



Press Release

Standard & Poor's Launches S&P 500 130/30 Strategy Index

First in a Series of S&P Global Indices Targeting \$100 Billion 130/30 Strategy Space

New York, November 19, 2007 – Continuing to extend its reach beyond traditional equity indices and into alternative areas of the capital markets, Standard & Poor's announced today the launch of the S&P 500 130/30 Strategy Index. The index, designed to measure the performance of an investment strategy that establishes 30% over- and underweight positions relative to the S&P 500, is the first offering by an index provider in the fast-growing \$100 billion¹ 130/30 strategy space.

“Our goal in strategy indexing is to offer efficient exposure to particular investment approaches rather than offer performance benchmarks,” says Srikant Dash, Head of Global Research and Design at Standard & Poor's Index Services. “The S&P 500 130/30 Strategy Index, a framework for indexation of these popular strategies, provides risk-controlled, long/short exposure with the prospect of outperformance in a transparent, cost-efficient format.”

The S&P 500 130/30 Strategy Index is rebalanced quarterly and, at each rebalancing, is comprised of:

- A core 100% long position in the S&P 500 (the parent index)
- 1% overweight positions in 30 S&P 500 constituent stocks (the Long Basket)
- 1% underweight positions in 30 S&P 500 constituent stocks (the Short Basket)

To arrive at the long and short baskets, the index employs a clear, rules-driven framework that leverages qualitative and quantitative factors. Constituents of the overweight basket each have their weights increased by 1% relative to the S&P 500, while stocks in the under-weight basket each have their weights decreased by 1% relative to the S&P 500. Since most stocks in the S&P 500 have less than 1% weight, underweight positions typically result in short exposures.

The qualitative variables used in the basket selections are from the well-recognized STARS recommendations from analysts in the S&P Global Equity Research Group. They employ a scale of 1-STARs to 5-STARs, with 1-STARs equating to “strong sell” and 5-STARs to “strong buy”. These recommendations are overlaid with quantitative fundamental variables to arrive at the final long and short baskets.

A white paper on 130/30 Indexation, as well as the methodology document for the S&P 500 130/30 Strategy Index, can be accessed by going to: www.standardandpoors.com/indices and then clicking on “Strategy Indices” in the left tab.

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 \$1.32 trillion invested and \$4.91 trillion benchmarked, and the S&P

¹ Source: Morgan Stanley

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

About Standard & Poor's Equity Research Services

As the world's largest producer of independent equity research, Standard & Poor's licenses its research to over 1,000 institutions for their investors and advisors, including 19 of the top 20 securities firms, 13 of the top 20 banks, and 11 of the top 20 life insurance companies.

Standard & Poor's team of 120 experienced U.S., European and Asian equity analysts use a fundamental, bottom-up approach to assess a global universe of approximately 2,000 equities across more than 120 industries worldwide. Follow Standard & Poor's equity analysts' U.S. market commentary each day at <http://www.equityresearch.standardandpoors.com/>.

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Standard & Poor's does not sponsor, endorse, sell or promote any S&P index-based investment product.

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