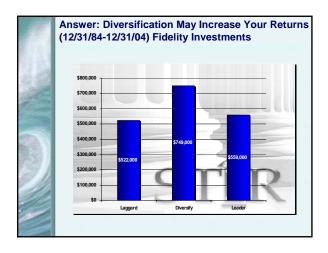
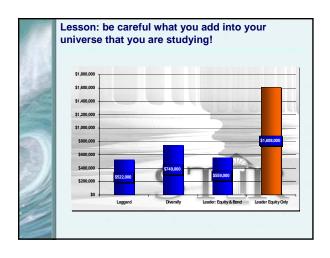


Mutual Fund Questionnaire: What Works Best? 1. Buy last years laggard (bottom fishing by buying last years worst performing asset class)? 2. Buy last years leader (chasing performance)? 3. Or buy all asset classes equally - diversify? (using 8 equity asset classes and 1 bond asset class) Fidelity Investments



Success of Relative Strength Investing with Similar Asset Classes Prevarication: Fidelity mixed bonds and equities together, very different asset classes. However, if you only compare equities to equities, than the answers to the 3 same Questions becomes very different.



1. Relative strength (buying the leader, the asset class with momentum) adds value. 2. It also works if you use 6 equity classes, 5, 4, 3 or 2, but they all have to be equity asset classes. 3. Another investment concept: avoiding the laggard can also improve portfolio performance.



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