

50 top U.S. general stock funds

FUND	TICKER	PERCENT RETURN	QTR	1YR	RANK	5YRS*
Mutual Advisor: Vice m	VICEX	6.6	39.3	■■■■	3.4	
GMO: USGrill	GMGWX	6.2	37.4	■■■■	4.5	
Hennessy: Foc30	HFTFX	5.8	45.4	■■■■	4.7	
Chase Invmt Counsel: MdcPGrN m	CHAMX	4.7	52.6	■■■■	5.8	
Legg Mason/Western: AggGrowA m	SHRAX	4.6	49.0	■■■■	2.9	
Target: SmCapGro	TASGX	4.6	47.9	■■■■	1.5	
Masters' Select: Value d	MSVFX	4.5	30.1	■■■■	1.0	
Eagle: SmCpGrthA m	HRSCX	4.2	53.8	■■■■	9.2	
Prudential Investmen: SelGrA m	SPFAX	4.1	35.2	■■■■	6.5	
Torrey: TorInnstl	TORRX	3.9	27.0	■■■■	1.6	
Torrey: Torray	TORYX	3.9	27.2	■■■■	1.4	
Federated: StrVall	SVAIX	3.8	29.0	■■■■	2.3	
Value Line: ValueLin b	VLIFX	3.8	44.0	■■■■	-0.7	
BBH: TaxEffEq d	BBTEX	3.7	28.8	■■■■	7.9	
Longleaf Partners: SmCap	LLSCX	3.7	40.3	■■■■	7.3	
Virtus: SmCpCorel	PKSFX	3.7	41.5	■■■■	6.4	
Buffalo: MidCap d	BUFEX	3.6	33.4	■■■■	7.0	
Harbor: CapAplnst	HACAX	3.6	35.5	■■■■	5.7	
Pear Tree: GrowIncOr b	USBOX	3.6	29.5	■■■■	-1.6	
Prudential Investmen: JennGrA m	PJFAX	3.6	35.1	■■■■	5.3	
RS: DivrGrA m	RSDGX	3.6	51.8	■■■■	8.2	
SEI: USMgdVolA	SVOAX	3.6	30.2	■■■■	4.4	
Wasatch: CoreGr d	WGROX	3.6	38.6	■■■■	4.8	
Federated: MDLTCpGrA m	QALGX	3.5	35.4	■■■■	2.5	
RS: SmCpGrthA m	RSEGX	3.5	47.8	■■■■	7.1	
AmerTrAll: EdLomxVal	LOMAX	3.4	30.1	■■■■	2.6	
GMO: QuVl	QLQOX	3.4	27.0	■■■■	NA	
RS Funds: SmCpEqA m	GPSCX	3.4	48.0	■■■■	8.0	
Baron: 5thAveGr b	BFTHX	3.3	28.9	■■■■	1.9	
Federated: MntStAdvA m	FMUAX	3.3	12.1	■■■■	3.1	
Touchstone: SdCapInGr	CISGX	3.3	45.5	■■■■	8.2	
Constellation: SndsSelGrll	PTSGX	3.2	44.2	■■■■	7.5	
Delaware Invest: GrowOppA m	DFCIX	3.2	54.9	■■■■	9.1	
FrankTemp-Franklin: RisDv A m	FRDPX	3.2	28.9	■■■■	3.4	
Rice Hall James: SmallCap	RHJMX	3.2	57.2	■■■■	8.2	
Stephens: SmCpGr m	STSGX	3.2	46.2	■■■■	6.5	
Vanguard: DivGr	VDIGX	3.2	49.5	■■■■	6.0	
Artisan: SmCap	ARTSX	3.1	27.8	■■■■	4.1	
Brown Cap Mgmt: SmCo Is d	BCSIX	3.1	47.9	■■■■	13.0	
INVESCO: DynInv b	FIDYX	3.1	43.7	■■■■	4.7	
Morgan Stanley: MCGrowA m	DGRAX	3.1	46.1	■■■■	9.8	
RS: MidCpGrthA m	RSMOX	3.1	38.6	■■■■	2.7	
VALIC Co I: SmMdg	VSSGX	3.1	44.1	■■■■	3.4	
Morgan Stanley Instl: MdcPGrI	MPEGX	3.0	46.2	■■■■	10.3	
Westcoast: BlueChip d	WTMVX	3.0	25.6	■■■■	1.3	
Ameristock: Ameristk	AMSTX	2.9	27.3	■■■■	2.3	
First Investors: AllCapA m	FICGX	2.9	45.2	■■■■	0.8	
GMO: TdFrCrl	GMTCX	2.9	30.2	■■■■	3.1	
Payden: ValLead d	PVVLX	2.9	30.2	■■■■	NA	
Tributary Funds: Balancl	FOBAX	2.9	26.7	■■■■	6.6	

25 top U.S. industry stock funds

FUND	TICKER	PERCENT RETURN	QTR	1YR	RANK	5YRS*
Fidelity Select: Biotech d	FBIOX	10.2	42.8	■■■■	7.2	
Kinetics: Medical d	MEDRX	10.2	29.6	■■■■	8.5	
Fidelity Advisor: BiotechA m	FBTAX	10.1	40.8	■■■■	6.7	
LvOkHltsC: LvOkHltsC	LOGSX	9.6	33.5	■■■■	8.7	
Rydex: Biotechv	RYOIX	9.4	40.2	■■■■	8.6	
Hartford: GIHHLISIA	HIAHX	9.0	35.3	■■■■	6.2	
Hanford: GlobHlthA m	HIGHX	8.9	34.4	■■■■	5.6	
Prudential Investmen: HlthSciA m	PHLAX	8.7	41.6	■■■■	10.5	
Eaton Vance: WldwHealA m	ETHAX	8.6	27.6	■■■■	7.8	
Allianz: RCMWfnsD b	DGHAX	8.4	35.2	■■■■	7.5	
PIMCO: RIEStIRetl	PRRSX	8.0	44.8	■■■■	6.7	
Schwab: HlthCpC d	SWHFY	8.0	35.7	■■■■	6.2	
Vanguard: HlthCAdml d	VGHAX	8.0	30.7	■■■■	6.5	
Fidelity Select: Pharm d	PHAFX	7.4	27.4	■■■■	9.5	
FrankTemp-Franklin: BioDis A m	FBDDX	7.3	40.1	■■■■	7.9	
Vanguard: HealCAdm d	VHCIX	6.9	30.0	■■■■	5.9	
DWS-Scudder: HlthCareS d	SCHLX	6.7	32.2	■■■■	7.1	
ICON: Healthcar	ICHCX	6.7	27.6	■■■■	1.5	
INVESCO: GIHlthCrA m	GDHCX	6.4	30.8	■■■■	5.6	
BlackRock: HlthInVA m	MDHCX	5.7	34.2	■■■■	6.5	
INVESCO: UtliA m	IAUTX	5.7	27.2	■■■■	4.6	
Putnam: GlbHlthCrA m	PHSTX	5.7	28.8	■■■■	4.8	
Rydex: HlthCrlv	RHYIX	5.7	29.1	■■■■	5.7	
FrankTemp-Franklin: UtliA m	FKUTX	5.5	25.8	■■■■	6.2	
Wells Fargo: HlthCareA f	EHABX	5.4	28.1	■■■■	3.3	

25 top international stock funds

FUND	TICKER	PERCENT RETURN	QTR	1YR	RANK	5YRS*
Commonwealth: NewZealnd m	CNZLX	8.8	31.3	■■■■	6.1	
Morgan Stanley Instl: InstGIFrI	MSFAX	7.9	32.1	■■■■	7.8	
GMO: IntlSmll	GMISX	5.9	44.5	■■■■	4.8	
Virtus: EmgMkts	HIEMX	5.5	29.8	■■■■	12.7	
Virtus: ForOppX	JVXIX	5.2	25.7	■■■■	3.9	
First Investors: IntlA m	FIINX	5.1	24.6	■■■■	2.9	
Dreyfus: WldwGrA f	PGROX	5.0	36.3	■■■■	5.4	
GMO: IntlGEqIV	GMGFX	5.0	36.4	■■■■	NA	
DFA: UKSmCol	DFUKX	4.7	42.8	■■■■	4.0	
Manning & Napier: Internati	OBIOX	4.7	35.5	■■■■	6.6	
Oberweis: IntlOpp m	OBIOX	4.7	45.8	■■■■	NA	
MFS: IntlValA m	MGIAX	4.3	27.6	■■■■	3.8	
GMO: IntlEqVl	GCEFX	4.1	36.0	■■■■	1.6	
INVESCO: EuroGrA m	AEDAX	4.1	35.9	■■■■	3.9	
Lazard: IntlStEq d	LISIX	4.1	34.9	■■■■	3.5	
MFS: GlEQA m	MWFEF	4.1	34.0	■■■■	5.3	
USAA: WorldGro	USAWX	4.1	34.1	■■■■	5.4	
GMO: TxDIElll	GMTIX	4.0	35.8	■■■■	2.3	
MassMutual: PremIntlEqtyS	MIEDX	4.0	33.6	■■■■	5.9	
Matthews Asian: PacTiger d	MAPTX	4.0	26.4	■■■■	14.3	
Oppenheimer: IntlGrY	OIGYX	4.0	34.2	■■■■	6.5	
T Rowe Price: Japan d	PRJPX	4.0	18.3	■■■■	-5.6	
Delaware Invest: PoolIntlE	DPIEX	3.9	30.7	■■■■	2.1	
Lazard: IntlEqIs d	LZIEI	3.9	30.8	■■■■	2.3	
MFS: IslntlEq	MIEIX	3.9	34.0	■■■■	5.2	

25 top bond funds

FUND	TICKER	PERCENT RETURN	QTR	1YR	RANK	5YRS*
Oppenheimer: AMTFrMunA m	OPTAX	8.2	3.8	■■■■	-2.9	
Oppenheimer: RochNtlMun m	ORNAX	8.1	4.3	■■■■	-4.2	
Nuveen: HlYdMunl	NHMRX	7.2	2.7	■■■■	-1.3	
Eaton Vance: NatlMunIA m	EANAX	6.6	0.4	■■■■	0.9	
Eaton Vance: AMTFrMunA m	ETMBX	6.4	1.5	■■■■	2.1	
Goldman Sachs: HlYdMunls d	GHYIX	6.4	4.7	■■■■	-0.2	
BlackRock: HlYdMunl	MAYHX	6.0	4.1	■■■■	NA	
FrankTemp-Franklin: PR TF A m	FPRTX	6.0	1.6	■■■■	4.0	
Managers: GW&KMunEnhYdl	GWMEX	6.0	3.4	■■■■	2.8	
Eaton Vance: HlYdMunA m	ETHYX	5.8	2.7	■■■■	-0.1	
FrankTemp-Franklin: HY TF A m	FRHIX	5.8	3.7	■■■■	3.9	
Pioneer: MuniA m	PBMFX	5.7	2.9	■■■■	3.8	
Legg Mason/Western: MgdMuniA m	SHMMX	5.6	2.9	■■■■	4.9	
Pioneer: HlncMunA m	PIMAX	5.5	5.3	■■■■	NA	
DWS-Scudder: StrHlYdTxFS	SHYTX	5.4	3.4	■■■■	4.0	
Federated: MuHYdAdA m	FMOAX	5.2	3.0	■■■■	1.8	
First American: TaxFreeY	FYNTX	5.2	4.0	■■■■	4.5	
Lord Abbett: HYMunlBdA m	HYMAX	5.2	2.4	■■■■	-0.7	
Nuveen: AllAmMunA m	FLAAX	5.2	3.9	■■■■	4.5	
PIMCO: RlRetAlns	PRAIX	5.2	10.2	■■■■	8.4	
Prudential Investmen: MuniHlncA m	PRHAX	5.2	4.0	■■■■	3.5	
USAA: TaxELgTm	USTEX	5.2	3.1	■■■■	3.7	
Columbia: TaxEA m	COLTX	5.1	3.3	■■■■	4.3	
John Hancock: HlYdMunA m	JHTFX	5.1	3.1	■■■■	3.5	
MFS: MuHlncA f	MMHYX	5.1	3.9	■■■■	3.2	

Money&Markets

Q U A R T E R L Y  
**FundReview**  
Defensive funds soar in 2Q

It was a good quarter to be on the defensive.

Mutual funds that focus on less risky companies like health care providers and utilities had the biggest gains during the April-June period. Health care funds returned more than 8 percent, the most of any other category tracked by Morningstar. Funds that own utility stocks returned 4.2 percent. And consumer staples funds, which own stock in companies such as Procter & Gamble and Coca-Cola, returned 4.2 percent.

Consumers spend money on health care, food and beverages even when the economy is weak. Defensive funds also tend to pay a high dividend, so they're attractive for investors seeking steady income. Utility stocks in the S&P 500 have a 4.3 percent

Selected fund category performance

CATEGORY	3 MO	1 YR	5 YR*
<b>Stock funds</b>			
Health care	8.3%	32.3%	7.0%
Utilities	4.2	26.5	5.4
Consumer staples	4.2	30.3	7.2
Large-cap value	-0.7	26.5	1.4
Technology	-2.7	31.6	7.3
Financials	-3.9	14.1	-5.3
Natural resources	-5.3	36.4	6.2
Energy	-6.2	41.8	4.8
<b>International funds</b>			
Japan stock	2.7	15.6	-7.4
Europe stock	0.1	32.3	2.5
<b>Fixed income funds</b>			
Long government bond	4.5	-1.5	7.6
Long-term bond	2.6	7.8	6.8
High-yield bond	0.3	14.5	7.0

Data through June 29; \*annualized

dividend yield, for example, while consumer staples have a 3.2 percent yield. The broader S&P 500 has an average dividend yield of 2.1 percent.

Investors bought

its first down quarter since the second quarter of 2010.

The volatility in stocks sent many investors into bonds. Long-term government bond funds returned 4.5 percent during the quarter. High-yield, or junk bond, funds returned just 0.3 percent. Those funds had some of the highest returns in 2010. But they lagged behind because they are also riskier than Treasuries.

Still, some analysts say investors may have been too quick to buy defensive stocks and funds. A positive economic forecast from FedEx last week bodes well for higher-risk companies like manufacturers, says Michael Sansoterra, a portfolio manager at Silvant Capital Management. "We still think the back half of the year's got growth to it," he said.

SOURCE: Morningstar

Chip Cutter, Elizabeth Gramling • AP

FundFocus LOMIX SAYLES BOND RETAIL (LSBRX)

This fund's aggressive approach has worked. It returned 14.2 percent in the last 12

months. The fund doesn't use a benchmark. Instead, it's invested in opportunities wherever they can be found.

**Kathleen Gaffney**, who has managed the fund since 1997, sees value in everything from junk bonds to the New Zealand dollar.

**Gaffney**

Some of your top holdings are foreign currencies. Can you talk about that?

We see continued pressure on the dollar and value in currencies that are leveraged to global growth. Canada, Australia and New Zealand have natural resources, particularly oil. They look attractive to us. Emerging worlds like Asia and Latin America also look attractive to us.

What type of investor does this

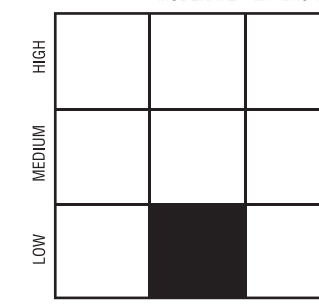
fund attract?

We have always made sure to communicate that we have a very different strategy. We do pursue high total returns by looking for deep value in the markets. That means we have a long time horizon. So we'd want investors that have a long time horizon.

In the past 20 years, we've had declining interest rates, so fixed income has been a great place to be; you don't necessarily need to take an approach that gravitates away from the benchmark.

Having said that, we think rates will gradually begin rising and fixed income investors will want to have more broad flexibility. So as long as you have a long time horizon I think it's worth having at least a small allocation to a fund that has flexibility to go into different fixed income sectors. The broad market that we've all become accustomed to as the anchor in your portfolio is going to be challenged with potentially negative returns, as interest rates start rising.

LIMITED MODERATE EXTENSIVE



Morningstar Ownership Zone™  
Vertical axis represents average credit quality; horizontal axis represents interest-rate sensitivity

Morningstar Category	Multisector Bond
Morningstar Rating	★★★★☆
Assets	\$8,659 million
Expense Ratio	0.94%
Minimum Init. Invest.	2,500
Percent Return 3 MOS	+2.8
1 YR	+16.0
3 YRS (annualized)	+9.2
5 YRS (annualized)	+8.4

TOP 5 HOLDINGS

Asset	PCT
Canada Govt 2%	3.06
US Treasury Bond 4.25%	2.36
Intel 144A Cv 3.25%	2.03
Norway(Kingdom Of) 6.5%	1.97
Canada Govt 4.25%	1.66

20 top funds by assets

FUND, ASSETS (in billions)	TICKER	CAT	QTR	1YR	RANK	3YRS*	5YRS*
PIMCO Total Return Instl							

**Winners & Losers**

**20 BEST LARGE-CAP STOCKS**

COMPANY	TICKER	CLOSE	SCHG QTR	%CHG QTR	%RTN 1YR	P/E
Biogen Idec Inc	BIIB	106.92	33.45	45.5	125.3	25
Green Mount Coffee	GMCR	89.26	24.65	38.2	247.3	>99
Sirius XM Radio Inc	SIRI	2.19	0.54	32.7	130.7	...
Tiffany & Co	TIF	78.52	17.08	27.8	109.9	26
VMware Inc	VMW	100.23	18.69	22.9	60.1	>99
Coach Inc	COH	63.93	11.89	22.8	76.8	22
Watson Pharm	WPI	68.73	12.72	22.7	69.4	54
Avago Technologies	AVGO	38.00	6.90	22.2	81.6	19
China Unicom (HK)Ltd	CHU	20.27	3.67	22.1	53.1	...
Forest Labs	FRX	39.34	7.04	21.8	43.4	11
Bed Bath & Beyond	BBBY	58.37	10.10	20.9	57.4	18
Coca Cola Femsa	KOF	93.01	16.02	20.8	51.9	...
Tel Sao Paulo	VIV	29.70	5.07	20.6	55.7	...
Macy's Inc	M	29.24	4.98	20.5	64.8	13
Celanese Corp	CE	53.31	8.94	20.1	114.8	17
Dollar Tree Stores	DLTR	66.62	11.10	20.0	60.0	19
MasterCard Inc	MA	301.34	49.62	19.7	51.3	20
AmBev C	ABV/C	28.57	4.62	19.3	80.1	...
AmBev (BebidasAmer)	ABV	33.73	5.42	19.1	80.5	...
FirstEnergy Corp	FE	44.15	7.06	19.0	31.6	16

**10 WORST LARGE-CAP STOCKS**

COMPANY	TICKER	CLOSE	SCHG QTR	%CHG QTR	%RTN 1YR	P/E
Research in Motion	RIMM	28.85	-27.69	-49.0	-41.4	5
B Communications Ltd	BCOM	24.70	-9.89	-28.6	6.5	...
Siderurgica Nacl	SID	12.46	-4.20	-25.2	-10.0	...
Juniper Networks	JNPR	31.50	-10.58	-25.1	38.0	29
Nokia Corp	NOK	6.42	-2.09	-24.6	-14.2	...
Silver Wheaton Corp	SLW	33.00	-10.36	-23.9	64.5	32
Mechel	MTL	23.89	-6.90	-22.4	31.7	...
CNH Global NV	CNH	38.65	-9.90	-20.4	70.6	24
Philips Elec	PHG	25.68	-6.49	-20.2	-10.8	...
Gap Inc	GPS	18.10	-4.56	-20.1	-4.9	10

**20 BEST MID-CAP STOCKS**

COMPANY	TICKER	CLOSE	SCHG QTR	%CHG QTR	%RTN 1YR	P/E
Global Crossing Ltd	GLBC	38.38	24.46	175.7	263.1	...
Extorre Gold Mines	XG	12.79	6.79	113.2	...	...
Amarin Corp	AMRN	14.43	7.13	97.7	479.5	...
Valhi Inc	VHI	49.67	23.30	88.4	306.0	80
Svc Source Intl	SREV	22.22	10.04	82.4	...	...
National Semi	NSM	24.61	10.27	71.6	85.1	21
Melco Crown Ent	MEPEL	12.77	5.17	68.0	241.4	...
Questcor Pharm	QCOR	24.10	9.69	67.2	136.0	41
Level 3 Commun	LVL3	2.44	0.97	66.0	123.9	...
Elan Corp	ELN	11.37	4.49	65.3	152.7	...
GT Solar Intl	SOLR	16.20	5.53	51.8	189.3	13
Ariad Pharm	ARIA	11.33	3.81	50.7	301.8	18
Bridgepoint Educ	BPI	25.00	7.90	46.2	58.1	10
Tornier NV	TRNX	26.95	8.45	45.7	...	...
VinetX Holding	VHC	28.94	9.03	45.4	388.9	20
Graham Packaging	GRM	25.22	7.79	44.7	110.7	...
Cross Inc	CROX	25.75	7.91	44.3	143.4	31
Alkermes	ALKS	18.60	5.65	43.6	49.4	...
Cubist Pharma	CBST	35.99	10.75	42.6	74.7	24
Pharmasset Inc	VRUS	112.20	33.49	42.5	310.0	...

**10 WORST MID-CAP STOCKS**

COMPANY	TICKER	CLOSE	SCHG QTR	%CHG QTR	%RTN 1YR	P/E
Renren Inc	RENN	8.85	-9.16	-50.9	...	...
Demand Media Inc	DMD	13.55	-10.00	-42.5	...	...
Frontline Ltd	FFRO	14.74	-10.03	-40.5	-44.2	12
Longtop Fin Tech	LFT	18.93	-12.49	-39.8	-41.6	...
Logitech Intl	LOGI	11.24	-6.89	-38.0	-16.2	16
Univ Display	PANL	35.09	-19.95	-36.2	95.2	...
Community Hlth Sys	CYH	25.68	-14.31	-35.8	-24.1	8
Silvercorp Metals	SVM	9.38	-5.19	-35.6	42.9	25
Lender Processing Sv	LPS	20.91	-11.28	-35.0	-31.9	6
Micron Tech	MU	7.48	-3.99	-34.8	-11.9	12

**20 BEST SMALL-CAP STOCKS**

COMPANY	TICKER	CLOSE	SCHG QTR	%CHG QTR	%RTN 1YR	P/E
Oncothreon Inc	ONTY	9.19	5.32	137.5	177.6	...
Parkville Fndcl	PVSA	21.50	11.75	120.5	157.5	...
Natures Sunshine	NATR	19.48	10.52	117.4	132.7	61
Conn's Inc	CONN	8.65	4.17	93.1	47.1	>99
GTx Inc	GTIX	4.79	2.22	86.4	57.1	...
Barnes & Noble	BKS	16.58	7.39	80.4	32.4	...
Raptor Pharmaceut	RPTP	6.19	2.74	79.4	125.1	...
Zagg Inc	ZAGG	13.40	5.89	78.4	366.9	26
Doral Financial	DRL	1.96	0.86	78.2	-19.7	...
Insmid Inc	INSM	11.99	5.24	77.6	78.3	...
Pharmacylics	PCYC	10.44	4.55	77.2	56.8	...
8x8 Inc	EGHT	4.89	2.08	70.4	291.2	49
Seqans Comm SA	SQNS	14.25	6.00	72.7	...	...
HealthStream Inc	HSTM	13.27	5.54	71.7	182.8	63
Complete Genomics	GNOM	15.28	6.25	69.2	...	...
Pacira Pharmaceutic	PCRX	12.00	4.90	62.0	...	...
EMS Technologies	ELMG	32.97	13.32	67.7	119.5	32
Neptune Tech & Biors	NEPT	3.75	1.51	67.4	229.0	...
Endocyte Inc	ECYT	14.32	5.75	67.1	...	...
Coleman Cable	CCIX	14.69	5.83	65.8	160.3	20

**10 WORST SMALL-CAP STOCKS**

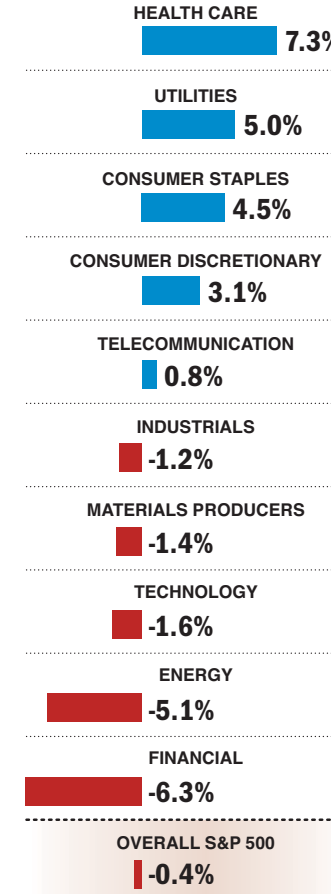
COMPANY	TICKER	CLOSE	SCHG QTR	%CHG QTR	%RTN 1YR	P/E
Am Supercond	AMSC	9.04	-15.83	-63.7	-66.1	11
Ener1 Inc	HEV	1.10	-1.86	-62.8	-67.5	...
BioMimetic Therap	BMTI	5.12	-7.99	-60.9	-54.0	...
PMI Group Inc	PMI	1.07	-1.63	-60.4	-63.0	...
Pain Therapeutics	PTIE	3.87	-5.69	-59.5	-30.4	...
Semileds Corp	LEDS	6.45	-9.16	-58.7	...	...
Smith Micro Soft	SMSI	4.21	-5.15	-55.0	-55.7	53
KV Pharm A	KVA	2.72	-3.27	-54.6	223.8	...
Allemand BioLabs	OBLI	3.41	-4.09	-54.5	-6.8	...
China New Borun	BORN	5.10	-5.76	-53.0	-12.8	3

**Money & Markets**

**Q U A R T E R L Y**

**Stock Review**

**S&P 500 industries Quarterly performance**



SOURCE: FactSet

**Defending portfolios in the second quarter**

Stocks fell much of last quarter, but investors found protection from some familiar friends.

Companies in the health care, utility and consumer staples industries often hold up better in a down market because of their steadier profits. That's why investors call them defensive stocks, and they made the biggest gains between April and June.

The overall S&P 500 index slipped 0.4 percent last quarter, after being down as much as 4.6 percent in mid-June.

Consider cigarette maker Lorillard, whose stock rose 14.6 percent last quarter.

Even when the economy weakens — as it has since May — people still buy cigarettes. Lorillard's annual profit slipped just 1.2 percent at the worst of the recession.

Profits for health care companies and utilities are equally resilient, according to RBC Capital. When the country's overall economic

growth drops by 1 percentage point, earnings for the two industries slip between 0.4 percent and 0.7 percent. Compare that to an average 7.7 percent profit drop for raw materials producers.

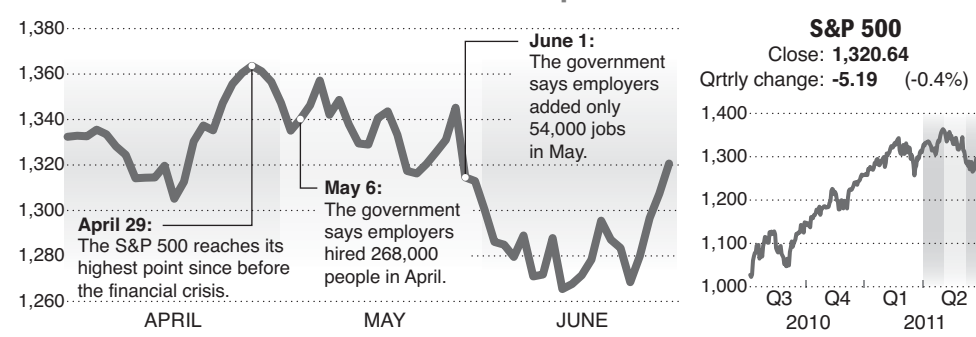
Consumer discretionary stocks, which include Nike, Amazon.com and other sellers of non-essential stuff, benefited from the 11 percent drop in oil prices through the quarter. Lower gasoline bills should leave more money for shoes and books.

Oil's fall, though hurt energy stocks. And the slowing U.S. economy, plus worries about the effect of new regulations for banks, made financial stocks the biggest losers of the quarter. The job market, home prices and retail sales all weakened in May.

The worst stock in the S&P 500 was Micron Technology, which dropped 34.8 percent. It was hurt by falling prices for the memory chips that it makes for electronics.

Stan Choe • AP

**StocksRecap**



**Domestic**

52-WEEK HIGH	52-WEEK LOW	INDEX	CLOSE	APR	MAY	JUN	CHG QTR	PERCENT CHANGE— QTR YTD 1YR
441.86	353.53	Dow Utilities	433.48	▲	▼	▲	20.42	4.9 7.03
5565.78	3872.64	Dow Transportation	5423.82	▲	▲	▲	123.93	2.3 6.21
12876.00	9614.32	Dow Industrials	12414.34	▲	▲	▲	94.61	0.8 7.23
2887.75	2061.14	NASDAQ	2773.52	▲	▲	▼	-7.55	-0.3 4.55
1370.58	1010.91	S&P 500	1320.64	▲	▲	▼	-5.19	-0.4 5.01
14562.01	10596.20	Wilshire 5000	14023.07	▲	▲	▲	-78.22	-0.6 4.96
8718.25	6355.83	NYSE Comp.	8319.10	▲	▲	▼	-85.88	-1.0 4.46
1018.65	692.75	S&P 400	978.64	▲	▲	▲	-10.41	-1.1 7.87
868.57	587.66	Russell 2000	827.43	▲	▲	▼	-16.12	-1.9 5.59

**International**

52-WEEK HIGH	52-WEEK LOW	REGION	INDEX	CLOSE	APR	MAY	JUN	CHG QTR	PERCENT CHANGE— QTR YTD 1YR
7600.41	5827.25	Germany	DAX	7376.24	▲	▲	▲	334.93	4.8 6.7
6103.73	4790.04	U.K.	FTSE-100	5945.71	▲	▲	▲	36.95	0.6 0.8
10891.60	8227.63	Japan	Nikkei	9816.09	▲	▲	▲	60.99	0.6 -4.0
4169.87	3321.35	France	CAC-40	3982.21	▲	▲	▲	-6.97	-0.2 4.7
1370.58	1010.91	U.S.	S&P 500	1320.64	▲	▲	▼	-5.19	-0.4 5.0
1809.61	1337.85	World	MS EAFE	1680.66	▲	▲	▲	-22.00	-1.3 1.9
24988.57	19777.83	Hong Kong	Hang Seng	22398.10	▲	▲	▼	-1129.42	-4.8 -2.8

**Industry Rankings**

RANK QTR./PVS.	INDUSTRY	PERCENT CHANGE QTR	YTD	1YR
1	28 Personal Goods	9.8	11.8	32.5
2	25 Pharmaceuticals & Biotech.	7.7	10.7	24.0
3	26 Leisure Goods	7.1	9.7	33.1
4	18 Food & Drug Retailers	6.8	11.8	32.7
5	15 Food Producers	6.1	12.3	32.1
6	35 Beverages	5.3	5.3	25.7
7	7 Health Care Equip. & Serv.	5.2	16.1	34.9
8	29 Electricity	4.9	6.8	18.7
9	34 Travel & Leisure	4.1	4.6	39.3
10	30 General Retailers	3.1	4.8	30.4
11	27 Mobile Telecomm.	3.0	4.9	22.6
12	8 Tobacco	2.7	13.3	39.9
13	10 Aerospace & Defense	2.5	12.0	28.7
14	16 Gas, Water & Multiutilities	2.5	8.3	27.0
15	17 Industrial Transportation	2.3	7.9	39.6
16	14 Real Estate	1.6	7.9	28.2
17	13 Support Services	1.6	8.5	32.8
18	3 Media	1.6	13.6	40.3
19	11 Chemicals	1.6	10.0	55.4
20	36 Household Goods	1.5	1.1	12.2
21	20 Fixed Line Telecomm.	0.7	4.8	33.8
22	24 Software & Computer Serv.	-0.5	2.3	31.8
23	37 Automobiles & Parts	-1.4	-3.2	50.3
24	12 Electronic & Electrical Equip.	-2.4	5.0	43.5
25	9 General Industrials	-2.5	7.2	35.0
26	21 General Financial	-2.8	0.7	22.8
27	4 Forestry & Paper	-2.8	8.6	36.4
28	19 Nonlife Insurance	-3.3	1.1	16.6
29	22 Techno Hardware & Equip.	-3.4	0.1	21.9
30	31 Life Insurance	-4.4	-2.9	15.5
31	6 Industrial Engineering	-4.9	5.4	56.1
32	2 Oil & Gas Producers	-5.0	10.6	46.5
33	1 Oil Equipment & Services	-5.5	10.9	66.7
34	32 Industrial Metals	-7.3	-6.6	53.2
35	5 Construction & Materials	-8.1	1.9	32.0
36	3 Banks	-9.5	-8.9	13.7
37	23 Mining	-10.5	-7.3	29.0

**Top Stocks Top Industries**

INDUSTRY, CO.	TICKER	CLOSE	%CHG QTR	%RET 1YR
<b>Personal Goods</b>			<b>9.8</b>	<b>32.5</b>
Cross Inc	CROX	25.75	44.3	143.4
Nu Skin Enterp	NUS	37.55	30.6	52.7
Fossil Inc				