STANDARD & POOR'S

S&P EUROPE SELECT PLUS INDEX

INDEX METHODOLOGY

December 2008

Table of Contents

Introduction 4

Highlights **4**

Index Family **4**

Eligibility Criteria 5

Universe **5**

Investment Criteria **5**

Timing of Changes **5**

Index Construction 7

Framework **7**

Strategy Index Calculations **8**

Index Maintenance 9

Rebalancing **9**

Currency of Calculation **9**

Base Date **9**

Index Governance 10

Index Committee **10**

Pricing Policy **10**

Holiday Schedule **10**

Recalculation Policy **10**

Index Dissemination 11

Tickers **11**

Web site **11**

S&P Contact Information 12

Index Management **12**

Product Management **12**

Media Relations **12**

Index Operations & Business Development **12**

Disclaimer 13

Introduction

The S&P Europe Select Plus Index is comprised of European Equity UCITS (Undertaking in Collective Investments in Transferable Securities) funds that are selected to deliver an annual excess return over the Dow Jones EuroStoxx 50 Total Return Index, within an established risk framework.

Highlights

The S&P Europe Select Plus Index attempts to produce returns in excess of the Dow Jones EuroStoxx 50 Total Return Index in a disciplined and consistent manner. The constituents of the strategy index are chosen from a broad universe of European Equity UCITS funds every six months, and rebalanced in accordance with the selection criteria and methodology outlined in this document.

The index uses a rules-based selection methodology that is both repeatable and process-driven. The index methodology applies the Capital Asset Pricing Model to select an optimal mix of funds that will give rise to the best return and risk characteristics. The index correlation to the Dow Jones EuroStoxx 50 Total Return Index must be greater than 0.80 and its beta must be less than 1.20. No qualitative overlay or judgment is applied to the selection or allocation of the funds outside Standard & Poor's published guidelines.

Index Family

The S&P Europe Select Plus Index belongs to the S&P Strategy Index family. A separate index for North American funds, the S&P U.S. Select Plus Index, is also a member of this index family.

Eligibility Criteria

Universe

A fund must be a member of the Equity Europe, Euroland or the Smaller Companies (Europe, Euroland) categories from Standard & Poor's offshore- and U.K.-domiciled fund databases.

Investment Criteria

To qualify for inclusion, a fund must satisfy the following criteria:

- ***Currency:*** The fund must be denominated in Euros.
- ***Fund Registration:*** The fund must be a UCITS-compliant, open-ended fund.
- ***Fund Size:*** The fund must exceed € 200 million in assets under management as of the rebalancing reference date.
- ***Fund Status:*** The fund must be open to new investments.
- ***Fund Style:*** The fund must not be an index-tracking fund.
- ***Investment Products:*** The fund must be an accepted investment for issuers or hedge providers for structured securities.
- ***Pricing Frequency:*** The fund must offer a daily NAV.
- ***Quantitative Screen-1:*** The fund must be among the top funds in their respective groups, ranked by annual alphas over rolling one-, two-, and three-year periods as of the rebalancing reference date.
- ***Quantitative Screen-2:*** The fund must have a correlation to the Dow Jones EuroStoxx 50 Total Return Index greater than or equal to 0.87 for Equity Europe, Euroland funds or greater than or equal to 0.70 for Smaller Companies Europe, Euroland funds.
- ***Track Record:*** The fund must have a minimum track record of three years.

Timing of Changes

The index constituents and their weights in the index are reviewed every six months, based on fund statistics as of the rebalancing reference dates, the last trading dates of June and December. The rebalancing of the index occurs over the first 10 trading days of the following August and February, respectively, of each year.

Please refer to the Rebalancing section for the 10-day rebalancing process.

Additions. At each rebalancing, a fund can be added to the strategy index if it meets the criteria with or without the removal of another fund.

Deletions. A fund can be considered for removal from the strategy index, at any time, if the fund fails to meet any of the criteria described above. A fund can also be removed in the case of the occurrence of a material event that affects the fund or the fund management company which, deemed going forward, may significantly impact its operating ability to meet the set criteria. The removed fund will be replaced by a fund that meets the criteria for inclusion.

To minimize disruptions to the constituent funds caused by the rebalancing of the strategy index, Standard & Poor's announces planned changes in advance of implementation.

Index Construction

Framework

The preliminary selections of the top-ranked funds that fulfill the eligibility criteria are loaded into a mean/variance optimizer. The mean/variance optimization process is used to evaluate how various asset combinations have behaved historically in terms of their performance and volatility. This process generates a number of optimal, or most efficient (minimum variance and maximum return), portfolios that map to a generally curved line called an efficient frontier.

To control risks during the optimization process, we set the following constraints:

- ***Fund Count:*** No fewer than five funds and no more than 10 funds can be selected for the index.
- ***Fund Sponsor Weightings:*** No fund sponsor can account for more than 30% of the overall value of the portfolio as of the semiannual rebalancing date.
- ***Index Correlation:*** The index correlation to the Dow Jones EuroStoxx Total Return Index needs to be greater than 0.80 and the beta must be less than 1.20.
- ***Maximum Individual Fund Holding:*** No single fund can account for more than 20% of the overall value of the portfolio as of the semiannual rebalancing date.
- ***Minimum Individual Fund Holding:*** No single fund can account for less than 5% of the overall value of the portfolio as of the semiannual rebalancing date.
- ***Small-capitalization Weightings:*** Small-capitalization funds, as a group, cannot account for more than 30% of the index, in aggregate.
- ***Trim Rule:*** In the event that an index constituent's annual excess return over the benchmark index exceeded 10% for the prior 12 months, the maximum exposure will be trimmed to 10% as of the rebalancing date to lock in profits.

The most efficient portfolio with the best risk and return characteristics is selected. This process is repeated every six months as of the rebalancing reference date.

Index Calculations

The S&P Europe Select Plus index is calculated using the divisor method commonly used for S&P equity indices.

Please refer to the Index Mathematics methodology for mathematical formulae.

Index Maintenance

Rebalancing

Fund sponsors are concerned with managing the asset inflows and outflows from their funds. To accommodate fund sponsors at the rebalancing dates, S&P provides notification of the index changes and rebalances the index over a 10-day period. The process starts after the close of the first day of the rebalancing period and finishes after the close of the tenth day. Each day 10% of the changes are made to the index based upon the 10-day transition factors (see Table 1 below).

The fund constituent weights are set for each day based upon the following formula:

Constituent Weight $_{i,t}$ =

$$\left(Weight_{i,\text{prior to start of rebalancing}} * Current\ \ Index\ Factor_{i,t}\right) + \left(Weight_{i,\text{final rebalanced weight}} * New\ Index\ Factor_{i,t}\right) \tag{1}$$

where t = 1 to 10 for the 10-day rebalancing schedule.

Table 1 - Index Transition Factors
Rebalancing Schedule

	Day 1	**Day 2**	**Day 3**	**Day 4**	**Day 5**	**Day 6**	**Day 7**	**Day 8**	**Day 9**	**Day 10**
Current Strategy Index Factor	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.0
New Strategy Index Factor	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0

Currency of Calculation

The S&P Europe Select Plus Index is calculated in Euros.

Base Date

The initial divisor is set to have a base index value of 100 as of July 31, 2000.

Index Governance

Index Committee

All of Standard & Poor's global fund indices are the responsibility of an Index Committee that monitors overall policy guidelines and methodologies, as well as additions and deletions to these indices. The Index Committees are composed of Standard & Poor's staff specialized in the various regional markets.

It is the sole responsibility of the Index Committee to decide on all matters relative to methodology, maintenance, constituent selection and index procedures. The Index Committee makes decisions based on all publicly available information, and Index Committee discussions are kept confidential to avoid any unnecessary impact on market trading.

Pricing Policy

To allow for pricing checks and offshore fund reporting delays, the index is published with a two-day lag on Standard & Poor's Web site (i.e. a Monday index level will be reported on Wednesday morning). If there is a fund constituent that has not reported its NAV, the last published NAV will be used in the index calculation.

The index level will not be published, on any given day, if there are two or more fund NAVs missing. S&P will wait an additional day for the NAVs to be reported. If the funds are still delayed in reporting NAVs, the index will be calculated for the missing date using the last published fund NAVs.

Holiday Schedule

Since the index may contain funds from different offshore exchanges, the index will not be calculated if two or more funds are not reporting NAVs due to official holidays.

Recalculation Policy

Standard & Poor's attempts to avoid incorrect data that affects the indices on a best-efforts basis. Incorrect share calculations, corporate actions and exchange rates are corrected as soon as they are identified.

Index Dissemination

Tickers

Index	**Bloomberg**
S&P Europe Select Plus Index (Total Return)	SPSPETR
S&P Europe Select Plus Index (Price Return)	SPSPE

Web site

For further information, please refer to Standard & Poor's Web site at www.indices.standardandpoors.com

S&P Contact Information

Index Management

David M. Blitzer, Ph.D. – Managing Director & Chairman of the Index Committee
david_blitzer@standardandpoors.com +1.212.438.3907
Rosanne Pane, CFA – Director & Mutual Fund Strategist, Global Research & Design
rosanne_pane@standardandpoors.com +1.212.438.5057

Product Management

Tim Eisenhauer – Vice President, Custom & Strategy Indices
tim_eisenhauer@standardandpoors.com +1.212.438.7575

Media Relations

David Guarino – Communications
dave_guarino@standardandpoors.com +1.212.438.1471

Index Operations & Business Development

North America
New York
David Kao +1.212.438.3354
Toronto
Jasmit Bhandal +1.416.507.3203
Europe
London
Susan Fagg +44.20.7176.8888
Asia
Tokyo
Seiichiro Uchi +813.4550.8568
Beijing
Andrew Webb +86.10.6569.2919
Sydney
Guy Maguire +61.2.9255.9822

Disclaimer

These materials have been prepared solely for informational purposes based upon information generally available to the public from sources believed to be reliable. Standard & Poor's makes no representation with respect to the accuracy or completeness of these materials, the content of which may change without notice. The methodology involves rebalancings and maintenance of the indices that are made periodically during each year and may not, therefore, reflect real time information. Standard & Poor's disclaims any and all liability relating to these materials and makes no express or implied representations or warranties concerning the accuracy or completeness of the report.

Analytic services and products provided by Standard & Poor's are the result of separate activities designed to preserve the independence and objectivity of each analytic process. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during each analytic process.