



Press Release

S&P: Majority of Active Fund Managers Underperform Benchmarks Across All Categories Over Past Five Years

Leading Index Provider Releases Year-End 2008 SPIVA Scorecard Results

New York, April 20, 2009– Standard & Poor's Index Services released today the year-end 2008 results for its Standard & Poor's Index Versus Active Fund Scorecard (SPIVA). Over the five year market cycle from 2004 to 2008, the SPIVA scorecard shows that the S&P 500 outperformed 71.9% of actively managed large cap funds, the S&P MidCap 400 outperformed 75.9% of mid cap funds, and the S&P SmallCap 600 outperformed 85.5% of small cap funds. These results are similar to that of the previous five year cycle from 1999 to 2003.

“The belief that bear markets strongly favor active management is a myth,” says Srikant Dash, Global Head of Research & Design at Standard & Poor's. “A majority of active funds in each of the nine domestic equity style boxes were outperformed by indices during the down markets of 2008. The bear market of 2000 to 2002 showed similar outcomes.”

SPIVA results show similar results for international equity and fixed income funds. Benchmark indices outperformed a majority of actively managed fixed income funds in all categories over a five-year horizon. Five year benchmark relative shortfall ranged from 2-3% per annum for municipal bond funds to 1-5% per annum for investment grade bond funds. Among international equity funds, indices outperformed a majority of actively managed non-U.S. equity funds over the past five years in the four categories studied, including emerging market funds.

The SPIVA Scorecard is produced semi-annually, and can be accessed in its entirety at: www.spiva.standardandpoors.com.

About SPIVA

The SPIVA scorecard reveals quarterly performance data for U.S. equity, international and fixed income mutual funds benchmarked against appropriate asset class indices. More than 3500 actively managed funds are covered in the scorecard. Mutual fund data is derived from CRSP® Survivor-Bias-Free U.S. Mutual Fund Database.

The SPIVA methodology is designed to provide an accurate and objective apples-to-apples comparison of funds' performance versus their appropriate style indices, correcting for factors that have skewed results in previous index-versus-active analyses in the industry. SPIVA scorecards show both asset-weighted and equal-weighted averages, include survivorship bias correction to account for funds that may have merged or been liquidated during the period under study, and show style consistency for each style group across different time horizons.

About Standard & Poor's Index Services

Standard & Poor's Index Services, the world's leading index provider, maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Its family of indices includes the S&P 500, an index with \$1.5 trillion invested and \$4.85 trillion benchmarked, and the S&P Global

1200, a composite index comprised of seven regional and country headline indices. For more information, please visit <http://www.standardandpoors.com/indices>.

About Standard & Poor's

Standard & Poor's, a subsidiary of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. With offices in 23 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

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