.9743	0.0012%	0.2766%	\$ 1.0032	0.0314%	1.0612%	\$ 1.3756	0.0103%	0.2769%	\$ 1.1306
17	-0.0148%	0.3696%	\$ 0.8262	-0.0076%	0.2663%	\$ 0.9038	-0.0053%	1.0432%	\$ 0.8756	0.0015%	0.2669%	\$ 1.0145
18	-0.0010%	0.3042%	\$ 0.9824	0.0031%	0.2169%	\$ 1.0285	0.0050%	1.0319%	\$ 0.9964	0.0123%	0.2172%	\$ 1.1606
19	-0.0090%	0.3566%	\$ 0.8878	-0.0001%	0.1521%	\$ 1.0001	0.0309%	1.0356%	\$ 1.3714	0.0091%	0.1527%	\$ 1.1174
20	-0.0085%	0.5352%	\$ 0.8846	-0.0104%	0.3909%	\$ 0.8619	-0.0087%	1.0822%	\$ 0.8349	-0.0013%	0.3914%	\$ 0.9751
21	-0.0118%	0.3882%	\$ 0.8559	-0.0105%	0.2652%	\$ 0.8735	0.0202%	1.0584%	\$ 1.1978	-0.0014%	0.2659%	\$ 0.9786
Portfolio	-0.0065%	0.2823%	\$ 0.9185	-0.0072%	0.2035%	\$ 0.9095	0.0233%	1.0446%	\$ 1.2471	0.0019%	0.2043%	\$ 1.0206

## J. INTERNATIONAL HYBRID FUND

Ticker	Buy and Hold Returns			Trading Strategy Returns								
	Average	Standard Deviation	Cumulative	Fund and Cash			Fund and Index			Fund and Money Market		
				Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative	Average	Standard Deviation	Cumulative
1	-0.0122%	0.5977%	\$ 0.8415	-0.0196%	0.4256%	\$ 0.7838	0.0120%	1.1101%	\$ 1.0747	-0.0105%	0.4263%	\$ 0.8686
2	-0.0237%	0.7600%	\$ 0.7193	-0.0143%	0.4695%	\$ 0.8304	0.0169%	1.1273%	\$ 1.1387	-0.0052%	0.4699%	\$ 0.9244
3	-0.0123%	0.8839%	\$ 0.8153	0.0008%	0.4256%	\$ 1.0029	0.0290%	1.0939%	\$ 1.3300	0.0100	0.4258%	\$ 1.1189
4	-0.0327%	0.8491%	\$ 0.6378	-0.0329%	0.6131%	\$ 0.6569	-0.0013%	1.1949%	\$ 0.9008	-0.0238%	0.6137%	\$ 0.7280
5	-0.0281%	0.9170%	\$ 0.6689	-0.0372%	0.7742%	\$ 0.6105	-0.0049%	1.2824%	\$ 0.8487	-0.0281%	0.7747%	\$ 0.6795
6	-0.0163%	1.8306%	\$ 0.6537	-0.0184%	0.5525%	\$ 0.7835	0.0137%	1.1615%	\$ 1.0892	-0.0093%	0.5530%	\$ 0.8740
Portfolio	-0.0209%	0.6328%	\$ 0.7534	-0.0222%	0.4015%	\$ 0.7569	0.0091%	1.1010%	\$ 1.0378	-0.0131%	0.4022%	\$ 0.8417