

Standard & Poor's

STANDARD & POOR'S

Standard & Poor's serves the global capital markets through S&P Credit Market Services and S&P Investment Services. Revenue diversification is important to Standard & Poor's performance and includes:

- **Geographic expansion:** Extends Standard & Poor's ratings and non-ratings businesses into international capital markets.
- **Product/service expansion:** Reduces S&P's dependence on new debt issuance by expanding non-transaction and non-traditional offerings and non-ratings opportunities.
- **Fee structure:** Creates a deferred revenue stream by emphasizing recurring annual fees through frequent issuer programs, surveillance fees, and subscription services.

STANDARD & POOR'S CREDIT MARKET SERVICES

A global leader in credit ratings and credit risk analysis, S&P Credit Market Services provides objective and independent opinions on credit risk. Analytical teams examine issuers and debt obligations of corporations, financial institutions, insurance companies, states and municipalities, and sovereign governments. The analytical teams also provide insight into the credit risk associated with securitized instruments. Revenue for S&P Credit Market Services in 2007 was \$2.3 billion.

STANDARD & POOR'S INVESTMENT SERVICES

S&P Investment Services is the world's leading index provider, managing close to 100 index families. Other key services include Capital IQ, a research platform for fundamental and market analysis and financial modeling; Compustat for fundamental company, index and industry information; and CUSIP Global Services, a securities classification system. A global team of equity analysts covers approximately 2,000 stocks. Revenue for S&P Investment Services in 2007 was \$782.1 million.

STANDARD & POOR'S REVENUE

(dollars in millions)	1Q 2007	1Q 2006	2Q 2007	2Q 2006	3Q 2007	3Q 2006	4Q 2007	4Q 2006	2007	% of 2007 Total	2006	2007 vs. 2006
Credit Market Services	\$545.0	\$444.4	\$635.7	\$513.4	\$558.5	\$505.2	\$524.9	\$610.9	\$2,264.1	74.3%	\$2,073.8	9.2%
Investment Services	183.9	155.6	185.3	163.9	201.1	169.9	211.9	183.2	782.1	25.7%	672.6	16.3%
Total revenue	\$728.9	\$600.0	\$821.0	\$677.3	\$759.6	\$675.1	\$736.7	\$794.1	\$3,046.2	100.0%	\$2,746.4	10.9%

THREE VIEWS OF CREDIT MARKET SERVICES REVENUE

(dollars in millions)	1Q 2007	1Q 2006	2Q 2007	2Q 2006	3Q 2007	3Q 2006	4Q 2007	4Q 2006	2007	% of 2007 Total	2006	2007 vs. 2006
Transaction ^(a)	\$267.0	\$209.9	\$335.9	\$254.1	\$246.4	\$250.7	\$196.6	\$335.1	\$1,046.0	46.2%	\$1,049.8	(0.4%)
Non-Transaction ^(b)	\$278.0	\$234.5	\$299.8	\$259.3	\$312.1	\$254.4	\$328.3	\$275.8	\$1,218.1	53.8%	\$1,024.0	19.0%
Traditional ^(c)	\$399.9	\$340.8	\$490.3	\$388.9	\$413.8	\$385.7	\$383.2	\$462.8	\$1,687.3	74.5%	\$1,578.1	6.9%
Non-Traditional ^(d)	\$145.1	\$103.6	\$145.4	\$124.4	\$144.7	\$119.5	\$141.7	\$148.1	\$ 576.8	25.5%	\$ 495.7	16.4%
International	\$193.4	\$155.0	\$243.5	\$184.8	\$229.1	\$192.4	\$243.1	\$254.2	\$ 909.2	40.2%	\$ 786.3	15.6%
Domestic	\$351.6	\$289.5	\$392.2	\$328.6	\$329.4	\$312.8	\$281.7	\$356.7	\$1,355.0	59.8%	\$1,287.6	5.2%

Note: Totals for each category may not sum due to rounding

(a) Transaction: Revenue related to rating new issuance of corporate, public finance, and structured finance instruments

(b) Non-transaction: Revenue from annual fees for frequent issuer programs, surveillance, subscriptions, and certain non-traditional products

(c) Traditional: Revenue produced by new ratings and surveillance of corporate, municipal, and structured finance obligations as well as subscription products

(d) Non-traditional: Revenue not tied to public bond issuance. Examples include ratings of financial strength of insurance companies and bank loan ratings

NEW ACTIONS TO STRENGTHEN THE RATINGS PROCESS AND BETTER SERVE GLOBAL CAPITAL MARKETS

Standard & Poor's is committed to playing a leadership role in addressing the issues currently facing the global credit markets. In February 2008, Standard & Poor's announced the implementation of a broad set of new actions to further strengthen its ratings operations and better serve the capital markets around the world. The actions include enhancements in the four areas below. Details of Standard & Poor's progress on all 27 actions are available at www.spnewactions.com.

Governance

S&P is implementing new measures that build on existing governance policies and protections and further strengthen the integrity of the ratings process to ensure its independence and make the effectiveness of governance even more transparent

Analytics

S&P is taking steps to ensure that its ratings models, processes, and analytical talent continue to be of the highest quality and that S&P remains fully equipped to rate complex financial structures with increasing transparency regarding assumptions

Information

S&P is providing market participants with greater transparency about the ratings process and greater clarity about the risks that could cause a change in ratings assumptions

Education

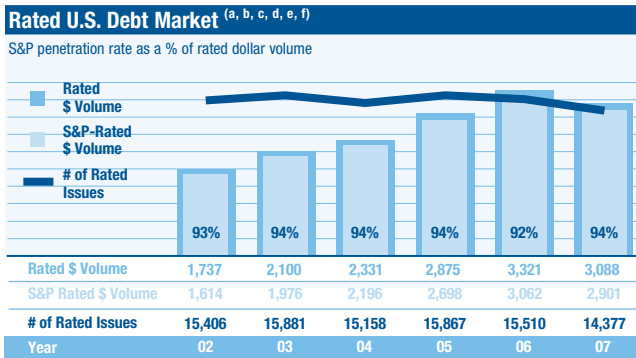
S&P is undertaking an extensive educational outreach program to help market participants better understand what a credit rating is – and is not. The goal is to help them use ratings appropriately

Standard & Poor's Credit Market Services

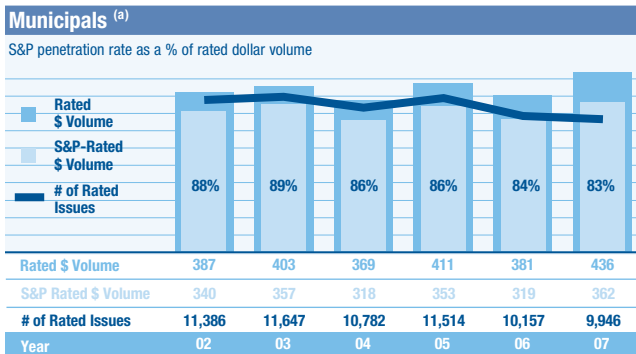
U.S. DEBT MARKET

In 2007, the size of the rated debt market in the U.S. totaled \$3.1 trillion, with Standard & Poor's rating approximately 94% of this debt issuance. The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated U.S. debt market chart below is comprised of five new-issue categories: (1) Corporates; (2) Municipals; (3) Mortgage-Backed Securities (Residential Mortgage-Backed Securities and Commercial Mortgage-Backed Securities); (4) Asset-Backed Securities; and (5) Collateralized Debt Obligations.

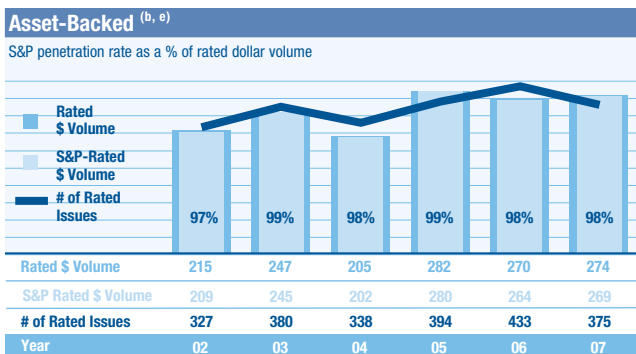
(annual figures; dollar volume in billions; data by domicile of issuer/assets)



Source: Thomson Financial; Harrison Scott Publications/Standard & Poor's

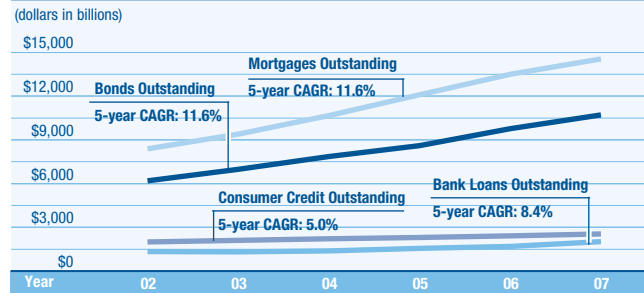


Source: Thomson Financial

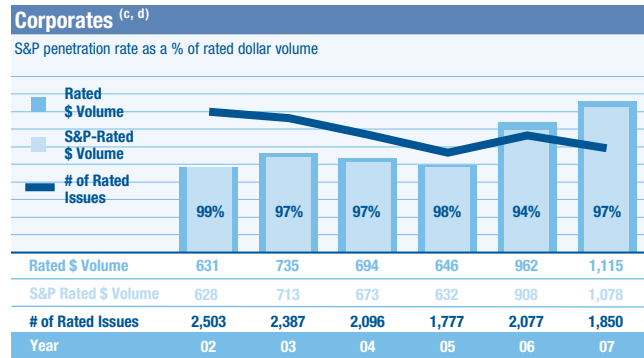


Source: Harrison Scott Publications/Standard & Poor's

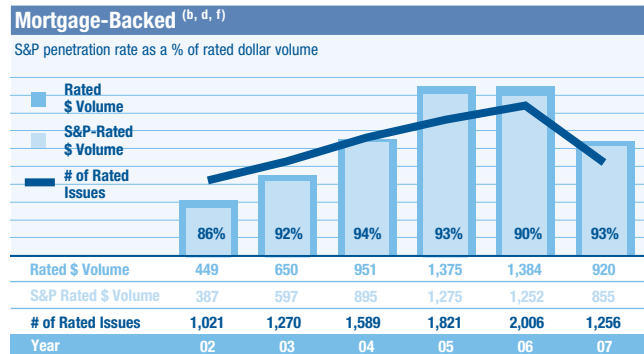
U.S. Credit Market Debt Outstanding



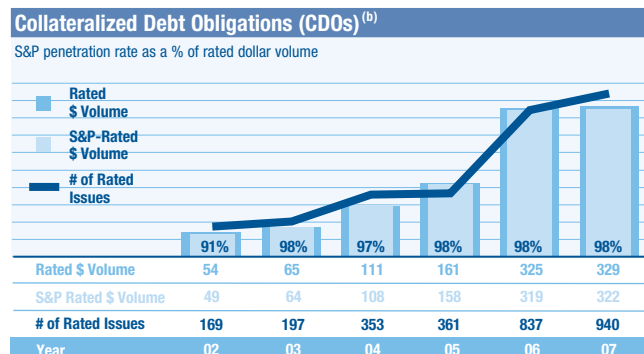
Source: Board of Governors of the Federal Reserve System, dated December 6, 2007 and March 6, 2008
Note: Excludes open market paper, treasury securities, agency and GSE-backed securities, municipal securities, and other loans and advances



Source: Thomson Financial



Source: Harrison Scott Publications/Standard & Poor's



Source: Harrison Scott Publications/Standard & Poor's

Notes for debt issuance:

- (a) Excludes municipal student loans and private placements
- (b) Excludes confidential transactions

- (c) Includes industrial and financial services issuers. Also includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred

- (d) Excludes agency deals. Includes home equity loans

- (e) Excludes asset-backed commercial paper and letters of credit
- (f) Includes commercial mortgage-backed securities and residential mortgage-backed securities; includes U.S. CRE CDOs

EUROPEAN AND ASIAN DEBT MARKETS

European Debt Market

In 2007, rated debt issuance in Europe was nearly \$2.3 trillion, up 5% from 2006. Standard & Poor's utilized its European network to capitalize on growth and opportunities in the region. Standard & Poor's 2007 market penetration was 79% for all rated European debt.

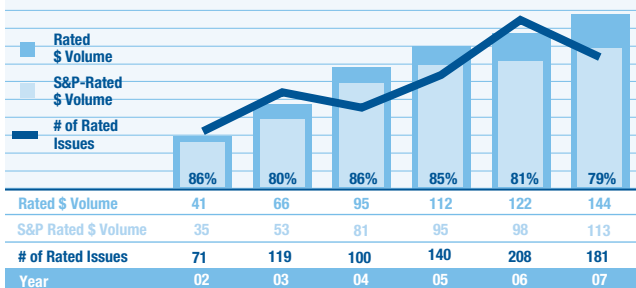
Asian Debt Market

In 2007, rated debt issue volume for corporates in Asia was \$170 billion, down 17% from 2006. Standard & Poor's 2007 market penetration was 82% for corporates. Rated issuance for structured finance was \$131 billion, down 22% from 2006, and Standard & Poor's rated 80% of that volume.

(annual figures; dollar volume in billions; data by domicile of issuer/assets)

European Asset-Backed (a, c, e)

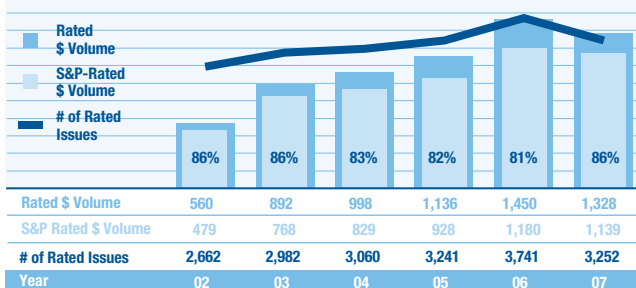
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

European Corporates (b, e)

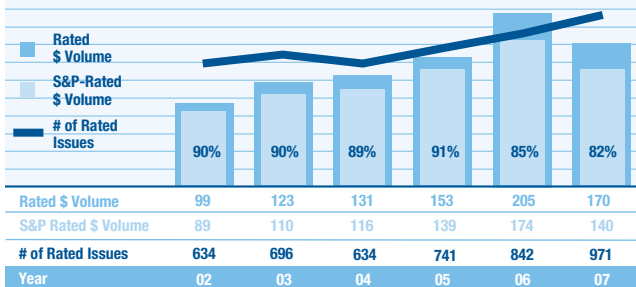
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial

Asian Corporates (b)

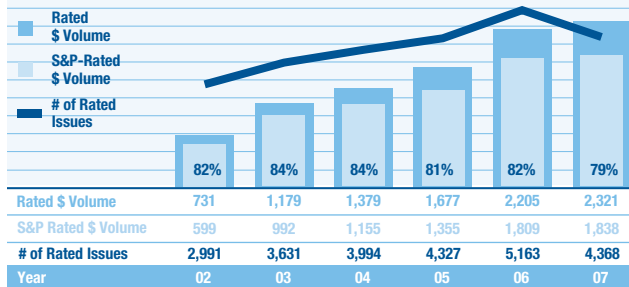
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial

Rated European Debt Market (a, b, c, d, e, f)

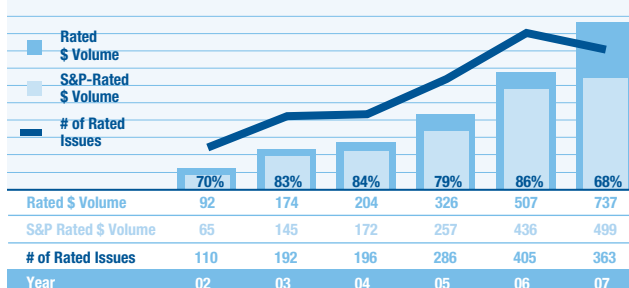
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial; Harrison Scott Publications/Standard & Poor's

European Mortgage-Backed (a, d, e, f)

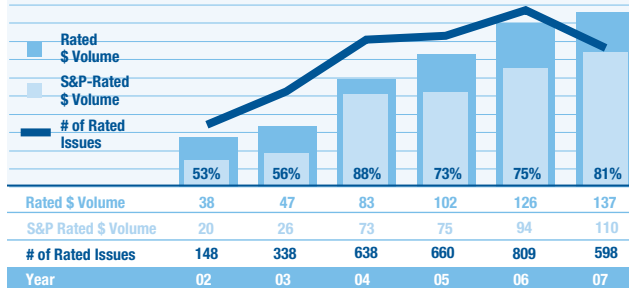
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

European Collateralized Debt Obligations (CDOs) (a, e)

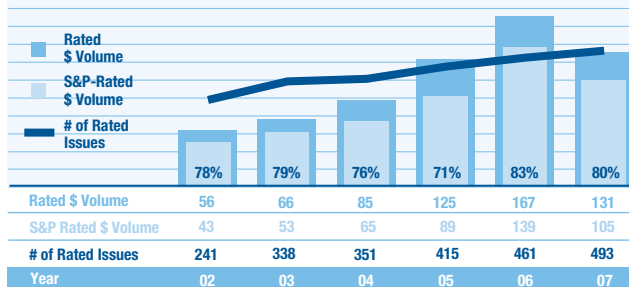
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Asian Structured Finance (a, c, d)

S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Notes for debt issuance:

- (a) Excludes confidential transactions
- (b) Includes industrial and financial services issuers. Also includes Rule 144a (private placements).

MTN takedowns, convertibles, and preferred stocks. Excludes sovereign issuers, private placements (except Rule 144a issues), retail notes, commercial paper, and all agency issues

- (c) Excludes asset-backed commercial paper and letters of credit
- (d) Includes home equity loans

- (e) European data includes Middle East and Africa regions
- (f) Includes commercial mortgage-backed securities and residential mortgage-backed securities

Standard & Poor's Credit Market Services

NON-TRADITIONAL PRODUCTS AND SERVICES

Standard & Poor's continues to successfully reduce dependency on new issue volume in the bond markets by leveraging its expertise into non-traditional products and services, such as corporate credit ratings, bank loan ratings, and rating evaluation services. These areas tap into growing sensitivity to risk and increased regulatory and

public concern about the ability of financial markets to manage risk adequately. Globally, non-traditional products accounted for nearly 25% of ratings revenue in 2007. The growing marketplace acceptance of non-traditional rating activity by Standard & Poor's is illustrated in the charts below.

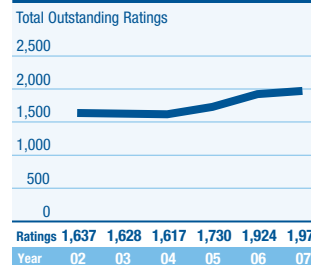
NON-TRADITIONAL RATINGS

Financial Strength, Counterparty, and Corporate Credit Ratings: An opinion of an entity's overall creditworthiness and capacity to pay its financial obligations. These ratings do not apply to specific financial obligations.

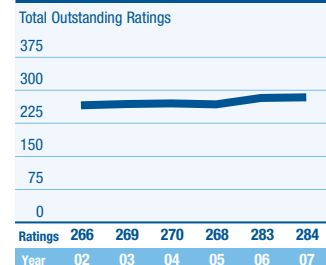
Bank Loan Ratings: An evaluation of a syndicated loan based on the likelihood of ultimate repayment of the loan and on the recovery value in the event of default.

Recovery Ratings: A stand-alone, transparent opinion of the likely recovery of a loan in the event of default; expressed on a numerical scale, not linked to or limited by the issuer's traditional corporate credit rating. In 2007, S&P expanded its recovery rating scale to support the extension of recovery ratings to unsecured debt.

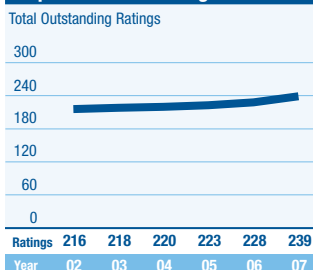
Financial Strength Ratings*



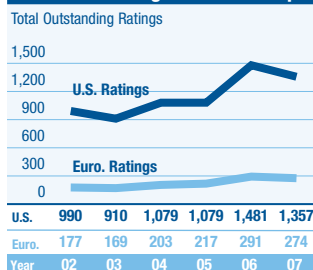
Counterparty Ratings*



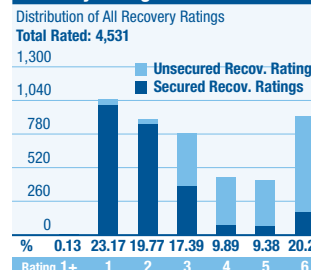
Corporate Credit Ratings*



Bank Loan Ratings – U.S. & Europe



Recovery Ratings



Standard & Poor's Recovery Rating and Description

Recovery Rating and Description	Recovery Expectations*
1+ Highest expectation of full recovery	100%**
1 Very high recovery	90-100%
2 Substantial recovery	70-90%
3 Meaningful recovery	50-70%
4 Average recovery	30-50%
5 Modest recovery	10-30%
6 Negligible recovery	0-10%

* Total for those organizations whose only rating is a Corporate Credit Rating
Source: Standard & Poor's

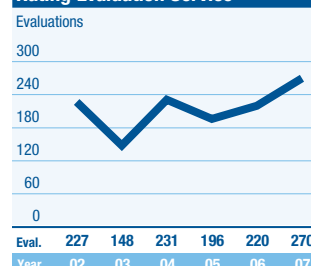
As of April 22, 2008
* Recovery of principal plus accrued but unpaid interest at the time of default
** Very high confidence of full recovery resulting from significant overcollateralization or strong structural features

EVALUATIONS

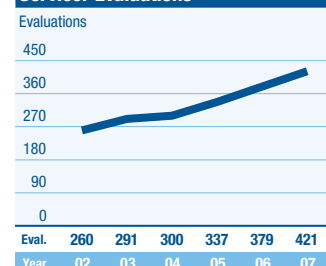
Rating Evaluation Service: A confidential, specific, and indicative assessment of how potential acquisitions, debt issues, stock repurchases, recapitalizations, consolidations, and other actions will impact a company's creditworthiness and credit rating.

Servicer Evaluations: An independent, objective view of a company's ability to service loan and asset portfolios. The Servicer Evaluation rankings serve as consistent, objective benchmarks for assessing operational risk that provide valuable transparency and enable global market participants to make informed decisions.

Rating Evaluation Service



Servicer Evaluations

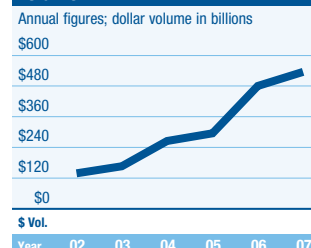


Source: Standard & Poor's

LEVERAGED COMMENTARY & DATA

Leveraged Commentary & Data: Strong demand in the first half of the year powered leveraged loan issuance to a record \$535 billion in 2007, up from \$480 billion in 2006. In addition to providing leveraged loan ratings and collateralized loan obligation ratings, Standard & Poor's is capitalizing on the market need for information by expanding its subscription-based commentary and data to participants.

U.S. New-Issue Leveraged Loan Volume



Source: Standard & Poor's Leveraged Commentary & Data

STANDARD & POOR'S SUITE OF PRODUCTS FACILITATES TRANSPARENCY IN CAPITAL MARKETS



STANDARD & POOR'S CDS ACCELERATOR

Customized for the synthetic CDO (collateralized debt obligation) market, Standard & Poor's *CDS Accelerator* offers an efficient way for investors, collateral managers, and structuring banks to analyze new and existing CDO structures and allows them to incorporate the same methodology and criteria used by Standard & Poor's in its own ratings and surveillance processes.

CDS Accelerator incorporates the *CDO Evaluator* credit model and the *CDS Xpress* data feed and enables users to:

- Manage their portfolio using a global database of Corporate Names and ABS assets, linked by identifier (MarkIt CLIPS, ISINs, CUSIPs), including all data inputs to the credit model
- Automatically calculate key benchmarks (SROC, SLR, VM, DM, CM) using asset-specific recovery rates
- Stress test multiple deals in a single scenario analysis
- Analyze deal performance using historical ratings data

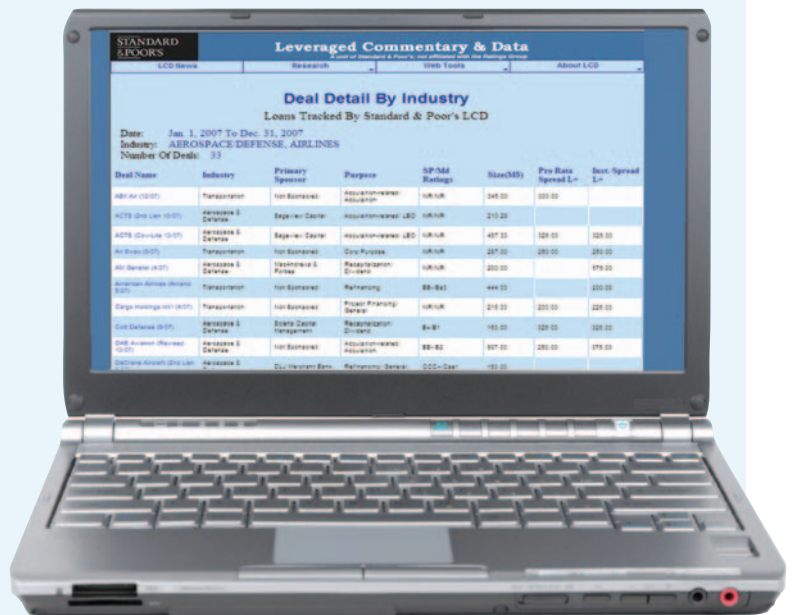
STANDARD & POOR'S LEVERAGED COMMENTARY & DATA (LCD)

Standard & Poor's LCD delivers unique insight into the leveraged primary and secondary loan markets through data, analysis, real-time news, and commentary. With data on more than 5,000 leveraged loan transactions, and more than \$1 trillion in new issues, LCD is a leading data provider to the leveraged finance community.

LCD's data provides a critical set of benchmarking and structuring tools for sell-side institutions to use in discussions with issuers, equity sponsors, and investors. LCD's proprietary loan information offers the only industry-wide database of leveraged loan information memoranda.

LCD subscribers can access the following services via www.lcdcomps.com:

- LCD News: Stories from reporters, editors and analysts in the U.S. and London who talk to loan and high-yield bond arrangers and traders
- LCD Research: Includes weekly, monthly, and quarterly statistical and trend analyses of the U.S. and European loan markets
- Web Tools: *Lender Wizard* enables custom searches of lenders and loans; *Credit Stats Wizard* helps analyze U.S. and European credit statistics



Standard & Poor’s Investment Services

CONTRIBUTING TO TRANSPARENT, EFFICIENT FINANCIAL MARKETS

Standard & Poor’s Investment Services is committed to offering comprehensive, value-added financial data, information, indices, and research that facilitate transparent, efficient markets and enable informed investment decision-making across asset classes for both institutional investors and financial advisors.

Standard & Poor’s embeds its comprehensive and timely financial information into the workflow of financial professionals globally. Timely, critical, and unique content is distributed via client-integrated workflow platforms, specific workflow applications, and data feeds that enable clients to provide value to their customers.

EMBEDDING STANDARD & POOR’S DATA INTO CLIENT WORKFLOWS

Unique Content

- Company Data
- Reference Data
- Securities Evaluations
- Index Data
- Client’s Proprietary Data*

Solution-Based Delivery

- Workflow Platform
 - Capital IQ Platform
- Applications
 - CUSIP Access
 - Research Insight
 - S&P Backtester
- Data Feeds
 - Compustat Xpressfeed
 - Masterfeed

CLIENT

* Client’s own proprietary data stored on Capital IQ Platform and accessible only by client

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Company Data: Standard & Poor’s delivers timely, standardized fundamental data and market information, as well as industry classifications on global companies, to investment professionals worldwide. S&P’s company data meets clients’ needs through comprehensive company coverage, a large number of unique data items, and an extensive historical database.

Reference Data: Standard & Poor’s global reference data solutions support securities operations and risk management worldwide, and include securities identification and cross-referencing services, corporate actions, descriptive data, and entity linkage services. Reference data capabilities assist customers with Straight Through Processing (STP) improvements, global clearance and settlement, compliance, security master file maintenance, and data management operations.

Securities Evaluations: Independent fixed-income evaluations and equity pricing for more than six million global instruments support clients’ securities operations, fund pricing, and portfolio management functions worldwide. Standard & Poor’s also provides objective fair value evaluations on municipals, corporates, mortgage-backed securities, derivatives, swaps, and other evaluated securities.

Index Data: Easy-to-use tools provide complete access to S&P index content and analysis. Standard & Poor’s index data is accepted as crucial to the investment process for quantitative modeling, back testing, and portfolio construction and management, including risk monitoring and control.

Workflow Platform

Capital IQ Platform: High-impact information and workflow solutions are delivered to more than 2,300 leading financial institutions, advisory firms and corporations. Solutions are based on the Capital IQ Platform, a unique combination of global private and public capital market data and technology that enables end-users to draw deep market insights, generate better ideas, leverage relationships, and simplify workflow.

Applications

Research Insight: Investment professionals’ portal to authoritative financial data, company reports, easy-to-use performance graphs, and documents. Extensive functionality and broad selection of data items enable investment professionals to customize research and transform their analysis into insight.

CUSIP-ISIDPlus Access: Online database of global security identifiers cross-referencing more than 900,000 issues.

Data Feeds

Compustat Xpressfeed: Timely, comparable, objective company information with deep history to support sophisticated analysis across industries, companies, and items.

Masterfeed: A single data feed for global pricing and pricing-related data including dividend announcements, credit ratings, and descriptive data on more than six million instruments. The flexible data delivery platform gives financial professionals the ability to prioritize pricing and reference data sources.

EMBEDDING STANDARD & POOR'S DATA INTO CLIENT WORKFLOWS

Capital IQ

Capital IQ is a Web- and Excel-based research platform that combines robust, integrated tools with deep information on companies, markets, and people worldwide to enable fundamental analysis, financial modeling, market analysis, screening, targeting, and relationship and workflow management. Features include:

- **Company Intelligence:** Comprehensive information on over 47,000 public companies, 822,000 private companies, 12,000 private capital firms, 370,000 transactions, and 1,000,000 professionals worldwide
- **Financial Analysis:** Easy-to-use tools for financial statement analysis, comparables analysis, financial modeling, sector analysis, and charting
- **Screening and Targeting:** Identify potential investments, investors, buyers, acquisitions, sales prospects, strategic partners, and executive hires as well as financial transactions and corporate actions
- **Relationship and Workflow Management:** Improve relationship coordination and decision-making across an enterprise
- **Capital IQ Real-Time:** Add-on feature that provides real-time market activity
- **ClariFI® Portfolio Analytics:** Available as a standalone or bundled with Capital IQ



www.CapitalIQ.com

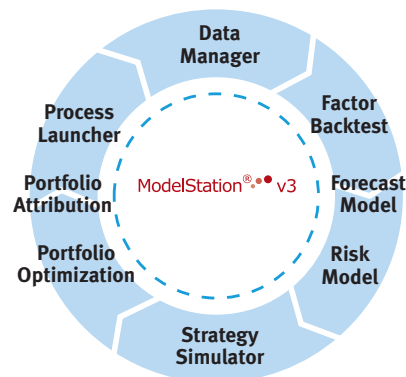
Capital IQ is used by more than 2,300 client firms including many of the world's most successful investment banks, hedge funds, private equity firms, consultants, and corporations

ClariFI®

The acquisition of ClariFI in 2007 adds portfolio analytics to Standard & Poor's Capital IQ platform. ClariFI provides software and services to help quantitative portfolio managers and researchers decrease the time it takes to research, test, and put into production their alpha generating strategies, leading to reduced operational risk, decreased time-to-market, and a significant competitive advantage. ClariFI's ModelStation® is a single solution for all the vital quantitative processes:

- Data Management
- Factor Backtesting
- Model Construction
- Strategy Simulation
- Portfolio Optimization
- Risk and Portfolio Attribution

ClariFI's ModelStation integrates all the vital processes for quantitative portfolio management and research onto one platform



www.clarifi.com



www.cusip.com

CUSIP® Global Services

CUSIP Global Services is dedicated to driving efficient trading, clearing and settlement in capital markets throughout the world. By providing a unique common language for identifying financial instruments across institutions, exchanges and nations, financial services firms benefit from improved operating efficiencies and substantially reduced administrative costs.

Note: CUSIP Global Services is operated by the CUSIP Service Bureau (CSB), managed on behalf of the American Bankers Association by Standard & Poor's.

CUSIP Global Services provides coverage on more than 8.4 million financial instruments, including complex asset classes

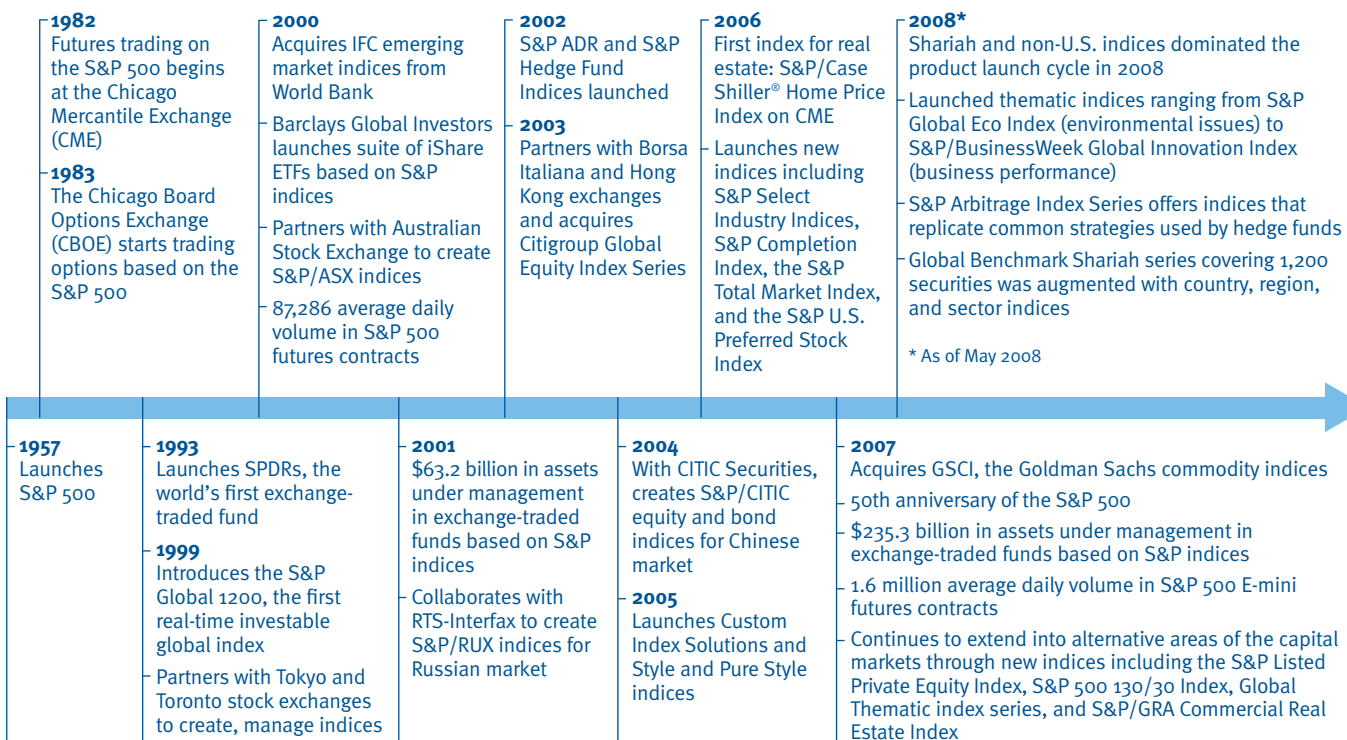
Standard & Poor's Investment Services

A WORLD-LEADING INDEX PROVIDER

Standard & Poor's flagship index series, including the S&P 500 and the S&P Global 1200, are world-renowned as investable, liquid, and replicable offerings designed to serve as proxies for the different markets they measure. Over \$1.5 trillion in investment assets are directly tied to Standard & Poor's indices.

A leading full-service provider of tradeable and benchmark index products and services, Standard & Poor's has a long history of creating indices. Collaboration with major exchanges around the world enables Standard & Poor's to innovate local, regional and global solutions for all types of index needs. The goal: provide an index for every type of investment.

TRACKING THE GROWTH OF S&P'S FAMILY OF INDICES



THE GOAL: AN INDEX FOR EVERY TYPE OF INVESTMENT

Standard & Poor's family of indices represents a broad spectrum of asset classes, geographies and styles.

Equity	Alternative	Strategy	Fixed Income	Custom
Families of indices for global and local markets. Basis for futures, options, and exchange-traded funds (ETFs). Recent additions include 24 Shariah-compliant indices and a new series of emerging and frontier market solutions including infrastructure, S&P Extended Frontier 150, and S&P Select Frontier 30	Benchmarking tools for assets beyond stocks and bonds. Examples: Commodities (S&P GSCI); residential real estate market (S&P Case-Shiller®); private equity (S&P Listed Private Equity); commercial real estate (S&P/GRA); master limited partnerships (S&P MLP); and environmental, social and corporate governing practices (S&P ESG India)	Portfolio strategies based on equities, fixed income, commodities, or innovative asset class allocations. Examples: S&P/Business Week Global Innovation Index; S&P 500 130/30 Index; S&P Arbitrage series; and S&P Dividend series	A variety of bond benchmarks for investors in China, structured finance indices in the U.S. and Europe, and S&P National Municipal Bond Index in the U.S.	Indices designed for clients including asset managers, derivative desks, brokerage houses, listed companies, pension plans, consultants, and stock exchanges

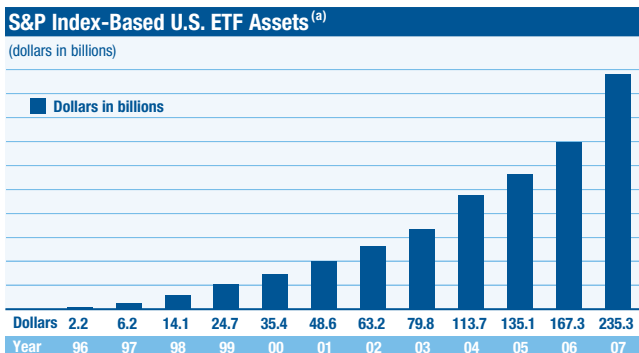
HOW S&P INDEX PRODUCTS AND SERVICES GENERATE REVENUE

- **Investment vehicles such as ETFs**, which are based on Standard & Poor's indices and generate revenue through fees based on assets in underlying funds
- **Index-related licensing fees**, which are either annual fees based on assets under management or flat fees for over-the-counter (OTC) derivatives and retail structured products
- **Data subscriptions**, which support index product management, portfolio analytics, and research
- **Listed derivatives**, which generate royalties based on trading volumes of derivatives contracts listed on the Chicago Mercantile Exchange, Chicago Board Options Exchange, Australian Securities Exchange, Montreal Exchange, and other exchanges

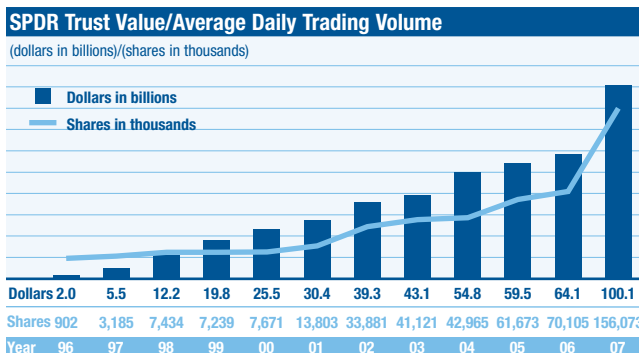
RECORD-LEVEL ETFs LINKED TO S&P INDICES

Exchange-traded funds (ETFs), which represent share ownership of an index fund but trade like shares of stock, have become some of the most popular and actively-traded securities on stock markets around the world. Standard & Poor's has been at the forefront of ETF development since the launch of the S&P 500 SPDR (Standard & Poor's Depository Receipts) in 1993, the S&P MidCap SPDR in 1995, and the Select SPDRs in 1998. 46 ETFs linked to S&P indices were launched in 2007 (26 listed in the U.S. and 20 listed on international exchanges). Assets in the 144 listed ETFs linked to S&P indices reached record levels at year-end 2007, led by the SPDR S&P 500 ETF, the largest ETF in the world.

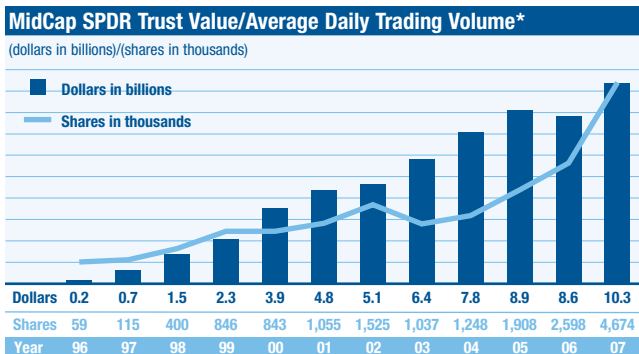
Futures and options volume linked to indices continues to grow. Trading in E-mini S&P 500 futures at the Chicago Mercantile Exchange reached a record 415.3 million contracts in 2007, up 61.0% compared to 2006. Trading in S&P 500 options at the CBOE reached a record 158.1 million contracts in 2007, up 50.5% from 2006. New instruments such as options on VIX, a measure of volatility of the S&P 500, and weekly options linked to the S&P 500 and S&P 100, continue to expand the range of products linked to Standard & Poor's indices.



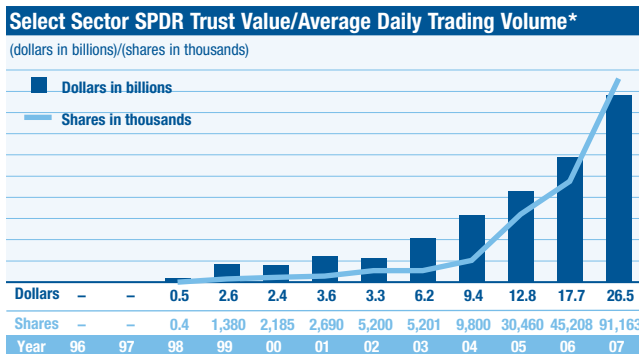
Source: Standard & Poor's: 1996-2005; Bloomberg: 2006-2007



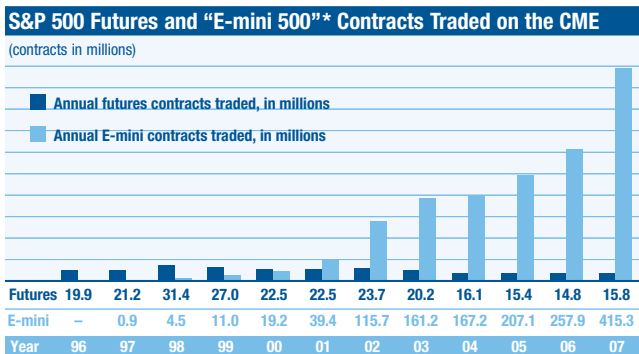
Source: American Stock Exchange



Source: American Stock Exchange
* MidCap SPDRs (MDY) started trading May 4, 1995



Source: American Stock Exchange
* Select Sector SPDRs started trading December 22, 1998



Source: Chicago Mercantile Exchange
* E-mini 500 contracts started trading on September 9, 1997



Source: Chicago Board Options Exchange

(a) 1996-2005 represents assets under management from SPDRs, iShares, iUnits, S-tracks ASX, Rydex and Lyxor (MIB). 2006 and 2007 includes all "other" S&P-based ETF assets (\$6.1 billion and \$18.1 billion, respectively). Examples of "other" include: VXF (Vanguard Extended Market ETF), SDS (UltraShort S&P 500 ProShares), and IPRV (LN iShares S&P Listed Private Equity)

Standard & Poor's Investment Services

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Standard & Poor's is a world-leading provider of independent equity research, offering a wide spectrum of investment opinions, analysis, and commentary that is purchased by financial advisors, investors, and institutions. Standard & Poor's was among the leaders in equity research providers with nine awards and a top four ranking in the 2008 edition of *The Wall Street Journal's* "Best on the Street" annual analyst survey.

S&P's equity research serves a full range of financial advisors, from traditional broker to registered investment advisor, from wirehouse to independent advisor, and from financial planner to wealth manager. Standard & Poor's provides its research in a number of ways including strategy-driven portfolios, top-down, trend-driven and sector research tied to specific recommendations, individual reports on equities, and a new series of services facilitating the relationship between advisors and their clients.

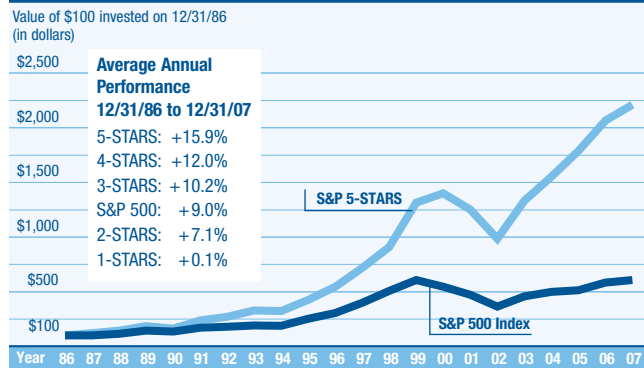
LEADING THE WAY IN THOUGHT LEADERSHIP AND ANALYTICAL EXCELLENCE

QUALITATIVE RESEARCH

Standard & Poor's provides a single authoritative source of unbiased equity analysis and opinion on stocks around the world. S&P's global team of equity analysts provides investment recommendations using a proprietary measure called the Stock Appreciation Ranking System, or STARS, a ranking of the potential for future performance over the coming 12-month period. Under this system, Standard & Poor's offers qualitative coverage on almost 2,000 stocks, including over 1,500 publicly-traded companies in the United States.

Since its inception in 1986, Standard & Poor's STARS methodology has delivered consistently favorable performance relative to broad market measures. During the past 18 years, Standard & Poor's 5 STARS (strong buy) recommendations have outperformed the U.S. stock market.

S&P U.S. STARS Performance Compared to S&P 500 Index



Source: Standard & Poor's

QUANTITATIVE RESEARCH

Standard & Poor's provides quantitative evaluations for more than 6,000 equities including models that use artificial intelligence and incorporate historical numbers and growth projections.

Quality Ranking (Earnings & Dividend Ranking) System: Created nearly 50 years ago, S&P's Quality Rankings now evaluate more than 4,000 common stocks, assisting both individual and professional investors in identifying securities that consistently outperform market indices on a risk-adjusted basis.

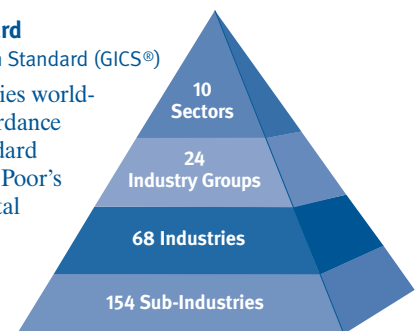
- **Fair Value Rank:** A quantitative model that incorporates profitability, relative value, and changes in future earnings estimates. This ranking is based on relational analyses of consensus earnings and growth forecasts.
- **Investability Quotient (IQ):** The IQ indicates a stock's potential for medium- to long-term returns on a scale of 0 to 250 based on three proprietary performance measures: STARS, Quality Rankings, and Credit Ratings. The IQ calculation also draws from a proprietary statistical model that looks at valuation, profitability, risk and momentum factors, relative strength, liquidity, and volatility.

STANDARD & POOR'S QUALITY RANKING SYSTEM

The Standard & Poor's Quality Ranking System (also known as the Earnings & Dividend Ranking System) ranks a broad universe of U.S. common stocks based on each company's 10-year history of earnings and dividend activity. It is relied on by professional investors to assist in identifying securities that are appropriate for inclusion in equity portfolios. Standard & Poor's also produces a number of in-depth S&P Quality Ranking reports and creates products which apply this popular, time-tested evaluator in innovative ways, including a growing number of S&P model portfolios and structured investment ideas.

Creating a Global Standard

Global Industry Classification Standard (GICS®)
More than 35,000 companies worldwide are classified in accordance with GICS®, a global standard developed by Standard & Poor's and Morgan Stanley Capital International Inc. Each company is classified at the sub-industry level.



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MarketScope® Advisor

Standard & Poor's MarketScope Advisor is a premier online application that gives financial advisors an opportunity to interact with clients in a whole new way by providing timely, concise, actionable investment opinions and in-depth market analyses in an easy-to-use software package. MarketScope Advisor enables advisors to use S&P's highly-respected independent investment research and advanced market insight to inspire ongoing client discussions and develop more productive investor relationships.



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Calendars: Track potential market moving events, including economic, Fed, IPO calendars

Favorites: A custom virtual library for favorite stories, events, news, reports, and analysis

TrendScope: Search lifestyle, globalization, political, energy, healthcare, technology, and real estate trends by ticker, company name or keyword

MarketScan: Access to updated market indices, hot topics and breaking news

Rankings: Information on STARS buy-hold-sell stock opinions; details on 10 sectors including sector market weighting and year-to-date performance

Portfolios: Over 14 Standard & Poor's model portfolios to create customized client portfolios

INSIGHT INTO THE WORLD'S LEADING INVESTMENT FUNDS

Fund Management Ratings

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Individual funds are assessed through a detailed and systematic process that includes in-depth interviews with lead portfolio managers. Standard & Poor's offers qualitative assessment on more than 1,400 non-U.S. managed funds utilizing a team of over 40 professional fund analysts. Many of the funds assessed are domiciled in international jurisdictions enabling the funds to be distributed on a global (ex-U.S.) basis. Funds analyzed include conventional equity funds, fixed income funds, balanced funds, as well as more complex funds using derivatives, long/short strategies, and fund-of-hedge-funds.

www.funds.standardandpoors.com

S&P rating

Analyst opinion

Quantitative data including risk/return analysis

Background on fund company and management team

Investment philosophy, management style, and an explanation of the performance and portfolio review are also covered in the report.

Sample Fund Management Ratings Report