

# S&P Indices Versus Active Funds (SPIVA®) Europe Scorecard

## Summary

S&P Dow Jones Indices has been the de facto scorekeeper of the ongoing active versus passive debate since the first publication of the SPIVA U.S. Scorecard in 2002. Over the years, we have built on more than a decade of experience publishing the report by expanding coverage into Canada, India and Australia. While the report will not end the debate on active versus passive investing in Europe, we hope to make a meaningful contribution by examining market segments in which one strategy works better than the other.

The SPIVA Europe Scorecard measures the performance of actively managed European equity funds denominated in euro (EUR) and British pound sterling (GBP) against their respective benchmark indices over one-, three- and five-year investment horizons.

## Euro-Denominated Equity Funds

Although volatile at times, European equity markets continued their upward trend and posted a gain of just under 24% in the past year, despite increasing geopolitical concerns and uncertainty over the European Central Bank's policy decisions. Conventional wisdom would suggest that active management can potentially add the most value to investment portfolios in periods of heightened volatility such as this one, and yet this belief was not borne out by the data. Indeed, the performance of the majority of euro-denominated active mutual funds invested in European equities lagged their respective benchmarks.

This pattern of subpar performance was repeated over the longer term. When viewed over a five-year period, about 74% of eurozone equity funds and European equity funds failed to keep pace with their benchmarks. Among all fund categories examined, active funds invested in global markets fared the worst. Over 75% of active strategies underperformed their benchmarks over a one-year period, and a staggering 90% trailed their benchmark indices over three- and five-year periods.

Emerging market equities saw another year of turbulence, as economies of major developing countries slowed markedly. This was reflected in the weak performance of the S&P/IFCI index. Often, there is a belief that active portfolio management can be most effective in less efficient markets, such as emerging market equities, because it provides managers the opportunity to exploit mispricings. However, this widely held view has once again been challenged, as the significant majority of funds—regardless of the currency denomination—underperformed across all three time horizons studied in this report.

In the U.S., the performance of equity markets remained solid. However, over 80% of actively managed funds investing in the U.S. failed to deliver better returns than the S&P 500® over the past year.

Overall, the findings indicate that actively managed funds, on average, underperform their corresponding benchmarks over medium- to long-term horizons.

## CONTRIBUTORS

Daniel Ung, CFA, CAIA, FRM

Index Research & Design

[daniel.ung@spdji.com](mailto:daniel.ung@spdji.com)

Sunjiv Mainie, CFA, CQF

Index Research & Design

[sunjiv.mainie@spdji.com](mailto:sunjiv.mainie@spdji.com)

Rodney Fernandes

Client Coverage

[rodney.fernandes@spdji.com](mailto:rodney.fernandes@spdji.com)

Bryan Hahn

Client Coverage

[bryan.hahn@spdji.com](mailto:bryan.hahn@spdji.com)

In addition to this, the size of the fund also appears to matter. Results from Reports 3 and 4 highlight that asset-weighted returns across the three time horizons examined were higher across all categories, except for funds invested in U.S. equities.

Equally noteworthy is that funds seem to disappear at a meaningful rate. Over the past five years, nearly 40% of funds invested in European, international and U.S. equities were liquidated or merged.

### **GBP-Denominated Funds**

Among all of the fund categories examined, actively managed GBP-denominated funds invested in U.K. equities delivered the best performance. Over the one-year period, the majority of U.K. funds posted higher returns than their benchmarks. Moreover, within the large- to mid-cap space, performance has persisted over a five-year period, indicating that active management opportunities may be present in this space.

In regards to international categories, over 65% of global funds, over 56% of emerging market funds and over 49% of U.S. equity funds trailed their benchmarks over the past year. Viewed over a longer-term horizon, the majority of the funds in these three categories lagged their benchmarks. This is in line with the findings for euro-denominated equity funds.

Roughly 35% of U.K., U.S. and international equity funds denominated in GBP were liquidated or merged over the past five years.

### **A Unique Scorecard for the Active Versus Passive Debate**

Since its first publication 12 years ago, the SPIVA Scorecard has served as the de facto scorekeeper of the active versus passive debate. Over the last decade, we have heard passionate arguments from believers in both camps when headline numbers have deviated from their beliefs.

Beyond the SPIVA Scorecard's widely cited headline numbers is a rich data set that addresses issues related to measurement techniques, universe composition and fund survivorship that are less frequently discussed, but are often more fascinating. These data sets are rooted in the fundamental principles of the SPIVA Scorecard that regular readers will be familiar with, including the following.

- **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 other commonly available comparison reports, SPIVA Scorecards account for the entire opportunity set—not just the survivors—thereby eliminating survivorship bias.
- **Asset-weighted returns:** Average returns for a fund group are often calculated using only equal weighting, which means the returns of a EUR 10 billion fund affect the average in the same manner as the returns of a EUR 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 Scorecards show both equal- and asset-weighted averages.
- **Data cleaning:** SPIVA Scorecards avoid double counting multiple share classes in all count-based calculations by using only the share class with greater assets. Index, leveraged and inverse funds, along with other index-linked products, are excluded because this is meant to be a scorecard for active managers.

## Reports

<b>Report 1: Percentage of European Equity Funds Outperformed by Benchmarks</b>				
Fund Category	Comparison Index	One-Year	Three-Year	Five-Year
<b>Data in EUR</b>				
Europe Equity	S&P Europe 350®	76.43	79.1	73.53
Eurozone Equity	S&P Eurozone BMI	84.72	75.74	73.88
France Equity	S&P France BMI	59.24	75.88	70.97
Germany Equity	S&P Germany BMI	73.33	65.82	65.79
Global Equity	S&P Global 1200	75.57	93.6	96.04
Emerging Markets Equity	S&P/IFCI	74.35	76.04	80.49
U.S. Equity	S&P 500	66.14	86.04	88.09
<b>Data in GBP</b>				
Europe Equity	S&P Europe 350	45.24	32.39	29.09
Europe Ex-U.K. Equity	S&P Europe Ex-U.K. BMI	70.48	39.78	51.22
U.K. Equity	S&P United Kingdom BMI	42.17	31.15	38.04
U.K. Large-/Mid-Cap Equity	S&P United Kingdom LargeMidCap	40.86	29.07	33.97
U.K. Small-Cap Equity	S&P United Kingdom SmallCap	26.32	62.96	62.75
Global Equity	S&P Global 1200	65.77	78.49	83.57
Emerging Markets Equity	S&P/IFCI	56.92	52.17	52.54
U.S. Equity	S&P 500	49.39	66.41	64.04

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Outperformance is based on equal-weighted fund counts. Index performance based on total return. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.

<b>Report 2: Survivorship Consistency of European Equity Funds</b>		
Fund Category	No. of Funds at Start	Survivorship (%)
<b>One-Year (EUR)</b>		
Europe Equity	1092	92.95
Eurozone Equity	504	91.47
France Equity	244	92.21
Germany Equity	93	97.85
Global Equity	1154	90.99
Emerging Markets Equity	322	93.79
U.S. Equity	372	94.35
<b>One-Year (GBP)</b>		
Europe Equity	102	90.20
Europe Ex-U.K. Equity	126	92.86
U.K. Equity	395	91.39
U.K. Large-/Mid-Cap Equity	229	91.70
U.K. Small-Cap Equity	65	95.38
Global Equity	409	94.38
Emerging Markets Equity	142	95.77
U.S. Equity	192	94.79
<b>Three-Year (EUR)</b>		
Europe Equity	1182	78.09
Eurozone Equity	586	73.04
France Equity	262	80.53
Germany Equity	88	89.77
Global Equity	1209	76.18
Emerging Markets Equity	284	85.21
U.S. Equity	386	77.46

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.

**Report 2: Survivorship of European Equity Funds (cont.)**

Fund Category	No. of Funds at Start	Survivorship (%)
<b>Three-Year (GBP)</b>		
Europe Equity	103	68.93
Europe Ex-U.K. Equity	131	81.68
U.K. Equity	444	74.55
U.K. Large-/Mid-Cap Equity	261	74.33
U.K. Small-Cap Equity	68	79.41
Global Equity	398	80.15
Emerging Markets Equity	110	85.45
U.S. Equity	179	78.77
<b>Five-Year (EUR)</b>		
Europe Equity	1325	63.62
Eurozone Equity	652	60.43
France Equity	277	71.48
Germany Equity	110	69.09
Global Equity	1318	61.99
Emerging Markets Equity	227	77.97
U.S. Equity	434	61.06
<b>Five-Year (GBP)</b>		
Europe Equity	96	56.25
Europe Ex-U.K. Equity	139	71.94
U.K. Equity	496	62.30
U.K. Large-/Mid-Cap Equity	295	60.00
U.K. Small-Cap Equity	80	67.50
Global Equity	385	67.01
Emerging Markets Equity	73	87.67
U.S. Equity	182	65.38

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.

<b>Report 3: Average European Equity Fund Performance (Equal Weighted)</b>			
Category	One-Year (%)	Three-Year (Annualized %)	Five-Year (Annualized %)
Data in EUR			
S&P Europe 350	23.93	11.71	14.33
Europe Equity	20.41	8.95	12.04
S&P Eurozone BMI	29.00	9.63	12.46
Eurozone Equity	23.41	7.55	10.24
S&P France BMI	24.77	9.19	13.38
France Equity	25.42	7.29	11.64
S&P Germany BMI	24.06	10.65	16.33
Germany Equity	20.79	9.72	15.22
S&P Global 1200	18.04	14.21	16.04
Global Equity	14.37	8.65	11.06
S&P/IFCI	10.13	2.44	10.67
Emerging Markets Equity	7.50	0.96	8.60
S&P 500	18.31	18.84	19.41
U.S. Equity	15.62	15.19	16.69

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Index performance based on total return. Funds are equal weighted, but indices are not. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.

<b>Report 3: Average European Equity Fund Performance (Equal Weighted) (cont.)</b>			
Category	One-Year (%)	Three-Year (Annualized %)	Five-Year (Annualized %)
<b>Data in GBP</b>			
S&P Europe 350	13.32	6.52	12.47
Europe Equity	20.41	8.95	12.04
S&P Europe Ex-U.K. BMI	18.27	6.78	13.04
Europe Ex-U.K. Equity	16.61	9.36	13.68
S&P United Kingdom BMI	13.15	9.29	14.78
U.K. Equity	15.47	13.55	17.22
S&P United Kingdom LargeMidCap	12.53	8.06	13.46
U.K. Large-/Mid-Cap Equity	13.63	10.13	14.44
S&P United Kingdom SmallCap	16.12	15.55	21.69
U.K. Small-Cap Equity	21.55	12.68	18.96
S&P Global 1200	10.38	9.66	14.58
Global Equity	14.37	8.65	11.06
S&P/IFCI	2.89	-1.59	9.31
Emerging Markets Equity	7.50	0.96	8.60
S&P 500	10.53	14.17	17.95
U.S Equity	15.62	15.19	16.69

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Index performance based on total return. Funds are equal weighted, but indices are not. Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results.

<b>Report 4: Average Europe Equity Fund Performance (Asset Weighted)</b>			
Category	One-Year (%)	Three-Year (Annualized %)	Five-Year (Annualized %)
Data in EUR			
S&P Europe 350	23.93	11.71	14.33
Europe Equity	20.72	10.41	13.58
S&P Eurozone BMI	29.00	9.63	12.46
Eurozone Equity	23.42	7.81	10.75
S&P France BMI	24.77	9.19	13.38
France Equity	23.78	7.80	11.78
S&P Germany BMI	24.06	10.65	16.33
Germany Equity	22.36	10.32	16.43
S&P Global 1200	18.04	14.21	16.04
Global Equity	18.26	10.97	13.08
S&P/IFCI	10.13	2.44	10.67
Emerging Markets Equity	7.76	2.12	9.82
S&P 500	18.31	18.84	19.41
U.S. Equity	14.98	14.72	16.49

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June. 30, 2014. Index performance based on total returns. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.



<b>Report 4: Average Europe Equity Fund Performance (Asset Weighted) (cont.)</b>			
Category	One-Year (%)	Three-Year (Annualized %)	Five-Year (Annualized %)
Data in GBP			
S&P Europe 350	13.32	6.52	12.47
Europe Equity	20.72	10.41	13.58
S&P Europe Ex-U.K. BMI	18.27	6.78	13.04
Europe Ex-U.K. Equity	14.78	11.27	15.06
S&P United Kingdom BMI	13.15	9.29	14.78
U.K. Equity	14.38	13.62	17.03
S&P United Kingdom LargeMidCap	12.53	8.06	13.46
UK Large-/Mid-Cap Equity	13.90	10.82	14.98
S&P United Kingdom SmallCap	16.12	15.55	21.69
U.K. Small-Cap Equity	21.45	14.76	21.07
S&P Global 1200	10.38	9.66	14.58
Global Equity	18.26	10.97	13.08
S&P/IFCI	2.89	-1.59	9.31
Emerging Markets Equity	7.76	2.12	9.82
S&P 500	10.53	14.17	17.95
U.S. Equity	14.98	14.72	16.49

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Index performance based on total returns. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.

<b>Report 5: Quartile Breakpoints of Europe Equity Funds</b>			
Fund Category	Third Quartile	Second Quartile	First Quartile
<b>One-Year (EUR)</b>			
Europe Equity	16.82	19.93	23.70
Eurozone Equity	19.46	23.87	26.93
France Equity	19.94	22.83	31.67
Germany Equity	17.91	21.41	24.65
Global Equity	13.05	15.19	17.96
Emerging Markets Equity	4.99	7.47	10.23
U.S. Equity	14.38	16.65	19.32
<b>One-Year (GBP)</b>			
Europe Equity	9.67	14.35	17.73
Europe Ex-U.K. Equity	10.01	13.86	18.91
U.K. Equity	11.62	14.12	17.38
U.K. Large-/Mid-Cap Equity	11.14	13.06	14.97
U.K. Small-Cap Equity	15.92	20.22	27.35
Global Equity	6.16	9.12	11.53
Emerging Markets Equity	0.18	2.39	5.85
U.S. Equity	8.54	10.59	12.20
<b>Three-Year (EUR)</b>			
Europe Equity	6.72	9.07	11.21
Eurozone Equity	5.76	7.44	9.49
France Equity	5.24	7.09	9.10
Germany Equity	7.58	9.73	11.80
Global Equity	6.75	9.56	11.80
Emerging Markets Equity	-1.05	0.32	2.35
U.S. Equity	13.31	14.89	17.18
<b>Three-Year (GBP)</b>			
Europe Equity	6.01	7.98	9.87
Europe Ex-U.K. Equity	5.77	7.52	9.79
U.K. Equity	8.64	11.87	17.32
U.K. Large-/Mid-Cap Equity	7.76	9.60	11.71
U.K. Small-Cap Equity	12.28	14.09	16.19
Global Equity	6.26	7.72	9.42
Emerging Markets Equity	-3.54	-1.84	1.38
U.S. Equity	11.73	13.14	15.57

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Index performance based on total returns. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.

<b>Report 5: Quartile Breakpoints of Europe Equity Funds (cont.)</b>			
Fund Category	Third Quartile	Second Quartile	First Quartile
<b>Five-Year (EUR)</b>			
Europe Equity	10.05	12.04	14.59
Eurozone Equity	8.44	10.24	12.67
France Equity	9.19	11.00	14.63
Germany Equity	13.69	15.07	17.29
Global Equity	9.39	11.63	13.48
Emerging Markets Equity	6.69	7.73	10.00
U.S. Equity	14.19	15.74	17.38
<b>Five-Year (GBP)</b>			
Europe Equity	12.03	14.21	16.40
Europe Ex-U.K. Equity	11.07	12.82	14.80
U.K. Equity	13.58	15.94	20.99
U.K. Large-/Mid-Cap Equity	12.73	14.33	15.79
U.K. Small-Cap Equity	18.54	20.47	23.00
Global Equity	11.10	12.29	13.84
Emerging Markets Equity	6.65	9.21	11.51
U.S. Equity	15.32	16.92	19.35

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2014. Index performance based on total returns. Charts and tables are provided for illustrative purposes. Past performance is no guarantee of future results.

## Appendix A

### SPIVA Styles and Morningstar Fund Classifications

Data from Morningstar Europe is obtained for all managed funds for which month-end data is available during the performance period. The data includes funds domiciled in European markets as well as major Asian markets where material numbers of European UCITS funds are available (chiefly Hong Kong, Singapore, Taiwan and South Africa). Offshore European equity funds are excluded. Funds are classified based on the Morningstar fund classification system, and the SPIVA Scorecard covers European and global equity categories.

### European Equity Funds Denominated in EUR and GBP

The SPIVA Europe Scorecard covers both regional and country-specific funds that are denominated in both EUR and GBP, and they have been mapped to the relevant Morningstar fund categories as we here indicate. The Morningstar classification system produces narrow, style-based classifications for funds, particularly in relation to European and international equities. S&P Dow Jones Indices has consolidated the style-based categories in order to generate a larger sample size and develop a broad-market comparison to market-based benchmarks. A narrow, style-based comparison would yield a limited sample size, given that value and growth style segments are not consistently discernible over the past five years.

Morningstar categories have been mapped to SPIVA peer groups in the following manner.

**Euro-Denominated European Funds**

Morningstar Category	SPIVA Category
Europe Open-Ended Europe Flex-Cap Equity	
Europe Open-Ended Europe Large-Cap Blend Equity	
Europe Open-Ended Europe Large-Cap Growth Equity	
Europe Open-Ended Europe Large-Cap Value Equity	S&P Europe 350
Europe Open-Ended Mid-Cap Equity	
Europe Open-Ended Small-Cap Equity	
Europe Open-Ended Eurozone Flex-Cap Equity	
Europe Open-Ended Eurozone Large-Cap Equity	
Europe Open-Ended Eurozone Mid-Cap Equity	S&P Eurozone BMI (EUR) Gross Total Return
Europe Open-Ended Eurozone Small-Cap Equity	
Europe Open-Ended France Large-Cap Equity	
Europe Open-Ended France Small-/Mid-Cap Equity	S&P France BMI (EUR) Gross Total Return
Europe Open-Ended Germany Large-Cap Equity	
Europe Open-Ended Germany Small-/Mid-Cap Equity	S&P Germany BMI (EUR) Gross Total Return

**GBP-Denominated European Funds**

Morningstar Category	SPIVA Category
Europe Open-Ended Europe Flex-Cap Equity	
Europe Open-Ended Europe Large-Cap Blend Equity	
Europe Open-Ended Europe Large-Cap Growth Equity	
Europe Open-Ended Europe Large-Cap Value Equity	S&P Europe 350 (GBP)(WM)
Europe Open-Ended Europe Mid-Cap Equity	
Europe Open-Ended Europe Small-Cap Equity	
Europe Open-Ended Europe Ex-U.K. Large-Cap Equity	
Europe Open-Ended Europe Ex-U.K. Small-/Mid-Cap Equity	S&P Europe Ex-U.K. BMI (GBP) Gross Total Return
Europe Open-Ended U.K. Large-Cap Blend Equity	
Europe Open-Ended U.K. Large-Cap Growth Equity	
Europe Open-Ended U.K. Large-Cap Value Equity	S&P United Kingdom LargeMidCap (GBP) Gross Total Return
Europe Open-Ended U.K. Mid-Cap Equity	
Europe Open-Ended U.K. Small-Cap Equity	S&P United Kingdom SmallCap (GBP) Gross Total Return
Europe Open-Ended U.K. Large-Cap Blend Equity	
Europe Open-Ended U.K. Large-Cap Growth Equity	
Europe Open-Ended U.K. Large-Cap Value Equity	
Europe Open-Ended U.K. Mid-Cap Equity	S&P United Kingdom BMI (GBP) Gross Total Return
Europe Open-Ended U.K. Small-Cap Equity	
Europe Open-Ended U.K. Flex-Cap Equity	

## International Funds Denominated in EUR and GBP

For international equities, the SPIVA Europe Scorecard reports on three major categories (U.S., global and global emerging markets) in both EUR and GBP. These categories also include multiple Morningstar classifications.

Euro-Denominated International Funds	
Morningstar Category	SPIVA Category
Europe Open-Ended Global Large-Cap Blend Equity	S&P Global 1200 Total Return (EUR)
Europe Open-Ended Global Large-Cap Growth Equity	
Europe Open-Ended Global Large-Cap Value Equity	
Europe Open-Ended Global Small-Cap Equity	S&P 500 Total Return (EUR)
Europe Open-Ended U.S. Large-Cap Blend Equity	
Europe Open-Ended U.S. Large-Cap Growth Equity	
Europe Open-Ended U.S. Large-Cap Value Equity	
Europe Open-Ended U.S. Mid-Cap Equity	
Europe Open-Ended U.S. Flex-Cap Equity	S&P/IFCI Total Return (EUR)
Europe Open-Ended U.S. Small-Cap Equity	
Europe Open-Ended Global Emerging Markets Equity	

GBP-Denominated International Funds	
Morningstar Category	SPIVA Category
Europe Open-Ended Global Large-Cap Blend Equity	S&P Global 1200 Total Return (GBP)
Europe Open-Ended Global Large-Cap Growth Equity	
Europe Open-Ended Global Large-Cap Value Equity	
Europe Open-Ended Global Small-Cap Equity	S&P 500 Total Return (GBP)
Europe Open-Ended U.S. Large-Cap Blend Equity	
Europe Open-Ended U.S. Large-Cap Growth Equity	
Europe Open-Ended U.S. Large-Cap Value Equity	
Europe Open-Ended U.S. Mid-Cap Equity	
Europe Open-Ended U.S. Small-Cap Equity	S&P/IFCI (GBP)
Europe Open-Ended U.S. Flex-Cap Equity	
Europe Open-Ended Global Emerging Markets Equity	

## Appendix B

### Glossary – Reports

#### **Percentage of Funds Outperformed by the Index**

We use funds with returns available for the entire period as the denominator. We determine the count of funds that have survived and beat the index, and then we report the index outperformance percentage.

#### **Survivorship (%)**

The survivorship measure represents the percentage of funds in existence at the beginning of the time period that are still active at the end of the time period.

#### **Equal-Weighted Fund Performance**

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

#### **Asset-Weighted Fund Performance**

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

#### **Quartile Breakpoints**

The pth percentile for a set of data is the value that is greater than or equal to p% of the data but is less than or equal to (100-p)% of the data. In other words, 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 75th percentile, which is the value separating the elements of a population into the lower 75% and the upper 25%. The second quartile is the 50th percentile, and the third quartile is the 25th 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, excluding loads.

#### **Survivorship Bias**

Many funds might liquidate or merge during a period of study. This usually occurs due to continued poor performance by the fund. Therefore, if index returns were compared to fund returns using only surviving funds, the comparison would be biased in favor of the fund category. The SPIVA reports remove this bias in three ways. The first method to remove the bias is to use the entire investment opportunity set, made up of all funds in that particular category at the outset of the period, as the denominator for outperformance calculations. The second is explicitly to show the survivorship rate in each category. The final way is to construct a peer average return series for each category based on all available funds at the outset of the period.

#### **Fees**

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

## Indices

A benchmark index provides an investment vehicle against which fund performance can be measured.

### **S&P 500**

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

### **S&P Global 1200**

Capturing approximately 70% of the world's capital markets, the S&P Global 1200 is a composite of seven headline indices, many of which are accepted leaders in their regions. It includes the S&P 500 (U.S.), S&P Europe 350 (Europe), S&P/TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50 (Australia), S&P Asia 50 (Asia Ex-Japan) and S&P Latin America 40 (Latin America).

### **S&P/IFCI**

The S&P/IFCI 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.

### **S&P Europe 350**

Covering approximately 70% of the region's market capitalization, the S&P Europe 350 is an equity index drawn from 17 major European markets.

### **S&P Europe Ex-U.K. BMI**

The S&P Europe ex-U.K. BMI, a subset of the S&P Global BMI, is designed to represent the stock markets of Europe, excluding the U.K. The S&P Global BMI is a comprehensive, rules-based index designed to measure global stock market performance.

### **S&P Eurozone BMI**

The S&P Eurozone BMI, a subset of the S&P Global BMI, is designed to represent the stock markets of European countries that adopt the euro currency.

### **S&P France BMI**

The S&P France BMI, a subset of the S&P Global BMI, is an equity index that is designed to represent the French stock market. The S&P Global BMI is a comprehensive, rules-based index designed to measure global stock market performance.

### **S&P Germany BMI**

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### **S&P United Kingdom BMI**

The S&P United Kingdom BMI, a subset of the S&P Global BMI, is an equity index that is designed to represent the U.K. stock market. The S&P Global BMI is a comprehensive, rules-based index designed to measure global stock market performance.

**S&P United Kingdom LargeMidCap**

The S&P United Kingdom LargeMidCap, a subset of the S&P Global BMI, is an equity index that is designed to represent the large- and mid-cap companies of the U.K. stock market and covers approximately 85% of the float market-cap. The S&P Global BMI is a comprehensive, rules-based index designed to measure global stock market performance.

**S&P United Kingdom SmallCap**

The S&P United Kingdom SmallCap, a subset of the S&P Global BMI, is an equity index that is designed to represent the small-cap companies of the U.K. stock market. The S&P Global BMI is a comprehensive, rules-based index designed to measure global stock market performance.



## INDEX RESEARCH & DESIGN CONTACT INFORMATION

### Global Head

Keith Loggie	keith.loggie@spdji.com
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### New York

Vishal Arora	vishal.arora@spdji.com
Phillip Brzenk	phillip.brzenk@spdji.com
Qing Li	qing.li@spdji.com
Berlinda Liu	berlinda.liu@spdji.com
Aye Soe	aye.soe@spdji.com
Peter Tsui	peter.tsui@spdji.com

### Beijing

Liyu Zeng	liyu.zeng@spdji.com
-----------	---------------------

### Hong Kong

Priscilla Luk	priscilla.luk@spdji.com
---------------	-------------------------

### London

Daniel Ung	daniel.ung@spdji.com
Sunjiv Mainie	sunjiv.mainie@spdji.com

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