

THE CONSUMER PAGE

It's tax time of year again

Do not panic — The IRS can help make filing your form less painful

BY PHIL MULKINS
World Staff Writer

The income tax return filing deadline is still six weeks away, but it can sneak up on you like a fox on a rabbit.

The Internal Revenue Service lists tips to help your tax filing process run smoothly.

Gather records: Round up any documents or forms you'll need when filing your taxes: receipts, canceled checks and other documents that support an item of income or a deduction you're taking on your return. For a specific list of documents typical taxpayers will need, see the Jan. 12 Action Line column at tulsaworld.com/action011210. Chief among them are your W-2 form from your employer and various Form 1099s from your banks and investment firms.

Try e-file: When you file electronically, the software will handle the math calculations for you. E-file is how most people now file their returns; last year two-thirds of taxpayers used it. Visit tulsaworld.com/IRSefile — for "individual taxpayers, businesses and self-employed taxpayers, large and midsize corporations, tax professionals, charities, nonprofits, excise tax filers and e-file software developers and transmitters."

Free File: If your income is \$57,000 or less, you are likely eligible for free tax return question-and-answer-driven software and free electronic filing — see tulsaworld.com/IRSFreeFile. The IRS partners with 20 tax software companies to create this free service.

Other filing options: Prepare your return yourself, or go to a tax preparer. You may be eligible for free face-to-face help at an IRS office or volunteer site — see the Feb. 12 Action Line at tulsaworld.com/action021210. Give yourself time to weigh the options and find one that suits you.

Direct deposit: If you elect to have your refund directly deposited into your bank account, you'll receive it faster than waiting for a paper check.

Publication 17: For a comprehensive collection of information highlighting everything you'll need to know to file your return, see tulsaworld.com/IRSPub17.

Review, review, review: Do not rush. Mistakes fly under the radar when you're in a hurry. They end up slowing down the processing of your return and delaying your refund. Double-check Social Security numbers and math calculations. Getting these wrong is the most common error taxpayers make.

Panic not: If you have trouble, the IRS can help on every topic. See tulsaworld.com/IRS1040central, or call (800) 829-1040. Also see IRS Forms and Publications at tulsaworld.com/IRSforms&pubs. Remain calm. All is well.

Tulsa World consumer writer Phil Mulkins wants to know which topics interest you most. Call 699-8888 or e-mail the subject to phil.mulkins@TulsaWorld.com or mail it to Tulsa World Consumer, PO Box 1770, Tulsa OK 74102-1770.



Your computer can help you get to April 15 safely and easily

Last year, the Internal Revenue Service announced that 90 million U.S. citizens filed their tax returns electronically — a record since IRS e-file and Free File were introduced, according to a spokesman for Clickfree Automatic Backup.

Of those, 30 million returns were filed electronically from home or business computers — up 19 percent from 2008.

Filing from your own computer dramatically reduces errors, hastens the arrival of refunds and decreases costs and time spent. It also means you must secure your computer and stored tax information to avoid identity theft and data loss.

Clickfree — tulsaworld.com/Clickfree — inventor of "automatic and effortless backup solutions," offers simple tips to aid consumers and entrepreneurs in preparing and securing their records for the 2010 tax season. Its products are sold at Best Buy, Office Depot, J.C. Penney, K-Mart, Walmart and many online outlets.

Keeping track of all your gross receipts, purchases, travel, transportation, entertainment and gift expenses, assets, W-2 forms and employment taxes is of great importance. These records verify the entries on your tax return and will be called for if the IRS audits any of your returns.

Get organized. In addition to maintaining documents for expenses throughout the year, you must also keep track of information and documents related to your spouse and children, everyone's dates of birth and Social Security numbers, bank routing and account numbers, and copies of past years' tax returns.

Electronic tax return filing software is offered by H&R Block TaxCut, TaxAct, TaxSlayer, TurboTax, SecureTax and Taxsoft. This can all be saved through Clickfree's C2N, which backs up your computer and data. Created for ease of use, this automated storage device only needs to be plugged in before your year's worth of receipts, tax filings, statements and data can be considered stored fully secure until you need them.

Some funds look good but are rotten to the core

In a few weeks, the worst of the stock market's meltdown will fall off the short-term performance charts. In its place will be all of the rally, and one-year performance numbers that look, in some cases, downright gaudy.

Savvy investors will not forget the misery of 2008, and while they will be happier with the rebound numbers, they should look at the longer-term picture to see whether the ride they have been on is the one they signed up for. In many cases, it won't be.

One fund where that is clearly the case is Masters Select Equity, a fund with a good reputation that has been on the kind of wild ride that should have investors wondering if they've gotten what they paid for. Masters Select Equity is far from alone in that category, but its story can help investors look at the complex decisions they could face if they look past the short-term results.



Charles Jaffe
Market Watch

Masters Select Equity was off about 44 percent during the 12 months ended last March 31, — standing in the 96th percentile — and is up 51 percent since to stand in the top 6 percent of its peers. In short, it wasn't the absolute worst or best, but it was awfully close.

That's a big part of the problem here. Masters Select is built to be a core holding and purports to give shareholders the best ideas of several star managers. A reasonable investor would have expected some protection from the downdraft — and didn't get it. And while the

rebound has been encouraging, shareholders most likely would not have expected this fund to head to the top of the charts in any short period. The fund's investment strategy is built to win out over time, not over whatever happens next.

The Masters Select funds hire subadvisers to run chunks of the portfolio, and it traditionally had six managers controlling parts of Equity's portfolio.

As a core fund, the idea is to have something stable that can be a foundation of an investor's holdings, and there's no denying that whipsaw performance will test even a confident investor. These days, average investors are far from confident.

"It's not that the performance is so out of line, given what has been happening in the market, it's that the performance isn't living up to what you would hope to get from a core fund that says it gets the best

ideas from the best managers," said Gregg Brewer, executive director of research at Value Line. "These guys should be taking the edge off the downside and the upside, and instead they are living on the edge."

Indeed, during the middle of the downturn, the fund was performing significantly worse than large-cap index funds. In those issues, investors know they are strapping themselves to the roller coaster and will ride whichever way the market goes.

The fund was a stellar performer during the bear market of 2000-02, and its long-term results still rank in the top 10 percent of its peer group. If you buy into the strategy of getting the best ideas from some good managers and waiting to see them pay off, the fund's history suggests that it always has.

The problem is that it hasn't paid off for five years now.

Mark Salzinger, editor of the No-Load Fund Investor newsletter,

is not convinced that having star managers run bits of a portfolio truly works.

"When a great manager forms his or her fund's portfolio, he considers diversification and various financial factors, such as sensitivity to the economy, a quality bet, and so on," Salzinger said. "Basically, he or she tempers stock instincts by measuring, and controlling, for various types of risk."

"If a manager just contributes 10 or so favorite stocks, I don't see what the incentive is to consider the risk. ... One could luck into risk reduction if the other managers ... have different approaches and pick different stocks, but that's not the same as intentionally managing risk at the portfolio level."

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FOREIGN EXCHANGE						ENERGY FUTURES						AGRICULTURE FUTURES					
MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO	EXP. OPEN HIGH LOW SETTLE CHG	EXP. OPEN HIGH LOW SETTLE CHG	EXP. OPEN HIGH LOW SETTLE CHG	EXP. OPEN HIGH LOW SETTLE CHG	EXP. OPEN HIGH LOW SETTLE CHG	EXP. OPEN HIGH LOW SETTLE CHG						
USD per British Pound	1.4954	-0.053	-3.5%	1.6279	1.4038	42,000 gal. cents per gal	207.67 208.60 201.50 205.61 +3.26	5,000 bu minimum-cents per bushel	370.75 376 365.25 370.50 -25	60,000 lbs.-cents per lb	39.93 40.00 39.42 39.81 +31						
Canadian Dollar	1.0356	-0.059	-5.7%	1.1060	1.2871	Apr 10 208.65 209.57 202.72 206.66 +3.18	May 10 209.80 210.67 204.26 207.83 +3.00	Mar 10 380.50 384.50 376 381.50 -25	May 10 40.35 40.40 39.57 40.20 +30	Apr 10 92.85 92.87 91.72 92.77 +1.05							
USD per Euro	1.3600	+0.026	+1.9%	1.4273	1.2572	Jun 10 211.01 212.50 205.92 209.51 +2.89	Jul 10 212.50 205.92 209.51 +2.89	Jul 10 392.25 395 386.75 392.25 -25	Jul 10 40.77 40.85 39.60 40.63 +29	Jun 10 91.30 91.35 90.55 91.25 +.65							
Japanese Yen	88.68	-39	-4.4%	92.15	97.67	Est. sales 92,315. Mon's sales 79,003	Mon's open int. 299,392, +1,181	Aug 10 399.75 402 394.25 400 +25	Aug 10 40.88 40.98 40.55 40.79 +28	Aug 10 90.02 90.05 89.15 89.95 +.55							
Mexican Peso	12.7180	-0.230	-1.8%	13.6325	15.4745	Est. sales 92,315. Mon's sales 79,003	Mon's open int. 299,392, +1,181	Est. sales 110,606. Mon's sales 77,931	Mon's open int. 276,855, -3,021	Oct 10 91.85 92.37 91.62 92.35 +.38							
EUROPE/AFRICA/MIDDLE EAST						Est. sales 514,723. Mon's sales 508,011	Mon's open int. 1,279,332, +5,325	Est. sales 202,431. Mon's sales 103,926	Mon's open int. 420,681, -2,226	Est. sales 18,718. Mon's sales 40,476							
Israeli Shekel	3.7790	-0.180	-4.8%	3.8030	4.2026	Est. sales 168,654. Mon's sales 183,980	Mon's open int. 821,632, +5,492	Est. sales 109,042. Mon's sales 78,347	Mon's open int. 422,147, +4,559	Mon's open int. 318,370, +4,089							
Norwegian Krone	5.9255	-0.037	-0.6%	6.0850	7.1783	Est. sales 84,562. Mon's sales 83,094	Mon's open int. 263,761, +1,413	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
South African Rand	7.5950	-0.174	-2.3%	7.8063	10.5193	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Swedish Krona	7.1788	+0.052	+0.7%	7.2202	9.2081	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Swiss Franc	1.0760	-0.023	-2.1%	1.0604	1.1773	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
ASIA/PACIFIC						Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Australian Dollar	1.1063	-0.040	-3.6%	1.1962	1.5850	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Chinese Yuan	6.8293	+0.001	+0.0%	6.8318	6.8451	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Hong Kong Dollar	7.7631	-0.014	-0.2%	7.7513	7.7571	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Indian Rupee	45.874	-1.01	-2.2%	48.928	51.964	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Singapore Dollar	1.4036	-0.019	-1.4%	1.4428	1.5565	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
South Korean Won	1148.50	-11.50	-1.0%	1247.50	1570.50	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							
Taiwan Dollar	32.05	-0.1	-0.3%	32.87	35.17	Est. sales 265,500. Mon's sales 264,900	Mon's open int. 198,792, +1,329	Est. sales 518,500. Mon's sales 512,263	Mon's open int. 136,025, -571	Mon's open int. 185,428, +2,125							