

Building Sector Indices for Investors

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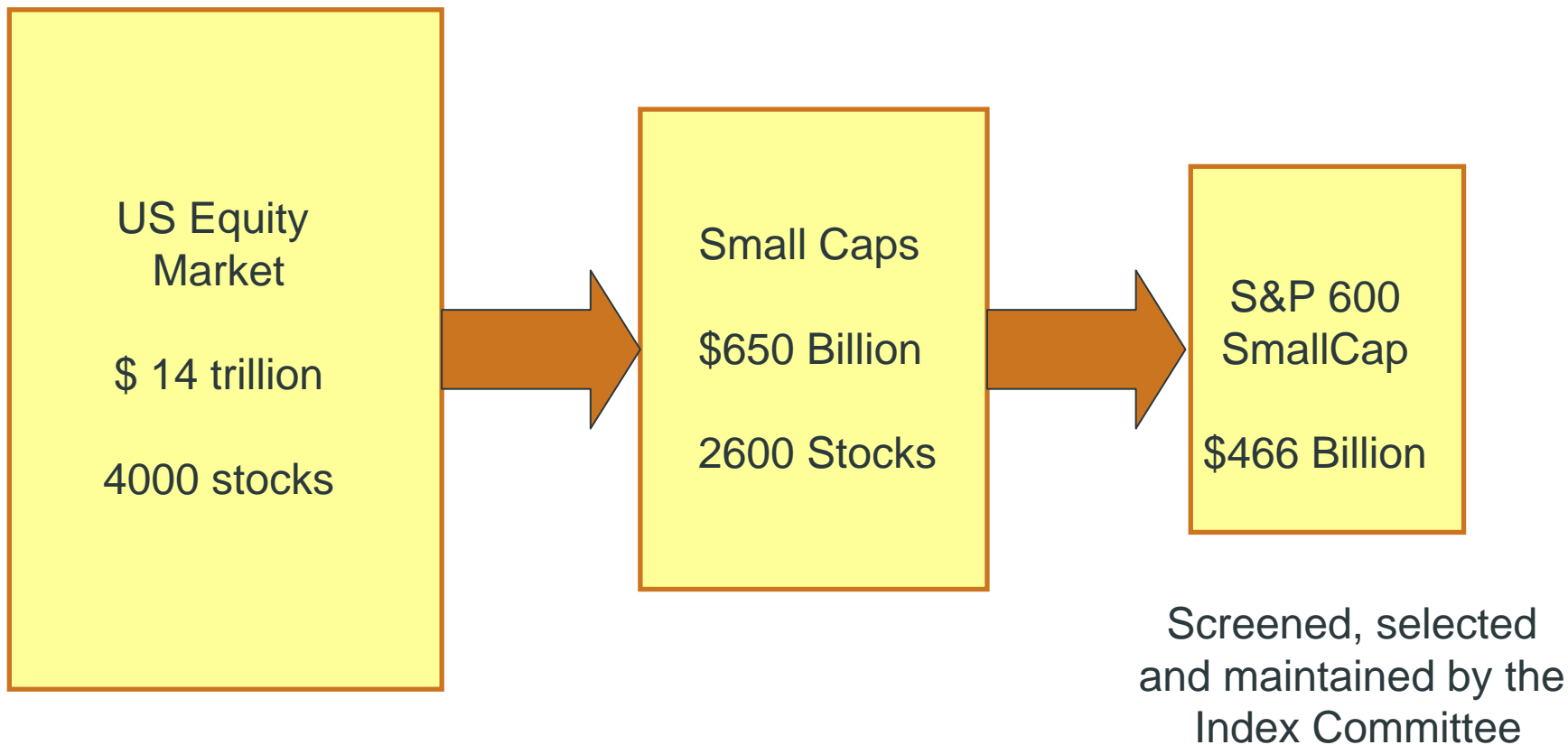
April 5, 2010

See what others don't,
so you can do what others can't.™

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S&P and the Index Committee


- All S&P indices are overseen by committees
- Index calculation methodology, company selection and other guidelines assure that indices are transparent, consistent and aim to meet investors' needs
- The U.S. Index Committee is responsible for the S&P 500, S&P MidCap 400 and S&P SmallCap 600 and related U.S. indices including the S&P SmallCap 600 Capped Sector Indices.
- Committee decisions are based only on public information and are made available to all investors at the same time.
- The Index Committee operates independently of S&P Equity Research, S&P Debt Rating and all other S&P services.



Data based on S&P U.S. Total Market Index as of March 26, 2010

S&P U.S. Indices Inclusion Rules

- U.S. Company
- Adequate Liquidity
- Four Quarters of positive earnings under GAAP
- For Small Cap Stocks \$250 Million to \$1.2 Billion market Cap
- Float >50%
- Operating Companies



S&P 600
SmallCap

The S&P SmallCap 600 is an efficient way to gain exposure to the U.S. Small Cap market.

But some investors may want more control to target their investments to certain economic sectors.

To meet these needs, S&P assigns all stocks to **GICS Sectors**

Sectors

- **GICS is the Global Industrial Classification Standard**
 - GICS was developed and is maintained jointly by S&P and MSCI.
 - It consists of four levels: sector, industry group, industry and sub-industry.
 - GICS has 10 Sectors, 24 industry groups, 68 industries and 154 sub-industries.
 - Classification is based on revenues and earnings and reflects market perception and analysts' opinions
- **GICS is reviewed annually through consultations with analysts, investors and other users to assure that it accurately reflects industries and sectors**

GICS Sectors

S&P 600
SmallCap

- **Consumer discretionary**
- **Consumer staples**
- **Energy**
- **Financials**
- **Health care**
- **Industrial**
- **Information technology**
- **Materials**
- **Telecommunications services**
- **Utilities**

Sectors for Investors

- **Exchange Traded Funds diversification:**
- **5-25-50**
 - No stock can have a weight of more than 25%
 - Any five stocks which have weights of more than 5% each can not total more than 50%
- **To meet these rules Telecommunication Services and Utilities are combined into one sector**
- **Same approach used in other sector fund families**

GICS Capped Sectors

5-25-50

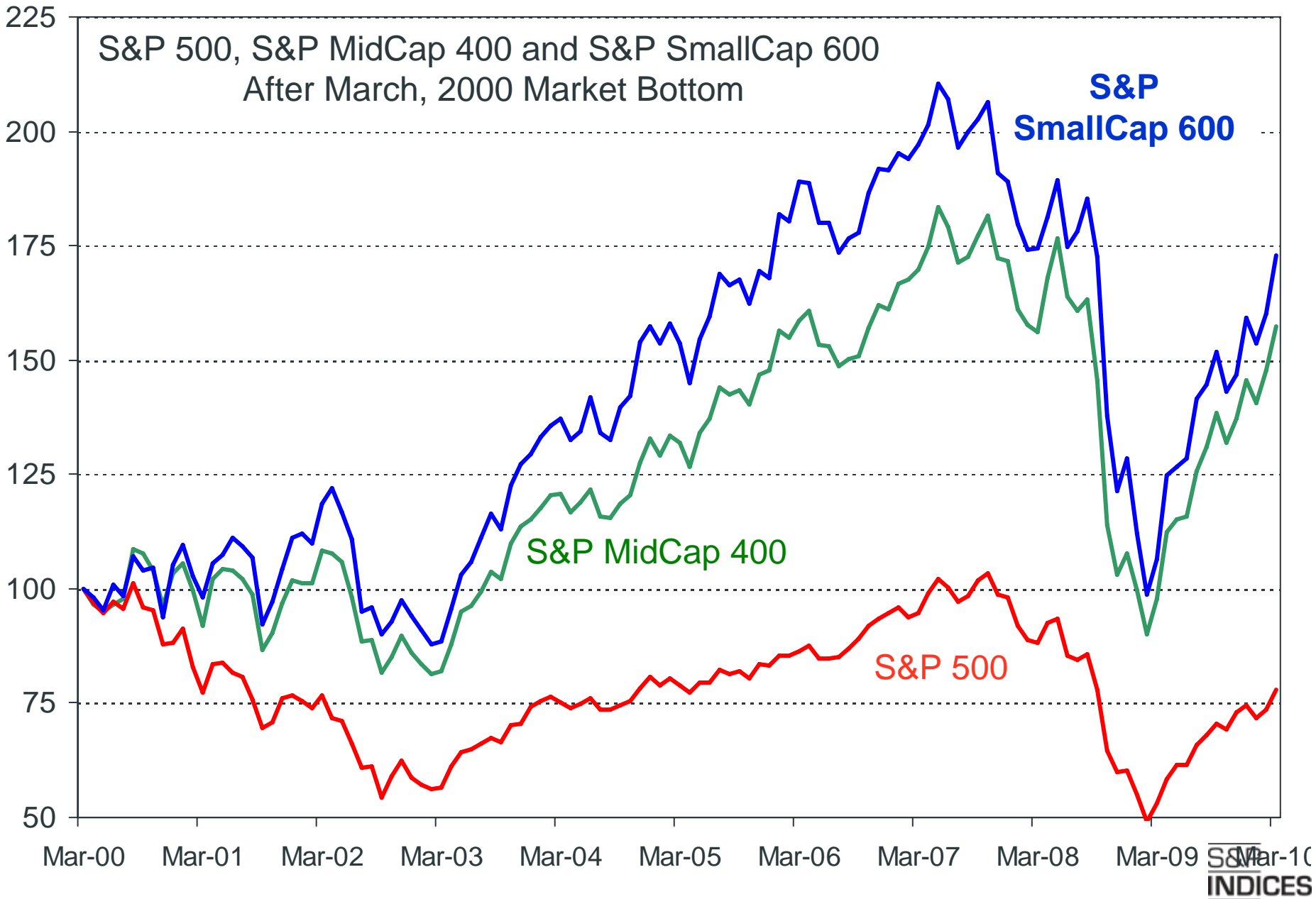
S&P 600
SmallCap

- **Consumer discretionary**
- **Consumer staples**
- **Energy**
- **Financials**
- **Health care**
- **Industrial**
- **Information technology**
- **Materials**
- **Telecommunications services & utilities**

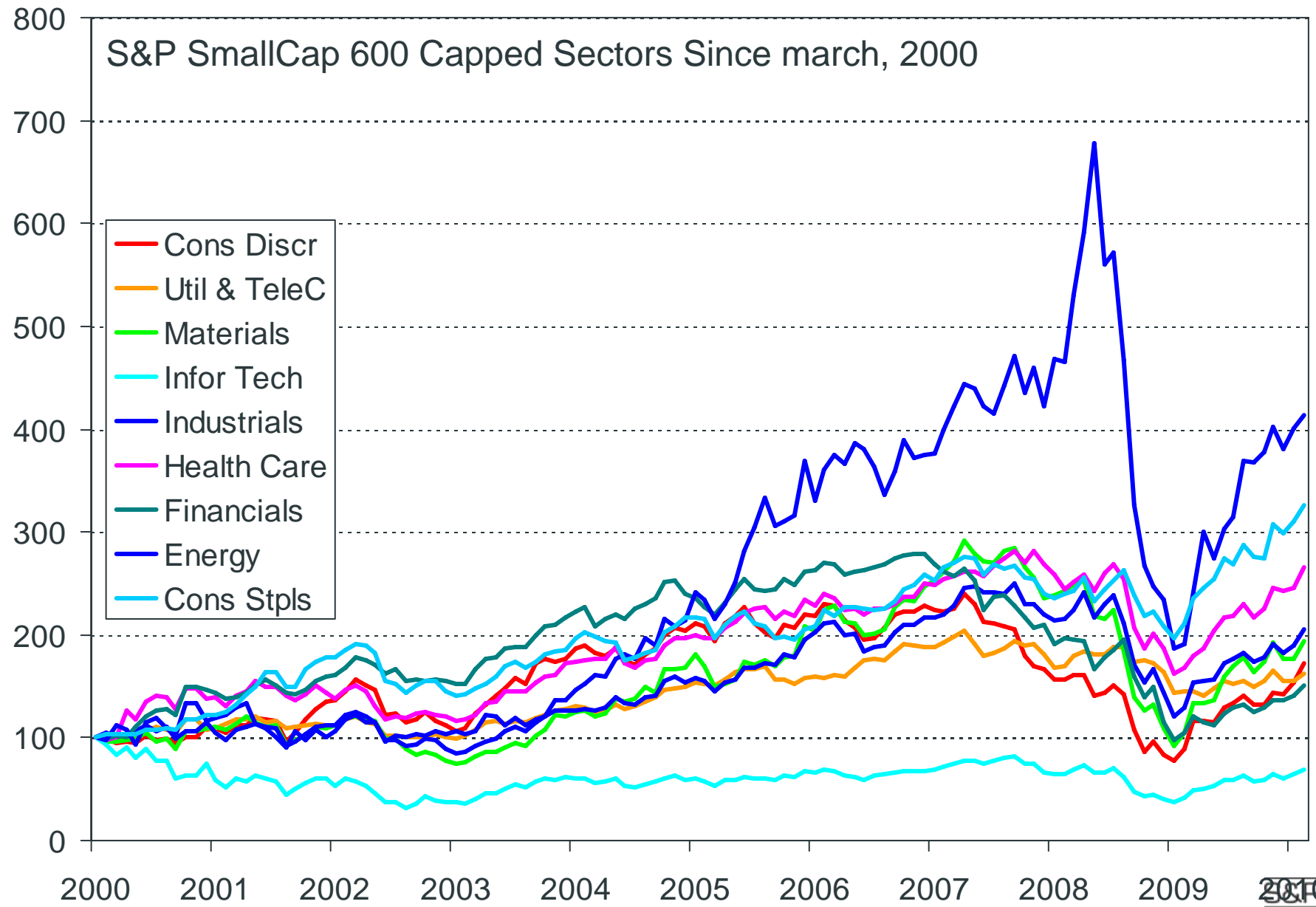
S&P Provides

- **Nine market-cap weighted sector indices based on the S&P SmallCap 600**
- **Sector indices meet 5-25-50**
- **Real time calculation**
- **Price indices, total return indices and net total return Indices**
- **Continuing review as part of the S&P U.S. Indices – the S&P 500, S&P MidCap 400 and S&P SmallCap 600**

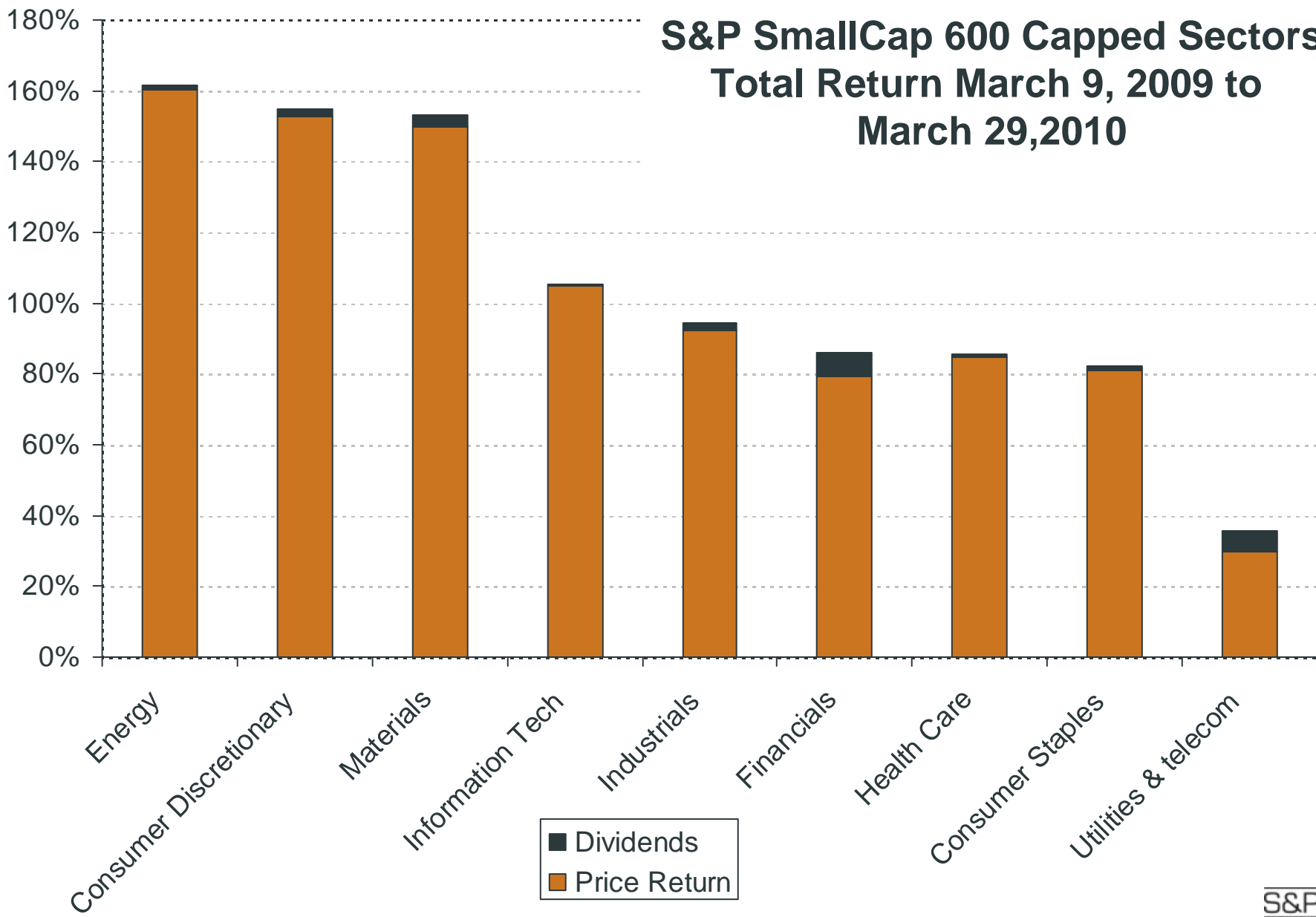
Past Performance...
Which is no guarantee of future results



S&P SmallCap 600 Capped Sectors Since march, 2000



S&P SmallCap 600 Capped Sectors Total Return March 9, 2009 to March 29, 2010



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Thank You

For Questions...

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