

## Standard & Poor's Indices Versus Active Funds Scorecard (SPIVA<sup>®</sup>)

### Summary

- The Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard provides performance comparisons corrected for survivorship bias, equal- and asset-weighted peer averages and measures of style consistency for actively managed U.S. equity, international equity and fixed income mutual funds.
- Underlying data is obtained from the CRSP Survivor-Bias-Free U.S. Mutual Fund Database. To accommodate CRSP release schedules, the SPIVA Scorecard is now published semiannually with a six- to eight-week lag.
- Over the past three years, which can be characterized by volatile market conditions, 63.96% of actively managed large-cap funds were outperformed by the S&P 500<sup>®</sup>, 75.07% of mid-cap funds were outperformed by the S&P MidCap 400<sup>®</sup> and 63.08% of the small-cap funds were outperformed by the S&P SmallCap 600<sup>®</sup>.
- Among international equity categories, 57.04% of global funds, 64.62% of international funds and 80.77% of emerging markets funds were outperformed by benchmarks over the past three years. A large percentage of international small-cap funds, on the other hand, continue to outperform benchmarks, suggesting that active management opportunities are still present in this space.
- The latest five-year data for domestic equity funds can be interpreted favorably by proponents of passive management. Indices have outperformed a majority of active managers in nearly all major domestic and international equity categories. In addition, five-year asset-weighted averages suggest that active managers have fallen behind benchmarks in 11 out of 18 domestic fund categories.
- The five-year results are similarly unfavorable for actively managed fixed income funds. With the exception of emerging market debt, over 50% of active managers failed to beat benchmarks. While five-year asset-weighted average returns are lower for active funds in all but four categories, equal-weighted average returns over the same investment horizon lag behind in every category.
- Over the past three years, approximately 16% of domestic equity funds, 14% of international equity funds and 12% of fixed income funds merged or liquidated.

**Frank Luo**  
Senior Director  
Global Research & Design  
212.438.5057  
frank\_luo@sandp.com

**Aye Soe**  
Director  
Global Research & Design  
212.438.1677  
aye\_soe@sandp.com

**S&P**  
**INDICES**

## A Unique Scorecard for the Active Versus Passive Debate

The Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard presents the performance of actively managed mutual funds as compared to relevant benchmark indices. Covering U.S. equity, international equity and fixed income categories, the popularity of SPIVA 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 other commonly available comparison reports, SPIVA accounts for the entire opportunity set – not just the survivors – thereby eliminating 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.\* SPIVA Scorecards avoid this pitfall by measuring a fund's returns against the returns of a benchmark appropriate for that particular investment category.
- **Asset-weighted returns:** Average returns for a fund group are often calculated using only equal weighting, which 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. An 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 Scorecards show both equal- and asset-weighted averages.
- **Style consistency:** SPIVA measures style consistency for each style category across different time horizons. Style consistency is an important metric because style drift (the tendency of funds to diverge from their initial investment categorization) can have an impact on asset allocation decisions.
- **Data Cleaning:** SPIVA avoids double counting multiple share classes in all count-based calculations, using only the share class with greater assets. Since this is meant to be a scorecard for active managers, index funds, leveraged and inverse funds and other index-linked products are excluded.

The SPIVA Scorecard offers the only comprehensive, periodic and publicly available source of such data. Previous reports are available at [www.spiva.standardandpoors.com](http://www.spiva.standardandpoors.com).

\* It is not possible to invest directly in an index. Indices are statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance.

<b>Report 1: Percentage of U.S. Equity Funds Outperformed by Benchmarks</b>				
<b>Fund Category</b>	<b>Comparison Index</b>	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>
All Domestic Equity Funds	S&P Composite 1500	48.99	55.16	58.27
All Large Cap Funds	S&P 500	60.47	63.96	61.28
All Mid Cap Funds	S&P MidCap 400	66.67	75.07	78.81
All Small Cap Funds	S&P SmallCap 600	47.48	63.08	60.69
All Multi Cap Funds	S&P Composite 1500	59.73	67.34	67.26
Large Cap Growth Funds	S&P 500 Growth	58.36	75.00	80.40
Large Cap Core Funds	S&P 500	70.96	68.20	62.50
Large Cap Value Funds	S&P 500 Value	45.40	44.13	35.32
Mid Cap Growth Funds	S&P MidCap 400 Growth	82.14	84.12	88.02
Mid Cap Core Funds	S&P MidCap 400	78.16	74.34	84.00
Mid Cap Value Funds	S&P MidCap 400 Value	56.63	63.27	66.67
Small Cap Growth Funds	S&P SmallCap 600 Growth	50.00	69.59	74.59
Small Cap Core Funds	S&P SmallCap 600	60.50	64.98	59.38
Small Cap Value Funds	S&P SmallCap 600 Value	39.64	52.29	47.67
MultiCap Growth Funds	S&P Composite 1500 Growth	46.05	77.71	82.71
MultiCap Core Funds	S&P Composite 1500	67.72	67.28	64.38
MultiCap Value Funds	S&P Composite 1500 Value	50.65	54.90	54.04
Real Estate Funds	S&P BMI United States REIT	65.25	66.04	70.00

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Outperformance is based upon equal weighted fund counts. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

## 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	2974	93.17	75.76
All Large Cap Funds	1075	92.84	82.14
All Mid Cap Funds	453	91.83	67.77
All Small Cap Funds	634	94.95	79.81
All Multi Cap Funds	812	92.98	68.60
Large Cap Growth Funds	353	92.63	81.59
Large Cap Blend Funds	396	93.69	83.59
Large Cap Value Funds	326	92.02	80.98
Mid Cap Growth Funds	196	89.8	76.02
Mid Cap Blend Funds	174	93.10	61.49
Mid Cap Value Funds	83	93.98	61.45
Small Cap Growth Funds	242	96.28	83.88
Small Cap Blend Funds	281	94.66	82.21
Small Cap Value Funds	111	92.79	64.86
Multi Cap Growth Funds	215	95.35	63.72
Multi Cap Core Funds	443	93.00	77.65
Multi Cap Value Funds	154	89.61	49.35
Real Estate Funds	141	94.33	94.33
Three Years			
Fund Category	No. of Funds at Start	Survivorship (%)	Style Consistency (%)
All Domestic Funds	2246	83.75	57.93
All Large Cap Funds	702	84.33	69.52
All Mid Cap Funds	381	82.15	49.87
All Small Cap Funds	520	83.27	61.35
All Multi Cap Funds	643	84.45	47.28
Large Cap Growth Funds	216	81.48	68.52
Large Cap Blend Funds	239	84.1	70.29
Large Cap Value Funds	247	87.04	69.64

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 2: Survivorship and Style Consistency of U.S. Equity Funds (continued)</b>			
<b>Three Years (continued)</b>			
<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
Mid Cap Growth Funds	170	78.24	51.76
Mid Cap Blend Funds	113	85.84	53.1
Mid Cap Value Funds	98	84.69	42.86
Small Cap Growth Funds	194	82.99	62.37
Small Cap Blend Funds	217	84.33	67.74
Small Cap Value Funds	109	81.65	46.79
Multi Cap Growth Funds	166	86.75	39.76
Multi Cap Core Funds	324	85.49	57.41
Multi Cap Value Funds	153	79.74	33.99
Real Estate Funds	106	89.62	89.62
<b>Five Years</b>			
<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
All Domestic Funds	2087	74.84	50.50
All Large Cap Funds	656	72.41	57.93
All Mid Cap Funds	354	75.71	43.79
All Small Cap Funds	463	77.97	59.18
All Multi Cap Funds	614	74.59	39.90
Large Cap Growth Funds	199	65.33	58.79
Large Cap Blend Funds	256	72.27	53.91
Large Cap Value Funds	201	79.60	62.19
Mid Cap Growth Funds	167	69.46	46.71
Mid Cap Blend Funds	100	79.00	44.00
Mid Cap Value Funds	87	83.91	37.93
Small Cap Growth Funds	185	72.43	58.92
Small Cap Blend Funds	192	83.33	63.54
Small Cap Value Funds	86	77.91	50.00
Multi Cap Growth Funds	133	75.19	36.84
Multi Cap Core Funds	320	75.31	46.56
Multi Cap Value Funds	161	72.67	29.19
Real Estate Funds	80	82.50	82.50

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 3: Average U.S. Equity Fund Performance (Equal-Weighted)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
S&P Composite 1500	31.66	3.87	3.30
All Domestic Funds	32.93	4.57	3.65
S&P 500	30.68	3.33	2.94
All LargeCap Funds	29.77	2.83	2.95
S&P MidCap 400	39.38	7.82	6.60
All MidCap Funds	37.38	6.07	5.32
S&P SmallCap 600	37.04	8.16	4.62
All SmallCap Funds	38.05	7.75	4.26
S&P Composite 1500	31.66	3.87	3.30
All MultiCap Funds	30.91	3.57	3.19
<b>Large-Cap</b>			
S&P 500 Growth	33.51	4.6	5.17
LargeCap Growth Funds	32.73	2.81	4.00
S&P 500	30.68	3.33	2.94
LargeCap Core Funds	28.59	2.51	2.61
S&P 500 Value	27.89	2.04	0.63
LargeCap Value Funds	28.11	3.00	2.22
<b>Mid-Cap</b>			
S&P MidCap 400 Growth	45.56	8.76	8.52
MidCap Growth Funds	40.67	5.85	5.91
S&P MidCap 400	39.38	7.82	6.6
MidCap Core Funds	36.29	5.69	4.58
S&P MidCap 400 Value	33.44	6.82	4.64
MidCap Value Funds	32.06	6.64	4.63

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Funds are equal-weighted, but indices are not. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 3: Average U.S. Equity Fund Performance (Equal-Weighted, continued)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
<b>Small-Cap</b>			
S&P SmallCap 600 Growth	42.72	9.00	6.26
SmallCap Growth Funds	42.75	7.71	4.81
S&P SmallCap 600	37.04	8.16	4.62
SmallCap Core Funds	36.42	7.57	3.88
S&P SmallCap 600 Value	31.71	7.18	2.96
SmallCap Value Funds	32.34	7.77	3.79
<b>Multi-Cap</b>			
S&P Composite 1500 Growth	34.85	5.12	5.49
MultiCap Growth Funds	33.98	3.53	4.17
S&P Composite 1500	31.66	3.87	3.3
MultiCap Core Funds	29.86	3.69	3.24
S&P Composite 1500 Value	28.5	2.61	1.04
MultiCap Value Funds	29.58	3.17	1.72
<b>Real Estate</b>			
S&P BMI U.S. REIT	34.01	5.26	2.33
Real Estate Funds	33.03	4.09	1.25

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Funds are equal-weighted, but indices are not. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 4: Average U.S. Equity Fund Performance (Asset-Weighted)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
S&P Composite 1500	31.66	3.87	3.30
All Domestic Funds	31.02	3.76	3.59
S&P 500	30.68	3.33	2.94
All LargeCap Funds	29.20	2.89	2.80
S&P MidCap 400	39.38	7.82	6.60
All MidCap Funds	36.24	5.82	5.61
S&P SmallCap 600	37.04	8.16	4.62
All SmallCap Funds	37.67	7.66	4.97
S&P Composite 1500	31.66	3.87	3.30
All MultiCap Funds	30.03	3.26	3.60
<b>Large-Cap</b>			
S&P 500 Growth	33.51	4.60	5.17
LargeCap Growth Funds	31.77	2.18	3.58
S&P 500	30.68	3.33	2.94
LargeCap Core Funds	28.06	1.97	1.99
S&P 500 Value	27.89	2.04	0.63
LargeCap Value Funds	27.66	3.06	2.51
<b>Mid-Cap</b>			
S&P MidCap 400 Growth	45.56	8.76	8.52
MidCap Growth Funds	38.58	5.50	6.52
S&P MidCap 400	39.38	7.82	6.60
MidCap Core Funds	36.19	6.28	5.41
S&P MidCap 400 Value	33.44	6.82	4.64
MidCap Value Funds	31.36	5.14	4.47

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.



<b>Report 4: Average U.S. Equity Fund Performance (Asset-Weighted, continued)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
<b>Small-Cap</b>			
S&P SmallCap 600 Growth	42.72	9.00	6.26
SmallCap Growth Funds	43.26	8.70	6.00
S&P SmallCap 600	37.04	8.16	4.62
SmallCap Core Funds	35.94	6.86	4.52
S&P SmallCap 600 Value	31.71	7.18	2.96
SmallCap Value Funds	32.94	7.86	4.17
<b>Multi-Cap</b>			
S&P Composite 1500 Growth	34.85	5.12	5.49
MultiCap Growth Funds	36.43	4.12	4.85
S&P Composite 1500	31.66	3.87	3.30
MultiCap Core Funds	29.11	3.82	3.67
S&P Composite 1500 Value	28.50	2.61	1.04
MultiCap Value Funds	25.74	2.42	1.22
<b>Real Estate</b>			
S&P BMI U.S. REIT	34.01	5.26	2.33
Real Estate Funds	33.17	4.37	1.89

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 5: Quartile Breakpoints of U.S. Equity Funds</b>			
<b>One Year</b>			
<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Large Cap Growth Funds	29.78	32.83	35.54
Large Cap Core Funds	26.75	29.13	31.26
Large Cap Value Funds	26.68	28.55	30.81
Mid Cap Growth Funds	37.41	41.27	44.50
Mid Cap Core Funds	32.68	36.71	39.23
Mid Cap Value Funds	29.64	33.13	36.53
Small Cap Growth Funds	38.68	43.13	47.10
Small Cap Core Funds	33.01	36.09	39.69
Small Cap Value Funds	30.57	34.47	37.30
Multi Cap Growth Funds	30.16	35.69	40.21
Multi Cap Core Funds	26.14	29.72	32.86
Multi Cap Value Funds	25.80	29.20	32.03
Real Estate Funds	31.55	33.30	34.88
<b>Three Years</b>			
<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Large Cap Growth Funds	0.78	2.88	5.14
Large Cap Core Funds	1.33	2.91	3.91
Large Cap Value Funds	1.29	3.05	4.83
Mid Cap Growth Funds	3.11	5.68	8.39
Mid Cap Core Funds	3.68	6.03	8.42
Mid Cap Value Funds	3.75	6.13	9.30
Small Cap Growth Funds	5.13	7.65	10.38
Small Cap Core Funds	5.59	7.65	10.38
Small Cap Value Funds	6.00	8.19	10.46
Multi Cap Growth Funds	0.11	3.10	5.36
Multi Cap Core Funds	1.68	3.17	4.83
Multi Cap Value Funds	1.50	3.15	5.43
Real Estate Funds	1.74	4.07	6.02
<b>Five Years</b>			
<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Large Cap Growth Funds	3.03	4.12	5.47
Large Cap Core Funds	1.64	3.06	4.17
Large Cap Value Funds	1.06	2.38	4.13
Mid Cap Growth Funds	4.20	6.12	7.87
Mid Cap Core Funds	2.99	4.94	6.28
Mid Cap Value Funds	2.74	3.86	5.31
Small Cap Growth Funds	3.48	5.07	6.91
Small Cap Core Funds	2.40	4.41	6.25
Small Cap Value Funds	2.43	4.01	5.43
Multi Cap Growth Funds	1.91	3.80	5.28
Multi Cap Core Funds	2.01	3.15	4.53
Multi Cap Value Funds	0.49	1.71	3.29
Real Estate Funds	0.39	1.79	2.87

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 6: Percentage of International Equity Funds Outperformed by Benchmarks</b>				
Fund Category	Comparison Index	One Year	Three Years	Five Years
Global Funds	S&P Global 1200	66.48	57.04	61.22
International Funds	S&P 700	55.30	64.62	80.23
International Small Cap Funds	S&P World Ex-U.S. SmallCap	32.08	30.51	23.91
Emerging Markets Funds	S&P/IFCI Composite	63.23	80.77	86.96

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Outperformance is based upon equal weighted fund counts. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 7: Survivorship and Style Consistency of International Equity Funds</b>			
<b>One Year</b>			
Fund Category	No. of Funds at Start	Survivorship (%)	Style Consistency (%)
Global Funds	182	91.76	91.21
International Funds	349	93.70	93.12
International Small Cap Funds	53	98.11	94.34
Emerging Markets Funds	155	95.48	95.48
<b>Three Years</b>			
Fund Category	No. of Funds at Start	Survivorship (%)	Style Consistency (%)
Global Funds	142	82.39	80.28
International Funds	325	85.85	85.54
International Small Cap Funds	59	93.22	79.66
Emerging Markets Funds	104	87.50	87.50
<b>Five Years</b>			
Fund Category	No. of Funds at Start	Survivorship (%)	Style Consistency (%)
Global Funds	98	74.49	71.43
International Funds	263	77.95	77.19
International Small Cap Funds	46	91.30	76.09
Emerging Markets Funds	69	88.41	88.41

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 8: Average International Equity Fund Performance (Equal-Weighted)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
S&P Global 1200	31.16	1.29	3.22
Global Funds	29.84	2.02	3.56
S&P 700	31.59	-0.49	3.54
International Funds	30.93	-1.03	2.32
S&P World Ex-U.S. SmallCap	34.92	0.18	1.56
International Small Cap Funds	36.81	3.69	4.91
S&P/IFCI Composite	28.59	5.05	12.05
Emerging Markets Funds	26.14	2.03	9.44

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Funds are equal-weighted, but indices are not. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 9: Average International Equity Fund Performance (Asset-Weighted)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
S&P Global 1200	31.16	1.29	3.22
Global Funds	28.66	2.83	4.42
S&P 700	31.59	-0.49	3.54
International Funds	30.63	-0.24	3.15
S&P World Ex-U.S. SmallCap	34.92	0.18	1.56
International Small Cap Funds	35.45	4.59	5.79
S&P/IFCI Composite	28.59	5.05	12.05
Emerging Markets Funds	27.96	3.25	10.41

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

**Report 10: Quartile Breakpoints of International Equity Funds**

One Year			
Fund Category	Third Quartile	Second Quartile	First Quartile
Global Funds	26.75	30.03	33.45
International Funds	28.47	31.43	34.00
International Small Cap Funds	34.52	36.26	40.34
Emerging Markets Funds	23.44	27.22	29.72
Three Years			
Fund Category	Third Quartile	Second Quartile	First Quartile
Global Funds	-0.29	1.93	4.20
International Funds	-3.26	-1.15	0.85
International Small Cap Funds	0.36	3.29	6.11
Emerging Markets Funds	-0.30	2.37	4.70
Five Years			
Fund Category	Third Quartile	Second Quartile	First Quartile
Global Funds	1.84	3.39	4.92
International Funds	0.71	2.06	3.64
International Small Cap Funds	2.47	4.65	6.39
Emerging Markets Funds	8.33	9.41	10.48

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

**Report 11: Percentage of Fixed Income Funds Outperformed by Benchmarks**

Fund Category	Comparison Index	One Year	Three Years	Five Years
Government Long Funds	Barclays Long Government	20.00	77.78	79.55
Government Intermediate Funds	Barclays Intermediate Government	75.00	53.33	61.70
Government Short Funds	Barclays 1-3 Year Government	52.27	55.56	68.29
Investment-Grade Long Funds	Barclays Long Government/Credit	10.61	69.70	84.04
Investment-Grade Intermediate Funds	Barclays Intermediate Government/Credit	31.90	34.84	56.42
Investment-Grade Short Funds	Barclays 1-3 Year Government/Credit	75.61	92.59	95.65
High Yield Funds	Barclays High Yield	65.05	92.2	91.74
Mortgage-Backed Securities Funds	Barclays Mortgage-Backed Securities	30.65	60.78	79.17
Global Income Funds	Barclays Global Aggregate	41.88	53.66	65.45
Emerging Markets Debt Funds	Barclays Emerging Markets	31.25	57.14	33.33
General Municipal Debt Funds	S&P National AMT-Free Municipal Bond	76.67	85.71	91.14
California Municipal Debt Funds	S&P California AMT-Free Municipal Bond	97.37	97.56	100
New York Municipal Debt Funds	S&P New York AMT-Free Municipal Bond	94.12	97.14	100

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Outperformance is based upon equal weighted fund counts. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

## 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	90	86.67	85.56
Government Intermediate Funds	40	100	100
Government Short Funds	44	93.18	90.91
Investment-Grade Long Funds	132	96.97	96.21
Investment-Grade Intermediate Funds	279	91.40	91.04
Investment-Grade Short Funds	82	93.90	93.90
High Yield Funds	206	95.15	95.15
Mortgage-Backed Securities Funds	62	96.77	96.77
Global Income Funds	117	94.87	93.16
Emerging Markets Debt Funds	32	100	100
General Municipal Debt Funds	90	96.67	96.67
California Municipal Debt Funds	38	92.11	92.11
New York Municipal Debt Funds	34	91.18	91.18
Three Years			
Fund Category	No. of Funds at Start	Survivorship (%)	Style Consistency (%)
Government Long Funds	45	91.11	88.89
Government Intermediate Funds	45	93.33	88.89
Government Short Funds	45	86.67	84.44
Investment-Grade Long Funds	99	84.85	78.79
Investment-Grade Intermediate Funds	221	86.43	83.71
Investment-Grade Short Funds	81	88.89	87.65
High Yield Funds	141	90.07	90.07
Mortgage-Backed Securities Funds	51	94.12	94.12
Global Income Funds	82	90.24	87.80
Emerging Markets Debt Funds	28	100	96.43
General Municipal Debt Funds	84	90.48	90.48
California Municipal Debt Funds	41	82.93	82.93
New York Municipal Debt Funds	35	82.86	82.86

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

**Report 12: Survivorship and Style Consistency of Fixed Income Funds (continued)**

<b>Five Year</b>			
<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
Government Long Funds	44	86.36	79.55
Government Intermediate Funds	47	95.74	80.85
Government Short Funds	41	87.80	85.37
Investment-Grade Long Funds	94	80.85	65.96
Investment-Grade Intermediate Funds	179	83.80	82.12
Investment-Grade Short Funds	69	85.51	84.06
High Yield Funds	121	90.91	90.08
Mortgage-Backed Securities Funds	48	93.75	91.67
Global Income Funds	55	92.73	85.45
Emerging Markets Debt Funds	18	100	94.44
General Municipal Debt Funds	79	88.61	88.61
California Municipal Debt Funds	40	82.50	82.50
New York Municipal Debt Funds	35	82.86	82.86

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 13: Average Fixed Income Fund Performance (Equal-Weighted)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
Barclays Long Government	-0.8	5.97	7.22
Government Long Funds	2.61	5.50	6.02
Barclays Intermediate Government	2.64	4.90	5.84
Government Intermediate Funds	2.50	4.87	5.39
Barclays 1-3 Year Government	1.36	3.05	4.27
Government Short Funds	1.75	3.11	3.98
Barclays Long Government/Credit	3.19	8.19	7.67
Investment-Grade Long Funds	6.29	7.12	6.31
Barclays Intermediate Government/Credit	3.77	5.76	6.08
Investment-Grade Intermediate Funds	4.72	6.28	5.74
Barclays 1-3 Year Government/Credit	3.64	5.14	5.36
Investment-Grade Short Funds	3.32	3.74	3.71
Barclays High Yield	15.64	12.67	9.30
High Yield Funds	14.71	9.53	7.29
Barclays Mortgage-Backed Securities	3.77	6.85	6.95
Mortgage-Backed Securities Funds	4.38	6.03	5.80
Barclays Global Aggregate	10.52	6.05	7.10
Global Income Funds	10.21	6.65	6.67
Barclays Emerging Markets	12.13	10.75	9.51
Emerging Markets Debt Funds	13.98	9.90	9.40
S&P National AMT-Free Municipal Bond	3.56	5.43	4.81
General Municipal Debt Funds	3.05	4.44	3.75
S&P California AMT-Free Municipal Bond	4.15	5.45	4.80
California Municipal Debt Funds	2.90	4.22	3.47
S&P New York AMT-Free Municipal Bond	3.39	5.48	4.94
New York Municipal Debt Funds	2.63	4.65	4.02

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Funds are equal-weighted, but indices are not. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.



<b>Report 14: Average Fixed Income Fund Performance (Asset-Weighted)</b>			
<b>Category</b>	<b>One Year (%)</b>	<b>Three Years (Annualized %)</b>	<b>Five Years (Annualized %)</b>
Barclays Long Government	-0.80	5.97	7.22
Government Long Funds	3.79	5.75	6.33
Barclays Intermediate Government	2.64	4.90	5.84
Government Intermediate Funds	3.62	5.74	5.89
Barclays 1-3 Year Government	1.36	3.05	4.27
Government Short Funds	3.55	4.02	5.17
Barclays Long Government/Credit	3.19	8.19	7.67
Investment-Grade Long Funds	6.91	6.54	5.87
Barclays Intermediate Government/Credit	3.77	5.76	6.08
Investment-Grade Intermediate Funds	5.41	7.77	6.90
Barclays 1-3 Year Government/Credit	3.64	5.14	5.36
Investment-Grade Short Funds	3.59	4.19	3.98
Barclays High Yield	15.64	12.67	9.30
High Yield Funds	14.67	9.09	7.00
Barclays Mortgage-Backed Securities	3.77	6.85	6.95
Mortgage-Backed Securities Funds	4.68	7.16	6.63
Barclays Global Aggregate	10.52	6.05	7.10
Global Income Funds	11.45	8.02	8.06
Barclays Emerging Markets	12.13	10.75	9.51
Emerging Markets Debt Funds	14.12	9.38	9.32
S&P National Municipal Bond	3.56	5.43	4.81
General Municipal Debt Funds	3.05	4.47	3.73
S&P California Municipal Bond	4.15	5.45	4.80
California Municipal Debt Funds	2.68	4.19	3.43
S&P New York Municipal Bond	3.39	5.48	4.94
New York Municipal Debt Funds	2.15	4.49	3.58

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

## Report 15: Quartile Breakpoints of Fixed Income Funds

One Year			
Fund Category	Third Quartile	Second Quartile	First Quartile
Government Long Funds	1.55	2.72	4.33
Government Intermediate Funds	1.97	2.25	2.62
Government Short Funds	1.05	1.43	1.87
Investment-Grade Long Funds	4.36	5.57	7.89
Investment-Grade Intermediate Funds	3.74	4.95	6.13
Investment-Grade Short Funds	2.27	3.07	3.67
High Yield Funds	13.88	15.09	16.21
Mortgage-Backed Securities Funds	3.69	4.27	4.91
Global Income Funds	6.26	11.86	14.15
Emerging Markets Debt Funds	11.28	13.52	15.99
General Municipal Debt Funds	2.63	3.02	3.5
California Municipal Debt Funds	2.45	2.96	3.52
New York Municipal Debt Funds	2.46	2.73	3.04
Three Years			
Fund Category	Third Quartile	Second Quartile	First Quartile
Government Long Funds	4.60	5.44	5.89
Government Intermediate Funds	4.37	4.9	5.63
Government Short Funds	2.45	3.14	3.75
Investment-Grade Long Funds	6.08	7.11	9.07
Investment-Grade Intermediate Funds	5.8	6.92	8.12
Investment-Grade Short Funds	2.78	3.84	4.62
High Yield Funds	8.87	9.97	11.17
Mortgage-Backed Securities Funds	6.27	6.75	7.55
Global Income Funds	4.83	6.24	8.45
Emerging Markets Debt Funds	9.12	10.63	11.36
General Municipal Debt Funds	4.18	4.77	5.2
California Municipal Debt Funds	4.07	4.35	4.72
New York Municipal Debt Funds	4.23	4.61	5.12

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

<b>Report 15: Quartile Breakpoints of Fixed Income Funds (continued)</b>			
<b>Five Years</b>			
<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Government Long Funds	5.46	6.15	6.91
Government Intermediate Funds	5.03	5.57	6.14
Government Short Funds	3.41	3.97	4.54
Investment-Grade Long Funds	5.51	6.50	7.18
Investment-Grade Intermediate Funds	5.39	6.16	7.00
Investment-Grade Short Funds	3.29	4.20	4.51
High Yield Funds	6.77	7.59	8.34
Mortgage-Backed Securities Funds	5.75	6.48	6.83
Global Income Funds	5.23	6.60	7.75
Emerging Markets Debt Funds	9.27	9.59	10.10
General Municipal Debt Funds	3.50	4.11	4.44
California Municipal Debt Funds	3.48	3.85	4.10
New York Municipal Debt Funds	3.42	4.13	4.51

Source: Standard & Poor's, CRSP. For periods ending June 30, 2011. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

## Appendix A

### SPIVA Styles and Lipper Fund Classifications

The CRSP Survivor-Bias-Free US 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. The SPIVA Scorecard covers 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 to each fund based on the percentages of a fund's three-year weighted equity assets that fall into each of Lipper's three defined market capitalization slices. The market capitalization breakpoints are calculated using all common stocks, excluding all non-US 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 its 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 Indices combines closely related Lipper fund classifications in one SPIVA category. Exhibit 1 maps the SPIVA U.S. Equity fund categories to Lipper classifications.

<b>Exhibit 1: U.S. Equity Category Mappings</b>	
<b>SPIVA Category</b>	<b>Lipper Fund Classification</b>
Large-Cap Growth Funds	Large-Cap Growth Funds
Large-Cap Core Funds	Large-Cap Core Funds
Large-Cap Value Funds	Large-Cap Value Funds Equity Income Funds
Mid-Cap Growth Funds	Mid-Cap Growth Funds
Mid-Cap Core Funds	Mid-Cap Core Funds
Mid-Cap Value Funds	Mid-Cap Value Funds
Small-Cap Growth Funds	Small-Cap Growth Funds
Small-Cap Core Funds	Small-Cap Core Funds
Small-Cap Value Funds	Small-Cap Value Funds
Multi-Cap Growth Funds	Multi-Cap Growth Funds
Multi-Cap Core Funds	Multi-Cap Core Funds
Multi-Cap 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.

<b>Exhibit 2: Global Equity Category Mappings</b>	
<b>SPIVA Category</b>	<b>Lipper Fund Classification</b>
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 Small-Cap 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 on 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 U.S. Treasury, U.S. Government (includes government and agency issues), A- or BBB-rated (according to Lipper fund rating methodology) 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, we include the general (invests in the top four credit ratings) classification plus two state funds (California and New York).

<b>Exhibit 3: Fixed Income Category Mappings</b>	
<b>SPIVA Category</b>	<b>Lipper Fund Classification</b>
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

#### Percentage of Funds Outperformed by the Index

To correct for survivorship bias, we use 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 represents the percentage of funds in existence at the beginning of the time period that is 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 at the beginning of the time period.

#### Equal-Weighted Fund Performance

Equal-weighted returns for a particular style category are determined by calculating a simple average return of all active funds in that category in a particular month.

#### Asset-Weighted Fund Performance

Asset-weighted returns for a particular style category are determined by calculating a weighted average return of all funds in that category in a particular month, with each fund's return weighted by its total net assets. Asset-weighted returns are a better indicator of fund category performance because they more accurately reflect the returns of the total money invested in that particular style category.

#### Quartiles Breakpoints

The  $p^{\text{th}}$  percentile for a set of data is the value that is greater than or equal to  $p\%$  of the data, but is less than or equal to  $(100 - p)\%$  of the data. In other words, 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 75<sup>th</sup> percentile, the value separating the elements of a population into the lower 75% and the upper 25%. The second quartile is the 50<sup>th</sup> percentile and the third quartile is the 25<sup>th</sup> 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, excluding loads.

#### Survivorship Bias

Many funds might liquidate or merge during a period of study. This usually occurs due to continued poor performance by the fund. Therefore, if index returns were compared to fund returns using only surviving funds, the comparison would be biased in favor of the fund category. These reports remove this bias by (a) using the entire investment opportunity set, made up of all funds in that particular category at the outset of the period, as 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 the outset of the period.

#### Fees

The fund returns used are net of fees, excluding loads.

**Indices<sup>1</sup>**

A benchmark index provides an investment vehicle against which fund performance can be measured.

**U.S. Equity:*****S&P 500<sup>®</sup>***

Widely regarded as the best single gauge of the U.S. equities market, this market capitalization-weighted index includes a representative sample of 500 leading companies in the foremost industries of the U.S. economy and provides over 80% coverage of U.S. equities.

***S&P MidCap 400<sup>®</sup>***

This index consists of 400 mid-sized companies and covers approximately 7% of the U.S. equities market.

***S&P SmallCap 600<sup>®</sup>***

This index consists of 600 small-cap stocks and covers approximately 3% of the U.S. equities market.

***S&P Composite 1500 Index***

This is a broad market, capitalization-weighted index of 1500 stocks. This index is comprised of three size-based indices: the S&P 500, S&P MidCap 400 and 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 form 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 form 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 form 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 form an exhaustive, multi-factor style series covering the entire market capitalization of the S&P Composite 1500.

***S&P United States REIT Index***

This index measures the investable universe of publicly traded real estate investment trusts.

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<sup>1</sup> For more information on S&P Indices, please visit [www.indices.standardandpoors.com](http://www.indices.standardandpoors.com).



**International Equity:*****S&P Global 1200***

Capturing approximately 70% of the world's capital markets, the S&P Global 1200 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 S&P Latin America 40 (Latin America).

***S&P 700***

This index measures the non-United States component of the global equity markets, covering all the regions included in the S&P Global 1200 excluding the U.S. (S&P 500).

***S&P World Ex-U.S. Small Cap***

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 Composite Index***

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 Income<sup>2</sup>:*****Barclays Capital Long Government Bond Index***

This index consists of U.S. Treasury and U.S. Government agency bonds with maturities greater than ten years.

***Barclays Capital Intermediate Government Bond Index***

This index consists of U.S. Treasury and U.S. Government agency bonds with maturities from one to ten 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 one to three 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 ten 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 one to ten 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 one to three years to final maturity.

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<sup>2</sup> 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 US\$ 100 million and at least one 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 New York bonds that are exempt from the Alternative Minimum Tax.

## S&P Indices Global Research & Design Contact Information

### Global Head

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Frank Luo	+1 212-438-5057	frank_luo@ standardandpoors.com
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### New York

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Berlinda Liu	+1 212-438-7834	berlinda_liu@ standardandpoors.com
Aye Soe	+1 212-438-1677	aye_soe@ standardandpoors.com
Peter Tsui	+1 212-438-1493	peter_tsui@ standardandpoors.com

### London

---

Xiaowei Kang	+020 7176-8443	xiaowei_kang@standardandpoors.com
--------------	----------------	-----------------------------------

### Beijing

---

Liyu Zeng	+86 10-6569-2947	liyu_zeng@ standardandpoors.com
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### Hong Kong

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Simon Karaban	+852 2532-8050	simon_karaban@ standardandpoors.com
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[www.spiva.standardandpoors.com](http://www.spiva.standardandpoors.com)