

Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard, Year-End 2009

- The S&P Indices Versus Active Funds (SPIVA) Scorecard reports performance comparisons corrected for survivorship bias, shows equal- and asset-weighted peer averages, and provides measures of style consistency for actively managed U.S. equity, international equity, and fixed income mutual funds.
- The CRSP Survivor-Bias-Free U.S. Mutual Fund Database provides the underlying data. To accommodate CRSP release schedules, SPIVA is now published semi-annually with a 6 to 8 week lag.
- Over the last five years, the S&P 500[®] has outperformed 60.8% of actively managed large-cap U.S. equity funds; the S&P MidCap 400[®] has outperformed 77.2% of mid-cap funds; and the S&P SmallCap 600[®] has outperformed 66.6% of small-cap funds.
- The five-year data results are similar for actively managed fixed income funds. Across all categories, with the exception of emerging market debt, more than 70% of active managers have failed to beat benchmarks.
- The conclusions are less unequivocal when looking at asset-weighted averages, which measure the performance of the average invested dollar in active funds. In several equity and fixed income categories, there is a more level playing field with index returns.
- Short-term outcomes (such as periods of 12 months or less) of the index versus active debate are less consistent than longer-term outcomes. This notion is demonstrated by the active versus index match up for each of the last 10 years.
- The turmoil of the past five years saw 29% of domestic equity funds, 21% of international equity funds, and 10% of fixed income funds merge or liquidate.

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**S&P
INDICES**

A Unique Scorecard for the Active Versus Passive Debate

The Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard presents the performances of actively managed mutual funds as compared to benchmark indices. The report covers U.S. equity, international equity, and fixed income categories. SPIVA's popularity stems from a few unique attributes:

- **Survivorship bias correction:** Many funds might be liquidated or merged during a period of study; however, for someone making an investment decision at the beginning of the period, these funds are part of the opportunity set. Unlike commonly available comparison reports, SPIVA removes this survivorship bias.
- **Apples-to-apples comparison:** Fund returns are often compared to popular benchmarks such as the S&P 500 regardless of size or style classification. An appropriate comparison would be to measure a fund's returns against the returns of a benchmark for that particular style and size category. SPIVA does this type of comparison.
- **Asset-weighted returns:** Average returns for a fund group are often calculated using only equal-weighting. This results in the returns of a US\$ 10 billion fund affecting the average in the same manner as the returns of a US\$ 10 million fund. A more accurate representation of how investors fared in a particular period can be ascertained by calculating weighted-average returns where each fund's return is weighted by net assets. SPIVA reports show both equal- and asset-weighted averages.
- **Style consistency:** Style consistency is an important metric because style drift (the tendency of funds to move away from their initial investment categorization) can have an impact on asset allocation decisions. SPIVA reports measure style consistency for each style category across different time horizons.
- **Data Cleaning:** SPIVA avoids double counting of multiple share classes in all count based calculations where only the share class with bigger assets is used. Index funds, leveraged and inverse funds, and other index-linked products are excluded since SPIVA is meant to be a scorecard for active managers.

The subsequent pages feature year-end 2009 comprehensive, periodic, and publicly available data. Previous SPIVA Scorecards are archived at www.spiva.standardandpoors.com.

Annual Match Ups – No Clear Trends

Often, S&P Indices has written about the lack of consistency in short-term active versus index results. This lack of consistency is highlighted in the table below, which shows the annual match up of active versus index in the marquee U.S. equity category.

| Percentage of U.S. Domestic Equity Funds Outperformed by Benchmarks | | | | | | | | | | | | |
|---|-------------------------|------|------|------|------|------|------|------|------|-------|-------|---------|
| Fund Category | Benchmark Index | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Average |
| All Domestic Funds | S&P Composite 1500 | 40.5 | 54.5 | 59.0 | 47.7 | 51.4 | 44.0 | 67.8 | 48.8 | 64.23 | 41.67 | 52.0 |
| All Large-Cap Funds | S&P 500 | 36.9 | 57.6 | 61.0 | 64.6 | 61.6 | 44.5 | 69.1 | 44.8 | 54.34 | 50.75 | 54.5 |
| All Mid-Cap Funds | S&P MidCap 400 | 78.9 | 67.3 | 70.3 | 56.4 | 61.8 | 76.0 | 46.7 | 46.4 | 74.74 | 57.60 | 63.6 |
| All Small-Cap Funds | S&P SmallCap 600 | 70.7 | 66.4 | 73.6 | 38.8 | 85.0 | 60.5 | 63.6 | 45.0 | 83.77 | 32.22 | 62.0 |
| Large-Cap Growth Funds | S&P 500 Growth | 16.0 | 87.5 | 71.8 | 44.7 | 39.5 | 31.6 | 76.1 | 31.6 | 89.95 | 39.15 | 52.8 |
| Large-Cap Core Funds | S&P 500 | 35.6 | 58.1 | 63.0 | 66.0 | 66.9 | 44.6 | 71.3 | 44.0 | 52.03 | 52.06 | 55.4 |
| Large-Cap Value Funds | S&P 500 Value | 54.5 | 20.6 | 39.4 | 78.5 | 83.2 | 58.8 | 87.7 | 46.3 | 22.17 | 46.24 | 53.7 |
| Mid-Cap Growth Funds | S&P MidCap 400 Growth | 78.4 | 79.0 | 86.9 | 31.7 | 59.6 | 78.5 | 34.8 | 39.3 | 88.95 | 59.60 | 63.7 |
| Mid-Cap Core Funds | S&P MidCap 400 | 72.8 | 70.5 | 64.6 | 50.0 | 51.8 | 72.4 | 35.9 | 64.6 | 62.28 | 68.60 | 61.4 |
| Mid-Cap Value Funds | S&P MidCap 400 Value | 94.8 | 55.8 | 74.3 | 81.9 | 63.6 | 71.8 | 38.4 | 56.1 | 67.06 | 47.83 | 65.2 |
| Small-Cap Growth Funds | S&P SmallCap 600 Growth | 73.0 | 81.3 | 94.2 | 35.3 | 93.6 | 72.2 | 52.1 | 39.4 | 95.50 | 33.49 | 67.0 |
| Small-Cap Core Funds | S&P SmallCap 600 | 66.8 | 65.6 | 75.2 | 33.3 | 82.9 | 61.4 | 62.8 | 51.9 | 82.46 | 34.45 | 61.7 |
| Small-Cap Value Funds | S&P SmallCap 600 Value | 74.4 | 48.7 | 37.5 | 49.3 | 77.5 | 46.0 | 76.7 | 39.8 | 72.55 | 26.27 | 54.9 |

Source: Standard & Poor's 2000-2006, Standard & Poor's, CRSP 2007-2009

Report 1: Percentage of U.S. Equity Funds Outperformed by Benchmarks

| Fund Category | Comparison Index | One Year | Three Year | Five Year |
|---------------------------|----------------------------|----------|------------|-----------|
| All Domestic Equity Funds | S&P Composite 1500 | 41.67 | 54.06 | 60.61 |
| All Large Cap Funds | S&P 500 | 50.75 | 49.41 | 60.80 |
| All Mid Cap Funds | S&P MidCap 400 | 57.60 | 73.68 | 77.17 |
| All Small Cap Funds | S&P SmallCap 600 | 32.22 | 63.21 | 66.60 |
| All Multi Cap Funds | S&P Composite 1500 | 40.06 | 55.89 | 61.86 |
| Large Cap Growth Funds | S&P 500 Growth | 39.15 | 69.05 | 76.89 |
| Large Cap Core Funds | S&P 500 | 52.06 | 49.59 | 65.12 |
| Large Cap Value Funds | S&P 500 Value | 46.24 | 26.36 | 38.76 |
| Mid Cap Growth Funds | S&P MidCap 400 Growth | 59.60 | 81.48 | 80.11 |
| Mid Cap Core Funds | S&P MidCap 400 | 68.60 | 76.19 | 75.73 |
| Mid Cap Value Funds | S&P MidCap 400 Value | 47.83 | 74.42 | 70.24 |
| Small Cap Growth Funds | S&P SmallCap 600 Growth | 33.49 | 75.38 | 77.78 |
| Small Cap Core Funds | S&P SmallCap 600 | 34.45 | 65.30 | 65.50 |
| Small Cap Value Funds | S&P SmallCap 600 Value | 26.27 | 48.39 | 48.81 |
| MultiCap Growth Funds | S&P Composite 1500 Growth | 44.68 | 72.94 | 67.88 |
| MultiCap Core Funds | S&P Composite 1500 | 41.14 | 49.42 | 56.40 |
| MultiCap Value Funds | S&P Composite 1500 Value | 31.25 | 45.27 | 61.59 |
| Real Estate Funds | S&P BMI United States REIT | 35.00 | 52.33 | 57.33 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009. Outperformance is based upon equal weighted fund counts.

Report 2: Survivorship and Style Consistency of U.S. Equity Funds

One Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|------------------------|-----------------------|------------------|-----------------------|
| All Domestic Funds | 2508 | 89.79 | 78.39 |
| All Large Cap Funds | 804 | 90.8 | 83.33 |
| All Mid Cap Funds | 434 | 88.94 | 71.2 |
| All Small Cap Funds | 571 | 87.57 | 78.81 |
| All Multi Cap Funds | 699 | 90.99 | 76.82 |
| Large Cap Growth Funds | 258 | 89.92 | 81.01 |
| Large Cap Blend Funds | 267 | 92.13 | 83.9 |
| Large Cap Value Funds | 279 | 90.32 | 84.95 |
| Mid Cap Growth Funds | 198 | 83.84 | 71.21 |
| Mid Cap Blend Funds | 121 | 93.39 | 78.51 |
| Mid Cap Value Funds | 115 | 93.04 | 63.48 |
| Small Cap Growth Funds | 215 | 86.51 | 80 |
| Small Cap Blend Funds | 238 | 87.82 | 80.25 |
| Small Cap Value Funds | 118 | 88.98 | 73.73 |
| Multi Cap Growth Funds | 188 | 87.77 | 64.36 |
| Multi Cap Core Funds | 367 | 92.37 | 82.56 |
| Multi Cap Value Funds | 144 | 91.67 | 78.47 |
| Real Estate Funds | 120 | 91.67 | 91.67 |

Three Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|------------------------|-----------------------|------------------|-----------------------|
| All Domestic Funds | 2229 | 79.9 | 62.9 |
| All Large Cap Funds | 676 | 78.25 | 67.6 |
| All Mid Cap Funds | 380 | 81.05 | 58.95 |
| All Small Cap Funds | 511 | 80.04 | 67.51 |
| All Multi Cap Funds | 662 | 80.82 | 56.8 |
| Large Cap Growth Funds | 210 | 73.81 | 66.67 |
| Large Cap Blend Funds | 246 | 75.61 | 60.16 |
| Large Cap Value Funds | 220 | 85.45 | 76.82 |
| Mid Cap Growth Funds | 189 | 75.13 | 59.26 |
| Mid Cap Blend Funds | 105 | 85.71 | 60.95 |
| Mid Cap Value Funds | 86 | 88.37 | 55.81 |
| Small Cap Growth Funds | 199 | 74.37 | 66.33 |
| Small Cap Blend Funds | 219 | 83.11 | 70.32 |
| Small Cap Value Funds | 93 | 84.95 | 63.44 |
| Multi Cap Growth Funds | 170 | 77.65 | 46.47 |
| Multi Cap Core Funds | 344 | 83.14 | 63.66 |
| Multi Cap Value Funds | 148 | 79.05 | 52.7 |
| Real Estate Funds | 86 | 89.53 | 89.53 |

Data: S&P Indices, CRSP. For periods ending December 31, 2009.

Report continues in next page

Report 2: Survivorship and Style Consistency of U.S. Equity Funds

Five Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|------------------------|-----------------------|------------------|-----------------------|
| All Domestic Funds | 2153 | 71.02 | 51.83 |
| All Large Cap Funds | 722 | 65.24 | 52.49 |
| All Mid Cap Funds | 368 | 74.18 | 51.09 |
| All Small Cap Funds | 473 | 74.00 | 58.99 |
| All Multi Cap Funds | 590 | 73.73 | 45.76 |
| Large Cap Growth Funds | 212 | 61.79 | 54.72 |
| Large Cap Blend Funds | 301 | 59.14 | 41.53 |
| Large Cap Value Funds | 209 | 77.51 | 66.03 |
| Mid Cap Growth Funds | 181 | 67.96 | 53.04 |
| Mid Cap Blend Funds | 103 | 75.73 | 47.57 |
| Mid Cap Value Funds | 84 | 85.71 | 51.19 |
| Small Cap Growth Funds | 189 | 67.72 | 58.73 |
| Small Cap Blend Funds | 200 | 76.00 | 60.50 |
| Small Cap Value Funds | 84 | 83.33 | 55.95 |
| Multi Cap Growth Funds | 137 | 67.88 | 42.34 |
| Multi Cap Core Funds | 289 | 75.78 | 50.52 |
| Multi Cap Value Funds | 164 | 75.00 | 40.24 |
| Real Estate Funds | 75 | 82.67 | 81.33 |

Data: S&P Indices, CRSP. For periods ending December 31, 2009.

| Report 3: Average U.S. Equity Fund Performance (Equal Weighted) | | | |
|--|---------------------|----------------------------------|---------------------------------|
| Category | One Year (%) | Three Year (Annualized %) | Five Year (Annualized %) |
| S&P Composite 1500 | 27.23 | -5.30 | 0.69 |
| All Domestic Funds | 32.02 | -4.69 | 0.79 |
| S&P 500 | 26.45 | -5.63 | 0.41 |
| All LargeCap Funds | 28.40 | -4.70 | 0.49 |
| S&P MidCap 400 | 37.40 | -1.83 | 3.28 |
| All MidCap Funds | 37.13 | -3.49 | 1.83 |
| S&P SmallCap 600 | 25.57 | -4.79 | 1.36 |
| All SmallCap Funds | 33.99 | -5.36 | 0.42 |
| S&P Composite 1500 | 27.23 | -5.30 | 0.69 |
| All MultiCap Funds | 31.40 | -4.92 | 0.73 |
| Large Cap | | | |
| S&P 500 Growth | 31.60 | -2.22 | 1.53 |
| LargeCap Growth Funds | 34.77 | -2.91 | 0.61 |
| S&P 500 | 26.45 | -5.63 | 0.41 |
| LargeCap Core Funds | 27.61 | -4.82 | 0.32 |
| S&P 500 Value | 21.18 | -9.10 | -0.81 |
| LargeCap Value Funds | 23.38 | -6.29 | 0.54 |
| Mid Cap | | | |
| S&P MidCap 400 Growth | 41.08 | -0.03 | 3.73 |
| MidCap Growth Funds | 39.42 | -3.06 | 1.75 |
| S&P MidCap 400 | 37.40 | -1.83 | 3.28 |
| MidCap Core Funds | 34.34 | -4.38 | 1.23 |
| S&P MidCap 400 Value | 33.74 | -3.66 | 2.70 |
| MidCap Value Funds | 36.46 | -3.90 | 2.33 |
| Small Cap | | | |
| S&P SmallCap 600 Growth | 28.33 | -3.14 | 1.87 |
| SmallCap Growth Funds | 36.02 | -4.88 | 0.14 |
| S&P SmallCap 600 | 25.57 | -4.79 | 1.36 |
| SmallCap Core Funds | 32.83 | -5.93 | 0.33 |
| S&P SmallCap 600 Value | 22.86 | -6.47 | 0.76 |
| SmallCap Value Funds | 32.28 | -5.40 | 1.00 |
| Multi Cap | | | |
| S&P Composite 1500 Growth | 32.14 | -2.09 | 1.25 |
| MultiCap Growth Funds | 34.98 | -3.42 | 1.08 |
| S&P Composite 1500 | 27.23 | -5.30 | 0.69 |
| MultiCap Core Funds | 30.51 | -4.66 | 0.77 |
| S&P Composite 1500 Value | 22.20 | -8.56 | 0.02 |
| MultiCap Value Funds | 28.84 | -7.47 | -0.20 |
| Real Estate | | | |
| S&P BMI U.S. REIT | 28.61 | -12.91 | 0.16 |
| Real Estate Funds | 34.80 | -12.45 | 0.03 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009.

| Report 4: Average U.S. Equity Fund Performance (Asset Weighted) | | | |
|--|---------------------|----------------------------------|---------------------------------|
| Category | One Year (%) | Three Year (Annualized %) | Five Year (Annualized %) |
| S&P Composite 1500 | 27.23 | -5.30 | 0.69 |
| All Domestic Funds | 32.24 | -4.16 | 1.46 |
| Large Cap | | | |
| S&P 500 | 26.45 | -5.63 | 0.41 |
| All LargeCap Funds | 28.88 | -4.78 | 0.75 |
| Mid Cap | | | |
| S&P MidCap 400 | 37.40 | -1.83 | 3.28 |
| All MidCap Funds | 38.78 | -2.96 | 2.67 |
| Small Cap | | | |
| S&P SmallCap 600 | 25.57 | -4.79 | 1.36 |
| All SmallCap Funds | 34.10 | -4.08 | 1.50 |
| Multi Cap | | | |
| S&P Composite 1500 | 27.23 | -5.3 | 0.69 |
| All MultiCap Funds | 34.31 | -3.85 | 1.93 |
| Large Cap Growth | | | |
| S&P 500 Growth | 31.60 | -2.22 | 1.53 |
| LargeCap Growth Funds | 36.56 | -3.19 | 0.46 |
| Large Cap Core | | | |
| S&P 500 | 26.45 | -5.63 | 0.41 |
| LargeCap Core Funds | 28.08 | -5.42 | -0.02 |
| Large Cap Value | | | |
| S&P 500 Value | 21.18 | -9.1 | -0.81 |
| LargeCap Value Funds | 24.83 | -5.46 | 1.02 |
| Mid Cap Growth | | | |
| S&P MidCap 400 Growth | 41.08 | -0.03 | 3.73 |
| MidCap Growth Funds | 41.10 | -1.54 | 3.30 |
| Mid Cap Core | | | |
| S&P MidCap 400 | 37.40 | -1.83 | 3.28 |
| MidCap Core Funds | 38.08 | -3.25 | 2.59 |
| Mid Cap Value | | | |
| S&P MidCap 400 Value | 33.74 | -3.66 | 2.70 |
| MidCap Value Funds | 36.92 | -4.04 | 2.15 |
| Small Cap Growth | | | |
| S&P SmallCap 600 Growth | 28.33 | -3.14 | 1.87 |
| SmallCap Growth Funds | 38.02 | -3.38 | 1.30 |
| Small Cap Core | | | |
| S&P SmallCap 600 | 25.57 | -4.79 | 1.36 |
| SmallCap Core Funds | 32.32 | -4.4 | 1.55 |
| Small Cap Value | | | |
| S&P SmallCap 600 Value | 22.86 | -6.47 | 0.76 |
| SmallCap Value Funds | 32.29 | -4.74 | 1.54 |
| Multi Cap Growth | | | |
| S&P Composite 1500 Growth | 32.14 | -2.09 | 1.25 |
| MultiCap Growth Funds | 36.55 | -2.84 | 2.62 |
| Multi Cap Core | | | |
| S&P Composite 1500 | 27.23 | -5.3 | 0.69 |
| MultiCap Core Funds | 34.31 | -3.74 | 1.72 |
| Multi Cap Value | | | |
| S&P Composite 1500 Value | 22.20 | -8.56 | 0.02 |
| MultiCap Value Funds | 28.14 | -7.13 | 0.11 |
| Real Estate | | | |
| S&P BMI U.S. REIT | 28.61 | -12.91 | 0.16 |
| Real Estate Funds | 34.68 | -11.84 | 0.73 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009.

Report 5: Quartile Breakpoints of U.S. Equity Funds

One Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|------------------------|----------------|-----------------|----------------|
| Large Cap Growth Funds | 29.39 | 35.22 | 41.16 |
| Large Cap Core Funds | 22.44 | 26.69 | 31.07 |
| Large Cap Value Funds | 18.85 | 22.70 | 26.89 |
| Mid Cap Growth Funds | 32.31 | 40.74 | 46.85 |
| Mid Cap Core Funds | 28.73 | 34.18 | 39.19 |
| Mid Cap Value Funds | 29.36 | 34.84 | 41.00 |
| Small Cap Growth Funds | 28.86 | 35.33 | 44.14 |
| Small Cap Core Funds | 25.39 | 30.49 | 39.22 |
| Small Cap Value Funds | 24.77 | 29.98 | 36.04 |
| Multi Cap Growth Funds | 29.44 | 35.04 | 42.53 |
| Multi Cap Core Funds | 24.51 | 29.82 | 34.49 |
| Multi Cap Value Funds | 22.09 | 26.99 | 33.42 |
| Real Estate Funds | 28.17 | 31.96 | 36.21 |

Three Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|------------------------|----------------|-----------------|----------------|
| Large Cap Growth Funds | -3.96 | -2.57 | -0.46 |
| Large Cap Core Funds | -6.27 | -4.70 | -3.06 |
| Large Cap Value Funds | -7.99 | -6.05 | -4.21 |
| Mid Cap Growth Funds | -5.23 | -2.49 | -0.06 |
| Mid Cap Core Funds | -6.68 | -3.82 | -1.56 |
| Mid Cap Value Funds | -6.85 | -4.85 | -3.23 |
| Small Cap Growth Funds | -6.92 | -4.42 | -2.53 |
| Small Cap Core Funds | -7.99 | -5.82 | -2.88 |
| Small Cap Value Funds | -8.56 | -5.31 | -2.72 |
| Multi Cap Growth Funds | -5.63 | -3.48 | -0.92 |
| Multi Cap Core Funds | -6.30 | -4.63 | -2.50 |
| Multi Cap Value Funds | -8.96 | -7.40 | -5.44 |
| Real Estate Funds | -14.53 | -12.60 | -11.09 |

Five Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|------------------------|----------------|-----------------|----------------|
| Large Cap Growth Funds | -0.14 | 0.88 | 2.38 |
| Large Cap Core Funds | -0.30 | 0.79 | 1.57 |
| Large Cap Value Funds | -0.44 | 0.74 | 2.23 |
| Mid Cap Growth Funds | 0.32 | 2.20 | 4.08 |
| Mid Cap Core Funds | -0.17 | 2.55 | 3.58 |
| Mid Cap Value Funds | -0.09 | 1.56 | 3.38 |
| Small Cap Growth Funds | -1.33 | 0.77 | 2.36 |
| Small Cap Core Funds | -1.02 | 0.89 | 3.05 |
| Small Cap Value Funds | -0.60 | 1.58 | 2.85 |
| Multi Cap Growth Funds | -0.34 | 1.05 | 3.27 |
| Multi Cap Core Funds | -0.09 | 1.13 | 2.18 |
| Multi Cap Value Funds | -1.14 | 0.11 | 1.74 |
| Real Estate Funds | -1.37 | 0.29 | 0.98 |

Source: S&P Indices, CRSP. All data as of December 31, 2009

Report 6: Percentage of International Equity Funds Outperformed by Benchmarks

| Fund Category | Comparison Index | One Year | Three Year | Five Year |
|-------------------------------|----------------------------|----------|------------|-----------|
| Global Funds | S&P Global 1200 | 54.55 | 53.85 | 60.00 |
| International Funds | S&P 700 | 71.59 | 84.14 | 88.60 |
| International Small Cap Funds | S&P World Ex-U.S. SmallCap | 43.08 | 26.00 | 26.67 |
| Emerging Markets Funds | S&P/IFCI Composite | 68.42 | 86.49 | 89.55 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009. Outperformance is based upon equal weighted fund counts.

Report 7: Survivorship and Style Consistency of International Equity Funds**One Year**

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|-------------------------------|-----------------------|------------------|-----------------------|
| Global Funds | 165 | 89.09 | 88.48 |
| International Funds | 352 | 93.18 | 93.18 |
| International Small Cap Funds | 65 | 89.23 | 80 |
| Emerging Markets Funds | 114 | 98.25 | 98.25 |

Three Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|-------------------------------|-----------------------|------------------|-----------------------|
| Global Funds | 117 | 81.20 | 80.34 |
| International Funds | 290 | 84.14 | 83.45 |
| International Small Cap Funds | 50 | 88.00 | 74.00 |
| Emerging Markets Funds | 74 | 93.24 | 93.24 |

Five Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|-------------------------------|-----------------------|------------------|-----------------------|
| Global Funds | 100 | 77.00 | 75.00 |
| International Funds | 272 | 76.84 | 76.47 |
| International Small Cap Funds | 45 | 86.67 | 71.11 |
| Emerging Markets Funds | 67 | 88.06 | 88.06 |

Data: S&P Indices, CRSP. For periods ending December 31, 2009.

| Report 8: Average International Equity Fund Performance (Equal Weighted) | | | |
|---|---------------------|----------------------------------|---------------------------------|
| Category | One Year (%) | Three Year (Annualized %) | Five Year (Annualized %) |
| S&P Global 1200 | 31.69 | -4.56 | 3.08 |
| Global Funds | 33.76 | -4.08 | 3.03 |
| S&P 700 | 36.6 | -3.49 | 5.91 |
| International Funds | 32.65 | -5.70 | 3.77 |
| S&P World Ex-U.S. SmallCap | 40.97 | -9.01 | 2.65 |
| International Small Cap Funds | 48.3 | -5.22 | 5.87 |
| S&P/IFCI Composite | 81.01 | 5.52 | 16.50 |
| Emerging Markets Funds | 75.45 | 2.04 | 13.59 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009.

| Report 9: Average International Equity Fund Performance (Asset Weighted) | | | |
|---|---------------------|----------------------------------|---------------------------------|
| Category | One Year (%) | Three Year (Annualized %) | Five Year (Annualized %) |
| S&P Global 1200 | 31.69 | -4.56 | 3.08 |
| Global Funds | 31.98 | -2.30 | 4.77 |
| S&P 700 | 36.60 | -3.49 | 5.91 |
| International Funds | 35.21 | -4.29 | 4.92 |
| S&P World Ex-U.S. SmallCap | 40.97 | -9.01 | 2.65 |
| International Small Cap Funds | 44.25 | -3.08 | 7.00 |
| S&P/IFCI Composite | 81.01 | 5.52 | 16.50 |
| Emerging Markets Funds | 72.08 | 3.13 | 14.00 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009.

Report 10: Quartile Breakpoints of International Equity Funds

One Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|-------------------------------|----------------|-----------------|----------------|
| Global Funds | 26.7 | 31.96 | 38.31 |
| International Funds | 26.23 | 31.79 | 38.29 |
| International Small Cap Funds | 37.37 | 46.16 | 57.8 |
| Emerging Markets Funds | 68.39 | 75 | 83.53 |

Three Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|-------------------------------|----------------|-----------------|----------------|
| Global Funds | -6.90 | -4.20 | -1.86 |
| International Funds | -7.40 | -5.75 | -4.12 |
| International Small Cap Funds | -6.72 | -4.90 | -3.18 |
| Emerging Markets Funds | 0.52 | 2.02 | 3.82 |

Five Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|-------------------------------|----------------|-----------------|----------------|
| Global Funds | 0.86 | 3.27 | 4.83 |
| International Funds | 2.28 | 3.64 | 5.13 |
| International Small Cap Funds | 4.01 | 5.62 | 7.75 |
| Emerging Markets Funds | 12.15 | 13.52 | 14.32 |

Source: S&P Indices, CRSP. All data as of December 31, 2009

Report 11: Percentage of Fixed Income Funds Outperformed by Benchmarks

| Fund Category | Comparison Index | One Year | Three Year | Five Year |
|-------------------------------------|---|----------|------------|-----------|
| Government Long Funds | Barclays Long Government | 7.27 | 61.22 | 72.34 |
| Government Intermediate Funds | Barclays Intermediate Government | 8.70 | 68.63 | 70.59 |
| Government Short Funds | Barclays 1-3 Year Government | 20.45 | 71.74 | 73.81 |
| Investment-Grade Long Funds | Barclays Long Government/Credit | 8.91 | 62.24 | 74.76 |
| Investment-Grade Intermediate Funds | Barclays Intermediate Government/Credit | 14.63 | 72.55 | 71.12 |
| Investment-Grade Short Funds | Barclays 1-3 Year Government/Credit | 67.42 | 97.50 | 96.83 |
| High Yield Funds | Barclays High Yield | 90.20 | 91.30 | 95.20 |
| Mortgage-Backed Securities Funds | Barclays Mortgage-Backed Securities | 35.19 | 92.16 | 92.45 |
| Global Income Funds | Barclays Global Aggregate | 29.89 | 69.49 | 70.83 |
| Emerging Markets Debt Funds | Barclays Emerging Markets | 48.28 | 63.16 | 50.00 |
| General Municipal Debt Funds | S&P National AMT-Free Municipal Bond | 28.41 | 80.00 | 88.89 |
| California Municipal Debt Funds | S&P California AMT-Free Municipal Bond | 19.05 | 90.24 | 100.00 |
| New York Municipal Debt Funds | S&P New York AMT-Free Municipal Bond | 33.33 | 94.44 | 97.22 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009. Outperformance is based upon equal weighted fund counts.

Report 12: Survivorship and Style Consistency of Fixed Income Funds

One Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|-------------------------------------|-----------------------|------------------|-----------------------|
| Government Long Funds | 55 | 96.36 | 96.36 |
| Government Intermediate Funds | 46 | 97.83 | 95.65 |
| Government Short Funds | 44 | 97.73 | 97.73 |
| | | | |
| Investment-Grade Long Funds | 101 | 94.06 | 92.08 |
| Investment-Grade Intermediate Funds | 246 | 91.46 | 91.06 |
| Investment-Grade Short Funds | 89 | 92.13 | 92.13 |
| | | | |
| High Yield Funds | 153 | 93.46 | 93.46 |
| | | | |
| Mortgage-Backed Securities Funds | 54 | 98.15 | 98.15 |
| | | | |
| Global Income Funds | 87 | 94.25 | 94.25 |
| Emerging Markets Debt Funds | 29 | 96.55 | 96.55 |
| | | | |
| General Municipal Debt Funds | 88 | 97.73 | 97.73 |
| California Municipal Debt Funds | 42 | 90.48 | 90.48 |
| New York Municipal Debt Funds | 36 | 94.44 | 94.44 |

Three Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|-------------------------------------|-----------------------|------------------|-----------------------|
| Government Long Funds | 49 | 91.84 | 85.71 |
| Government Intermediate Funds | 51 | 92.16 | 82.35 |
| Government Short Funds | 46 | 93.48 | 93.48 |
| | | | |
| Investment-Grade Long Funds | 98 | 84.69 | 72.45 |
| Investment-Grade Intermediate Funds | 204 | 84.31 | 83.33 |
| Investment-Grade Short Funds | 80 | 87.50 | 87.50 |
| | | | |
| High Yield Funds | 138 | 88.41 | 86.96 |
| | | | |
| Mortgage-Backed Securities Funds | 51 | 96.08 | 96.08 |
| | | | |
| Global Income Funds | 59 | 96.61 | 89.83 |
| Emerging Markets Debt Funds | 19 | 94.74 | 89.47 |
| | | | |
| General Municipal Debt Funds | 85 | 92.94 | 92.94 |
| California Municipal Debt Funds | 41 | 92.68 | 92.68 |
| New York Municipal Debt Funds | 36 | 94.44 | 94.44 |

Five Year

| Fund Category | No. of Funds at Start | Survivorship (%) | Style Consistency (%) |
|-------------------------------------|-----------------------|------------------|-----------------------|
| Government Long Funds | 47 | 93.62 | 82.98 |
| Government Intermediate Funds | 51 | 90.20 | 74.51 |
| Government Short Funds | 42 | 92.86 | 85.71 |
| | | | |
| Investment-Grade Long Funds | 103 | 86.41 | 65.05 |
| Investment-Grade Intermediate Funds | 187 | 83.96 | 80.75 |
| Investment-Grade Short Funds | 63 | 88.89 | 87.30 |
| | | | |
| High Yield Funds | 125 | 88.80 | 88.00 |
| | | | |
| Mortgage-Backed Securities Funds | 53 | 96.23 | 90.57 |
| | | | |
| Global Income Funds | 48 | 97.92 | 91.67 |
| Emerging Markets Debt Funds | 16 | 100.00 | 93.75 |
| | | | |
| General Municipal Debt Funds | 81 | 92.59 | 92.59 |
| California Municipal Debt Funds | 40 | 92.50 | 92.50 |
| New York Municipal Debt Funds | 36 | 94.44 | 94.44 |

Data: S&P Indices, CRSP. For periods ending December 31, 2009.

| Report 13: Average Fixed Income Fund Performance (Equal Weighted) | | | |
|--|---------------------|----------------------------------|---------------------------------|
| Category | One Year (%) | Three Year (Annualized %) | Five Year (Annualized %) |
| Barclays Long Government | -12.18 | 5.71 | 5.15 |
| Government Long Funds | 2.46 | 5.36 | 4.42 |
| Barclays Intermediate Government | -0.33 | 6.08 | 4.74 |
| Government Intermediate Funds | 3.41 | 5.31 | 4.25 |
| Barclays 1-3 Year Government | 1.42 | 5.03 | 4.18 |
| Government Short Funds | 3.61 | 4.3 | 3.71 |
| Barclays Long Government/Credit | 1.92 | 5.62 | 4.98 |
| Investment-Grade Long Funds | 15.90 | 4.92 | 4.32 |
| Barclays Intermediate Government/Credit | 5.24 | 5.9 | 4.66 |
| Investment-Grade Intermediate Funds | 12.38 | 4.50 | 3.91 |
| Barclays 1-3 Year Government/Credit | 11.59 | 5.85 | 4.81 |
| Investment-Grade Short Funds | 9.38 | 2.29 | 2.64 |
| Barclays High Yield | 58.18 | 5.97 | 6.46 |
| High Yield Funds | 44.81 | 3.30 | 4.56 |
| Barclays Mortgage-Backed Securities | 5.88 | 7.04 | 5.77 |
| Mortgage-Backed Securities Funds | 7.86 | 4.74 | 4.17 |
| Barclays Global Aggregate | 6.94 | 7.05 | 4.56 |
| Global Income Funds | 13.57 | 5.77 | 3.96 |
| Barclays Emerging Markets | 34.23 | 6.36 | 8.23 |
| Emerging Markets Debt Funds | 34.94 | 5.39 | 7.97 |
| S&P National AMT-Free Municipal Bond | 12.21 | 4 | 4.18 |
| General Municipal Debt Funds | 16.32 | 2.82 | 3.31 |
| S&P California AMT-Free Municipal Bond | 10.35 | 3.45 | 3.94 |
| California Municipal Debt Funds | 16.64 | 2.02 | 2.99 |
| S&P New York AMT-Free Municipal Bond | 12.87 | 4.35 | 4.36 |
| New York Municipal Debt Funds | 16.42 | 3.08 | 3.46 |

Source: S&P Indices, CRSP. For periods ending December 31, 2009.

| Report 14: Average Fixed Income Fund Performance (Asset Weighted) | | | |
|--|---------------------|----------------------------------|---------------------------------|
| Category | One Year (%) | Three Year (Annualized %) | Five Year (Annualized %) |
| Barclays Long Government | -12.18 | 5.71 | 5.15 |
| Government Long Funds | 4.85 | 6.01 | 4.67 |
| Barclays Intermediate Government | -0.33 | 6.08 | 4.74 |
| Government Intermediate Funds | 5.66 | 5.74 | 4.53 |
| Barclays 1-3 Year Government | 1.42 | 5.03 | 4.18 |
| Government Short Funds | 8.03 | 5.58 | 4.13 |
| Barclays Long Government/Credit | 1.92 | 5.62 | 4.98 |
| Investment-Grade Long Funds | 17.85 | 3.73 | 3.78 |
| Barclays Intermediate Government/Credit | 5.24 | 5.9 | 4.66 |
| Investment-Grade Intermediate Funds | 14.22 | 6.12 | 4.98 |
| Barclays 1-3 Year Government/Credit | 11.59 | 5.85 | 4.81 |
| Investment-Grade Short Funds | 12.19 | 3.38 | 3.29 |
| Barclays High Yield | 58.18 | 5.97 | 6.46 |
| High Yield Funds | 46.17 | 3.16 | 4.51 |
| Barclays Mortgage-Backed Securities | 5.88 | 7.04 | 5.77 |
| Mortgage-Backed Securities Funds | 7.46 | 6.03 | 4.98 |
| Barclays Global Aggregate | 6.94 | 7.05 | 4.56 |
| Global Income Funds | 13.8 | 7.26 | 5.25 |
| Barclays Emerging Markets | 34.23 | 6.36 | 8.23 |
| Emerging Markets Debt Funds | 34.71 | 5.61 | 8.32 |
| S&P National Municipal Bond | 12.21 | 4 | 4.18 |
| General Municipal Debt Funds | 18.32 | 2.62 | 3.36 |
| S&P California Municipal Bond | 10.35 | 3.45 | 3.94 |
| California Municipal Debt Funds | 17.4 | 1.96 | 3.11 |
| S&P New York Municipal Bond | 12.87 | 4.35 | 4.36 |
| New York Municipal Debt Funds | 23.71 | 2.19 | 3.45 |

Source: S&P Indicess, CRSP. For periods ending December 31, 2009.

Report 15: Quartile Breakpoints of Fixed Income Funds

One Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|-------------------------------------|----------------|-----------------|----------------|
| Government Long Funds | -0.65 | 2.07 | 5.44 |
| Government Intermediate Funds | 0.90 | 3.01 | 4.61 |
| Government Short Funds | 1.62 | 2.85 | 4.71 |
| Investment-Grade Long Funds | 9.59 | 14.86 | 21.07 |
| Investment-Grade Intermediate Funds | 7.97 | 12.14 | 16.04 |
| Investment-Grade Short Funds | 6.01 | 9.26 | 12.98 |
| High Yield Funds | 39.00 | 46.53 | 53.76 |
| Mortgage-Backed Securities Funds | 5.61 | 6.48 | 9.57 |
| Global Income Funds | 6.89 | 11.79 | 18.07 |
| Emerging Markets Debt Funds | 28.28 | 35.23 | 43.06 |
| General Municipal Debt Funds | 11.92 | 14.76 | 19.60 |
| California Municipal Debt Funds | 12.32 | 15.12 | 18.76 |
| New York Municipal Debt Funds | 12.62 | 15.12 | 17.11 |

Three Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|-------------------------------------|----------------|-----------------|----------------|
| Government Long Funds | 4.94 | 5.59 | 6.54 |
| Government Intermediate Funds | 5.18 | 5.75 | 6.26 |
| Government Short Funds | 3.90 | 4.58 | 5.19 |
| Investment-Grade Long Funds | 4.28 | 5.31 | 6.38 |
| Investment-Grade Intermediate Funds | 3.98 | 5.30 | 6.35 |
| Investment-Grade Short Funds | 1.81 | 3.92 | 4.71 |
| High Yield Funds | 2.97 | 3.90 | 4.99 |
| Mortgage-Backed Securities Funds | 4.89 | 6.02 | 6.45 |
| Global Income Funds | 4.50 | 6.09 | 7.62 |
| Emerging Markets Debt Funds | 5.38 | 5.88 | 7.40 |
| General Municipal Debt Funds | 2.16 | 3.25 | 3.93 |
| California Municipal Debt Funds | 1.91 | 2.62 | 3.16 |
| New York Municipal Debt Funds | 2.74 | 3.33 | 3.97 |

Five Year

| Fund Category | Third Quartile | Second Quartile | First Quartile |
|-------------------------------------|----------------|-----------------|----------------|
| Government Long Funds | 3.9 | 4.5 | 5.2 |
| Government Intermediate Funds | 4.2 | 4.5 | 4.8 |
| Government Short Funds | 3.5 | 3.8 | 4.2 |
| Investment-Grade Long Funds | 3.6 | 4.5 | 5.2 |
| Investment-Grade Intermediate Funds | 3.7 | 4.4 | 4.9 |
| Investment-Grade Short Funds | 2.4 | 3.7 | 4.1 |
| High Yield Funds | 4.2 | 4.9 | 5.6 |
| Mortgage-Backed Securities Funds | 3.9 | 4.9 | 5.2 |
| Global Income Funds | 3.2 | 4.2 | 4.9 |
| Emerging Markets Debt Funds | 7.8 | 8.5 | 9.0 |
| General Municipal Debt Funds | 2.9 | 3.6 | 3.9 |
| California Municipal Debt Funds | 2.9 | 3.3 | 3.5 |
| New York Municipal Debt Funds | 3.0 | 3.5 | 3.8 |

Source: S&P Indices, CRSP. All data as of December 31, 2009

Appendix A

SPIVA Styles and Lipper Fund Classifications

The CRSP Survivor-Bias-Free U.S. Mutual Fund Database is the only complete database of both active and liquidated/merged mutual funds. It was created in 1995 and contains fund data from December 1961. Current and historical data from August 1998 has been supplied by Lipper and Thomson Reuters. The fund classifications are based upon the Lipper fund classification system. SPIVA reports cover domestic equity, global equity, and global fixed income categories.

U.S. Equity

SPIVA covers major capitalization levels (large-, mid-, small-, and multi-cap funds) and investment styles (growth, core, and value). S&P Indices uses the Lipper fund classifications, which determine a fund portfolio's capitalization and investment style assignments.

Lipper assigns a market capitalization for each fund based upon the percentages of a fund's three-year weighted equity assets which fall into each of Lipper's three defined market capitalization slices. The market capitalization breakpoints are calculated using all common stocks, excluding all non-U.S. domiciled stocks and ADRs trading on the NYSE, AMEX and NASDAQ. Funds are assigned to the capitalization level in which they have a 75% or higher weighting. Any fund that has less than 75% of their three-year weighted allocation in any of the three market capitalization ranges is classified as a multi-cap fund.

For investment style selection, the Lipper classification system uses three-year fundamental portfolio characteristics (price/earnings, price/book, and three-year sales-per-share growth) and, if necessary, confirming secondary characteristics (price-to-sales and price-to-operating cash flow). Fund statistics are compared to their relevant S&P capitalization-level index to determine the growth, core or value style.

In some cases, S&P combines closely-related Lipper fund classifications in one SPIVA category. Exhibit 1 maps the SPIVA U.S. Equity fund categories to Lipper classifications.

Exhibit 1

U.S. Equity Category Mappings

| SPIVA Category | Lipper Fund Classification |
|-----------------------|--|
| LargeCap Growth Funds | Large-Cap Growth Funds |
| LargeCap Core Funds | Large-Cap Core Funds |
| LargeCap Value Funds | Large-Cap Value Funds Equity Income Funds |
| | |
| MidCap Growth Funds | Mid-Cap Growth Funds |
| MidCap Core Funds | Mid-Cap Core Funds |
| MidCap Value Funds | Mid-Cap Value Funds |
| | |
| SmallCap Growth Funds | Small-Cap Growth Funds |
| SmallCap Core Funds | Small-Cap Core Funds |
| SmallCap Value Funds | Small-Cap Value Funds |
| | |
| MultiCap Growth Funds | Multi-Cap Growth Funds |
| MultiCap Core Funds | Multi-Cap Core Funds |
| MultiCap Value Funds | Multi-Cap Value Funds |
| | |
| Real Estate Funds | Real Estate Funds |

International Equity

For international equity, SPIVA reports on four major categories (Global, International, International Small-Cap, and Emerging Markets funds) of interest to global asset allocators. These categories also include multiple Lipper capitalization/style classifications.

Exhibit 2

Global Equity Category Mappings

| SPIVA Category | Lipper Fund Classification |
|------------------------------|--|
| Global Funds | Global Large-Cap Growth Funds Global Large-Cap Core Funds Global Large-Cap Value Funds Global Multi-Cap Growth Funds Global Multi-Cap Core Funds Global Multi-Cap Value Funds |
| International Funds | International Large-Cap Growth Funds International Large-Cap Core Funds International Large-Cap Value Funds International Multi-Cap Growth Funds International Multi-Cap Core Funds International Multi-Cap Value Funds |
| International SmallCap Funds | International Small/Mid-Cap Growth Funds International Small/Mid-Cap Core Funds International Small/Mid-Cap Value Funds |
| Emerging Markets Funds | Emerging Markets Funds |

Fixed Income

SPIVA reports on eight domestic, two global, and three municipal fixed income categories. The Lipper domestic fixed income classifications are based upon maturity and credit quality. For maturity, long is 10+ years, intermediate is 5-10 years, short/intermediate is 1-5 years, and short is 1-3.5 years. For credit quality, bonds are assigned to the U.S. Treasury, U.S. Government (includes Government and agency issues), A- or BBB-rated, and High Yield classifications. Lipper also includes U.S. Mortgages and GNMA classifications.

In global fixed income, Lipper differentiates between global (including the U.S.) and international (excluding the U.S.) objectives. For municipal debt funds, S&P includes the general (invests in the top four credit ratings) classification plus two state funds (California and New York).

Exhibit 3

Fixed Income Category Mappings

| SPIVA Category | Lipper Fund Classification |
|-------------------------------------|--|
| Government Long Funds | General U.S. Government Funds General U.S. Treasury Funds |
| Government Intermediate Funds | Intermediate U.S. Government Short-Intermediate U.S. Government |
| Government Short Funds | Short U.S. Government Funds Short U.S. Treasury |
| | |
| Investment-Grade Long Funds | Corporate Debt Funds A Rated Corporate Debt Funds BBB-Rated |
| Investment-Grade Intermediate Funds | Intermediate Investment-Grade Debt Funds Short-Intermediate Investment-Grade Debt Funds |
| Investment-Grade Short Funds | Short Investment-Grade Debt Funds |
| | |
| High Yield Funds | High Current Yield Funds |
| | |
| Mortgage-Backed Securities Funds | U.S. Mortgage Funds GNMA Funds |
| | |
| Global Income Funds | Global Income Funds International Income Funds |
| Emerging Market Debt Funds | Emerging Markets Debt Funds |
| | |
| General Municipal Debt Funds | General Municipal Debt Funds |
| California Municipal Debt Funds | California Municipal Debt Funds |
| New York Municipal Debt Funds | New York Municipal Debt Funds |

Appendix B

Glossary – Reports

- **Percentage of Funds Outperformed by the Index.** To correct for survivorship bias, S&P uses the opportunity set available at the beginning of the period as the denominator. We determine the count of funds that have survived and beat the index. We then report the index outperformance percentage.
- **Survivorship (%).** This measure calculates the percentage of funds from the beginning of the time period that are still active at the end of the time period.
- **Style Consistency (%).** This calculation shows the percentage of funds that had the same style classification at the end of the time period as the beginning of the time period.
- **Equal-Weighted Fund Performance.** Equal-weighted returns for a particular style category in a month are determined by calculating a simple average return of all active funds in that category in that particular month.
- **Asset-Weighted Fund Performance.** Asset-weighted returns for a particular style category in a month are determined by calculating a weighted average return of all funds in that category in that particular month, with each fund's return weighted by its total net assets. Asset-weighted returns are a better indicator of fund category performance measurement because they more accurately reflect the returns of the total money invested in that particular style category.
- **Quartile Breakpoints.** The p^{th} -percentile for a set of data is the value which is greater than or equal to $p\%$ of the data, but is less than or equal to $(100 - p)\%$ of the data. So, it is a value that divides the data into two parts: the lower $p\%$ of the values and the upper $(100-p)\%$ of the values. The first quartile is the 75th percentile, the value separating the elements of a population into the lower 75% and the upper 25%. The second quartile is the 50th percentile and the third quartile is the 25th percentile. For fund category quartiles in a particular time horizon, the data used is the return of the largest share class of the fund net of fees, but excluding loads.
- **Survivorship Bias.** Many funds might liquidate or merge during a period of study. This usually occurs because of continued poor performance by the fund. Therefore, if index returns are compared to fund returns using only surviving funds, the comparison would be biased in favor of the fund category. This report removes this bias by (a) taking all available funds in that particular category as the investment opportunity set, and consequently, the denominator for outperformance calculations; (b) explicitly showing the survivorship rate in each category; and (c) constructing peer average return series for each category based on all available funds at that period of time.
- **Fees.** The fund returns used are net of fees, excluding loads.

Glossary – Indices

- **Indices.**¹ A benchmark index provides an investment vehicle to compare and assess fund performance.

U.S. Equity:

- **S&P 500®.** Widely regarded as the best single gauge of the large-cap U.S. equity market, this market capitalization-weighted index includes a representative sample of 500 leading companies in leading industries of the U.S. economy and provides over 80% coverage of U.S. equities.
- **S&P MidCap 400®.** This index consists of 400 mid-sized companies and covers approximately 7% of the U.S. equity market.
- **S&P SmallCap 600®.** This index consists of 600 small-cap stocks and covers approximately 3% of the U.S. equity market.
- **S&P Composite 1500.** This is a broad market, capitalization-weighted index of 1500 stocks. This index is comprised of three size-based indices: the S&P 500, the S&P MidCap 400, and the S&P SmallCap 600, which measure the performance of large-, mid-, and small-cap stocks respectively. This index represents 90% of U.S. equities.
- **S&P 500 Growth and Value Indices.** These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P 500. Constituents, weighted according to market capitalization, are classified as growth, value, or a mix of growth and value.
- **S&P MidCap 400 Growth and Value Indices.** These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P MidCap 400.
- **S&P SmallCap 600 Growth and Value Indices.** These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P SmallCap 600.
- **S&P Composite 1500 Growth and Value Indices.** These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P Composite 1500.
- **S&P U.S. REIT Index.** This index measures the investable universe of publicly traded real estate investment trusts.

¹ For more information on S&P Indices, please visit www.indices.standardandpoors.com.

International Equity

- **S&P Global 1200.** This index captures approximately 70% of the world's capital markets, and is a composite of seven headline indices, many of which are accepted leaders in their regions. It includes the S&P 500 (United States), S&P Europe 350 (Europe), S&P/Topix 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50 (Australia), S&P Asia 50 (Asia Ex-Japan), and the S&P Latin America 40 (Latin America).
- **S&P 700.** This index measures the non-United States component of the global equity markets. The index covers all of the regions included in the S&P Global 1200 except for the United States (S&P 500).
- **S&P Developed Ex-U.S. SmallCap.** This index represents the small-cap segment, the bottom 15%, of the world's universe of institutionally investable securities excluding the U.S.
- **S&P/IFCI.** This index is widely recognized as a comprehensive and reliable measure of the world's emerging markets. It measures the returns of stocks that are legally and practically available to foreign investors.

Fixed Income²

- **Barclays Capital Long Government Bond Index.** This index consists of U.S. Treasury and U.S. Government agency bonds with maturities greater than 10 years.
- **Barclays Capital Intermediate Government Bond Index.** This index consists of U.S. Treasury and U.S. Government agency bonds with maturities from 1 to 10 years.
- **Barclays Capital 1-3 Year Government Bond Index.** This index consists of U.S. Treasury and U.S. Government agency bonds with maturities from 1 to 3 years.
- **Barclays Capital Long Government/Credit Bond Index.** This index covers corporate and non-corporate fixed income securities that are rated investment grade, and have maturities greater than 10 years.
- **Barclays Capital Intermediate Government/Credit Bond Index.** This index covers corporate and non-corporate fixed income securities that are rated investment grade with maturities from 1 to 10 years.
- **Barclays Capital 1-3 Year Government/Credit Bond Index.** This index covers corporate and non-corporate fixed income securities that are rated investment grade and have 1-3 years to final maturity.

² Barclays Capital Fixed Income Indices were formerly the Lehman Brothers Indices

- **Barclays Capital High Yield Bond Index.** This index includes all fixed income securities with a maximum quality rating of Ba1/BB+ (including defaulted issues), a minimum amount outstanding of \$100 million, and at least 1 year to maturity.
- **Barclays Capital Brothers Mortgage-Backed Securities Index.** This index includes 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA).
- **Barclays Capital Global Aggregate Bond Index.** This index covers the most liquid portion of the global investment grade fixed-rate bond market, including government, credit, and collateralized securities.
- **Barclays Capital Emerging Markets Index.** This index includes fixed and floating rate USD-denominated debt from emerging markets.
- **S&P National AMT-Free Municipal Bond Index.** This index is a broad, comprehensive, market value-weighted index designed to measure the performance of the investment-grade U.S. municipal bonds that are exempt from the Alternative Minimum Tax.
- **S&P California AMT-Free Municipal Bond Index.** This index is designed to measure the performance of the investment-grade California municipal bonds that are exempt from the Alternative Minimum Tax.
- **S&P New York AMT-Free Municipal Bond Index.** This index is designed to measure the performance of the investment-grade bonds that are exempt from the Alternative Minimum Tax.

For more information, please visit www.spiva.standardandpoors.com.

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