

## Standard & Poor's Indices Versus Active Funds Scorecard, Fourth Quarter 2006

### Analytical Contacts

#### Rosanne Pane

(212) 438-5057

[rosanne\\_pane@sandp.com](mailto:rosanne_pane@sandp.com)

#### Srikant Dash

(212) 438-3012

[srikant\\_dash@sandp.com](mailto:srikant_dash@sandp.com)

### Media Contacts

#### Dave Guarino

(212) 438-1471

[dave\\_guarino@sandp.com](mailto:dave_guarino@sandp.com)

□ The S&P Indices Versus Active Funds (SPIVA) Scorecard reports performance comparisons corrected for survivorship bias, shows equal- and asset-weighted peer averages, and provides measures of style consistency.

□ **Domestic Equities:** In 2006, indices led actively managed large-cap and small-cap funds. The S&P 500 outperformed 69.1% of large-cap funds and the S&P SmallCap 600 led 63.6% of small-cap funds. Conversely, 53.3% of mid-cap funds outperformed the S&P MidCap 400.

□ Over longer time periods, indices continue to outperform a majority of active funds. Over the past three years (and five years), the S&P 500 has beaten 66.7% (71.4%) of large-cap funds, the S&P MidCap 400 has outperformed 65.1% (79.7%) of mid-cap funds, and the S&P SmallCap 600 has outpaced 80.6% (77.5%) of small-cap funds. (Reports 1 to 5)

□ **International Equities:** Indices continued to lead active funds in 2006. The S&P/Citigroup PMI World outperformed 58.0% of global funds. The S&P/Citigroup PMI World ex U.S. outpaced 50.5% of international funds and the S&P/Citigroup EMI World Ex U.S. led 63.3% of international small company funds. The S&P/IFCI Composite also outperformed 75.0% of emerging markets funds. Similar to domestic equities, indices lead over long-term three- and five-year periods. (Reports 14 to 18)

□ **Fixed Income:** In 2006 seven of eight domestic taxable fixed income indices (Lehman Brothers Bond Indices, Merrill Lynch All U.S. Convertibles Index) have outpaced active funds. Only short-term general funds have outperformed their index this year. Two of three active global fixed income styles outperformed the Lehman Brothers Global Bond Indices in 2006. (Reports 19 to 23)

□ **Fund Expenses:** For domestic equities, we compared average expense ratios at December 31, 2006 to ratios at December 31, 2005. Over the past year we show declines in average fund expenses for asset-weighted index funds (S&P 500, S&P MidCap 400 and S&P SmallCap 600). Expense ratios for both equal-weighted index funds and active funds declined in two of the three capitalization categories.

## Introduction

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*The SPIVA Scorecard goes beyond simple performance numbers of each fund category to report detailed apples-to-apples comparisons corrected for survivorship bias, show asset-weighted and equal-weighted peer averages, and provide measures of style consistency.*

*SPIVA reports are the only comprehensive, periodic and publicly available sources of such data.*

The Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard keeps quarterly tabs on the active-versus-passive debate. This report shows performances of actively managed mutual funds as compared to Standard & Poor's indices in their respective style or sector categories. Although many such reports are available, SPIVA reports are unique in a few respects:

- **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 commonly available comparison reports, SPIVA removes this 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. An appropriate comparison would be to measure a fund's returns against the returns of a benchmark for that particular style and size category. SPIVA reports do this.
- **Asset-weighted returns:** Average returns for a fund group are often calculated using only equal weighting, which results in the returns of a \$10 billion fund affecting the average in the same manner as the returns of a \$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 reports show both equal- and asset-weighted averages.
- **Style consistency:** Standard & Poor's uses returns-based style analysis to classify funds. SPIVA reports show style consistency for each style group across different time horizons.

SPIVA reports are the only comprehensive, periodic and publicly available sources of such data. Quarterly SPIVA reports can be found online at [www.standardandpoors.com](http://www.standardandpoors.com).

**Indices lead active large-cap and small-cap funds in 2006, while mid-cap funds outperform their index benchmark.**

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In 2006, indices led actively managed large-cap and small-cap funds. S&P 500 outperformed 69.1% of large-cap funds and the S&P SmallCap 600 led 63.6% of small-cap funds. Conversely, 53.3% of mid-cap funds outperformed the S&P MidCap 400.

At the style box level, indices led eight of eleven style categories year-to-date. Only the active mid-cap styles for growth (65.2%) blend (64.1%) and value (61.6%) outpaced their benchmark indices.

Investors look forward to reviewing long-term investment results. The table below shows the percentage of actively managed domestic equity funds outperformed by their benchmark indices for each calendar year over the last seven years. While percentages vary within each year, over the seven-year period the averages favor indices. The average index outperformance of active funds ranges from a low of 52.1% to a high of 71.7%.

**% of Actively Managed General Equity Funds Outperformed by Index for each Calendar Year**

<b>Fund Category</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Average</b>
All Domestic Funds	40.5	54.5	59.0	47.7	51.4	44.0	67.8	52.1
All Large Cap Funds	36.9	57.6	61.0	64.6	61.6	44.5	69.1	56.5
All Mid Cap Funds	78.9	67.3	70.3	56.4	61.8	76.0	46.7	65.3
All Small Cap Funds	70.7	66.4	73.6	38.8	85.0	60.5	63.6	65.5
Large Cap Growth Funds	16.0	87.5	71.8	44.7	39.5	31.6	76.1	52.4
Large Cap Blend Funds	35.6	58.1	63.0	66.0	66.9	44.6	71.3	57.9
Large Cap Value Funds	54.5	20.6	39.4	78.5	83.2	58.8	87.7	60.4
Mid Cap Growth Funds	78.4	79.0	86.9	31.7	59.6	78.5	34.8	64.1
Mid Cap Blend Funds	72.8	70.5	64.6	50.0	51.8	72.4	35.9	59.7
Mid Cap Value Funds	94.8	55.8	74.3	81.9	63.6	71.8	38.4	68.7
Small Cap Growth Funds	73.0	81.3	94.2	35.3	93.6	72.2	52.1	71.7
Small Cap Blend Funds	66.8	65.6	75.2	33.3	82.9	61.4	62.8	64.0
Small Cap Value Funds	74.4	48.7	37.5	49.3	77.5	46.0	76.7	58.6

For 12-month periods ending December 31st. Outperformance is based upon equal-weighted fund counts.

### Indices continue their lead over active funds over the long term

Over longer time periods, indices continue to outperform a majority of active funds. Over the past three years, the S&P 500 has beaten 66.7% of large-cap funds, the S&P MidCap 400 has outperformed 65.1% of mid-cap funds, and the S&P SmallCap 600 has outpaced 80.6% of small-cap funds. Similarly, over the past five years, the S&P 500 has beaten 71.4% of large-cap funds, the S&P MidCap 400 has outperformed 79.7% of mid-cap funds and the S&P 600 has outpaced 77.5% of small-cap funds.

### International equity indices lead active funds.

Indices continued to lead active funds in 2006. The S&P/Citigroup PMI World outperformed 58.0% of global funds. The S&P/Citigroup PMI World ex U.S. outpaced 50.5% of international funds and the S&P/Citigroup EMI World Ex U.S. led 63.3% of international small company funds. The S&P/IFCI Composite also outperformed 75.0% of emerging markets funds.

Similar to domestic equities, indices dominate over long-term three- and five-year periods. The S&P/Citigroup PMI World outperformed 64.1% of global funds over three years (64.2% over five years). The S&P/Citigroup PMI World ex U.S. outpaced 73.3% (78.2%) of international funds and the S&P/Citigroup EMI World Ex U.S. led 64.3% (74.2%) of international small company funds. The S&P/IFCI Composite also outperformed 85.1% (86.7%) of emerging markets funds. (Reports 14 to 18)

### Indices led active sector funds in 2006 with mixed results over the long term

In 2006, indices outperformed active funds in six of eight sectors. In 2006 83.9% of active materials funds and 65.2% of active utilities fund outpaced their indices.

Over the past three years, active funds in four of eight sectors led indices, with two ties. For the past five years indices and active funds led in four sectors each. (Reports 6 to 9).

**Indices led in most domestic fixed income styles in 2006 with active funds leading in global styles**

In 2006 seven of eight domestic taxable fixed income indices (Lehman Brothers Bond Indices, Merrill Lynch All U.S. Convertibles Index) have outpaced active funds. Only short-term general funds have outperformed their index this year, with 58.1% of active funds outperforming the Lehman Brothers 1-3 Year Government/Credit Index. Two of three active global fixed income styles outperformed the Lehman Brothers Global Bond Indices in 2006. In 2006, 71.4% of emerging markets funds outperformed the Lehman Brothers Emerging Markets Index while 67.6% of global multisector funds outperformed the Lehman Brothers Global Aggregate Bond Index.

Over the past three years indices outperformed seven of eleven active fixed income styles. Over the past five years indices outpaced ten of eleven styles. (Reports 19 to 23)

**Fund liquidations and mergers were down in 2006**

Mergers and liquidations of funds declined in 2006. The percent of actively managed general equity funds merging or liquidating in 2006 was 5.95% versus 6.8% in 2005. The percent of sector funds merging or liquidating in 2006 was 4.93% versus 5.8% in 2005. A total of 155 unique domestic equity funds in these styles merged or liquidated. Reports 2 (General Equity Funds) and 7 (Sector Funds) show complete survivorship details. Report 15 provides survivorship information on international equity asset classes. Report 20 provides survivorship details on domestic and global fixed income.

**Expense ratio averages decline over the past year for most index and active fund categories**

For domestic equities, we compared average expense ratios at December 31, 2006 to ratios at December 31, 2005. Over the past year we show declines in average fund expenses for asset-weighted index funds (S&P 500, S&P MidCap 400 and S&P SmallCap 600). Expense ratios for both equal-weighted index funds and active funds declined in two of the three capitalization categories. Expense ratios increased for equal-weighted small-cap index funds mid-cap active funds.

On an equal-weighted basis the average expense ratio difference between active and index funds was 0.67% for large-cap funds. The incremental expense difference for active funds was 0.925% for mid-cap and 0.72% for small-cap.

<b>Average Expense Ratios of Index Funds (%)</b>						
	<b>Equal-Weighted Average</b>			<b>Asset-Weighted Average</b>		
<b>Index Funds</b>	<b>2006</b>	<b>2005</b>	<b>Difference</b>	<b>2006</b>	<b>2005</b>	<b>Difference</b>
S&P 500	0.351	0.394	-0.043	0.166	0.185	-0.019
S&P MidCap 400	0.535	0.552	-0.017	0.401	0.408	-0.007
S&P SmallCap 600	0.550	0.540	0.010	0.429	0.467	-0.038

As of December 31, 2006. ETFs are excluded.

<b>Average Expense Ratios of Active Funds</b>			
	<b>Equal-Weighted Average</b>		
<b>Active Funds</b>	<b>2006</b>	<b>2005</b>	<b>Difference</b>
All Large-Cap Funds	1.020	1.034	-0.014
All Mid-Cap Funds	1.458	1.364	0.094
All Small-Cap Funds	1.272	1.313	-0.041

As of December 31, 2006.

**Report 1: Percentage of General Equity Funds Outperformed by Index**

<b>Fund Category</b>	<b>Comparison Index</b>	<b>Last Quarter</b>	<b>One Year</b>	<b>Three Year</b>	<b>Five Year</b>
All Domestic Funds	S&P Composite 1500	47.13	67.82	58.89	63.50
All Large Cap Funds	S&P 500	56.56	69.11	66.70	71.42
All Mid Cap Funds	S&P MidCap 400	46.72	46.68	65.08	79.73
All Small Cap Funds	S&P SmallCap 600	48.30	63.56	80.60	77.55
Large Cap Growth Funds	S&P 500/Citigroup Growth	53.39	76.05	52.84	57.18
Large Cap Blend Funds	S&P 500	51.99	71.27	71.32	75.43
Large Cap Value Funds	S&P 500/Citigroup Value	70.00	87.74	89.95	90.74
Mid Cap Growth Funds	S&P MidCap 400/Citigroup Growth	41.18	34.76	68.39	88.06
Mid Cap Blend Funds	S&P MidCap 400	51.43	35.90	58.93	75.00
Mid Cap Value Funds	S&P MidCap 400/Citigroup Value	38.53	38.39	54.13	75.53
Small Cap Growth Funds	S&P SmallCap 600/Citigroup Growth	40.38	52.09	88.56	91.98
Small Cap Blend Funds	S&P SmallCap 600	53.90	62.81	84.15	76.47
Small Cap Value Funds	S&P SmallCap 600/Citigroup Value	51.39	76.70	77.47	62.65
All Cap Growth Funds	S&P Composite 1500/Citigroup Growth	35.64	51.04	32.10	37.84
All Cap Value Funds	S&P Composite 1500/Citigroup Value	55.22	82.35	87.23	80.65

Source: SPIVA. For periods ending December 31, 2006. Outperformance is based upon equal-weighted fund counts.

**Report 2: Survivorship and Style Consistency of General Equity Funds****Last Quarter**

<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
All Domestic Funds	2440	97.6	96.3
All Large Cap Funds	1289	97.3	96.1
All Mid Cap Funds	366	99.2	98.1
All Small Cap Funds	617	97.7	95.8
Large Cap Growth Funds	472	95.8	94.7
Large Cap Blend Funds	427	98.6	97.4
Large Cap Value Funds	390	97.7	96.4
Mid Cap Growth Funds	187	98.9	97.9
Mid Cap Blend Funds	70	100.0	98.6
Mid Cap Value Funds	109	99.1	98.2
Small Cap Growth Funds	260	96.5	95.0
Small Cap Blend Funds	141	98.6	95.7
Small Cap Value Funds	216	98.6	96.8
All Cap Growth Funds	101	95.0	95.0
All Cap Value Funds	67	98.5	97.0

**One Year**

All Domestic Funds	2303	94.1	80.6
All Large Cap Funds	1172	93.3	80.5
All Mid Cap Funds	377	95.0	76.1
All Small Cap Funds	590	94.9	81.9
Large Cap Growth Funds	451	89.8	79.8
Large Cap Blend Funds	362	95.0	74.0
Large Cap Value Funds	359	95.8	88.0
Mid Cap Growth Funds	187	92.5	78.6
Mid Cap Blend Funds	78	96.2	65.4
Mid Cap Value Funds	112	98.2	79.5
Small Cap Growth Funds	263	91.6	80.2
Small Cap Blend Funds	121	96.7	73.6
Small Cap Value Funds	206	98.1	88.8
All Cap Growth Funds	96	92.7	85.4
All Cap Value Funds	68	97.1	89.7

**Report 2: Survivorship and Style Consistency of General Equity Funds (Continued)****Three Year**

<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
All Domestic Funds	2097	83.6	67.3
All Large Cap Funds	1111	80.2	64.6
All Mid Cap Funds	358	89.1	66.5
All Small Cap Funds	500	86.8	73.0
Large Cap Growth Funds	458	75.3	65.7
Large Cap Blend Funds	265	80.8	55.1
Large Cap Value Funds	388	85.6	69.8
Mid Cap Growth Funds	193	84.5	68.4
Mid Cap Blend Funds	56	94.6	64.3
Mid Cap Value Funds	109	94.5	64.2
Small Cap Growth Funds	236	81.4	71.2
Small Cap Blend Funds	82	90.2	62.2
Small Cap Value Funds	182	92.3	80.2
All Cap Growth Funds	81	82.7	64.2
All Cap Value Funds	47	89.4	83.0

**Five Year**

All Domestic Funds	1989	71.9	45.7
All Large Cap Funds	1095	67.6	44.4
All Mid Cap Funds	296	76.7	43.6
All Small Cap Funds	530	77.4	50.6
Large Cap Growth Funds	425	64.5	48.0
Large Cap Blend Funds	346	63.6	28.6
Large Cap Value Funds	324	75.9	56.5
Mid Cap Growth Funds	134	72.4	53.7
Mid Cap Blend Funds	68	75.0	32.4
Mid Cap Value Funds	94	84.0	37.2
Small Cap Growth Funds	262	71.8	49.2
Small Cap Blend Funds	102	82.4	35.3
Small Cap Value Funds	166	83.1	62.0
All Cap Growth Funds	37	67.6	35.1
All Cap Value Funds	31	90.3	41.9

Data: Standard &amp; Poor's. For periods ending December 31, 2006.

**Report 3: Average General Equity Fund Performance (Equal Weighted)**

	<b>Last Quarter (%)</b>	<b>One Year (%)</b>	<b>Three Year (Annualized %)</b>	<b>Five Year (Annualized %)</b>
S&P Composite 1500	6.77	15.34	10.85	6.79
All Domestic Funds	6.92	12.38	10.40	6.75
S&P 500	6.69	15.78	10.43	6.19
All Large Cap Funds	6.35	12.35	9.44	5.19
S&P MidCap 400	6.98	10.31	13.08	10.88
All Mid Cap Funds	7.07	10.65	11.34	8.03
S&P SmallCap 600	7.84	15.12	14.99	12.49
All Small Cap Funds	7.97	13.17	11.55	9.12
<b>Large Cap</b>				
S&P 500/Citigroup Growth	5.65	11.01	6.29	1.87
Large Cap Growth Funds	5.60	7.85	7.24	2.93
S&P 500	6.69	15.78	10.43	6.19
Large Cap Blend Funds	6.54	13.43	9.57	5.31
S&P 500/Citigroup Value	7.72	20.80	14.74	10.43
Large Cap Value Funds	7.04	17.09	11.91	7.76
<b>Mid Cap</b>				
S&P MidCap 400/Citigroup Growth	5.98	5.81	11.91	9.11
Mid Cap Growth Funds	6.60	7.24	9.31	5.42
S&P MidCap 400	6.98	10.31	13.08	10.88
Mid Cap Blend Funds	6.83	11.88	12.22	8.97
S&P MidCap 400/Citigroup Value	7.87	14.62	14.16	12.51
Mid Cap Value Funds	8.00	15.71	14.26	11.41
<b>Small Cap</b>				
S&P SmallCap 600/Citigroup Growth	7.26	10.54	13.73	11.19
Small Cap Growth Funds	7.89	11.06	9.24	5.74
S&P SmallCap 600	7.84	15.12	14.99	12.49
Small Cap Blend Funds	7.45	12.70	12.36	10.49
S&P SmallCap 600/Citigroup Value	8.40	19.57	16.20	13.71
Small Cap Value Funds	8.40	15.65	13.81	12.89
<b>All Cap</b>				
S&P Composite 1500/Citigroup Growth	5.73	10.62	7.06	2.78
All Cap Growth Funds	6.64	10.23	9.49	6.27
S&P Composite 1500/Citigroup Value	7.78	20.22	14.75	10.71
All Cap Value Funds	7.61	15.25	12.43	10.12

Source: Standard &amp; Poor's. For periods ending December 31, 2006

### Report 4: Average General Equity Fund Performance (Asset Weighted)

	Last Quarter (%)	One Year (%)	Three Year (Annualized %)	Five Year (Annualized %)
S&P Composite 1500	6.77	15.34	10.85	6.79
All Domestic Funds	6.86	13.00	10.79	6.73
S&P 500	6.69	15.78	10.43	6.19
All Large Cap Funds	6.54	13.19	10.18	5.92
S&P MidCap 400	6.98	10.31	13.08	10.88
All Mid Cap Funds	7.57	12.34	12.05	8.13
S&P SmallCap 600	7.84	15.12	14.99	12.49
All Small Cap Funds	7.98	13.53	12.95	10.25
<b>Large Cap</b>				
S&P 500/Citigroup Growth	5.65	11.01	6.29	1.87
Large Cap Growth Funds	6.06	8.62	8.73	4.13
S&P 500	6.69	15.78	10.43	6.19
Large Cap Blend Funds	6.45	12.56	9.10	5.25
S&P 500/Citigroup Value	7.72	20.80	14.74	10.43
Large Cap Value Funds	6.92	17.30	11.78	8.09
<b>Mid Cap</b>				
S&P MidCap 400/Citigroup Growth	5.98	5.81	11.91	9.11
Mid Cap Growth Funds	7.30	9.44	11.07	6.42
S&P MidCap 400	6.98	10.31	13.08	10.88
Mid Cap Blend Funds	7.32	12.38	12.15	8.35
S&P MidCap 400/Citigroup Value	7.87	14.62	14.16	12.51
Mid Cap Value Funds	8.00	15.52	13.43	10.86
<b>Small Cap</b>				
S&P SmallCap 600/Citigroup Growth	7.26	10.54	13.73	11.19
Small Cap Growth Funds	7.71	11.12	10.30	6.60
S&P SmallCap 600	7.84	15.12	14.99	12.49
Small Cap Blend Funds	7.68	13.31	12.76	10.91
S&P SmallCap 600/Citigroup Value	8.40	19.57	16.20	13.71
Small Cap Value Funds	8.23	14.78	14.45	13.28
<b>All Cap</b>				
S&P Composite 1500/Citigroup Growth	5.73	10.62	7.06	2.78
All Cap Growth Funds	6.05	9.99	11.27	7.55
S&P Composite 1500/Citigroup Value	7.78	20.22	14.75	10.71
All Cap Value Funds	7.54	15.17	12.98	9.78

Source: Standard & Poor's. For periods ending December 31, 2006.

**Report 5: Quartile Breakpoints of General Equity Funds****Last Quarter**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Large Cap Growth	4.51	5.60	6.51
Large Cap Blend	5.61	6.65	7.43
Large Cap Value	6.45	7.24	7.86
Mid Cap Growth	5.12	6.40	7.81
Mid Cap Blend	5.82	6.97	8.14
Mid Cap Value	7.19	8.04	8.99
Small Cap Growth	6.51	7.83	9.24
Small Cap Blend	6.46	7.73	8.73
Small Cap Value	7.33	8.37	9.39
All Cap Growth	5.24	6.77	8.18
All Cap Value	6.12	7.57	8.80

**One Year**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Large Cap Growth	4.99	8.14	11.38
Large Cap Blend	11.05	13.98	16.15
Large Cap Value	15.10	17.61	19.60
Mid Cap Growth	4.84	7.85	11.15
Mid Cap Blend	9.39	12.34	14.65
Mid Cap Value	12.79	15.59	18.08
Small Cap Growth	7.09	10.75	14.23
Small Cap Blend	10.73	13.55	16.82
Small Cap Value	13.02	16.35	19.33
All Cap Growth	5.85	11.09	14.12
All Cap Value	11.85	15.96	19.01

**Report 5: Quartile Breakpoints of General Equity Funds (Continued)****Three Year**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Large Cap Growth	5.64	7.14	9.41
Large Cap Blend	8.21	9.71	11.12
Large Cap Value	10.30	11.92	13.35
Mid Cap Growth	8.32	10.63	12.93
Mid Cap Blend	11.21	12.65	14.50
Mid Cap Value	11.90	14.10	16.07
Small Cap Growth	7.57	10.03	12.65
Small Cap Blend	10.92	12.62	13.78
Small Cap Value	12.41	14.54	16.09
All Cap Growth	7.90	10.81	12.24
All Cap Value	9.33	11.33	13.01

**Five Year**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Large Cap Growth	1.29	3.02	5.13
Large Cap Blend	3.73	5.42	6.98
Large Cap Value	6.16	7.66	9.40
Mid Cap Growth	4.94	6.37	8.15
Mid Cap Blend	6.82	9.69	11.72
Mid Cap Value	8.58	10.23	12.77
Small Cap Growth	3.64	6.61	9.27
Small Cap Blend	7.76	10.59	12.91
Small Cap Value	11.13	13.27	15.47
All Cap Growth	3.82	6.30	9.54
All Cap Value	6.97	8.89	10.45

Data: Standard &amp; Poor's. For periods ending December 31, 2006.

**Report 6: Percentage of Sector Funds Outperformed by Index**

<b>Fund Category</b>	<b>Comparison Index</b>	<b>Last Quarter</b>	<b>One Year</b>	<b>Three Year</b>	<b>Five Year</b>
All Sector Funds	S&P 500	39.78	52.60	49.01	53.52
Energy Sector Funds	S&P 500 Energy Sector Index	83.87	96.30	50.00	37.04
Financial Sector Funds	S&P 500 Financial Sector Index	66.67	81.40	64.86	45.00
Health Care Sector Funds	S&P 500 Health Care Sector Index	33.93	73.68	30.36	50.91
Information Technology Sector Funds	S&P 500 Information Technology Sector Index	50.54	61.70	50.00	71.74
Materials Sector Funds	S&P 500 Materials Sector Index	25.81	16.13	7.14	7.69
Telecommunication Sector Funds	S&P 500 Telecommunication Services Sector Index	42.86	100.00	43.75	58.33
Utilities Sector Funds	S&P 500 Utilities Sector Index	28.00	34.78	62.50	54.84
Real Estate Sector Funds	S&P REIT Composite Index	58.75	64.94	43.75	45.61

Source: Standard & Poor's. For periods ending December 31, 2006. Outperformance is based upon equal-weighted fund counts.

**Report 7: Sector Funds Survivorship and Style Consistency****Last Quarter**

<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
All Sector Funds	372	96.51	96.24
Energy Sector Funds	31	96.77	96.77
Financial Sector Funds	42	92.86	92.86
Health Care Sector Funds	56	96.43	96.43
Information Technology Sector Funds	93	95.70	95.70
Materials Sector Funds	31	100.00	100.00
Telecommunication Sector Funds	14	100.00	92.86
Utilities Sector Funds	25	92.00	92.00
Real Estate Sector Funds	80	98.75	98.75

**One Year**

All Sector Funds	365	95.07	93.70
Energy Sector Funds	27	96.30	96.30
Financial Sector Funds	43	90.70	90.70
Health Care Sector Funds	57	92.98	91.23
Information Technology Sector Funds	94	94.68	92.55
Materials Sector Funds	31	100.00	96.77
Telecommunication Sector Funds	13	100.00	92.31
Utilities Sector Funds	23	86.96	86.96
Real Estate Sector Funds	77	98.70	98.70

**Three Year**

All Sector Funds	355	86.20	82.82
Energy Sector Funds	24	91.67	91.67
Financial Sector Funds	37	89.19	86.49
Health Care Sector Funds	56	85.71	80.36
Information Technology Sector Funds	106	77.36	74.53
Materials Sector Funds	28	100.00	96.43
Telecommunication Sector Funds	16	81.25	75.00
Utilities Sector Funds	24	87.50	79.17
Real Estate Sector Funds	64	92.19	90.63

**Five Year**

All Sector Funds	398	71.61	66.33
Energy Sector Funds	27	88.89	77.78
Financial Sector Funds	40	82.50	75.00
Health Care Sector Funds	55	72.73	72.73
Information Technology Sector Funds	138	55.07	50.72
Materials Sector Funds	26	100.00	100.00
Telecommunication Sector Funds	24	54.17	45.83
Utilities Sector Funds	31	77.42	54.84
Real Estate Sector Funds	57	85.96	85.96

Data: Standard &amp; Poor's. For periods ending December 31, 2006.

<b>Report 8: Average Sector Fund Performance (Equal Weighted)</b>				
	<b>Last Quarter (%)</b>	<b>One Year (%)</b>	<b>Three Year (Annualized %)</b>	<b>Five Year (Annualized %)</b>
S&P 500 Energy Sector Index	11.17	24.21	28.99	19.10
Energy Sector Funds	9.45	13.58	29.84	22.87
S&P 500 Financial Sector Index	7.04	19.19	12.06	9.50
Financial Sector Funds	6.19	16.10	12.20	11.26
S&P 500 Health Care Sector Index	1.41	7.53	5.19	1.68
Healthcare Sector Funds	3.03	4.42	8.53	3.30
S&P 500 Information Technology Sector Index	6.12	8.42	3.94	0.69
Information Technology Sector Funds	6.44	7.64	5.54	1.06
S&P 500 Materials Sector Index	11.44	18.63	11.92	12.87
Materials Sector	13.18	28.99	18.62	30.80
S&P 500 Telecommunication Services Sector Index	8.69	36.80	15.66	1.77
Telecommunications Sector Funds	10.36	20.25	16.45	6.54
S&P 500 Utilities Sector Index	9.15	20.99	20.66	9.20
Utilities Sector Funds	10.25	25.41	20.76	10.56
S&P REIT Composite Index	9.72	35.46	25.72	23.02
Real Estate Sector Funds	8.57	31.21	24.46	22.37
S&P 500	6.69	15.78	10.43	6.19
All Sector Funds	7.58	17.02	15.05	10.97

Source: Standard & Poor's. For periods ending December 31, 2006.

<b>Report 9: Average Sector Fund Performance (Asset Weighted)</b>				
	<b>Last Quarter (%)</b>	<b>One Year (%)</b>	<b>Three Year (Annualized %)</b>	<b>Five Year (Annualized %)</b>
S&P 500 Energy Sector Index	11.17	24.21	28.99	19.10
Energy Sector Funds	10.26	16.28	30.47	22.85
S&P 500 Financial Sector Index	7.04	19.19	12.06	9.50
Financial Sector Funds	6.31	15.93	11.15	9.86
S&P 500 Health Care Sector Index	1.41	7.53	5.19	1.68
Healthcare Sector Funds	1.82	7.41	10.35	6.06
S&P 500 Information Technology Sector Index	6.12	8.42	3.94	0.69
Information Technology Sector Funds	6.07	6.61	4.53	0.04
S&P 500 Materials Sector Index	11.44	18.63	11.92	12.87
Materials Sector	11.08	27.42	16.26	29.55
S&P 500 Telecommunication Services Sector Index	8.69	36.80	15.66	1.77
Telecommunications Sector Funds	8.68	21.26	14.95	5.92
S&P 500 Utilities Sector Index	9.15	20.99	20.66	9.20
Utilities Sector Funds	10.55	26.31	22.79	11.82
S&P REIT Composite Index	9.72	35.46	25.72	23.02
Real Estate Sector Funds	9.21	32.40	25.26	22.74
S&P 500	6.69	15.78	10.43	6.19
All Sector Funds	7.47	17.51	15.29	9.20

Source: Standard & Poor's. For periods ending December 31, 2006.

Standard Poor's Index Versus Active Funds Scorecard

Report 10: Percentage of Active Funds Outperformed by S&P Index Funds					
		Last Quarter	One Year	Three Year	Five Year
<b>Percent of Active Funds Outperformed by Asset Weighted Average Index Fund Return</b>					
<b>Fund Category</b>	<b>Comparison Index Fund Category</b>				
Large Cap Blend Funds	S&P 500 Funds	51.05	70.17	69.06	74.28
Mid Cap Blend Funds	S&P MidCap 400 Funds	42.86	33.33	51.79	73.53
Small Cap Blend Funds	S&P SmallCap 600 Funds	52.48	57.02	80.49	69.61
<b>Percent of Active Funds Outperformed By Equal Weighted Average Index Fund Return</b>					
<b>Fund Category</b>	<b>Comparison Index Fund Category</b>				
Large Cap Blend Funds	S&P 500 Funds	47.54	67.13	64.91	72.25
Mid Cap Blend Funds	S&P MidCap 400 Funds	41.43	19.23	44.64	67.65
Small Cap Blend Funds	S&P SmallCap 600 Funds	51.77	57.02	80.49	69.61

Source: Standard & Poor's. For periods ending December 31, 2006. ETFs are not included.

**Report 11: Average Index Fund Performance (Equal Weighted)**

	Last Quarter (%)	One Year (%)	Three Year (Annualized %)	Five Year (Annualized %)
S&P 500	6.69	15.78	10.43	6.19
S&P 500 Index Funds	6.58	15.41	10.05	5.78
Large Cap Blend Funds	6.54	13.43	9.57	5.31
S&P Midcap 400	6.98	10.31	13.08	10.88
S&P MidCap 400 Index Funds	6.86	8.59	12.08	9.98
Mid Cap Blend Funds	6.83	11.88	12.22	8.97
S&P SmallCap 600	7.84	15.12	14.99	12.49
S&P SmallCap 600 Index Funds	7.74	14.50	14.39	11.79
Small Cap Blend Funds	7.45	12.70	12.36	10.49

**Report 12: Average Index Fund Performance (Asset Weighted)**

	Last Quarter (%)	One Year (%)	Three Year (Annualized %)	Five Year (Annualized %)
S&P 500	6.69	15.78	10.43	6.19
S&P 500 Index Funds	6.65	15.64	10.28	6.03
Large Cap Blend Funds	6.45	12.56	9.10	5.25
S&P Midcap 400	6.98	10.31	13.08	10.88
S&P MidCap 400 Index Funds	6.88	9.87	12.58	10.37
Mid Cap Blend Funds	7.32	12.38	12.15	8.35
S&P SmallCap 600	7.84	15.12	14.99	12.49
S&P SmallCap 600 Index Funds	7.78	14.44	14.39	11.85
Small Cap Blend Funds	7.68	13.31	12.76	10.91

**Report 13: Average Index Fund Expense Ratios**

Style	Number of Funds	Equal-Weighted Expense Ratios	Asset-Weighted Expense Ratios
S&P 500 Index Funds	66	0.351	0.166
S&P MidCap 400 Index Funds	10	0.535	0.401
S&P SmallCap 600 Index Funds	8	0.550	0.429

Source: Standard & Poor's. For periods ending December 31, 2006. ETFs are not included.

### Report 14: Percentage of International Funds Outperformed by Index

Fund Category	Comparison Index	Last Quarter	One Year	Three Year	Five Year
Global	S&P/Citigroup PMI World	39.85	57.98	64.13	64.15
International	S&P/Citigroup PMI World Ex U.S.	23.24	50.49	73.26	78.19
International Small Company	S&P/Citigroup EMI World Ex U.S.	36.73	63.27	64.29	74.19
Emerging Markets	S&P/IFCI Composite	60.53	75.00	85.07	86.67

Source: Standard & Poor's. For periods ending December 31, 2006. Outperformance is based upon equal-weighted fund counts.

**Report 15: International Funds Survivorship and Style Consistency****Last Quarter**

<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
Global	133	96.99	96.99
International	327	98.78	98.47
International Small Company	49	97.96	97.96
Emerging Markets	76	98.68	98.68

**One Year**

Global	119	96.64	93.28
International	305	95.08	94.10
International Small Company	49	97.96	95.92
Emerging Markets	68	98.53	98.53

**Three Year**

Global	92	85.87	83.70
International	288	85.07	83.68
International Small Company	42	92.86	90.48
Emerging Markets	67	89.55	88.06

**Five Year**

Global	106	70.75	61.32
International	298	70.81	69.46
International Small Company	31	80.65	80.65
Emerging Markets	75	68.00	66.67

Data: Standard &amp; Poor's. For periods ending December 31, 2006.

<b>Report 16: Average International Fund Performance (Equal Weighted)</b>				
	<b>Last Quarter (%)</b>	<b>One Year (%)</b>	<b>Three Year (Annualized %)</b>	<b>Five Year (Annualized %)</b>
S&P/Citigroup PMI World Index	8.13	20.15	15.27	10.41
Global	8.59	19.35	14.46	9.77
S&P/Citigroup PMI World Ex U.S. Index	9.39	24.74	20.41	15.52
International	10.41	25.08	19.35	13.88
S&P/Citigroup EMI World Ex U.S. Index	12.69	29.42	26.71	23.73
International Small Company	13.25	26.97	24.78	21.54
S&P/IFCI Composite Index	17.72	35.11	32.77	28.71
Emerging Markets	17.41	32.16	29.88	26.78

<b>Report 17: Average International Fund Performance (Asset Weighted)</b>				
	<b>Last Quarter (%)</b>	<b>One Year (%)</b>	<b>Three Year (Annualized %)</b>	<b>Five Year (Annualized %)</b>
S&P/Citigroup PMI World	8.13	20.15	15.27	10.41
Global	8.64	20.00	15.62	11.08
S&P/Citigroup PMI World Ex U.S.	9.39	24.74	20.41	15.52
International	10.34	25.05	19.91	14.63
S&P/Citigroup EMI World Ex U.S.	12.69	29.42	26.71	23.73
International Small Company	12.11	26.45	24.70	21.08
S&P/IFCI Composite	17.72	35.11	32.77	28.71
Emerging Markets	16.80	30.75	30.19	27.37

Source: Standard & Poor's. For periods ending December 31, 2006.

## Report 18: Quartile Breakpoints of International Equity Funds

### Last Quarter

Fund Category	Third Quartile	Second Quartile	First Quartile
Global	7.58	8.51	9.92
International	9.60	10.44	11.44
International Small Company	11.97	13.56	15.25
Emerging Markets	16.43	17.48	19.00

### One Year

Fund Category	Third Quartile	Second Quartile	First Quartile
Global	16.78	18.88	21.34
International	22.52	24.99	27.71
International Small Company	23.98	28.50	30.81
Emerging Markets	29.26	32.01	35.08

### Three Year

Fund Category	Third Quartile	Second Quartile	First Quartile
Global	12.40	14.63	16.55
International	17.44	19.23	20.89
International Small Company	22.14	25.86	28.02
Emerging Markets	28.24	30.08	32.00

### Five Year

Fund Category	Third Quartile	Second Quartile	First Quartile
Global	7.79	10.67	12.85
International	12.23	13.99	16.05
International Small Company	20.28	21.55	24.99
Emerging Markets	24.78	26.36	27.96

Data: Standard & Poor's. For periods ending December 31, 2006.

**Report 19: Percentage of Fixed Income Funds Outperformed by Index**

<b>Fund Category</b>	<b>Comparison Index</b>	<b>Last Quarter</b>	<b>One Year</b>	<b>Three Year</b>	<b>Five Year</b>
Government Long	Lehman Brothers Long Government Bond	95.45	95.24	81.25	89.80
Government Intermediate	Lehman Brothers Intermediate Government Bond	47.06	72.06	53.26	70.19
Government Short	Lehman Brothers 1-3 Year Government Bond	48.48	73.61	64.79	75.51
General Intermediate	Lehman Brothers Intermediate Government/Credit Bond	29.61	50.16	36.95	65.81
General Short	Lehman Brothers 1-3 Year Government/Credit Bond	27.16	41.94	37.14	69.51
High Yield	Lehman Brothers High Yield Bond	73.08	86.23	82.52	84.44
Convertibles	Merrill Lynch All U.S. Convertibles All Qualities	62.96	72.41	57.14	60.00
Mortgage-Backed Securities	Lehman Brothers Mortgage-Backed Securities	94.37	94.29	95.89	85.71
Global Fixed Income	Lehman Brothers Global Aggregate Bond	57.14	68.33	63.16	63.33
Emerging Markets Fixed Income	Lehman Brothers Emerging Markets	22.73	28.57	38.89	47.37
Global Multisector Fixed Income	Lehman Brothers Global Aggregate Bond	21.62	32.35	8.82	57.78

Source: Standard & Poor's. For periods ending December 31, 2006. Outperformance is based upon equal-weighted fund counts.

**Report 20: Survivorship and Style Consistency of Fixed Income Funds****Last Quarter**

<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
Government Long	44	95.45	93.18
Government Intermediate	68	91.18	89.71
Government Short	66	95.45	93.94
General Intermediate	304	97.37	96.38
General Short	162	95.68	95.06
High Yield	182	97.80	96.15
Convertibles	27	88.89	88.89
Mortgage-Backed Securities	71	98.59	98.59
Global Fixed Income	63	98.41	98.41
Emerging Markets Fixed Income	22	100.00	100.00
Global Multisector Fixed Income	37	97.30	94.59

**One Year**

Government Long	42	90.48	90.48
Government Intermediate	68	88.24	83.82
Government Short	72	93.06	81.94
General Intermediate	305	92.46	89.84
General Short	155	95.48	90.32
High Yield	167	96.41	94.61
Convertibles	29	82.76	82.76
Mortgage-Backed Securities	70	97.14	97.14
Global Fixed Income	60	95.00	91.67
Emerging Markets Fixed Income	21	95.24	95.24
Global Multisector Fixed Income	34	97.06	94.12

**Report 20: Fixed Income Funds Survivorship and Style Consistency (Cont'd)****Three Year**

<b>Fund Category</b>	<b>No. of Funds at Start</b>	<b>Survivorship (%)</b>	<b>Style Consistency (%)</b>
Government Long	16	81.25	68.75
Government Intermediate	92	77.17	57.61
Government Short	71	80.28	74.65
General Intermediate	295	79.66	77.63
General Short	140	85.00	72.14
High Yield	143	90.21	88.11
Convertibles	28	85.71	82.14
Mortgage-Backed Securities	73	93.15	89.04
Global Fixed Income	57	89.47	85.96
Emerging Markets Fixed Income	18	94.44	94.44
Global Multisector Fixed Income	34	91.18	88.24

**Five Year**

Government Long	49	67.35	26.53
Government Intermediate	104	64.42	38.46
Government Short	49	79.59	71.43
General Intermediate	234	70.51	61.11
General Short	82	85.37	80.49
High Yield	135	75.56	73.33
Convertibles	30	73.33	73.33
Mortgage-Backed Securities	70	85.71	74.29
Global Fixed Income	60	78.33	71.67
Emerging Markets Fixed Income	19	73.68	73.68
Global Multisector Fixed Income	45	77.78	55.56

Data: Standard &amp; Poor's. For periods ending December 31, 2006.

**Report 21: Average Fixed Income Fund Performance (Equal Weighted)**

	<b>Last Quarter (%)</b>	<b>One Year (%)</b>	<b>Three Year (Annualized %)</b>	<b>Five Year (Annualized %)</b>
Lehman Brothers Long Government Bond	0.57	2.06	5.51	7.11
Government Long	-0.69	0.53	4.63	6.21
Lehman Brothers Intermediate Government Bond	0.89	3.84	2.62	3.92
Government Intermediate	0.90	3.52	2.96	4.01
Lehman Brothers 1-3 Year Government Bond	0.98	4.12	2.30	2.97
Government Short	1.01	3.93	2.13	2.69
Lehman Brothers Intermediate Government/Credit Bond	1.03	4.08	2.90	4.53
General Intermediate	1.31	4.22	3.41	4.65
Lehman Brothers 1-3 Year Government/Credit Bond	1.02	4.25	2.43	3.27
General Short	1.22	4.45	2.76	3.12
Lehman Brothers High Yield Bond	4.20	11.85	8.49	10.18
High Yield	3.66	9.46	7.24	8.51
Merrill Lynch All U.S. Convertibles All Qualities	5.01	12.83	7.70	7.75
Convertibles	4.86	10.13	7.56	7.31
Lehman Brothers Mortgage-Backed Securities	1.60	5.22	4.17	4.85
Mortgage-Backed Securities	1.29	4.17	3.33	4.19
Lehman Brothers Global Aggregate Bond	2.05	6.64	3.63	7.85
Global Fixed Income	1.97	5.53	3.95	7.75
Lehman Brothers Emerging Markets	3.91	9.96	11.37	14.48
Emerging Markets Fixed Income	4.90	11.34	12.15	15.32
Lehman Brothers Global Aggregate Bond	2.05	6.64	3.63	7.85
Global Multisector Fixed Income	2.77	7.25	6.04	8.30

Source: Standard &amp; Poor's. For periods ending December 31, 2006

**Report 22: Average Fixed Income Fund Performance (Asset Weighted)**

	<b>Last Quarter (%)</b>	<b>One Year (%)</b>	<b>Three Year (Annualized %)</b>	<b>Five Year (Annualized %)</b>
Lehman Brothers Long Government Bond	0.57	2.06	5.51	7.11
Government Long	-0.98	0.49	3.74	5.95
Lehman Brothers Intermediate Government Bond	0.89	3.84	2.62	3.92
Government Intermediate	0.89	3.38	3.29	4.42
Lehman Brothers 1-3 Year Government Bond	0.98	4.12	2.30	2.97
Government Short	0.96	3.87	2.17	2.79
Lehman Brothers Intermediate Government/Credit Bond	1.03	4.08	2.90	4.53
General Intermediate	1.28	4.43	3.77	5.15
Lehman Brothers 1-3 Year Government/Credit Bond	1.02	4.25	2.43	3.27
General Short	1.20	4.41	2.80	3.19
Lehman Brothers High Yield Bond	4.20	11.85	8.49	10.18
High Yield	3.79	9.61	7.26	8.69
Merrill Lynch All U.S. Convertibles All Qualities	5.01	12.83	7.70	7.75
Convertibles	5.12	11.15	8.48	7.84
Lehman Brothers Mortgage-Backed Securities	1.60	5.22	4.17	4.85
Mortgage-Backed Securities	1.34	4.13	3.54	4.32
Lehman Brothers Global Aggregate Bond	2.05	6.64	3.63	7.85
Global Fixed Income	2.77	6.51	4.58	7.77
Lehman Brothers Emerging Markets	3.91	9.96	11.37	14.48
Emerging Markets Fixed Income	5.03	11.68	13.08	16.90
Lehman Brothers Global Aggregate Bond	2.05	6.64	3.63	7.85
Global Multisector Fixed Income	2.92	8.12	6.64	8.83

Source: Standard &amp; Poor's. For periods ending December 31, 2006

**Report 23: Quartile Breakpoints of Fixed Income Funds****Last Quarter**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Government Long	-1.44	-1.17	0.04
Government Intermediate	0.82	0.92	1.07
Government Short	0.87	0.99	1.10
General Intermediate	1.02	1.22	1.49
General Short	1.04	1.14	1.31
High Yield	3.28	3.76	4.24
Convertibles	3.95	4.86	5.54
Mortgage-Backed Securities	1.16	1.33	1.44
Global Fixed Income	1.09	1.90	2.53
Emerging Markets Fixed Income	3.98	5.00	5.55
Global Multisector Fixed Income	2.19	2.73	3.19

**One Year**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Government Long	-0.06	0.19	1.06
Government Intermediate	3.17	3.56	3.94
Government Short	3.58	3.89	4.29
General Intermediate	3.81	4.14	4.57
General Short	4.07	4.39	4.81
High Yield	8.61	9.87	11.01
Convertibles	9.59	10.84	13.45
Mortgage-Backed Securities	3.82	4.18	4.70
Global Fixed Income	4.23	5.61	7.02
Emerging Markets Fixed Income	10.11	11.27	12.07
Global Multisector Fixed Income	6.33	7.29	8.20

**Report 23: Quartile Breakpoints of Fixed Income Funds (Continued)****Three Year**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Government Long	3.97	4.83	5.26
Government Intermediate	2.37	2.77	3.20
Government Short	1.93	2.23	2.48
General Intermediate	3.00	3.41	3.85
General Short	2.40	2.73	3.04
High Yield	6.47	7.40	8.19
Convertibles	6.48	7.73	9.61
Mortgage-Backed Securities	3.02	3.31	3.74
Global Fixed Income	2.70	3.41	4.53
Emerging Markets Fixed Income	11.25	11.68	13.66
Global Multisector Fixed Income	5.53	5.98	6.74

**Five Year**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
Government Long	3.87	4.67	6.45
Government Intermediate	3.34	3.85	4.44
Government Short	2.46	2.83	3.05
General Intermediate	4.01	4.48	4.98
General Short	2.61	2.96	3.39
High Yield	7.62	8.67	10.01
Convertibles	5.94	8.42	9.64
Mortgage-Backed Securities	3.78	4.11	4.52
Global Fixed Income	5.61	7.67	9.75
Emerging Markets Fixed Income	14.10	15.58	16.16
Global Multisector Fixed Income	6.42	8.00	9.12

Data: Standard &amp; Poor's. For periods ending December 31, 2006.

## Glossary

**Fund Data** The fund information used in this report is drawn from Standard & Poor's Mutual Fund database, which has information on more than 20,000 U.S. funds.<sup>1</sup>

**Fund Universe** The universe used in these reports is domestic U.S equity funds, international equity funds and fixed income funds. Index Funds and index-based dynamic (bull/bear) funds are excluded from the sample. Separate reports focus on index funds.

**Style Classification** Each fund in the universe is classified into one of 67 investment styles. Standard & Poor's uses Returns Based Style Analysis to compare the historical performance of a fund to a series of index benchmarks to determine which benchmark or combination of benchmarks most closely describes the fund's actual returns.<sup>2</sup> The reports focus on:

**Domestic Equity:**

- Large-Cap Growth, Blend, Value
- Mid-Cap Growth, Blend, Value
- Small-Cap Growth, Blend, Value
- All-Cap Growth, Value

**Economic Sectors:**

- Energy
- Financials
- Health Care
- Information Technology
- Materials
- Telecommunications
- Utilities
- REITs

**International Equity**

- Global
- International
- International Small Company
- Emerging Markets

**Fixed Income:**

- Government Long, Intermediate, Short
- General Intermediate, Short
- High Yield
- Convertibles
- Mortgage-Backed Securities
- Global Fixed Income
- Emerging Markets
- Global Multisector

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

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

**Style Consistency** This measure, shown in Report 2, shows what percent of funds had the same style classification at the end of the period as at the beginning of the period.

**Survivorship Bias** Many funds might liquidate or merge during a period of study. Most of these occur because of continued poor performance by the fund. Therefore, if index returns are 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) taking all available funds in that particular category as the investment opportunity set as the denominator for outperformance calculations in Report 1, (b) explicitly showing the survivorship rate in each category in Report 2, and (c) constructing peer average return series for each style box based on all available funds at that period of time.

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

**Quartiles:** The  $p^{\text{th}}$ -percentile for a set of data is the value which is greater than or equal to  $p\%$  of the data, but is less than or equal to  $(100 - p)\%$  of the data. So, 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, but excluding loads.

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<sup>1</sup> For more information on Standard & Poor's mutual fund database, please visit [www.funds-sp.com](http://www.funds-sp.com).

<sup>2</sup> This technique is derived from work by Nobel laureate William Sharpe. See William F. Sharpe, "Asset Allocation: Management Style and Performance Measurement," *Journal of Portfolio Management*, Winter 1992.

## Glossary (Cont'd)

### Indices<sup>3</sup>

A benchmark index provides an investment vehicle to compare and assess fund performance.

#### Domestic Equity:

##### *S&P 500 Index*

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

##### *S&P MidCap 400 Index*

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

##### *S&P SmallCap 600 Index*

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 Index, the S&P MidCap 400 Index, and the S&P SmallCap 600 Index, which measures the performance of large-, mid- and small-cap stocks respectively. This index represents 90% of U.S. equities.

##### *S&P 500/Citigroup Growth and Value Indices*

These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P 500. Constituents, weighted according to market cap, are classified as growth, value or a mix of growth and value.

##### *S&P MidCap 400/Citigroup Growth and Value Indices*

These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P MidCap 400.

##### *S&P SmallCap 600/Citigroup Growth and Value Indices*

These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P SmallCap 600.

##### *S&P Composite 1500/Citigroup Growth and Value Indices*

These indices are an exhaustive, multi-factor style series covering the entire market capitalization of the S&P Composite 1500.

### Economic Sectors

#### *S&P 500 Energy Index*

This index includes companies whose businesses are dominated by either 1) construction and provision of oil rigs, drilling equipment and other energy-related service and equipment or 2) the exploration, production, marketing, refining and/or transportation of oil and gas products.

#### *S&P 500 Financials Index*

This index includes companies involved in banking, consumer finance, investment banking and brokerage, asset management, insurance and investment, and real estate, including REITs.

#### *S&P 500 Health Care Index*

This index includes companies in two main industry groups: 1) Health care equipment, supplies or services and 2) owners and operators of health care facilities and organizations.

#### *S&P 500 Information Technology Index*

This index includes companies in two main industry groups: 1) Technology Software and Services and 2) Technology Hardware and Equipment.

#### *S&P 500 Materials Index*

This index includes companies that are engaged in a wide range of commodity-related manufacturing, including chemicals, construction materials, glass, paper, forest products, metals, minerals, and mining companies, including producers of steel.

#### *S&P 500 Telecommunications Services Index*

This index includes companies that provide communications services primarily through a fixed line, cellular, wireless, high bandwidth and/or fiberoptic cable networks.

#### *S&P 500 Utilities Index*

This index includes companies considered electric, gas or water utilities, or companies that operate as independent producers and/or distributors of power. This sector includes both nuclear and nonnuclear facilities.

#### *S&P REIT Composite Index*

This index includes 100 U.S. Real Estate Investment Trusts (REITs), covering over 80% of the securitized U.S. real estate market.

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<sup>3</sup> For more information on Standard & Poor's indices, please visit the Indices section of [www.standardandpoors.com](http://www.standardandpoors.com).

## Glossary (Cont'd)

### International Equity

#### *S&P/Citigroup BMI Index*

The Broad Market Index (BMI) covers the world's entire universe of institutionally investable securities.

#### *S&P/Citigroup BMI Ex U.S. Index*

The Broad Market Index (BMI) covers the world's entire universe of institutionally investable securities excluding the U.S.

#### *S&P/Citigroup PMI World Index*

The Primary Market Index (PMI), covering world equity markets, constitutes the top 80% of the available market cap of the global S&P/Citigroup BMI Index.

#### *S&P/Citigroup PMI World ex U.S. Index*

The Primary Market Index (PMI), covering world equity markets excluding the U.S., represents the top 80% of the available capital of the S&P/Citigroup BMI ex U.S. Index

#### *S&P/Citigroup EMI World ex U.S. Index*

The Extended Market Index (EMI), covering world equity markets excluding the U.S., represents the small-capitalization segment, the bottom 20% of the S&P/Citigroup BMI ex U.S. Index.

#### *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

#### *Lehman Brothers Long Government Bond Index*

This index consists of U.S. Treasury and U.S. Government agency bonds with maturities greater than 10 years.

#### *Lehman Brothers Intermediate Government Bond Index*

This index consists of U.S. Treasury and U.S. Government agency bonds with maturities from one to 10 years.

#### *Lehman Brothers 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.

#### *Lehman Brothers Intermediate Government/Credit Bond Index*

This index covers corporate and non-corporate fixed-income securities that are rated investment grade and have 5-7 years to final maturity.

#### *Lehman Brothers 1-3 Year Government/Credit Bond Index*

This index covers corporate and non-corporate fixed-income securities that are rated investment grade and have 1-3 years to final maturity.

#### *Lehman Brothers High Yield Bond Index*

This index includes all fixed income securities with a maximum quality rating of Ba1 (including defaulted issues), a minimum amount outstanding of \$100 million and at least 1 year to maturity.

#### *Lehman 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).

#### *Lehman Brothers 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.

#### *Lehman Brothers Emerging Markets Index*

This index tracks total returns for external-currency-denominated debt instruments of emerging markets.

#### *Merrill Lynch All U.S. Convertibles All Qualities Index*

This index consists of convertible bonds and preferred stock of all qualities.

For more information, please go to [www.spiva.standardandpoors.com](http://www.spiva.standardandpoors.com)

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