



Leuthold Asset Allocation Fund

(LAALX / LAAIX)

January 27, 2010: Report for 4th Quarter 2009

For the 3-months ended 12/31/09, the **Leuthold Asset Allocation Fund's performance ranked in the top 3%** out of 182 Funds within the *Lipper* Flexible Portfolio classification. Additionally, *Lipper* ranks the Fund in the **top 20%** on a 1-year basis, and **top 48%** on a 3-year basis, out of 174 and 121 Flexible Portfolio Funds, respectively, measured through 12/31/09.

Fund Philosophy

"Our definition of long-term investment success is making money...and keeping it."

Note: Philosophy is viewpoint of the Advisor and is no guarantee of long-term results.

Investment Strategy

Flexible, Value-Oriented, Risk-Averse Objective

Leuthold Asset Allocation Fund has the flexibility to adjust asset class exposure in order to avoid undue risk, and attempt to take advantage of areas that appear poised to outperform.

Assets will be allocated in varying degrees, between stocks, bonds, money market instruments, and certain foreign securities.

Portfolio Managers

Steve Leuthold
Andy Engel, CFA
Eric Bjorgen, CFA
Matt Paschke, CFA

Symbol / CUSIP

LAALX / 527289508
LAAIX / 527289805

Assets under Mgmt.

\$1,280,652,720

Q4 and 2009 Review

Well, 2009 has left us feeling much better than at the end of 2008, but there is still work to do. For the entire year ended 12/31/09, the Leuthold Asset Allocation Fund is up +30.24% total return, solidly outpacing the S&P 500¹ (+26.45% total return) and besting the Lipper Flexible Fund¹ Index (+29.19% total return). During the fourth quarter alone, the Asset Allocation Fund had an impressive total return gain of +7.15%, while the S&P 500 was up +6.04% total return. It is important to remember that this Fund has a guideline maximum equity exposure level of 70%, making the S&P 500 a challenging benchmark to beat in up markets, but one that we have still been able to best over the last one-year, three-year, and since inception of this Fund (5/24/06).

A key contributor to the Fund's performance was its overweight exposure to Emerging Market equities. In 2009, there was an average 16% of Fund assets invested in Emerging Market stocks, which generated an impressive total return gain of nearly +80% for the year, far outpacing the S&P 500 (+26.45% total return) and MSCI All World¹ Index (+35.41% total return). The Fund's U.S.-traded equity exposure had mixed performance results, with the Undervalued & Unloved equity selection (+28.42% total return gain) firmly outperforming the S&P 500 for the year ended 12/31/09, while the Select Equities component (+13.28% total return) notably underperforming the S&P 500 in 2009. Each of these components made up about 25% of total Fund assets in 2009. The Fund's solid performance in 2009 illustrates the benefits of our Fund's diversification and flexibility with asset allocation.

- We continue to believe that one of the keys to outperformance over the next several years will be exposure to Emerging Markets...this is where we believe the strongest growth will come from, but these markets will also be volatile.
- The Asset Allocation Fund currently has 19% of total assets committed directly to Emerging Market equities, while the U.S. traded Select Equities/U&U equity mix provides an additional 5-6% exposure to emerging markets and another 5-6% to developed foreign markets.

Note: Performance data quoted represents past performance. Past performance is no guarantee of future results. Investment returns and principal will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than performance data cited. For performance data current to the most recent month-end, please call Leuthold Funds' Shareholder Services, toll-free: 1-800-273-6886.

Per Prospectus dated 1/31/09, excluding dividends on short positions and acquired fund fees, annual net operating expense charged to shareholders for LAALX was 1.23%. (Gross operating expense including dividends on short positions and acquired fund fees was 1.45%).

Net equity exposure was right up at the maximum allowable level of 70% for almost all of the fourth quarter, but was tactically reduced to 65% in mid/late December in anticipation of initial weakness in 2010, following the strong performance of 2009. Our stock market analysis continues to be in bullish ground at the beginning of 2010, which indicates to us that stocks could continue to move higher. However, it would not be a surprise to us to see the stock market peak sometime mid-year and then move lower by the end of 2010.

Investors are probably tired of hearing us saying there is little that is attractive to us in the fixed income market. We still have about 7% of assets invested in Brazilian Bonds, which continue to look attractive even after a nearly +63% total return gain in 2009. We also had success in 2009 investing in High Yield Bonds, but based on our analysis of yield spreads, High Yield Bonds have recently moved out of the attractive zone. During the fourth quarter, we began taking some profits and now have only about 4% of assets invested here. For all of 2009, the High Yield bonds produced over a +35% total return gain.

Proceeds from the High Yield Bond reduction were used to establish a new position in something we internally call "Better Than Bonds," which is a play on high yielding stocks. At the beginning of 2010, we created this by purchasing a package of six stocks that have a high, healthy dividend. We rolled the existing REIT allocation into this concept, bringing the full holding up to 9% of portfolio assets. Lastly, because we expect bond yields to move significantly higher, we have implemented a small (6%) fixed income hedge in an attempt to capitalize on that rising trend.

- The Asset Allocation Fund continues to hold positions in physical gold and silver as a future inflation hedge. Since being established in April 2009, the gold holding has generated about a +23% total return gain, while the silver is up about +44% total return. We anticipate increasing this precious metals allocation if prices pull back some, as we believe monetary debasement inflation continues to be a long term threat.

We are optimistic about the prospects for the Asset Allocation Fund. The stock market and economic landscape seem to be evolving in such a way that the disciplined, yet flexible methodologies we employ in this Fund will attempt to serve to maximize returns through deft navigation of a potentially vulnerable stock market later in 2010. We are also confident that the disciplines dictating the equity selection in the Fund will be able to identify stocks that appear poised to become market leaders. Overall, we expect 2010 to be a good year for the Leuthold Asset Allocation Fund.

¹ S&P 500, Lipper Flexible Fund Index, and MSCI All World Index are unmanaged indexes and cannot be invested in directly. Gaining exposure to a benchmark index may be attainable through index funds and ETFs (Exchange Traded Funds).

Leuthold Asset Allocation Fund

Asset Allocation January 2010

Equities	
U.S. Traded Equities* (Select Equities/Undervald & Unloved)	46.0%
Emerging Country Equities*	19.0%
Net Equity Exposure	65.0%
Fixed Income	
Brazilian Bonds*	7.0%
High Yield Bonds*	4.0%
Fixed Income Hedge	(6.0%)
Fixed Income Exposure	5.0%
Other	
REITs & Higher Yielding Stocks	9.0%
Gold & Silver	3.0%
Cash	
Cash Equivalents	6.0%

*U.S. Traded Equities may include foreign issues which actively trade on U.S. exchanges in the form of ADRs, ADS, etc. Emerging Country Equities and Foreign Bonds have additional risks, including, but not limited to: higher volatility, political instability and changes in currency rates. High Yield Bonds involve additional risks, such as lower credit quality and less liquidity. For additional information, please see the Prospectus. To request a copy, call toll-free: 1-800-273-6886; or you may download from www.LeutholdFunds.com

Return Statistics*

Standard Deviation (Annualized):	15.54
R-squared:	81.09
Alpha:	0.23
Beta:	0.77
Sharpe Ratio:	-0.06

*Statistics use monthly gross returns calculated since inception against the S&P 500. "Standard Deviation" measures historical volatility, typically using 36 months of data; "R-squared" measures how closely the Fund's performance correlated with the S&P 500 (0=no correlation, 100=perfect correlation); "Alpha" measures risk adjusted performance: a higher alpha indicates better performance than expected given its beta; "Beta" measures the volatility versus the S&P 500: if beta < 1, fund is less volatile, and beta > 1 indicates fund is more volatile; "Sharpe Ratio" measures risk vs. reward (higher Sharpe ratio = better risk-adjusted performance).

Statistics calculation source: *FactSet Research Systems*
Data as of 12/31/09

U.S. Traded Equity Characteristics vs. S&P 500

Capitalization Weighted	Fund	S&P 500
Median Market Cap:	\$8,858MM	\$8,982MM
Portfolio Beta:	1.19x	1.00x
Wt. Median Price/Earnings:	15.2x	17.7x
Price/Cash Flow:	9.4x	10.6x
Price/Book:	2.8x	2.7x
Price/Sales:	1.6x	1.7x
ROA:	7.2%	6.1%
ROE:	16.2%	13.9%
Operating Margin:	19.4%	18.3%
Net Margin:	10.1%	8.0%
LT Debt/Capital:	29.6%	32.1%

Source: *FactSet Research Systems and Standard & Poor's*
Data as of 12/31/09

Broad Domestic Equity Sector Weights vs. S&P 500

	Fund	S&P 500
Information Technology	21%	20%
Health Care	15%	13%
Consumer Discretionary	11%	10%
Industrials	11%	10%
Materials	10%	4%
Financials	10%	14%
Energy	9%	11%
Consumer Staples	9%	11%
Telecommunications	3%	3%
Utilities	1%	4%

Data as of 12/31/09

Total Returns Periods Ended December 31, 2009

Returns > 1 year are Annualized	Q4 2009	1-Year (12 mo.)	3-Year (36 mo.)	LAALX Since Inception (05/24/06)	LAAIX Since Inception (01/31/07)	LAALX Cumulative Returns 3-Year (36 mo.)	LAALX Cumulative Returns Since Incept: (05/24/06)
Asset Allocation (Retail-LAALX)	7.15%	30.24%	0.09%	1.43%	NA	0.27%	5.26%
Asset Allocation (Institutional-LAAIX)*	7.14	30.61	NA	NA	-0.02%	NA	NA
S&P 500	6.04	26.45	-5.63	-1.18	-6.27	-15.96	-4.19
NASDAQ Composite	7.20	45.35	-1.17	2.14	-1.89	-3.47	7.93
Lipper Flexible Fund Index	3.98	29.19	-0.31	2.46	-0.73	-0.94	9.17
Dow Jones Industrials	8.09	22.65	-3.12	0.92	-3.68	-9.08	3.34

*Institutional share class minimum is \$1 million.

- S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy based on the changing aggregate market value of these 500 stocks.
- NASDAQ Composite Index is a broad-based capitalization-weighted index of all NASDAQ National Market and Small Cap stocks.
- Lipper Flexible Fund Index, as defined by Lipper Inc., is composed of funds that allocate investments across various asset classes, with a focus on total return.
- Dow Jones Industrial is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.

The S&P 500, NASDAQ Composite, Lipper Flexible Fund, and Dow Jones Industrial are indices only and cannot be invested in directly. Fund performance return figures are historical and reflect the change in share price, reinvested distributions, change in net asset value, and capital gains distributions, if any.

Expense Ratio Disclosure:

Per Prospectus dated 1/31/09, excluding dividends on short positions and acquired fund fees, the net operating expenses were 1.23% and 1.09%, respectively, for LAALX and LAAIX. (Gross operating expenses including dividends on short positions and acquired fund fees were 1.45% and 1.32%, respectively.)

Please refer to the Prospectus for a more detailed explanation of the expense ratios.

Direct Shareholder Services and Account Inquiries:

Call Toll-Free: 1-800-273-6886

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Questions On Investment Disciplines:

Please contact:

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Leuthold Weeden Capital Management serves as Advisor to Leuthold Funds.

Investors should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The Prospectus contains this and other information about the Fund. For current Prospectus, call toll-free 800-273-6886, or go to www.LeutholdFunds.com. Please read the Prospectus carefully before you invest.

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