

More Help Identifying Fund Styles

Q. Can you rely on a fund's name to reveal its style or objective?

A. Sometimes. A blended fund may have the words "growth" and "income" or "balanced" in its name. Similarly, many funds with a growth objective or style have the word "growth" in their names.

Q. So why not just read a fund's name to find out its style?

A. Because fund names can sometimes be deceiving. You would expect all "growth and income" funds to pursue both goals, but some are devoted almost entirely to growth and pay very little income despite their names.

Q. Where else can you find out about a fund's style?

A. The first place to look is at the literature you received about the fund, including its prospectus. Pay attention to the fund's objective, risks and a description of its investment policies. You might read a fund's annual and semi-annual reports, which offer some discussion of its recent strategy. You can also call the fund's toll-free number and request a list of the securities that make up the portfolio. If your plan offers separate investment accounts, call the provider's toll-free line for information.

It's also a good idea to consult a copy of Morningstar® Guide to Mutual Funds, a publication that analyzes the investment records of more than 8,000 funds. It's available at most libraries. Internet-savvy investors can also consult Morningstar's Web page www.morningstar.com, updated daily. And AOL users can access some of this same information by using the keyword MORNINGSTAR.

Q. Why is it so important to know what's in a fund?

A. Would you buy a house without looking inside? Of course not. Consider that your 403(b) plan is one of your biggest and most important investments. The more you know about what's inside - what your funds own—the more likely you are to arrive at retirement in style.

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