



Press Release

S&P Releases Special Edition Bear Market SPIVA

Majority of Active Funds Underperform Indices During Last Bear Market

Toronto, August 5, 2008—Standard & Poor's Index Services, the world's leading index provider, released today the results of its first study on the performance of indices versus active Canadian funds in bear markets. The report, which focuses on the period August 2000 to December 2002, seeks to compare the performance of indices versus active mutual funds during a bear market. The findings are part of a special edition of Standard & Poor's Quarterly produced Indices Versus Active Funds Scorecard (SPIVA) for Canada.

According to Standard & Poor's research, only 38.9% of Canadian Equity active mutual funds outperformed the S&P/TSX Capped Composite Index during the last bear market period from August 2000 to December 2002. Active funds in the Large Cap Equity category saw similar results with only 34.4% beating the S&P/TSX 60 Capped Index. Canadian Small Cap Equity funds fared the worst domestically, with only 30% of active funds outpacing the S&P/TSX SmallCap Index.

"Conventional wisdom says that active mutual funds perform better than indices during a bear market. While we found that the average return of active Canadian Equity mutual funds was better, this reflects the strong performance of only a few funds," says Jasmit Bhandal, director at Standard & Poor's Index Services. "The report shows that the majority of Canadian Equity funds still underperformed their benchmark."

SPIVA reports the performance of actively managed Canadian mutual funds corrected for survivorship bias, and shows equal- and asset-weighted peer averages. Over the August 2000 – December 2002 period, the majority of International, Global Equity, and U.S. Equity funds have come in below their index returns for each category (the S&P/Citigroup EPAC PMI, S&P/Citigroup World PMI and S&P 500 indices respectively). Global Equity funds fared the best with 45.9% beating the S&P/Citigroup World PMI Index.

Survivorship

SPIVA reports also include a survivorship bias correction to account for funds that may have merged or been liquidated during the period under study. Survivorship over August 2000 – December 2002 is 72.2% for Canadian Equity, 96.9% for Canadian Large Cap Equity, 74% for Canadian Small Cap Equity.

About SPIVA

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- and equal-weighted averages and include survivorship bias correction to account for funds that may have merged or been liquidated during the period under study. Fund categorizations are as defined by the Canadian Investment Funds Standards Committee (CIFSC), and fund data is drawn from Fundata's mutual fund database.

The complete SPIVA Bear Market Report for Canada is available on www.spiva.standardandpoors.com.

About Standard & Poor's

Standard & Poor's, a division of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of financial market intelligence, including independent credit ratings, indices, risk evaluation, investment research and data. With approximately 8,500 employees, including wholly owned affiliates, located in 23 countries, 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>.

For more information contact:

Jasmit Bhandal
Standard & Poor's
1.416.507.3203
jasmit_bhandal@standardandpoors.com

David R. Guarino
Standard & Poor's
1.212.438.1471
dave_guarino@standardandpoors.com