

# S&P BRIC 40 Risk Control 18% Index

## EXCHANGE-TRADED PRODUCTS:

### EXCHANGE-TRADED FUNDS (ETFs)

SPDR S&P BRIC 40

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## About the Index

The S&P BRIC 40 Risk Control 18% Index offers investors greater stability and a reduction in the overall risk level of the S&P BRIC 40. By integrating a volatility control within the index rules, Standard & Poor's provides a new level of innovation for investors looking to gain exposure to the BRIC equity markets while limiting their risk.

The S&P BRIC 40 provides exposure to 40 leading companies from the BRIC countries, Brazil, Russia, India, and China, through liquid stocks trading on developed market exchanges. All stocks in the S&P BRIC 40 index are constituents of the S&P/IFCI index series, a family of emerging market indices that measure the return of stocks that are legally and practically available for foreign investment.

### Index Methodology

The S&P BRIC 40 Risk Control 18% Index utilizes the existing S&P BRIC 40 methodology, plus an overlying mathematical algorithm designed to control the level of risk of the S&P BRIC 40 by establishing a specific volatility target and dynamically adjusting the exposure to the S&P BRIC 40 based on its observed historic volatility. If the risk level reaches a threshold that is too high, the cash level is increased in order to maintain the target volatility. If the risk level is too low, then the index will employ leverage to maintain the targeted level of volatility.

The S&P BRIC 40 Risk Control 18% Index is calculated in United States Dollars and Euros. Net total return and excess return versions of the index are available.

### S&P BRIC 40 INDEX MEMBERSHIP

- *Universe.* Companies must be constituents of the S&P/IFCI country indices for Brazil, Russia, India, and China.
- *Market Capitalization.* Stocks must have a float-adjusted market capitalization above US\$ 1 billion.
- *Liquidity.* Stocks must have a three-month average daily value traded above US\$ 5 million.

- *Domicile.* Brazilian, Russian, Indian, and Chinese companies that are listed on the Hong Kong Exchange, the London Stock Exchange, NASDAQ, and/or NYSE.

### S&P BRIC 40 CALCULATION AND REBALANCING

The S&P BRIC 40 uses a modified market capitalization weighting scheme. To reflect available float, reduce single stock concentration and enhance index basket liquidity, modifications are made to market cap weights. The methodology requires that at rebalancing, no single stock has a weight in the index greater than 10%, and the minimum initial portfolio size that can be turned over in a single day (based on recent trading volumes) cannot be lower than US\$ 600 million.

The index is rebalanced once a year after the close of the third Friday in December, with a mid-year review in May. A semi-annual rebalancing occurs if three of the largest 30 stocks from the eligible universe are not in the index at the mid-year review. If a mid-year rebalancing is required, new constituents and index shares will be available to investors with a two-week notice.

# S&P BRIC 40

## Risk Control 18% Index

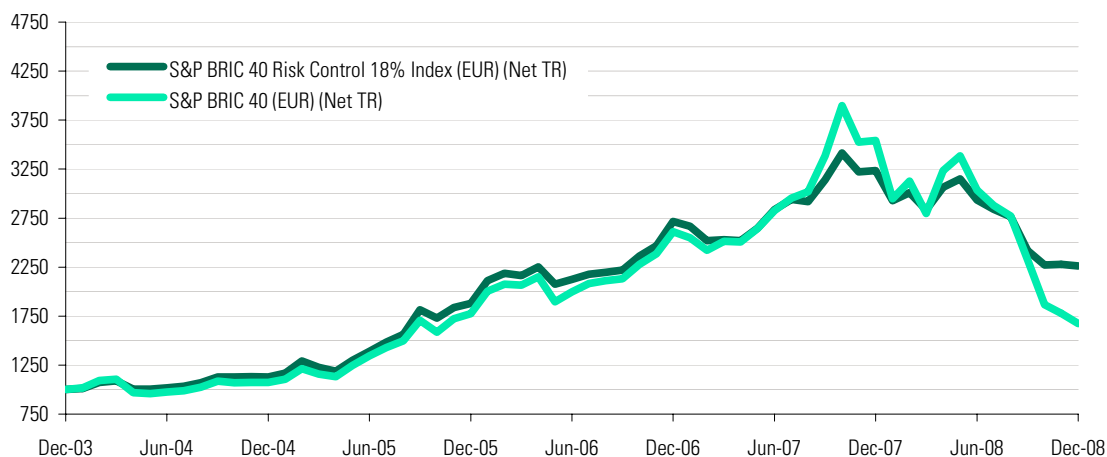
### S&P Global Indices

December 31, 2008

Offers investors greater stability and a reduction in the overall risk level of the S&P BRIC 40.



### 5 Year Historical Performance



### Tickers

#### S&P BRIC 40 Risk Control 18% Index

Net Total Return		
BLOOMBERG <sup>SM</sup>	SPTR18UN	USD
	SPTR18EN	EURO
Reuters	.SPTR18UN	USD
	.SPTR18EN	EURO

Excess Return		
BLOOMBERG <sup>SM</sup>	SPTR18UE	USD
	SPTR18EE	EURO
Reuters	.SPTR18UE	USD
	.SPTR18EE	EURO

#### S&P BRIC 40

Price Return		
BLOOMBERG <sup>SM</sup>	SBR	USD
	SBE	EURO
Reuters	.SPBRIC	USD
	.SPBRICE	EURO

Total Return		
BLOOMBERG <sup>SM</sup>	SPTRBRTU	USD
	SPTRB RTE	EURO
Reuters	.SPTRBRTU	USD
	.SPTRB RTE	EURO

Net Total Return		
BLOOMBERG <sup>SM</sup>	SPTRBRIC	USD
	SPTRBRIE	EURO
Reuters	.SPBRICNTR	USD
	.SPBRICENTR	EURO

### Index Performance

		USD		EURO	
		S&P BRIC 40	S&P BRIC 40	S&P BRIC 40	S&P BRIC 40
		Risk Control 18%	Risk Control 18%	Risk Control 18%	Risk Control 18%
		(Net TR)	(Net TR)	(Net TR)	(Net TR)
<b>Returns</b>	3 Month	-5.78%	-28.64%	-6.44%	-27.89%
	YTD	-30.97%	-55.05%	-30.11%	-52.72%
<b>Annualized Returns</b>	1 Year	-30.97%	-55.05%	-30.11%	-52.72%
	3 Years	11.13%	3.62%	6.34%	-1.90%
	5 Years	19.09%	13.04%	17.73%	10.86%
<b>Annualized Risk</b>	3 Years Std Dev	21.03%	34.41%	19.94%	30.49%
	5 Years Std Dev	20.16%	29.68%	19.54%	27.01%
<b>Sharpe Ratio</b>	3 Years	0.4367	0.1756	0.2264	-0.0288
	5 Years	0.8237	0.4670	0.7829	0.4082

### Rolling Risk - 3 Years Annualized

