

BENCHMARK-ADJUSTED PERFORMANCE OF U.S. EQUITY MUTUAL FUNDS USING RUSSELL, STANDARD & POORS, AND DOW JONES WILSHIRE INDEXES

2004-08

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Highlights of the Report

- In 2008, 60% of actively managed funds underperformed corresponding indexes.
- In 2008, relative to index changes, \$42 billion was lost through active management.
- Over the past 5 years, expenses account for about 2/3 of the aggregate value lost.
- Over the past 5 years, the average expense ratio has declined steadily.

Overview of the Report

In the first few tables, we provide a general description of the universe of actively managed equity mutual funds that we examine in this study. Raw data for all funds and indexes are obtained from Morningstar Principia. Mutual fund returns are net of expenses but do not include a deduction for load charges.

Table 1 provides the raw returns on equity market indexes published by Russell, Standard & Poors, and Dow Jones Wilshire. The raw returns vary across indexes, which likely reflects significant differences in index construction, including within styles and capitalization categories. Such differences are also apparent when the performance of individual fund categories is examined later.

Table 2 describes the screening procedures used to generate the sample of funds we examine and shows that the number of actively managed equity mutual funds within each of the style and capitalization categories has remained relatively stable over the past five years. Table 3 shows that the aggregate total assets under management for these funds have remained fairly stable at the \$2 trillion level until 2008, during which total assets declined by 41.77%.

Table 4 estimates the benchmark-adjusted returns for each style and capitalization category against the Russell, S&P and the Dow Jones Wilshire indexes. Between 2004 and 2008, actively managed funds outperformed each of the three corresponding indexes only in 2007. There are dramatic differences in benchmark-adjusted performance within years, depending on which index is used as a benchmark.

To alleviate the impact of the significant variability across the three market indexes, Table 5 estimates the percentage of funds beating the *average* of the three indexes for each year during 2004-08. As expected, the table shows that the overwhelming majority of funds do not beat the corresponding *average* of the three indexes. Across the five years, only in 2007 did more than 50% of funds beat corresponding indexes. On a style basis, it appears that Value funds have performed marginally better than Growth and Core funds with no discernible differences among large, mid-cap and small capitalizations. In 2008, at the extremes, 61.1% of large-cap value funds outperformed the average return on the three benchmarks, while 20.6% of small-cap growth funds outperformed the average. Table 5a estimates the percentage of funds beating each of the individual market indexes, with results that are more variable but still broadly consistent with those in Table 5.

Table 6 estimates the aggregate market value gained or lost through active management as a result of fund performance relative to the *average* of the three market

indexes. With the exception of the year 2007, active fund management produced significant losses to investors. This result is consistent with the earlier estimates of the *number* of funds able to beat benchmarks over these five years. Note that losses or gains are calculated based on beginning-of-year assets, and assume no net flows during each year. Tables 6a, 6b, and 6c present similar estimates of market value gained or lost assuming each of the individual market indexes is used as a benchmark.

To offer some perspective on the market value lost through active portfolio management, we estimate the expenses declared by those funds both in total dollar and percentage terms. Table 7 provides the aggregate annual dollar expenses for funds that Outperformed and Underperformed relative to the *average* of the three market indexes. It is reasonable to expect that average investment returns within a given style and capitalization will be below the corresponding market index by about the magnitude of the expense ratio. Overall results show that the estimated annual dollar expenses have remained relatively flat over the years, and account for roughly two-thirds of the aggregate market value lost through active management. The noticeable decline in expenses in 2008 is likely due to the decline in total assets during that year. Tables 7a, 7b, and 7c present similar estimates for dollar expenses relative to performance against each of the three market indexes.

Table 8 provides results on the weighted average annual expenses in percentage terms for funds that have outperformed or underperformed relative to the average of the three market indexes. The weights are based on average assets under management during the year. As shown, expense ratios have gradually declined over the five years. Moreover, it is interesting to note some significant differences in expense ratios among the styles and the capitalization categories. Large Cap Value funds tend to have the lowest expense ratios, while Small Cap Growth funds have the highest. More generally, it is clear that Growth funds charge higher expense ratios than Value funds and Small Cap funds charge slightly higher expense ratios than Large Cap funds. Comparing all styles over 2004-08, in 26 out of the 45 comparisons the average expense-ratio was lower for outperforming funds than for underperforming funds.

Table 9 reports the percentage of funds within a style and market cap category that outperformed the *worst*-performing of the three corresponding indexes published by Russell, S&P, or Dow Jones Wilshire. Thus, the table indicates outperformance rates under the hypothetical scenario in which mutual fund managers pursuing a given style were permitted to choose their benchmark at year's end. In 2008, 55.6% of all funds outperformed the worst-performing corresponding index, which roughly approximates the 53.5% yearly average since 2004.

Table 10 imposes a much stricter hypothetical criterion for outperformance. The table shows the percentage of funds outperforming all three of the indexes corresponding to each fund's style and market cap category. The hypothetical scenario is therefore that each fund must outperform the *best*-performing of the three indexes published by Russell, S&P, or Dow Jones Wilshire. In 2008, 8.6% of all funds outperformed the worst-performing corresponding index, far below the 24.2% yearly average since 2004.

Table 1: Annual Returns on Russell, S&P, and Dow Jones Wilshire Indexes, 2004-08

Russell Indexes						
Index	Morningstar Category	2008	2007	2006	2005	2004
Russell 1000 Value	Large-cap Value	-36.85%	-0.17%	22.25%	7.05%	16.49%
Russell 1000	Large-cap Core	-37.60%	5.77%	15.46%	6.27%	11.41%
Russell 1000 Growth	Large-cap Growth	-38.44%	11.81%	9.07%	5.26%	6.30%
Russell Mid-cap Value	Mid-cap Value	-38.45%	-1.42%	20.22%	12.65%	23.71%
Russell Mid-cap	Mid-cap Core	-41.46%	5.60%	15.26%	12.65%	20.22%
Russell Mid-cap Growth	Mid-cap Growth	-44.33%	11.43%	10.66%	12.10%	15.48%
Russell 2000 Value	Small-cap Value	-28.92%	-9.78%	23.48%	4.71%	22.25%
Russell 2000	Small-cap Core	-33.79%	-1.57%	18.37%	4.55%	18.33%
Russell 2000 Growth	Small-cap Growth	-38.54%	7.05%	13.35%	4.15%	14.31%
S&P Indexes						
Index	Morningstar Category	2008	2007	2006	2005	2004
S&P 500/Citi Value	Large-cap Value	-39.22%	1.99%	20.80%	8.71%	15.03%
S&P 500	Large-cap Core	-37.00%	5.49%	15.79%	4.91%	10.88%
S&P 500/Citi Growth	Large-cap Growth	-34.92%	9.13%	11.01%	1.14%	6.97%
S&P 400/Citi Value	Mid-cap Value	-34.88%	2.65%	14.62%	10.77%	17.18%
S&P 400	Mid-cap Core	-36.23%	7.98%	10.32%	12.56%	16.48%
S&P 400/Citi Growth	Mid-cap Growth	-37.61%	13.50%	5.81%	14.42%	15.78%
S&P 600/Citi Value	Small-cap Value	-29.51%	-5.54%	19.57%	8.36%	21.09%
S&P 600	Small-cap Core	-31.07%	-0.30%	15.12%	7.68%	22.65%
S&P 600/Citi Growth	Small-cap Growth	-32.95%	5.60%	10.54%	7.07%	24.29%
Dow Jones Wilshire Indexes						
Index	Morningstar Category	2008	2007	2006	2005	2004
D-J Wilshire US Lg-Val	Large-cap Value	-36.62%	1.84%	21.87%	5.72%	13.55%
D-J Wilshire US Lg-Bld	Large-cap Core	-37.06%	6.40%	15.63%	6.33%	11.65%
D-J Wilshire US Lg-Gr	Large-cap Growth	-37.49%	10.97%	9.15%	7.13%	9.53%
D-J Wilshire US Mid-Val	Mid-cap Value	-34.80%	-1.29%	15.71%	5.46%	17.88%
D-J Wilshire US Mid-Bld	Mid-cap Core	-38.87%	5.58%	13.52%	10.91%	18.46%
D-J Wilshire US Mid-Gr	Mid-cap Growth	-41.64%	11.24%	11.57%	16.67%	18.94%
D-J Wilshire US Sm-Val	Small-cap Value	-33.92%	-4.13%	20.04%	5.30%	19.61%
D-J Wilshire US Sm-Bld	Small-cap Core	-37.76%	1.90%	16.98%	7.37%	19.46%
D-J Wilshire US Sm-Gr	Small-cap Growth	-41.26%	8.05%	13.79%	9.68%	19.04%

* Data are reported by *Morningstar Principia*.

Table 2: Screens Used and Resulting Number of Actively Managed U.S. Domestic Equity Mutual Funds

Screening Method	Frequencies for Value Funds					
	2008	2007	2006	2005	2004	
<p>Using each year's 31 December <i>Morningstar Principia</i> CD:</p> <p>Retain only actively managed independent open-end general mutual funds. (Discard ETFs, index funds, enhanced-index funds, funds of funds, and sector funds.)</p> <p>Retain only mutual funds that have Morningstar Category listed as Large (Mid, Small)-cap Value, Core, and Growth.</p> <p>Retain only funds that are essentially fully invested in U.S. equities, and not leveraged. (Discard funds with less than 80% or more than 100% of assets invested in U.S. equities.)</p> <p>Retain only funds with full-year returns available for the most recent year.</p> <p>Retain only one class of each fund: the one Morningstar designates as the "Distinct" class. Returns and expense ratios used are those assigned to the distinct class.</p> <p>Mutual fund returns are net of expenses but do not include a deduction for load charges. In calculating benchmark-adjusted returns, the analysis assumes that a Morningstar Category of Large-cap Core is associated with the Russell 1000, S&P 500, or Dow Jones Wilshire US Large-cap index as a benchmark. Similarly, Small- or Mid-cap Core are associated with either the Russell 2000(Mid-cap), S&P 600(400), or Dow Jones-Wilshire US Small-cap(Mid-cap) index as a benchmark. The assumption is applied to the Value and Growth styles and corresponding Russell, S&P, and Dow Jones Wilshire indexes as well.</p>	<u>Market Cap</u>					
	Large	301	305	285	290	306
	Mid-cap	104	93	85	82	77
	Small	113	121	103	95	96
		Frequencies for Core Funds				
		2008	2007	2006	2005	2004
	<u>Market Cap</u>					
	Large	344	347	328	311	334
	Mid-cap	112	109	101	107	100
Small	154	154	149	141	135	
	Frequencies for Growth Funds					
	2008	2007	2006	2005	2004	
<u>Market Cap</u>						
Large	375	354	383	380	401	
Mid-cap	232	230	237	235	251	
Small	223	235	235	238	253	
	Totals					
	2008	2007	2006	2005	2004	
	1,958	1,948	1,906	1,879	1,953	

Table 3: Aggregate End-of-Year Market Value (\$MM) of Actively Managed U.S. Domestic Equity Mutual Funds

		Style: Value				
		2008	2007	2006	2005	2004
<u>Market Cap</u>						
Large		\$321,313	\$545,492	\$546,315	\$484,320	\$507,795
Mid-cap		\$61,622	\$103,306	\$97,489	\$94,761	\$74,974
Small		\$41,150	\$64,224	\$63,409	\$54,350	\$60,865
		Style: Core				
		2008	2007	2006	2005	2004
<u>Market Cap</u>						
Large		\$240,536	\$436,577	\$458,100	\$451,207	\$470,735
Mid-cap		\$42,227	\$70,087	\$67,580	\$69,633	\$66,719
Small		\$63,138	\$101,060	\$99,847	\$94,593	\$70,091
		Style: Growth				
		2008	2007	2006	2005	2004
<u>Market Cap</u>						
Large		\$274,232	\$440,675	\$423,339	\$429,483	\$445,035
Mid-cap		\$101,521	\$208,611	\$214,462	\$192,251	\$161,471
Small		\$58,490	\$98,298	\$102,104	\$101,162	\$101,264
		Aggregate Market Value of All Funds (\$ Millions)				
		2008	2007	2006	2005	2004
		\$1,204,229	\$2,068,330	\$2,072,644	\$1,971,759	\$1,958,948

* Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Total net assets from all classes of each fund are included. Values are in millions of U.S. dollars.

** This analysis is provided by the Center for Institutional Investment Management at the University at Albany (SUNY), and may be quoted freely with proper attribution.

Table 4: Benchmark-Adjusted Returns on Actively Managed U.S. Domestic Equity Funds

Corresponding Russell Index Used as Benchmark					
Morningstar Category	2008	2007	2006	2005	2004
Large-cap Value	0.13%	1.52%	-4.06%	-1.01%	-3.31%
Large-cap Core	0.26%	-0.63%	-1.83%	-0.75%	-1.88%
Large-cap Growth	-1.94%	1.47%	-2.32%	1.24%	1.40%
Mid-cap Value	2.89%	1.85%	-4.11%	-3.98%	-5.28%
Mid-cap Core	2.94%	-1.30%	-1.75%	-3.95%	-4.17%
Mid-cap Growth	1.32%	3.79%	-1.70%	-2.13%	-2.33%
Small-cap Value	-2.98%	4.27%	-7.07%	1.58%	-1.91%
Small-cap Core	-2.94%	0.04%	-3.28%	2.16%	0.31%
Small-cap Growth	-2.84%	0.65%	-2.46%	1.59%	-2.08%
Grand Total	-0.52%	1.20%	-2.82%	-0.25%	-1.61%
Corresponding S&P Index Used as Benchmark					
Morningstar Category	2008	2007	2006	2005	2004
Large-cap Value	2.50%	-0.64%	-2.61%	-2.67%	-1.85%
Large-cap Core	-0.34%	-0.35%	-2.16%	0.61%	-1.35%
Large-cap Growth	-5.56%	4.15%	-4.26%	5.36%	0.73%
Mid-cap Value	-0.68%	-2.22%	1.49%	-2.14%	1.25%
Mid-cap Core	-2.29%	-3.68%	3.19%	-3.85%	-0.42%
Mid-cap Growth	-5.40%	1.72%	3.15%	-4.44%	-2.61%
Small-cap Value	-2.39%	0.03%	-3.16%	-2.18%	-0.75%
Small-cap Core	-5.66%	-1.23%	-0.03%	-0.96%	-4.00%
Small-cap Growth	-8.43%	2.10%	0.35%	-1.53%	-12.09%
Grand Total	-3.04%	0.64%	-1.12%	-0.47%	-2.56%
Corresponding Dow Jones Wilshire Index Used as Benchmark					
Morningstar Category	2008	2007	2006	2005	2004
Large-cap Value	-0.10%	-0.49%	-3.68%	0.32%	-0.37%
Large-cap Core	-0.28%	-1.26%	0.40%	-0.81%	-2.13%
Large-cap Growth	-2.99%	2.31%	-3.63%	-0.63%	-1.83%
Mid-cap Value	-0.76%	1.72%	-2.00%	3.21%	0.55%
Mid-cap Core	0.35%	-1.28%	-0.01%	-2.21%	-2.41%
Mid-cap Growth	-1.75%	3.98%	-1.89%	-6.70%	-5.79%
Small-cap Value	2.02%	-1.38%	-2.40%	0.99%	0.73%
Small-cap Core	1.03%	-3.43%	-2.61%	-0.66%	-0.82%
Small-cap Growth	-0.12%	-0.35%	-2.90%	-3.94%	-6.81%
Grand Total	-0.70%	0.20%	-2.39%	-1.53%	-2.55%

* Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Fund returns are net of expenses but do not include a deduction for load charges. For comparisons with the S&P indexes, we use the S&P 500 (large-cap), 400 (mid-cap), and 600 (small-cap), and their Value and Growth forms. For comparisons with the Russell indexes, we use the Russell 1000 (large-cap), Russell Mid-Cap, and Russell 2000 (small-cap), and their Value and Growth forms. For comparisons with the Dow Jones Wilshire indexes, we use the U.S. Large-Cap, Mid-Cap, and Small-Cap indexes, and their Value and Growth forms.

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Table 5: Percent of Actively Managed U.S. Domestic Equity Mutual Funds Beating the Average Return of Three Indexes (Russell, S&P, and Dow Jones Wilshire Indexes)

Style: Value						
	2008	2007	2006	2005	2004	Average
<u>Market Cap</u>						
Large	61.1%	54.8%	9.8%	33.1%	26.8%	37.1%
Mid-cap	49.0%	65.6%	40.0%	50.0%	44.2%	49.8%
Small	44.2%	54.5%	15.5%	56.8%	49.0%	44.0%
Style: Core						
	2008	2007	2006	2005	2004	Average
<u>Market Cap</u>						
Large	52.3%	44.1%	23.8%	46.9%	27.5%	38.9%
Mid-cap	46.4%	40.4%	51.5%	21.5%	27.0%	37.4%
Small	35.7%	37.0%	28.9%	51.8%	40.7%	38.8%
Style: Growth						
	2008	2007	2006	2005	2004	Average
<u>Market Cap</u>						
Large	22.4%	66.1%	21.4%	63.2%	47.6%	44.1%
Mid-cap	34.1%	63.0%	43.9%	19.1%	23.9%	37.0%
Small	20.6%	55.7%	36.6%	41.6%	15.8%	34.1%
Overall						
	2008	2007	2006	2005	2004	Average
Overall	39.9%	54.3%	27.4%	43.5%	32.2%	39.5%

* Funds with returns greater than or equal to the average of three indexes' returns "outperformed." Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Fund returns are net of expenses but do not include a deduction for load charges. For large-cap comparisons we use the Russell 1000, S&P 500, and Dow Jones Wilshire U.S. Large-Cap indexes. For mid-cap comparisons we use the Russell Mid-Cap, S&P 400, and Dow Jones Wilshire U.S. Mid-Cap indexes. For small-cap comparisons we use the Russell 2000, S&P 600, and Dow Jones Wilshire U.S. Small-Cap indexes. Index funds, enhanced index funds, funds of funds, and sector funds are excluded. Funds with less than 80% invested in U.S. common stocks are excluded. Only one class of each fund is included. Shading indicates cases in which 50% or more of funds beat the corresponding index.

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Table 6: Estimated Market Value (\$MM) Gained or Lost by Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed the Average Return of Three Indexes (Russell, S&P, and Dow Jones Wilshire Indexes)

Style: Value											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$10,013	-\$8,676	\$10,367	-\$8,334	\$225	-\$16,870	\$1,202	-\$9,947	\$2,521	-\$11,081
Mid-cap		\$1,693	-\$3,752	\$2,492	-\$1,152	\$467	-\$1,604	\$980	-\$1,807	\$719	-\$849
Small		\$904	-\$2,449	\$2,413	-\$1,136	\$160	-\$2,241	\$1,086	-\$530	\$538	-\$918
Style: Core											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$6,195	-\$15,250	\$3,867	-\$13,956	\$867	-\$10,222	\$5,651	-\$4,740	\$2,684	-\$10,781
Mid-cap		\$1,211	-\$4,353	\$1,485	-\$2,922	\$1,244	-\$810	\$307	-\$3,333	\$164	-\$1,802
Small		\$1,410	-\$2,516	\$3,597	-\$2,069	\$331	-\$3,446	\$2,014	-\$733	\$275	-\$1,573
Style: Growth											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$2,676	-\$21,722	\$15,581	-\$4,671	\$2,013	-\$14,841	\$12,652	-\$2,712	\$7,693	-\$5,839
Mid-cap		\$2,050	-\$7,108	\$7,374	-\$4,020	\$4,829	-\$3,445	\$784	-\$7,410	\$1,176	-\$5,014
Small		\$664	-\$3,676	\$2,367	-\$2,097	\$1,001	-\$2,659	\$1,591	-\$1,693	\$736	-\$5,540
Aggregate Market Value Gained (+) or Lost (-) across All Funds (\$ Millions)											
		2008		2007		2006		2005		2004	
		-\$42,685		+\$9,185		-\$45,002		-\$6,637		-\$26,892	

* Funds with returns greater than or equal to the average of three indexes' returns "outperformed." Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Total net assets from all classes of each fund are included. For each fund we subtract the average of the returns on the corresponding S&P, Russell, and Dow Jones Wilshire indexes from the fund's return net of expenses, and then multiply the fund's index-adjusted return by the total net assets for all classes of the fund as of the start of the year. We assume no net investor flows during the year. Funds with less than 80% invested in U.S. common stocks are excluded.

** This analysis is provided by the Center for Institutional Investment Management at the University at Albany (SUNY), and may be quoted freely with proper attribution.

Table 6a: Estimated Market Value (\$MM) Gained or Lost by Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed S&P Indexes

Style: Value											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$15,871	-\$5,315	\$7,699	-\$9,830	\$471	-\$13,212	\$677	-\$16,168	\$2,514	-\$11,101
Mid-cap		\$1,242	-\$4,584	\$828	-\$2,240	\$1,314	-\$586	\$628	-\$2,305	\$1,344	-\$444
Small		\$653	-\$3,003	\$2,091	-\$1,464	\$369	-\$1,647	\$296	-\$1,090	\$517	-\$940
Style: Core											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$5,908	-\$15,899	\$4,365	-\$12,770	\$770	-\$10,799	\$8,195	-\$3,008	\$3,197	-\$9,422
Mid-cap		\$643	-\$5,854	\$1,110	-\$3,604	\$2,305	-\$215	\$274	-\$3,604	\$345	-\$1,013
Small		\$397	-\$4,745	\$3,728	-\$1,879	\$691	-\$2,328	\$1,472	-\$1,159	\$115	-\$2,709
Style: Growth											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$1,358	-\$30,616	\$20,312	-\$3,236	\$1,257	-\$19,253	\$24,639	-\$333	\$9,158	-\$4,522
Mid-cap		\$448	-\$12,505	\$6,108	-\$5,379	\$9,672	-\$1,193	\$777	-\$7,432	\$1,611	-\$4,163
Small		\$151	-\$7,932	\$2,991	-\$1,506	\$1,743	-\$1,528	\$1,481	-\$1,805	\$160	-\$9,341
Aggregate Market Value Gained (+) or Lost (-) across All Funds (\$ Millions)											
		2008		2007		2006		2005		2004	
		-\$63,785		+\$7,323		-\$32,168		+\$1,534		-\$24,696	

* Funds with returns greater than or equal to the index's "outperformed." Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Total net assets from all classes of each fund are included. For each fund we subtract the corresponding S&P index return from the fund's return net of expenses, and then multiply the fund's index-adjusted return by the total net assets for all classes of the fund as of the start of the year. We assume no net investor flows during the year. The S&P indexes used are the S&P 500 (large-cap), 400 (mid-cap), and 600 (small-cap), and their Value and Growth forms. Funds with less than 80% invested in U.S. common stocks are excluded.

** This analysis is provided by the Center for Institutional Investment Management at the University at Albany (SUNY), and may be quoted freely with proper attribution.

Table 6b: Estimated Market Value (\$MM) Gained or Lost by Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed Russell Indexes

Style: Value											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$7,668	-\$10,302	\$15,810	-\$6,259	\$107	-\$19,588	\$1,247	-\$9,513	\$1,424	-\$15,827
Mid-cap		\$3,034	-\$2,435	\$3,722	-\$939	\$25	-\$3,980	\$256	-\$3,269	\$75	-\$1,967
Small		\$545	-\$3,268	\$3,945	-\$399	\$36	-\$3,465	\$1,741	-\$337	\$318	-\$1,205
Style: Core											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$6,731	-\$14,170	\$4,011	-\$13,621	\$971	-\$9,637	\$4,642	-\$5,731	\$2,578	-\$11,075
Mid-cap		\$2,002	-\$3,089	\$1,689	-\$2,604	\$690	-\$1,616	\$267	-\$3,658	\$86	-\$2,655
Small		\$1,211	-\$2,748	\$4,382	-\$1,215	\$156	-\$4,613	\$3,260	-\$300	\$588	-\$945
Style: Growth											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$4,452	-\$15,792	\$12,247	-\$6,138	\$2,748	-\$12,829	\$10,562	-\$3,819	\$10,952	-\$3,359
Mid-cap		\$5,044	-\$3,492	\$7,972	-\$3,477	\$3,479	-\$4,730	\$1,911	-\$4,528	\$1,751	-\$3,930
Small		\$833	-\$2,860	\$2,308	-\$2,178	\$783	-\$3,173	\$3,249	-\$634	\$1,965	-\$2,549
Aggregate Market Value Gained (+) or Lost (-) across All Funds (\$ Millions)											
		2008		2007		2006		2005		2004	
		-\$26,635		+\$19,254		-\$54,638		-\$4,654		-\$23,776	

* Funds with returns greater than or equal to the index's "outperformed." Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Total net assets from all classes of each fund are included. For each fund we subtract the corresponding Russell index return from the fund's return net of expenses, and then multiply the fund's index-adjusted return by the total net assets for all classes of the fund as of the start of the year. We assume no net investor flows during the year. The Russell indexes used are the Russell 1000 (large-cap), Russell Mid-Cap, and Russell 2000 (small-cap), and their Value and Growth forms. Funds with less than 80% invested in U.S. common stocks are excluded.

** This analysis is provided by the Center for Institutional Investment Management at the University at Albany (SUNY), and may be quoted freely with proper attribution.

Table 6c: Estimated Market Value (\$MM) Gained or Lost by Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed Dow Jones Wilshire Indexes

Style: Value											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$7,008	-\$10,921	\$8,202	-\$9,522	\$171	-\$17,886	\$2,510	-\$4,989	\$4,167	-\$6,859
Mid-cap		\$1,213	-\$4,644	\$3,607	-\$958	\$815	-\$998	\$3,144	-\$934	\$1,154	-\$554
Small		\$1,859	-\$1,420	\$1,666	-\$2,010	\$296	-\$1,832	\$1,467	-\$407	\$838	-\$669
Style: Core											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$5,985	-\$15,721	\$3,315	-\$15,599	\$865	-\$10,233	\$4,509	-\$5,875	\$2,309	-\$11,878
Mid-cap		\$1,215	-\$4,344	\$1,694	-\$2,596	\$1,092	-\$956	\$411	-\$2,767	\$160	-\$1,837
Small		\$3,549	-\$983	\$2,897	-\$3,331	\$311	-\$3,562	\$1,609	-\$1,041	\$363	-\$1,307
Style: Growth											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$3,176	-\$19,713	\$14,572	-\$5,026	\$2,648	-\$13,055	\$6,490	-\$7,718	\$4,016	-\$10,680
Mid-cap		\$2,203	-\$6,869	\$8,167	-\$3,327	\$2,640	-\$5,718	\$207	-\$10,812	\$362	-\$7,146
Small		\$2,124	-\$1,351	\$1,932	-\$2,737	\$667	-\$3,465	\$641	-\$3,235	\$767	-\$5,413
Aggregate Market Value Gained (+) or Lost (-) across All Funds (\$ Millions)											
		2008		2007		2006		2005		2004	
		-\$37,635		\$948		-\$48,200		-\$16,791		-\$32,205	

* Funds with returns greater than or equal to the index's "outperformed." Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Total net assets from all classes of each fund are included. For each fund we subtract the corresponding Dow Jones Wilshire index return from the fund's return net of expenses, and then multiply the fund's index-adjusted return by the total net assets for all classes of the fund as of the start of the year. We assume no net investor flows during the year. For comparisons with the Dow Jones Wilshire indexes, we use the U.S. Large-Cap, Mid-Cap, and Small-Cap indexes, and their Value and Growth forms. Funds with less than 80% invested in U.S. common stocks are excluded.

** This analysis is provided by the Center for Institutional Investment Management at the University at Albany (SUNY), and may be quoted freely with proper attribution.

Table 7: Estimated Annual Expenses (\$MM) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed the Average Return of Three Indexes (Russell, S&P, and Dow Jones Wilshire Indexes)

Style: Value										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$1,991	\$1,220	\$2,769	\$1,345	\$241	\$3,567	\$495	\$3,069	\$971	\$2,716
Mid-cap	\$364	\$448	\$789	\$161	\$226	\$636	\$393	\$487	\$364	\$322
Small	\$206	\$315	\$435	\$244	\$138	\$507	\$392	\$199	\$289	\$304
Style: Core										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$934	\$2,029	\$1,104	\$2,778	\$603	\$3,271	\$2,026	\$1,995	\$1,209	\$2,888
Mid-cap	\$204	\$414	\$306	\$435	\$385	\$342	\$87	\$673	\$63	\$683
Small	\$405	\$439	\$466	\$586	\$224	\$813	\$618	\$302	\$198	\$521
Style: Growth										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$560	\$2,948	\$3,026	\$959	\$647	\$3,410	\$3,103	\$1,217	\$2,244	\$2,365
Mid-cap	\$571	\$1,005	\$1,092	\$934	\$1,235	\$966	\$406	\$1,615	\$543	\$1,105
Small	\$151	\$754	\$556	\$531	\$405	\$712	\$575	\$617	\$253	\$945
Aggregate Market Value Gained (+) or Lost (-) across All Funds (\$ Millions)										
2008		2007		2006		2005		2004		
\$14,960		\$18,517		\$18,329		\$18,289		\$17,982		

* For each fund we multiply the audited annual expense ratio by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the average of the returns on the corresponding S&P, Russell, and Dow Jones Wilshire indexes from the fund's return net of expenses but without a deduction for load charges. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 7a: Estimated Annual Expenses (\$MM) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed S&P Indexes

Style: Value										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$2,149	\$1,062	\$2,408	\$1,706	\$361	\$3,447	\$407	\$3,157	\$971	\$2,716
Mid-cap	\$293	\$519	\$354	\$597	\$557	\$305	\$254	\$626	\$418	\$268
Small	\$185	\$336	\$338	\$341	\$169	\$477	\$192	\$400	\$289	\$304
Style: Core										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$885	\$2,078	\$1,163	\$2,719	\$574	\$3,300	\$2,843	\$1,178	\$1,262	\$2,835
Mid-cap	\$144	\$475	\$253	\$489	\$610	\$117	\$80	\$680	\$205	\$541
Small	\$188	\$657	\$515	\$537	\$376	\$660	\$561	\$358	\$52	\$667
Style: Growth										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$322	\$3,187	\$3,178	\$806	\$449	\$3,608	\$4,029	\$291	\$2,750	\$1,859
Mid-cap	\$130	\$1,446	\$996	\$1,029	\$1,791	\$410	\$394	\$1,627	\$651	\$996
Small	\$68	\$837	\$724	\$364	\$561	\$556	\$507	\$685	\$88	\$1,110
Aggregate Market Value Gained (+) or Lost (-) across All Funds (\$ Millions)										
2008		2007		2006		2005		2004		
\$14,960		\$18,517		\$18,329		\$18,269		\$17,982		

* For each fund we multiply the audited annual expense ratio by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the corresponding S&P index return from the fund's return net of expenses but without a deduction for load charges. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 7b: Estimated Annual Expenses (\$MM) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed **Russell Indexes**

Style: Value											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$1,717	\$1,494	\$2,974	\$1,139	\$157	\$3,651	\$511	\$3,053	\$587	\$3,100
Mid-cap		\$456	\$356	\$812	\$139	\$75	\$786	\$215	\$666	\$160	\$526
Small		\$180	\$341	\$569	\$110	\$44	\$601	\$466	\$126	\$185	\$408
Style: Core											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$1,068	\$1,896	\$1,150	\$2,732	\$624	\$3,251	\$1,891	\$2,130	\$1,205	\$2,892
Mid-cap		\$308	\$310	\$319	\$422	\$273	\$455	\$78	\$682	\$40	\$705
Small		\$403	\$442	\$693	\$359	\$126	\$911	\$785	\$134	\$408	\$311
Style: Growth											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		\$958	\$2,551	\$2,627	\$1,358	\$1,179	\$2,878	\$2,822	\$1,497	\$3,050	\$1,560
Mid-cap		\$864	\$712	\$1,206	\$820	\$1,105	\$1,096	\$638	\$1,383	\$658	\$990
Small		\$192	\$712	\$544	\$543	\$365	\$753	\$865	\$326	\$532	\$665
Aggregate Market Value Gained (+) or Lost (-) across All Funds (\$ Millions)											
		2008		2007		2006		2005		2004	
		\$14,960		\$18,517		\$18,329		\$18,269		\$17,982	

* For each fund we multiply the audited annual expense ratio by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the corresponding Russell index return from the fund's return net of expenses but without a deduction for load charges. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 7c: Estimated Annual Expenses (\$MM) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed Dow Jones Wilshire Indexes

Style: Value										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$1,582	\$1,629	\$2,422	\$1,692	\$192	\$3,616	\$1,264	\$2,300	\$1,239	\$2,448
Mid-cap	\$293	\$519	\$812	\$139	\$348	\$514	\$721	\$160	\$416	\$269
Small	\$345	\$176	\$330	\$350	\$162	\$483	\$432	\$159	\$355	\$237
Style: Core										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$902	\$2,062	\$925	\$2,957	\$603	\$3,271	\$1,886	\$2,135	\$1,057	\$3,040
Mid-cap	\$204	\$414	\$319	\$422	\$352	\$375	\$122	\$638	\$61	\$685
Small	\$548	\$296	\$420	\$631	\$201	\$835	\$568	\$352	\$219	\$501
Style: Growth										
Market Cap	2008		2007		2006		2005		2004	
	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	\$682	\$2,827	\$2,977	\$1,007	\$1,179	\$2,878	\$1,864	\$2,455	\$1,715	\$2,894
Mid-cap	\$588	\$988	\$1,246	\$779	\$960	\$1,241	\$122	\$1,899	\$185	\$1,462
Small	\$595	\$310	\$506	\$581	\$352	\$766	\$274	\$917	\$276	\$922
Aggregate Expenses across All Funds (\$ Millions)										
2008		2007		2006		2005		2004		
\$14,960		\$18,517		\$18,329		\$18,269		\$17,982		

* For each fund we multiply the audited annual expense ratio by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the corresponding Dow Jones Wilshire index return from the fund's return net of expenses but without a deduction for load charges. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 8: Estimated Weighted Average Expenses (%) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed the Average Return of Three Indexes (Russell, S&P, and Dow Jones Wilshire Indexes)

Style: Value										
	2008		2007		2006		2005		2004	
<u>Market Cap</u>	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	0.71%	0.76%	0.70%	0.90%	0.83%	0.75%	1.01%	0.75%	0.73%	0.85%
Mid-cap	0.94%	0.95%	0.93%	0.89%	0.83%	1.00%	0.91%	1.21%	1.04%	1.35%
Small	1.10%	0.94%	1.10%	0.91%	0.92%	1.15%	0.97%	1.25%	1.10%	1.26%
Style: Core										
	2008		2007		2006		2005		2004	
<u>Market Cap</u>	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	0.83%	0.92%	0.84%	0.92%	0.90%	0.89%	0.82%	0.95%	0.98%	0.89%
Mid-cap	0.95%	1.06%	1.06%	1.11%	1.05%	1.24%	1.00%	1.21%	0.82%	1.34%
Small	1.02%	1.01%	1.12%	0.96%	1.25%	1.08%	1.08%	0.93%	1.28%	1.14%
Style: Growth										
	2008		2007		2006		2005		2004	
<u>Market Cap</u>	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large	0.80%	0.94%	0.94%	0.92%	0.87%	1.00%	1.03%	0.96%	1.01%	1.07%
Mid-cap	0.93%	1.10%	1.07%	1.00%	1.03%	1.10%	0.90%	1.17%	1.03%	1.17%
Small	1.16%	1.11%	1.30%	1.00%	1.23%	1.11%	1.12%	1.33%	1.33%	1.27%
Aggregate Expenses across All Funds (\$ Millions)										
	2008		2007		2006		2005		2004	
	0.90%		0.91%		0.93%		0.95%		0.99%	

* For each fund we weight the audited expense ratio (%) by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the average of the returns on the corresponding S&P, Russell, and Dow Jones Wilshire indexes from the fund's return net of expenses. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 8a: Estimated Weighted Average Expenses (%) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed S&P Indexes

Style: Value											
		2008		2007		2006		2005		2004	
<u>Market Cap</u>		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.72%	0.75%	0.70%	0.86%	0.84%	0.75%	1.02%	0.75%	0.73%	0.85%
Mid-cap		0.99%	0.92%	0.98%	0.89%	0.85%	1.22%	0.91%	1.12%	1.02%	1.49%
Small		1.09%	0.96%	1.08%	0.97%	0.94%	1.15%	1.12%	1.02%	1.10%	1.26%
Style: Core											
		2008		2007		2006		2005		2004	
<u>Market Cap</u>		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.83%	0.92%	0.84%	0.92%	0.90%	0.89%	0.90%	0.83%	0.98%	0.88%
Mid-cap		1.03%	1.02%	1.03%	1.12%	1.08%	1.47%	0.99%	1.20%	1.10%	1.35%
Small		1.07%	1.00%	1.08%	0.98%	1.13%	1.10%	1.09%	0.94%	1.18%	1.18%
Style: Growth											
		2008		2007		2006		2005		2004	
<u>Market Cap</u>		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.67%	0.95%	0.94%	0.92%	0.80%	1.00%	1.01%	0.97%	1.03%	1.05%
Mid-cap		1.06%	1.03%	1.06%	1.02%	1.03%	1.20%	0.89%	1.17%	1.07%	1.15%
Small		1.13%	1.12%	1.24%	0.97%	1.22%	1.08%	1.09%	1.34%	1.27%	1.28%
Aggregate Expenses across All Funds (\$ Millions)											
		2008		2007		2006		2005		2004	
		0.90%		0.91%		0.93%		0.95%		0.99%	

* For each fund we weight the audited expense ratio (%) by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the corresponding S&P index return from the fund's return net of expenses. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 8b: Estimated Weighted Average Expenses (%) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed **Russell Indexes**

Style: Value											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.70%	0.78%	0.71%	0.90%	0.81%	0.75%	1.00%	0.75%	0.63%	0.86%
Mid-cap		0.94%	0.95%	0.90%	1.04%	0.90%	0.96%	0.89%	1.12%	1.12%	1.18%
Small		1.09%	0.96%	1.08%	0.79%	1.28%	1.08%	0.99%	1.35%	1.09%	1.21%
Style: Core											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.85%	0.91%	0.84%	0.92%	0.90%	0.89%	0.82%	0.94%	0.98%	0.89%
Mid-cap		1.02%	1.02%	1.07%	1.10%	1.12%	1.14%	1.00%	1.20%	0.71%	1.33%
Small		1.02%	1.01%	1.09%	0.93%	1.28%	1.09%	1.00%	1.18%	1.16%	1.21%
Style: Growth											
		2008		2007		2006		2005		2004	
Market Cap		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.87%	0.93%	1.02%	0.82%	0.88%	1.02%	1.02%	0.99%	1.04%	1.04%
Mid-cap		0.97%	1.12%	1.07%	0.99%	1.03%	1.10%	0.97%	1.17%	1.07%	1.15%
Small		1.22%	1.10%	1.29%	1.01%	1.21%	1.12%	1.18%	1.35%	1.27%	1.29%
Aggregate Expenses across All Funds (\$ Millions)											
		2008		2007		2006		2005		2004	
		0.90%		0.91%		0.93%		0.95%		0.99%	

* For each fund we weight the audited expense ratio (%) by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the corresponding Russell index return from the fund's return net of expenses. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 8c: Estimated Weighted Average Expenses (%) for Actively Managed U.S. Domestic Equity Mutual Funds that Outperformed or Underperformed Dow Jones Wilshire Indexes

Style: Value											
		2008		2007		2006		2005		2004	
<u>Market Cap</u>		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.77%	0.70%	0.70%	0.86%	0.79%	0.75%	0.78%	0.77%	0.77%	0.84%
Mid-cap		0.99%	0.92%	0.90%	1.04%	0.86%	1.02%	0.97%	1.69%	1.02%	1.49%
Small		1.08%	0.87%	1.08%	0.97%	0.94%	1.15%	0.97%	1.32%	1.11%	1.28%
Style: Core											
		2008		2007		2006		2005		2004	
<u>Market Cap</u>		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.83%	0.92%	0.86%	0.91%	0.90%	0.89%	0.82%	0.94%	0.98%	0.89%
Mid-cap		0.95%	1.06%	1.07%	1.10%	1.19%	1.08%	1.08%	1.20%	0.81%	1.34%
Small		0.95%	1.15%	1.11%	0.98%	1.23%	1.09%	1.08%	0.95%	1.25%	1.15%
Style: Growth											
		2008		2007		2006		2005		2004	
<u>Market Cap</u>		Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.	Outperf.	Under.
Large		0.81%	0.94%	0.94%	0.93%	0.88%	1.02%	1.07%	0.97%	1.00%	1.07%
Mid-cap		0.94%	1.10%	1.08%	0.98%	1.01%	1.10%	1.04%	1.11%	0.91%	1.15%
Small		1.06%	1.27%	1.27%	1.04%	1.21%	1.12%	1.18%	1.23%	1.31%	1.27%
Market-Value-Weighted Average Expense Ratio across All Funds (%)											
		2008		2007		2006		2005		2004	
		0.90%		0.91%		0.93%		0.95%		0.99%	

* For each fund we weight the audited expense ratio (%) by the total net assets for all classes of the fund. Total net assets are calculated as the average of beginning-of-year and end-of-year assets. To measure the outperformance/underperformance of each fund we subtract the corresponding Dow Jones Wilshire index return from the fund's return net of expenses. Funds with less than 80% invested in U.S. common stocks are excluded. Raw data, including capitalization and style classifications, are from *Morningstar Principia*.

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Table 9: Percent of Actively Managed U.S. Domestic Equity Mutual Funds Beating *Any of the Corresponding S&P, Russell, or Dow Jones Wilshire Index Returns*

Style: Value						
	2008	2007	2006	2005	2004	Average
Market Cap						
Large	67.8%	64.6%	18.2%	51.0%	43.8%	49.1%
Mid-cap	66.3%	72.0%	70.6%	81.7%	54.5%	69.0%
Small	69.0%	78.5%	27.2%	70.5%	61.5%	61.3%
Style: Core						
	2008	2007	2006	2005	2004	Average
Market Cap						
Large	55.5%	47.6%	26.5%	56.9%	30.2%	43.3%
Mid-cap	65.2%	42.2%	75.2%	33.6%	46.0%	52.4%
Small	61.0%	45.5%	50.3%	74.5%	54.8%	57.2%
Style: Growth						
	2008	2007	2006	2005	2004	Average
Market Cap						
Large	35.5%	73.2%	29.8%	91.1%	61.1%	58.1%
Mid-cap	55.6%	67.0%	76.4%	34.0%	33.5%	53.3%
Small	52.9%	60.0%	52.3%	69.3%	41.1%	55.1%
Overall						
	2008	2007	2006	2005	2004	Average
Overall	55.6%	61.3%	41.8%	63.4%	45.5%	53.5%

* Funds with returns greater than or equal to any one of three indexes' returns "outperformed." Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Fund returns are net of expenses but do not include a deduction for load charges. For large-cap comparisons we use the Russell 1000, S&P 500, and Dow Jones Wilshire U.S. Large-Cap indexes. For mid-cap comparisons we use the Russell Mid-Cap, S&P 400, and Dow Jones Wilshire U.S. Mid-Cap indexes. For small-cap comparisons we use the Russell 2000, S&P 600, and Dow Jones Wilshire U.S. Small-Cap indexes. Index funds, enhanced index funds, funds of funds, and sector funds are excluded. Funds with less than 80% invested in U.S. common stocks are excluded. Only one class of each fund is included. Shading indicates cases in which more than 50% of funds beat the corresponding index.

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Table 10: Percent of Actively Managed U.S. Domestic Equity Mutual Funds Beating All of the Corresponding S&P, Russell, or Dow Jones Wilshire Index Returns

Style: Value						
	2008	2007	2006	2005	2004	Average
<u>Market Cap</u>						
Large	2.0%	46.6%	6.0%	23.4%	15.7%	18.7%
Mid-cap	0.0%	32.3%	12.9%	19.5%	14.3%	15.8%
Small	3.5%	40.5%	6.8%	27.4%	37.5%	23.1%
Style: Core						
	2008	2007	2006	2005	2004	Average
<u>Market Cap</u>						
Large	0.9%	38.9%	22.0%	40.2%	22.8%	25.0%
Mid-cap	14.3%	30.3%	34.7%	17.8%	14.0%	22.2%
Small	16.9%	26.0%	16.8%	39.7%	16.3%	23.1%
Style: Growth						
	2008	2007	2006	2005	2004	Average
<u>Market Cap</u>						
Large	9.6%	59.9%	13.1%	40.8%	31.9%	31.1%
Mid-cap	19.4%	55.2%	29.1%	9.8%	12.4%	25.2%
Small	14.3%	51.9%	28.9%	22.7%	4.3%	24.4%
Overall						
	2008	2007	2006	2005	2004	Average
Overall	8.6%	45.7%	18.6%	28.8%	19.3%	24.2%

* Funds with returns greater than or equal to all of three indexes' returns "outperformed." Raw data, including capitalization and style classifications, are from *Morningstar Principia*. Fund returns are net of expenses but do not include a deduction for load charges. For large-cap comparisons we use the Russell 1000, S&P 500, and Dow Jones Wilshire U.S. Large-Cap indexes. For mid-cap comparisons we use the Russell Mid-Cap, S&P 400, and Dow Jones Wilshire U.S. Mid-Cap indexes. For small-cap comparisons we use the Russell 2000, S&P 600, and Dow Jones Wilshire U.S. Small-Cap indexes. Index funds, enhanced index funds, funds of funds, and sector funds are excluded. Funds with less than 80% invested in U.S. common stocks are excluded. Only one class of each fund is included. Shading indicates cases in which more than 50% of funds beat the corresponding index.

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