The "CalPERS Effect" on Targeted Company Share Prices

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Summary

The California Public Employees' Retirement System (CalPERS, "System") has been a leading activist in the modern corporate governance movement since its beginnings in the mid-1980s. Over time, CalPERS gradually shifted its focus from more technical issues related to corporate control to fundamental issues of long-term corporate performance. Without question, it has contributed to many changes in how corporate managements now behave. A continuing question is whether CalPERS' governance activities contribute to improved stock returns for those companies that achieve the dubious distinction of being included on the pension system's annual Focus List for their poor performance and governance each proxy season. After all, it is improved stock returns from enhanced corporate profitability that is the ultimate purpose of the CalPERS good governance movement.

This analysis evaluates CalPERS' corporate governance effectiveness by measuring the performance of the stocks of the 134 companies targeted by CalPERS from its beginning in 1987 through the fall of 2006. (The companies in the study do not include those companies targeted since the fall of 2006 because of their brief time period). Relative performance is measured by examining the total return for targeted companies for the five years preceding CalPERS' first involvement, the "initiative date," and the total return for these same companies for the subsequent five years.

For the five years prior to the "initiative date", the Focus List companies produced returns that averaged 82.2% below their respective benchmarks on a cumulative basis, which is equivalent to an excess return of –12.7% per year on an annualized basis. For the first five years after the "initiative date," the average targeted company produced excess returns of 15.7% above their respective benchmark return on a cumulative basis, or about 3% per year on an annualized basis.

The five year cumulative excess return of 15.7% is impressive, and represents an increase in results from the prior year. The data strongly show that CalPERS' involvement has generally stopped the rapid erosion of performance results. Analysis also suggests that diversification and the effects of a bull and bear market played a role in the Focus List performance results.

***Analysis*[1]**

To measure the significance of the "CalPERS Effect," it is necessary to examine stock returns during the period before and after the initiative event. Since poor stock performance is a criterion to be listed on the Focus List, stock performance leading up to the initiative date is expected to be negative. After the initiative date, stock returns respond to a wide range of economic and company specific news such as updated forecasts for GDP, inflations rates, interest rates, and corporate profitability. Measuring the cumulative stock returns against the market indices for the most part takes out the economic and market impact on the stock's return. Isolating the part of a stock return's movement that is attributable solely to CalPERS' involvement from the initiative date is more difficult, as there can be other factors that affect the returns.

In addition to CalPERS' participation, competing or confounding corporate announcements that had nothing to do with CalPERS' involvement (such as management changes, scandals, new businesses, etc.) affect the stock price. Taking out competing and confounding corporate announcement effects would be ideal to isolate the sole impact of CalPERS' involvement. However, determining which announcements did and did not involve CalPERS is very subjective and completely eliminating these effects from the stock performance is impossible. Alternatively, eliminating companies with announcements from the analysis over a five year period would eliminate all 134 companies from the analysis. The continuing question is whether CalPERS' governance activities contribute to improved share prices for those companies listed on the Focus List. Thus, the objective is to see how well all 134 companies performed against the market index over the long-term after CalPERS' involvement, regardless of competing or confounding corporate announcements. Wilshire believes that by extending the post initiative observation period to five years, the impact on stock price of any one announcement is lessened, and the long-term effect of a company's good or bad fundamental performance becomes more relevant.

Focus List Methodology Changes

This study reflects the results for all stocks placed on the Focus List since its inception. However, the methodology used to select Focus List companies has evolved over time. Therefore, while cumulative excess returns from each year's Focus List have varied, some of this variation may be explained by the evolution in the method CalPERS has used to place companies on the Focus List. For example, the 1987 to 1989 period issues were largely related to the hostile takeover market of the 1980s and corporate anti-takeover devices. Many of these were company-specific poison pills. Others involved state anti-takeover laws, such as the one enacted in Pennsylvania. CalPERS gradually shifted its focus from more technical issues related to corporate control to fundamental issues of long-term corporate performance, starting with the

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[1] CalPERS performed an event study to measure the "CalPERS Effect" described in "The Shareholder Wealth Effects of CalPERS' Focus List," which was published in the Journal of Applied Corporate Finance in the spring of 2003. The study measured "the difference between the actual returns on an investment and the returns that would be expected to occur in the absence of an observed event, such as an acquisition announcement. The difference between the actual and expected returns is called the 'excess return'." The 'beta' model was used to calculate the expected return. Periods used were 180 trading days prior to the initiative date and 184 trading days after. The study contrasts with Wilshire's method that did not use an expected return model, and instead relied on actual excess returns that incorporated any competing or confounding corporate announcements. Wilshire also looked at five years before and after the initiative date, while CalPERS looked at approximately one and a half years before and after the initiative date (-180 trading days and +184 trading days). Wilshire's methodology is consistent with that used in a study entitled "Long-Term Rewards From Corporate Governance," published in the Journal of Applied Corporate Finance in the winter of 1994.

1990 Focus List. Thus, five year performance results up to 1995 contained the results of a mixture of corporate anti-takeover and performance related issues. Now that more than 20 years have elapsed, we have had the opportunity to observe the "CalPERS Effect" over multiple market cycles.

The 134 companies listed on CalPERS' Focus List from the beginning of 1987 through the fall of 2006 were used in the analysis. Performance was measured by examining the total return for targeted companies for the five years preceding CalPERS' first involvement, the "initiative date," and the total return for these same companies for the subsequent five years. Daily total returns were collected and excess returns were measured against the S&P 500 if the company was a member of that index at the initiative date or the Dow Jones Wilshire 4500 Index if the company was not a member of the S&P 500 at the initiative date.

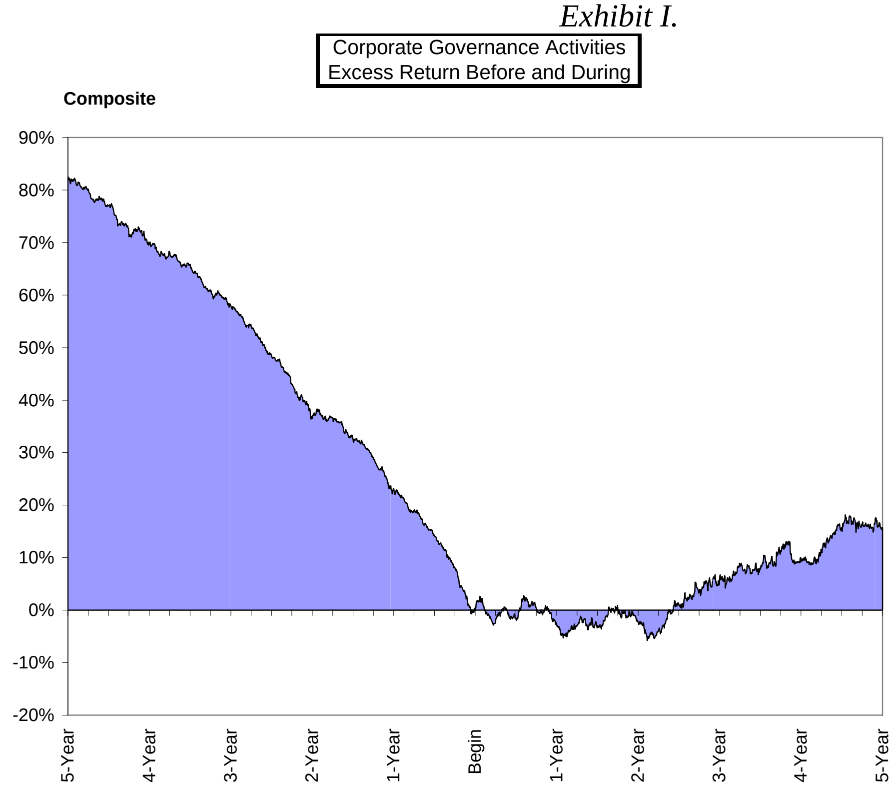
Findings

General findings

Our examination shows that CalPERS' good governance campaign has added value to the share prices of targeted companies. For the five years prior to the initiative date, the Focus List companies have produced returns that averaged 82.2% below their respective benchmarks on a cumulative basis, which is equivalent to an annualized excess return of –12.7% per year. For the first five years after the initiative date, targeted companies collectively produced stock returns of 15.7% above their respective benchmark return on a cumulative basis. This equates to an excess return of 2.96% per year, which is a dramatic turnaround from the previous poor returns shown by the Focus List companies.

The following exhibit plots the excess return for the combined 134 companies targeted by CalPERS. The excess return for each company is calculated either against the S&P 500 Index or the Dow Jones Wilshire 4500 Index (as described above). The figure's origin, at the center, marks the date of CalPERS' first letter, or the initiative date. While actual initiative dates differ for each company, they act in the figure as a common starting point from which to measure the impact of CalPERS' corporate governance efforts. Performance is through June 30, 2008 where applicable.

Exhibit I.



Time	Excess Return	Number of Companies
-5 Years	-82.2%	133
-4 Years	-69.7%	134
-3 Years	-58.0%	134
-2 Years	-36.5%	134
-1 Year	-23.2%	134
-6 Months	-14.3%	134
-1 Quarter	-8.1%	134
0	0.0%	134
+1 Quarter	-2.2%	134
+6 Months	-1.5%	134
+1 Year	-2.7%	134
+2 Years	-2.2%	123
+3 Years	5.8%	117
+4 Years	9.8%	112
+5 Years	15.7%	108

Moving left from the origin (0 on the horizontal axis) measures time prior to the initiative date, while moving right from the origin measures time subsequent to the initiative date. The vertical axis measures the cumulative excess return of the combined Focus List companies. The excess return plots below the origin represent negative figures, while the plots above the origin represent positive figures. The table to the right of the graph shows the actual cumulative excess return figures over various periods.

Starting at the far left, the 133 companies (1 company did not have a full five year track record prior to being included in the focus list) experienced a cumulative 82.2% shortfall for the five years prior to the CalPERS initiative. Likewise, these companies collectively underperformed their respective benchmarks by 23.2% and 36.5% over the one- and two-year periods prior to the initiative date. This analysis clearly demonstrates the steady erosion in shareholder value by companies prior to being placed on CalPERS' Focus List.

The figure also demonstrates the end of the targeted company stock price's sharp erosion subsequent to CalPERS' initial contact. Within one year, the 134 Focus List companies underperformed by only 1.5%, which is a significant turnaround given that these same companies underperformed by a massive 23.2% just one year prior to the initiative date. After about two-and-a-half years, the listed companies began outperforming their benchmarks on a cumulative basis. By the fifth year, the cumulative excess return was 15.7%. While the 15.7% excess return after CalPERS' first contact is relatively small (it only amounts to about 3% annual excess return per year), it does represent a significant turnaround from the pre-contact performance of the Focus List companies

The table in Exhibit II shows the information ratio of the Focus List composite, which is defined as the excess return divided by the standard deviation of excess return or tracking error. The annualized excess return is calculated using the composite cumulative excess returns from Exhibit I through various time periods (1 Year, 2 Years, etc.). The annualized standard deviation is derived from the daily excess returns posted by the Focus List companies from five years prior to the initiative date and five years after the initiative date.

Exhibit II.

Composite Annualized Information Ratios from 2001 to 2006

	Annualized Excess Return 1	Annualized Standard Deviation of the Excess Return 2	Annualized Information Ratio 1 divided by 2
1 Year Initiative Date to Year 1	-2.7%	4.7%	-0.58
2 Years Initiative Date to Year 2	-1.1%	5.1%	-0.22
3 Years Initiative Date to Year 3	1.9%	5.4%	0.35
4 Years Initiative Date to Year 4	2.4%	5.6%	0.42
5 Years Initiative Date to Year 5	3.0%	5.6%	0.53

Decreasing "CalPERS Effect"

It is important to note that the post-initiative date five-year cumulative excess return for Focus List companies has steadily decreased over the time Wilshire has been analyzing the "CalPERS Effect." Past reports indicated that CalPERS' involvement had a significant positive impact.

The data presented in this report suggests a different impact. Whereas the five-year cumulative excess return was as high as 54 percent in 1995, recent studies showed a dramatic decline to 13.6 percent in 2001, and 8.1 percent in 2004. This rebounded in the 2005 report to 15.3% and now to 15.7%. In 1992, there were 42 companies used in the study. With 134 companies included now, the effects of diversification are at work. Even if all stocks are priced fairly, each still possesses firm-specific risk that can be eliminated through diversification. As the CalPERS Focus List continually grows, the firm-specific risk is slowly being eliminated, reducing the cumulative excess return attributable to firm-specific actions instigated by CalPERS corporate governance work.

With a positive cumulative excess return of 15.7%, one might think that there were more companies with positive excess returns than negative excess returns. This was not the case. Exhibit III below shows that there were actually more companies with negative excess returns throughout various time periods after the initiative date. By the fifth year, 57.4% of the companies on the Focus List underperformed their respective benchmarks. In fact, the median stock experienced negative performance over all yearly time periods post-initiative date.

Exhibit III.

Focus List Companies
Excess Returns

	+ 1 Year	+2 Years	+3 Years	+4 Years	+5 Years
# of Companies with Positive Excess Returns	57	53	51	52	46
(Percent)	42.5%	43.1%	43.6%	46.4%	42.6%
# of Companies with Negative Excess Returns	77	70	66	60	62
(Percent)	57.5%	56.9%	56.4%	53.6%	57.4%
Total Number of Companies	134	123	117	112	108
Median Stock Performance	-5.3%	-10.2%	-8.0%	-4.5%	-18.6%

Even still, the companies with positive excess returns did have greater performance results that outweighed the companies with negative performance results. However, if it were not for a few select companies with large excess returns, the five year 15.7% cumulative excess return would have been meaningfully lower. Although many of these companies had post-initiative date negative excess returns, the majority exhibited a slower decline, if not a reverse, in performance. This can be seen in Exhibit I where the cumulative excess returns begin to improve immediately after the initiative date. CalPERS' involvement has had an impact on the stock prices of the targeted companies and, at a minimum, has slowed the erosion of shareholder value on a cumulative basis.

Exhibit IV illustrates the large positive skew for the universe of Focus List companies. Even though the number of companies posting negative 5-Year cumulative returns exceeds those posting positive returns, the average return for the universe of securities is positive.

Exhibit IV.

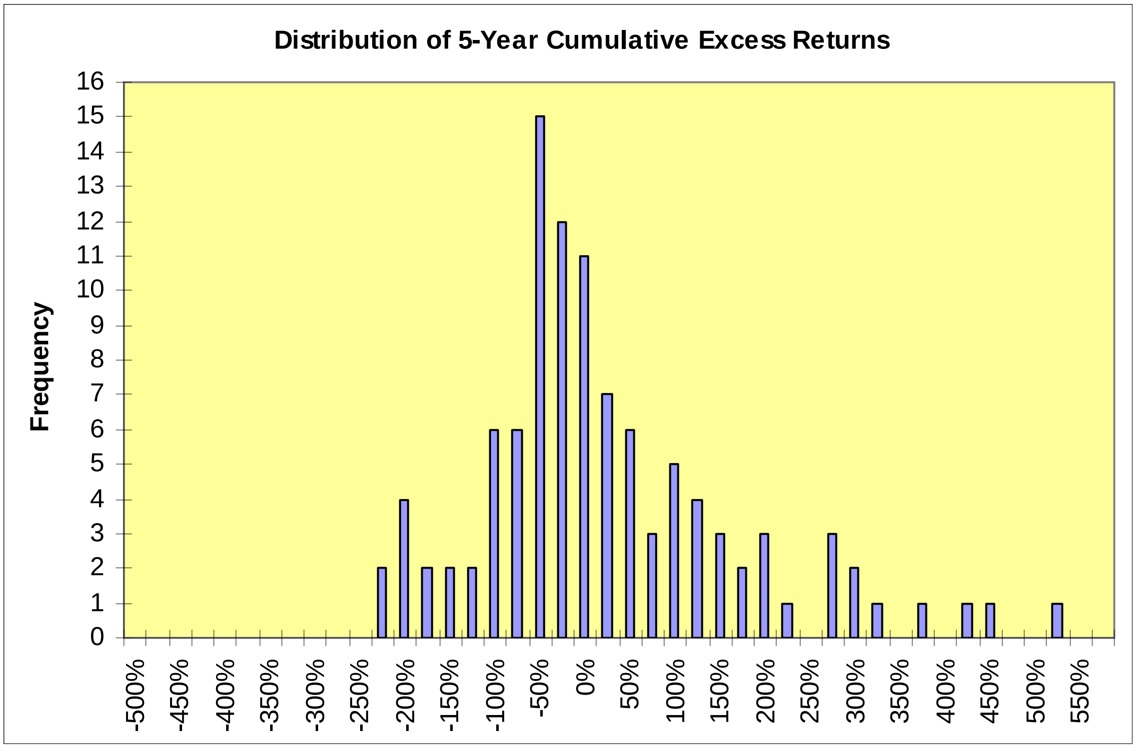


Exhibit V provides a table of the percentile rank of the companies at each yearly post-initiative date. While the median company posts negative returns in all periods, the best performing companies skew the distribution positively.

Exhibit V.

	Number of Companies	Percentile Rank				
		10%	**25%**	**50%**	**75%**	**90%**
1-Year	134	-57.1%	-30.5%	-5.3%	15.6%	61.3%
2-Year	123	-75.9%	-48.4%	-10.2%	27.6%	85.4%
3-Year	117	-101.6%	-58.2%	-8.0%	47.9%	143.8%
4-Year	112	-106.7%	-68.7%	-4.5%	60.4%	163.9%
5-Year	108	-124.0%	-64.9%	-18.6%	91.6%	203.7%

Exhibit VI lays out the best performing Focus List companies for those with a complete 5 year post-initiative date track record. The best performers from the Focus List heavily skew the composite average up. This table does not include those Focus List companies that ceased to exist due to merger or bankruptcy, only those with a five year post-initiative date operating record. The group make-up has not changed from last year's report.

Exhibit VI.

Top Performers		Bottom Performers	
Hercules Inc	522.8%	Navistar Intl Corp N	-124.0%
Ceridian Corp	427.2%	Cnf Transn Inc	-138.1%
Chrysler	420.7%	U S Air Group Inc	-171.93%
St. Jude Medical	354.6%	Bassett Furniture In	-178.81%
Intergraph Corp.	321.3%	Archer Daniels Midland	-185.16%
Circus Circus	277.3%	Stride Rite Corp	-200.42%
National Seminconductor	268.6%	Jostens Inc	-207.25%
Lone Star Steakhouse	265.2%	Sizzler Intl Inc	-208.77%
Gillette Company	264.4%	Zenith Electrs Corp	-230.39%
Northrop Corp	212.7%	Safety-Kleen Corp Ne	-237.71%

Conclusion

CalPERS' approach to improving portfolio returns by engaging management of poorly performing companies to rethink governance and strategy continues to work. Despite underperforming their respective benchmarks by 82.2% for the five years up to CalPERS' shareholder activism, the 134 companies that were targeted by the System from 1987 to the fall of 2006 have outperformed by 15.7% over the subsequent five-year period. Although the cumulative 15.7% is not as high when compared with CalPERS' past results, what is clear is that the steep erosion of shareholder value, on a cumulative basis, essentially stopped after CalPERS' involvement.

Over time, the five year cumulative excess return from past reports has decreased significantly. There are two possible explanations for the declining average excess returns versus prior reports.

1) CalPERS' degree of aggressiveness in its corporate governance profile for a period in the late 1990s was less pronounced than it was initially or than it has been lately. In the last four to five years, CalPERS has expanded its corporate governance resources and has thus expanded its engagement. This expansion of resources combined with greater Board member involvement has heightened CalPERS' visibility in this regard and in the future may improve CalPERS' results further.

2) A sharp bear market in equities affects the post-initiative date returns for companies contacted in 1996, 1997, 1998, 1999, 2000 and 2001. Because of the severe flight to quality during this bear market, poorer performing companies may have taken longer to see the fruits of CalPERS' corporate governance activities. The attenuation of the steep decline in relative performance of these companies through CalPERS' efforts could be considered a victory compared to the results if no intervention on CalPERS' part had occurred.

3) The Focus List companies for 2003, 2004, and 2005 were not the drastically underperforming companies seen from 1987 to 2002. Appendix A provides the year by

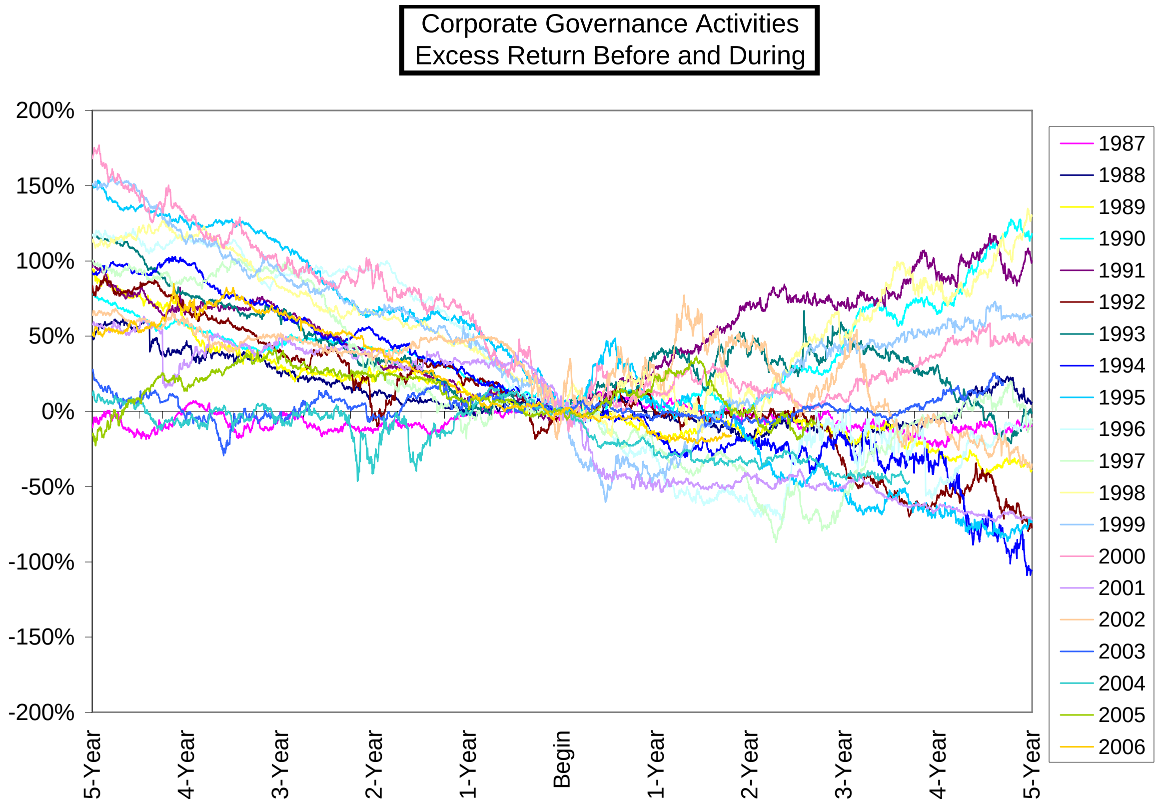
year charts of cumulative pre and post-initiative performance, and illustrates this dramatically. Therefore, it is expected that the CalPERS effect would be more muted than seen in prior years.

Most investment resources in the industry continue to be focused on identifying small misvaluations in publicly traded stocks. This is, perhaps, unfortunate since investors are not earning a satisfactory return on the manager fees and brokerage costs they pay, given the evidence showing that the public stock markets are fairly efficiently priced. However, the evidence is equally clear that many corporate assets are poorly managed and that resources spent on identifying and rectifying those cases can create substantial opportunity and premium returns for active shareholders.

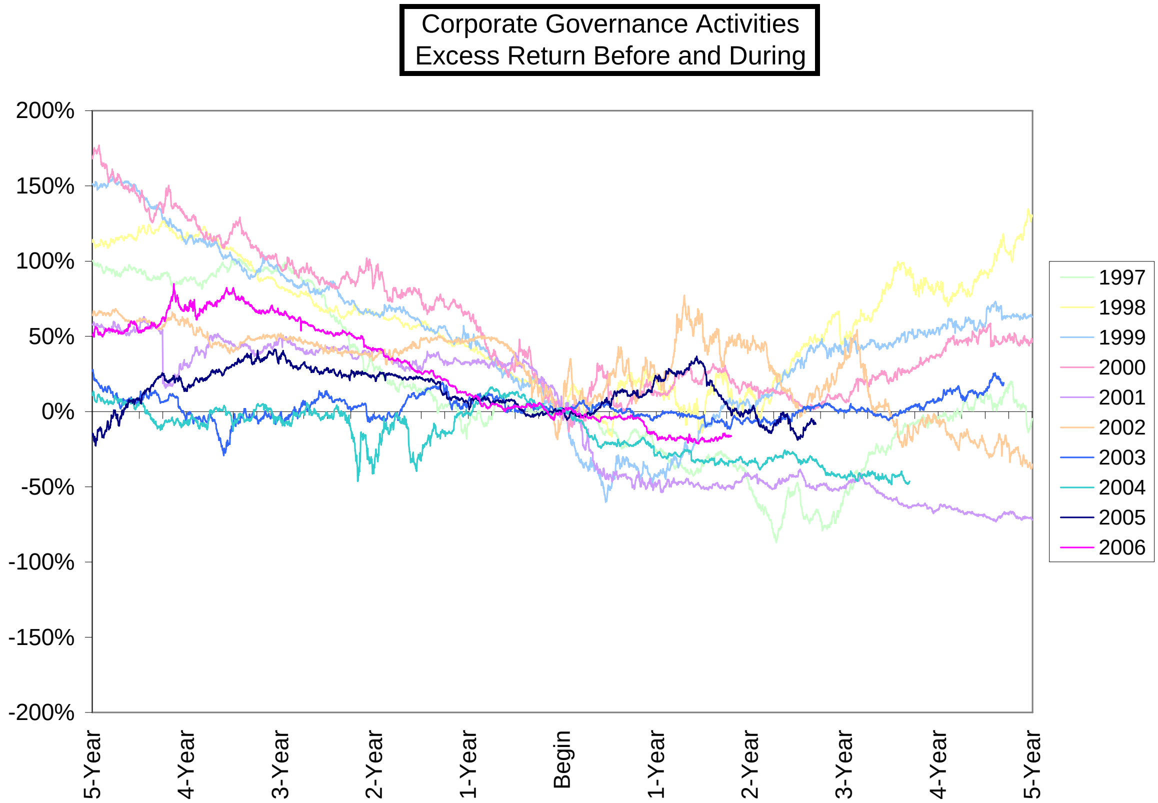
Appendix A

The following graph depicts the cumulative excess performance of the Focus List companies by initiative date year. Each year represents the cumulative excess returns of all the Focus List companies of that particular year. The graph is depicted and described in the same manner as Exhibit I of the main report.

Exhibit A.1

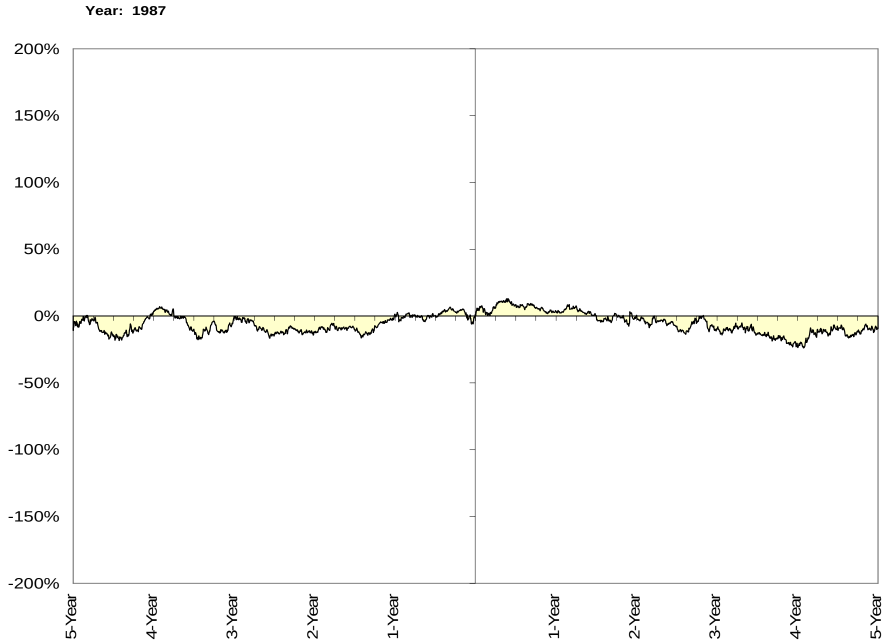


The following chart presents the performance of the most recent nine years' Focus Lists. This information is included above, but is broken out separately so that recent years are more easily viewed.



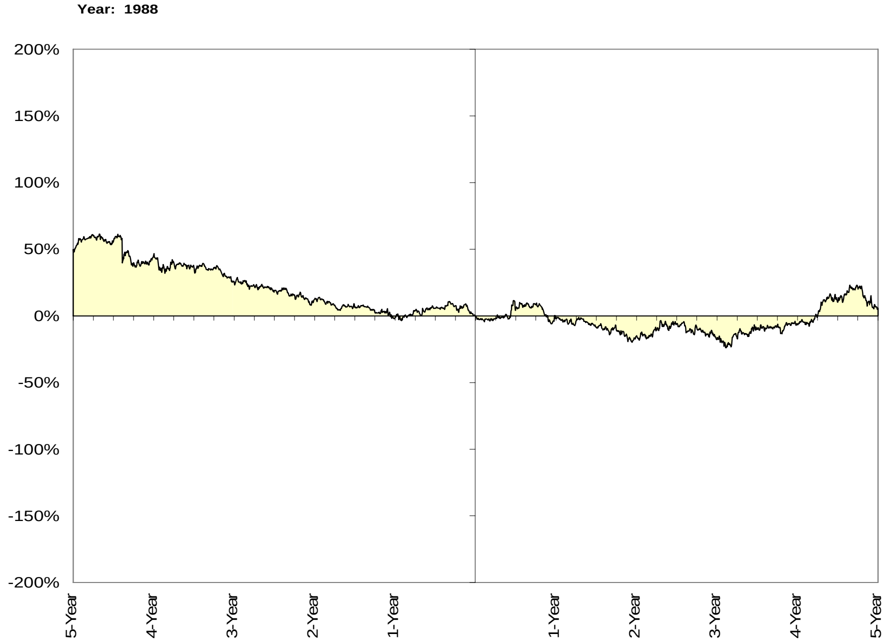
The rest of Exhibit A displays each year's Focus List's cumulative excess returns.

Exhibit A.2



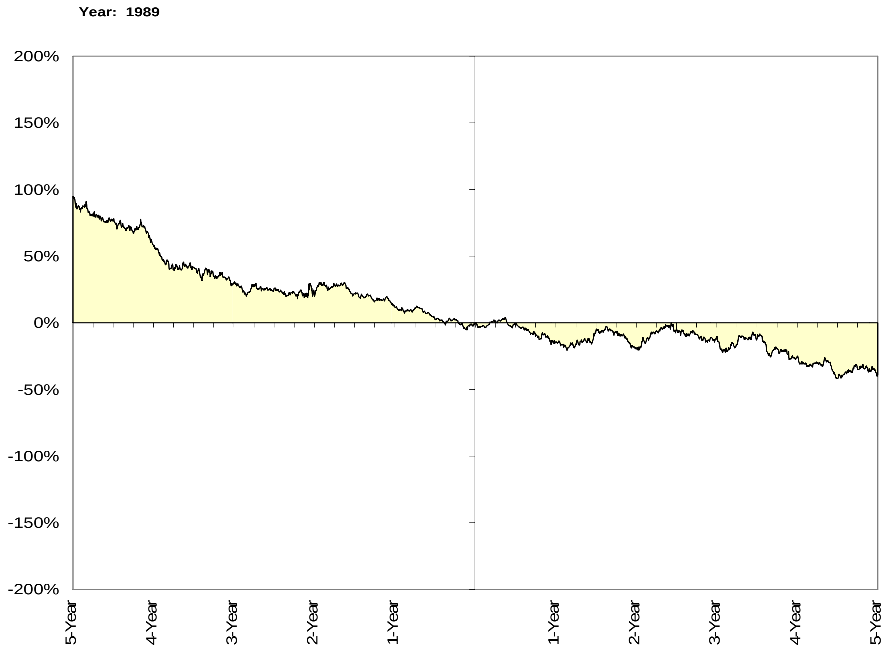
Time	Excess Return	Number of Companies
-5 Years	10.7%	7
-4 Years	-3.8%	7
-3 Years	0.5%	7
-2 Years	12.4%	7
-1 Year	-1.1%	7
-6 Months	-0.5%	7
-1 Quarter	-2.7%	7
0	0.0%	7
+1 Quarter	6.2%	7
+6 Months	8.7%	7
+1 Year	3.3%	7
+2 Years	0.6%	7
+3 Years	-9.6%	7
+4 Years	-22.9%	7
+5 Years	-9.3%	7

Exhibit A.3



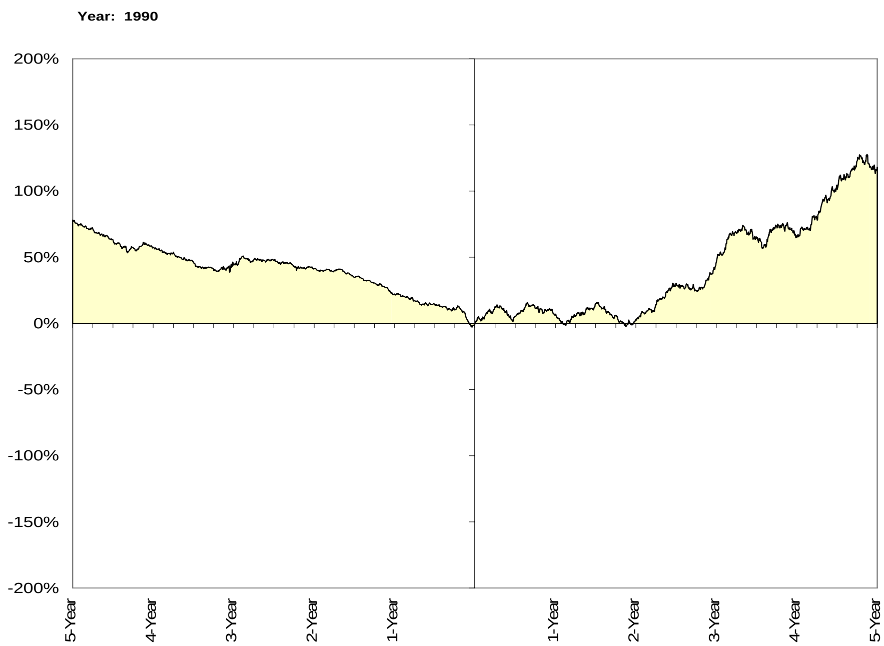
Time	Excess Return	Number of Companies
-5 Years	-49.9%	7
-4 Years	-45.8%	7
-3 Years	-25.5%	7
-2 Years	-12.4%	7
-1 Year	1.0%	7
-6 Months	-5.7%	7
-1 Quarter	-7.4%	7
0	0.0%	7
+1 Quarter	-1.7%	7
+6 Months	5.9%	7
+1 Year	-1.1%	7
+2 Years	-14.8%	7
+3 Years	-16.7%	7
+4 Years	-6.6%	7
+5 Years	5.9%	7

Exhibit A.4



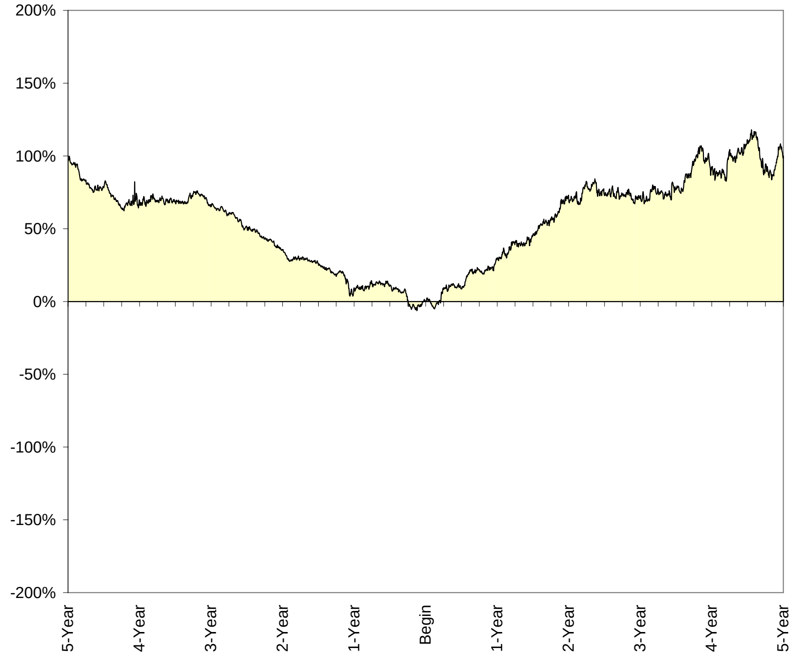
Time	Excess Return	Number of Companies
-5 Years	-94.8%	4
-4 Years	-58.5%	4
-3 Years	-29.4%	4
-2 Years	-19.7%	4
-1 Year	-12.1%	4
-6 Months	-2.3%	4
-1 Quarter	-2.5%	4
0	0.0%	4
+1 Quarter	1.1%	4
+6 Months	-2.1%	4
+1 Year	-14.2%	4
+2 Years	-19.8%	4
+3 Years	-10.9%	4
+4 Years	-25.2%	4
+5 Years	-39.2%	4

Exhibit A.5



Time	Excess Return	Number of Companies
-5 Years	-78.1%	10
-4 Years	-57.5%	10
-3 Years	-45.1%	10
-2 Years	-41.5%	10
-1 Year	-22.2%	10
-6 Months	-14.4%	10
-1 Quarter	-11.1%	10
0	0.0%	10
+1 Quarter	12.6%	10
+6 Months	5.5%	10
+1 Year	7.0%	10
+2 Years	3.2%	10
+3 Years	46.8%	10
+4 Years	66.3%	10
+5 Years	118.1%	10

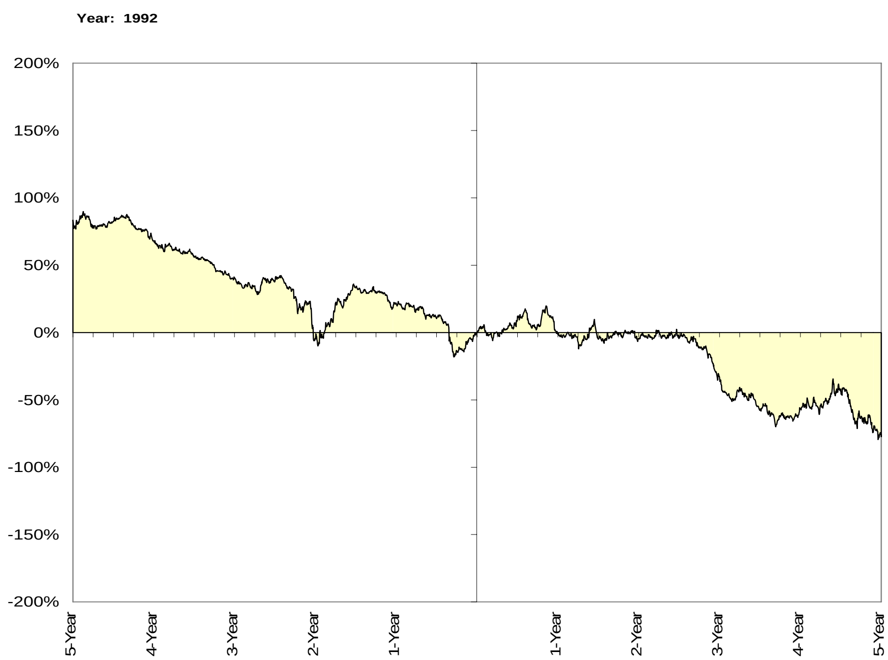
Exhibit A.6



Time	Excess Return	Number of Companies
-5 Years	-96.0%	8
-4 Years	-67.6%	8
-3 Years	-65.7%	8
-2 Years	-35.3%	8
-1 Year	-9.4%	8
-6 Months	-11.0%	8
-1 Quarter	-1.1%	8
0	0.0%	8
+1 Quarter	8.2%	8
+6 Months	9.1%	8
+1 Year	29.9%	8
+2 Years	71.0%	8
+3 Years	72.0%	8
+4 Years	92.3%	8
+5 Years	100.0%	8

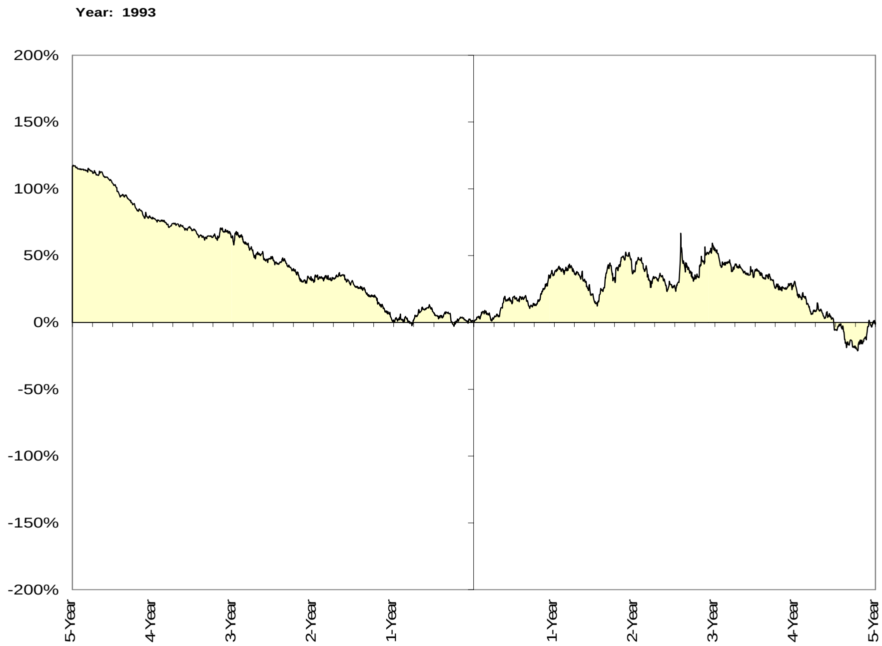
- Dial Corp went thru a spin-off August 15, 1996 (4+ years after the focus list x-day), the original, parent company changed its name to Viad Corp, while the spin-off company went on to be called Dial Corp. Wilshire stopped reporting live returns after August 15, 2006.

Exhibit A.7



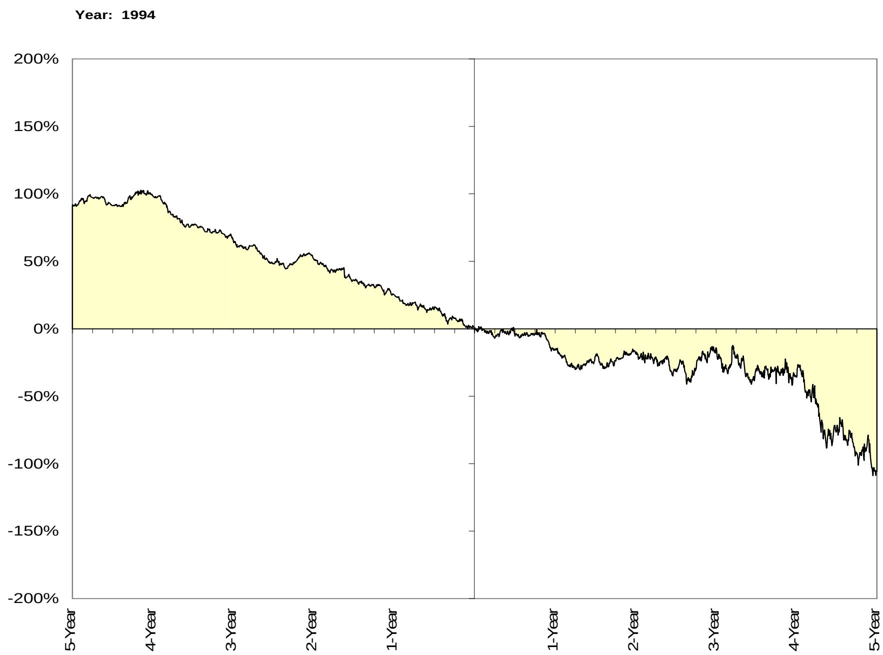
Time	Excess Return	Number of Companies
-5 Years	-83.5%	6
-4 Years	-68.0%	6
-3 Years	-40.6%	6
-2 Years	4.9%	6
-1 Year	-21.8%	6
-6 Months	-10.3%	6
-1 Quarter	13.6%	6
0	0.0%	6
+1 Quarter	-0.3%	6
+6 Months	12.2%	6
+1 Year	-1.6%	6
+2 Years	-4.8%	6
+3 Years	-33.6%	6
+4 Years	-56.6%	6
+5 Years	-77.3%	6

Exhibit A.8



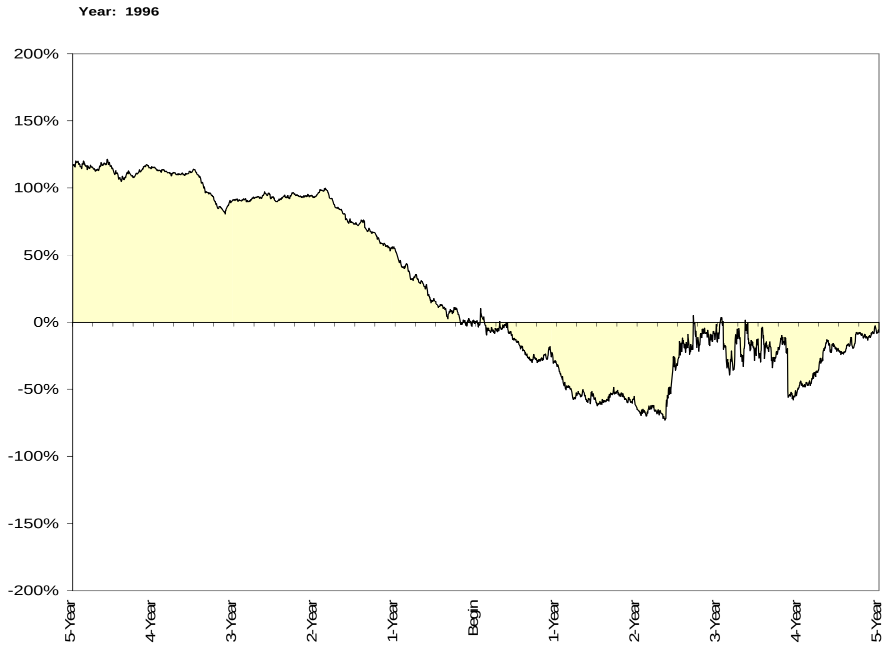
Time	Excess Return	Number of Companies
-5 Years	-116.7%	7
-4 Years	-77.7%	7
-3 Years	-60.8%	7
-2 Years	-31.8%	7
-1 Year	-1.4%	7
-6 Months	-6.7%	7
-1 Quarter	2.8%	7
0	0.0%	7
+1 Quarter	3.7%	7
+6 Months	19.6%	7
+1 Year	36.9%	7
+2 Years	37.9%	7
+3 Years	55.4%	7
+4 Years	29.6%	7
+5 Years	-0.9%	7

Exhibit A.9



Time	Excess Return	Number of Companies
-5 Years	-91.5%	4
-4 Years	-98.3%	4
-3 Years	-64.9%	4
-2 Years	-51.4%	4
-1 Year	-25.1%	4
-6 Months	-15.7%	4
-1 Quarter	-8.0%	4
0	0.0%	4
+1 Quarter	-7.1%	4
+6 Months	-5.5%	4
+1 Year	-15.4%	4
+2 Years	-18.5%	4
+3 Years	-14.1%	4
+4 Years	-36.0%	4
+5 Years	-105.8%	4

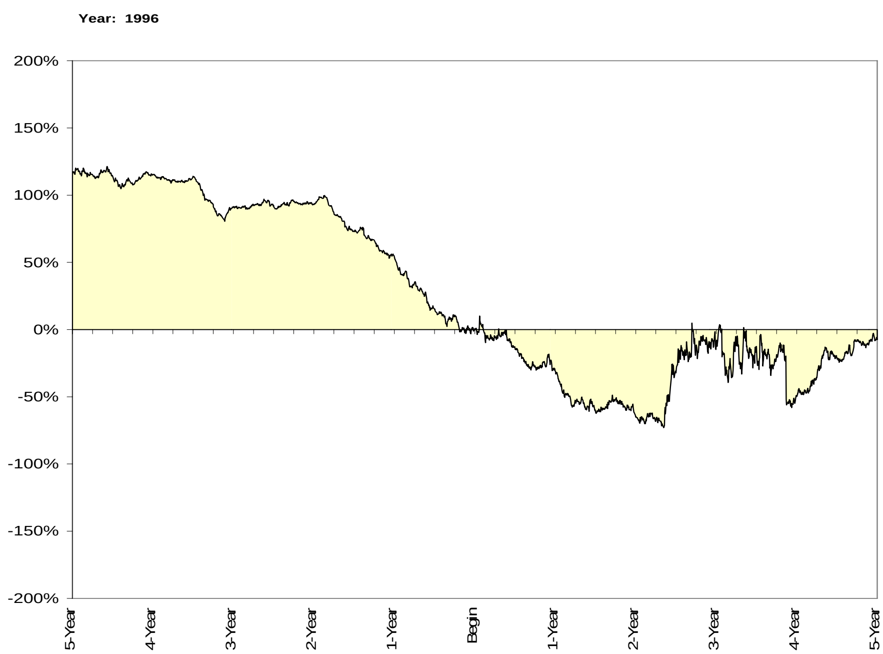
Exhibit A.10



Time	Excess Return	Number of Companies
-5 Years	-117.6%	7
-4 Years	-115.2%	7
-3 Years	-91.2%	7
-2 Years	-92.9%	7
-1 Year	-54.1%	7
-6 Months	-15.1%	7
-1 Quarter	-10.6%	7
0	0.0%	7
+1 Quarter	-4.8%	7
+6 Months	-13.8%	7
+1 Year	-30.9%	7
+2 Years	-65.2%	7
+3 Years	-10.0%	7
+4 Years	-50.0%	7
+5 Years	-7.5%	7

1. Archer Daniels Midland was removed from this year's calculation (July 2008)
2. Rollins Environmental (REN), the original focus list company, acquired Laidlaw Environmental Services in 1997 and assumed Laidlaw's name. In March 1998, Laidlaw acquired Safety-Kleen, and the merged company retained the Safety-Kleen name. Wilshire will stop reporting daily returns of the security on June 30 1998, after the old Laidlaw security ticker mapped over to the new Safety-Kleen name.

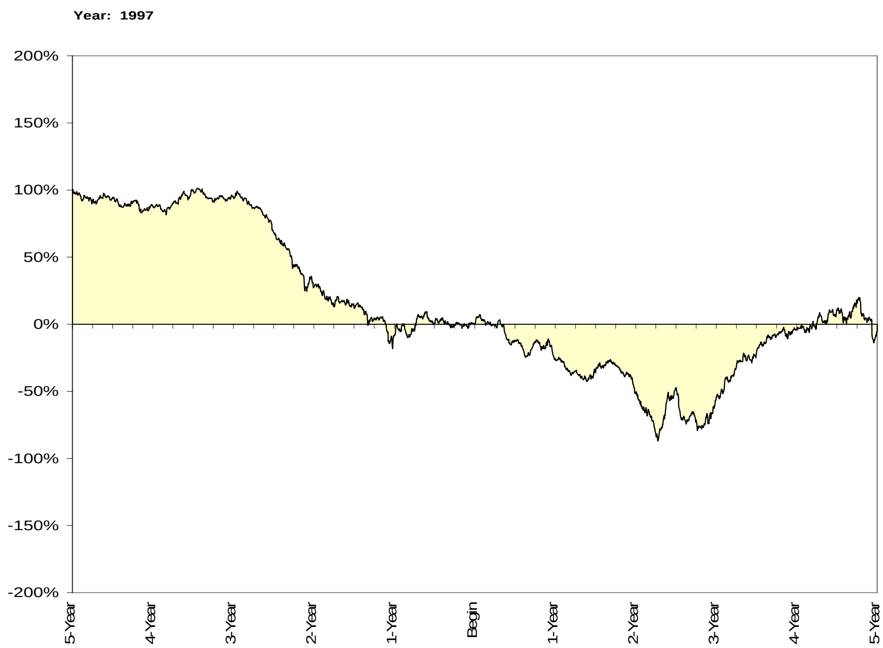
Exhibit A.11



Time	Excess Return	Number of Companies
-5 Years	-117.6%	7
-4 Years	-115.2%	7
-3 Years	-91.2%	7
-2 Years	-92.9%	7
-1 Year	-54.1%	7
-6 Months	-15.1%	7
-1 Quarter	-10.6%	7
0	0.0%	7
+1 Quarter	-4.8%	7
+6 Months	-13.8%	7
+1 Year	-30.9%	7
+2 Years	-65.2%	7
+3 Years	-10.0%	7
+4 Years	-50.0%	7
+5 Years	-7.5%	7

1. Edison Bros. Stores was removed from this year's calculation (July 2008)

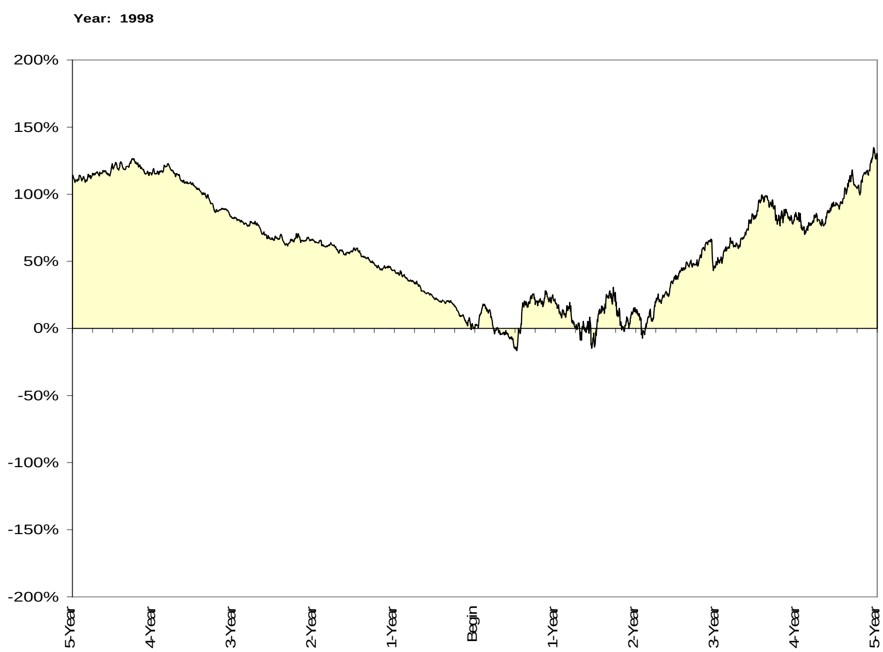
Exhibit A.12



Time	Excess Return	Number of Companies
-5 Years	-100.2%	7
-4 Years	-87.6%	7
-3 Years	-94.9%	7
-2 Years	-27.9%	7
-1 Year	8.9%	7
-6 Months	-0.6%	7
-1 Quarter	0.2%	7
0	0.0%	7
+1 Quarter	-0.7%	7
+6 Months	-12.8%	7
+1 Year	-25.4%	7
+2 Years	-50.9%	7
+3 Years	-54.4%	7
+4 Years	-3.5%	7
+5 Years	-4.7%	7

1. Sun Healthcare was removed from this year's calculation (July 2008)
2. Stewart & Stevenson Services was included in this year's calculation

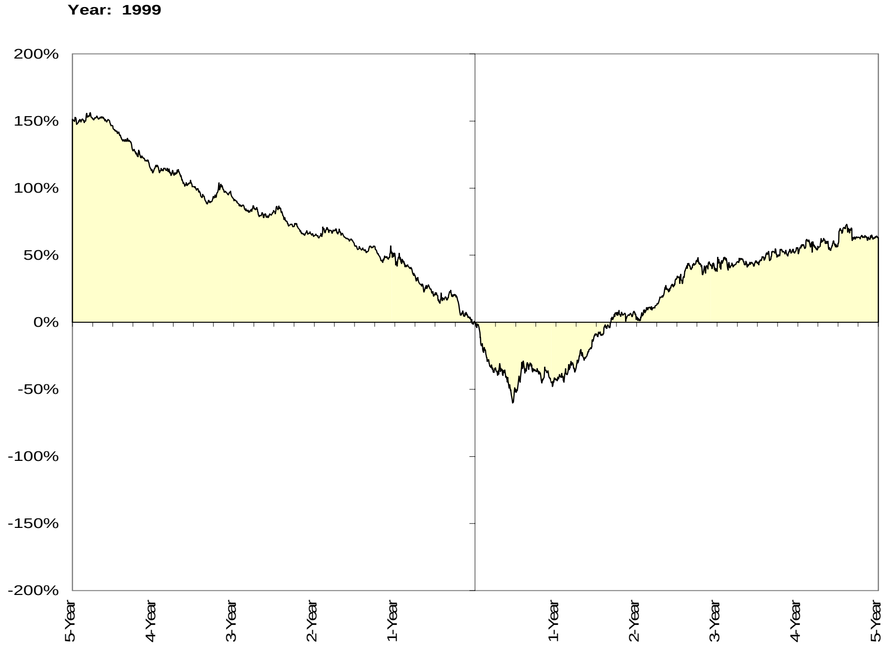
Exhibit A.13



Time	Excess Return	Number of Companies
-5 Years	-112.5%	9
-4 Years	-118.0%	9
-3 Years	-82.2%	9
-2 Years	-65.7%	9
-1 Year	-43.2%	9
-6 Months	-21.7%	9
-1 Quarter	-16.4%	9
0	0.0%	9
+1 Quarter	-3.2%	9
+6 Months	-14.1%	9
+1 Year	19.3%	9
+2 Years	12.6%	9
+3 Years	49.9%	9
+4 Years	83.4%	9
+5 Years	129.7%	9

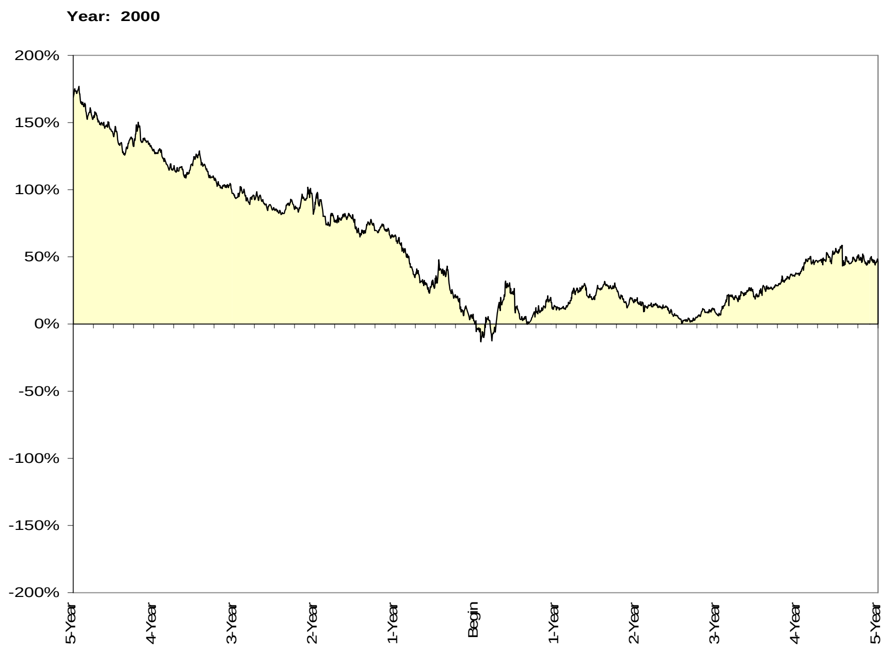
1. St. Jude Medical is included in this year's calculation (July 2008)

Exhibit A.14



Time	Excess Return	Number of Companies
-5 Years	-151.4%	9
-4 Years	-111.8%	9
-3 Years	-91.5%	9
-2 Years	-64.5%	9
-1 Year	-51.0%	9
-6 Months	-20.4%	9
-1 Quarter	-20.1%	9
0	0.0%	9
+1 Quarter	-33.9%	9
+6 Months	-49.8%	9
+1 Year	-42.7%	9
+2 Years	4.0%	9
+3 Years	37.8%	9
+4 Years	55.6%	9
+5 Years	63.0%	9

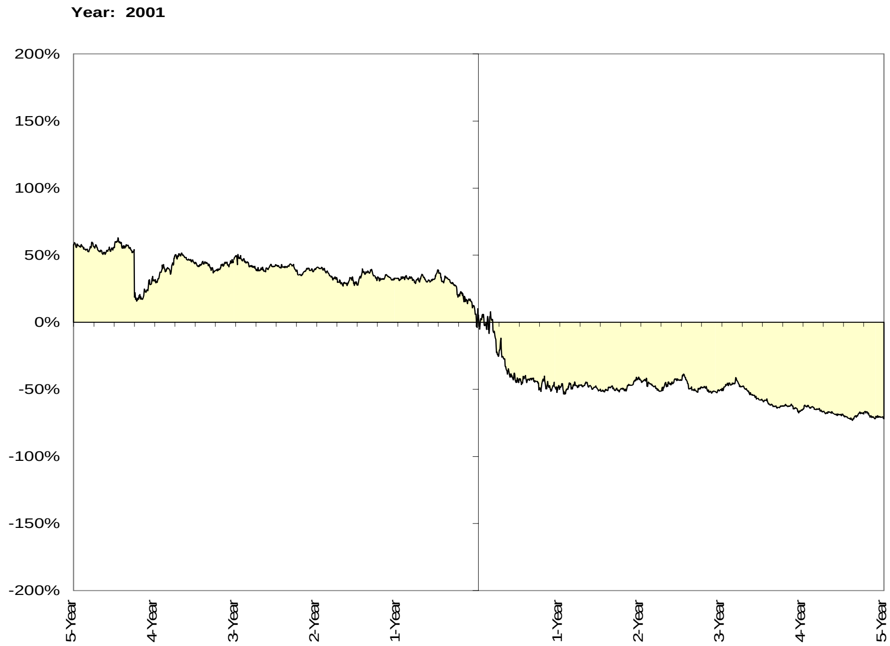
Exhibit A.15



Time	Excess Return	Number of Companies
-5 Years	-168.2%	5
-4 Years	-130.2%	5
-3 Years	-95.5%	5
-2 Years	-85.6%	5
-1 Year	-66.4%	5
-6 Months	-34.2%	5
-1 Quarter	-21.5%	5
0	0.0%	5
+1 Quarter	-3.6%	5
+6 Months	12.9%	5
+1 Year	12.5%	5
+2 Years	18.1%	5
+3 Years	7.3%	5
+4 Years	37.6%	5
+5 Years	46.3%	5

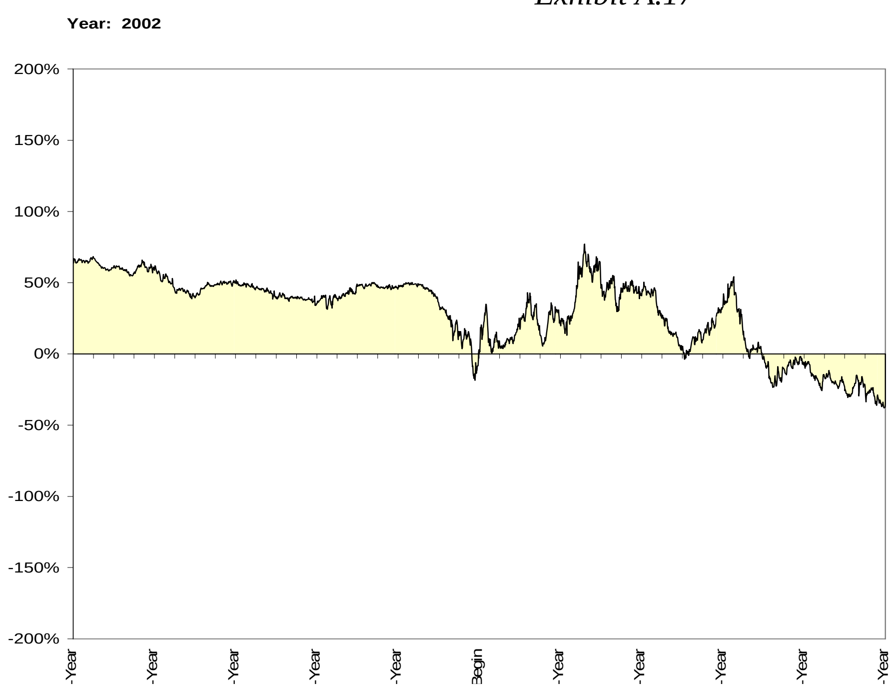
1. Cambridge Technologies was removed in July 2008's update

Exhibit A.16



Time	Excess Return	Number of Companies
-5 Years	-57.8%	4
-4 Years	-30.5%	5
-3 Years	-49.7%	5
-2 Years	-40.8%	5
-1 Year	-32.7%	5
-6 Months	-39.0%	5
-1 Quarter	-20.6%	5
0	0.0%	5
+1 Quarter	-22.5%	5
+6 Months	-41.9%	5
+1 Year	-48.7%	5
+2 Years	-43.0%	5
+3 Years	-51.0%	5
+4 Years	-64.5%	5
+5 Years	-72.0%	5

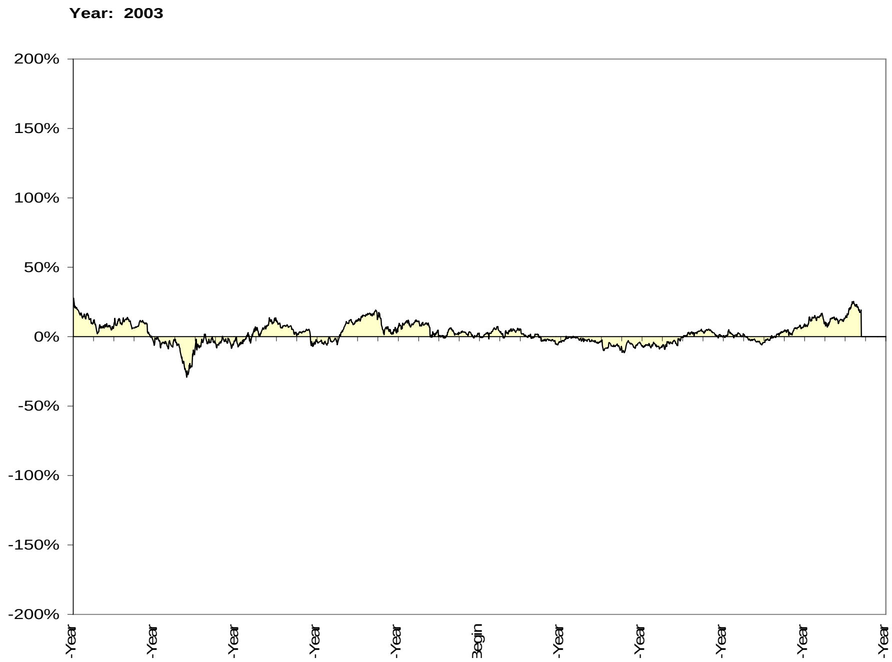
Exhibit A.17



Time	Excess Return	Number of Companies
-5 Years	-64.5%	6
-4 Years	-58.6%	6
-3 Years	-50.0%	6
-2 Years	-35.6%	6
-1 Year	-46.8%	6
-6 Months	-35.9%	6
-1 Quarter	-12.6%	6
0	0.0%	6
+1 Quarter	7.9%	6
+6 Months	17.4%	6
+1 Year	20.6%	6
+2 Years	40.8%	6
+3 Years	32.9%	6
+4 Years	-7.4%	6
+5 Years	-35.0%	6

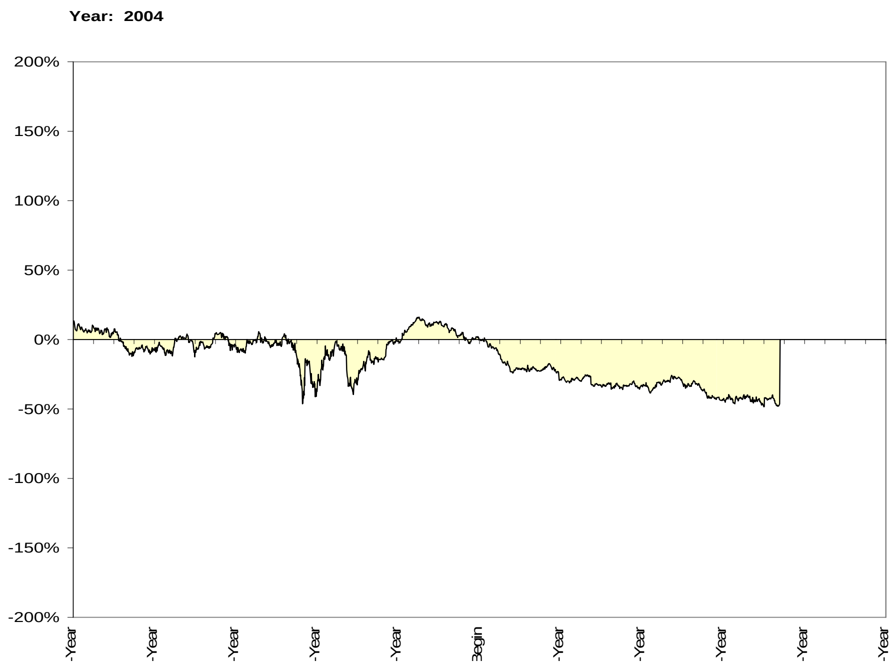
1. Quintiles Transnational was removed from the list in July 2008's update

Exhibit A.18



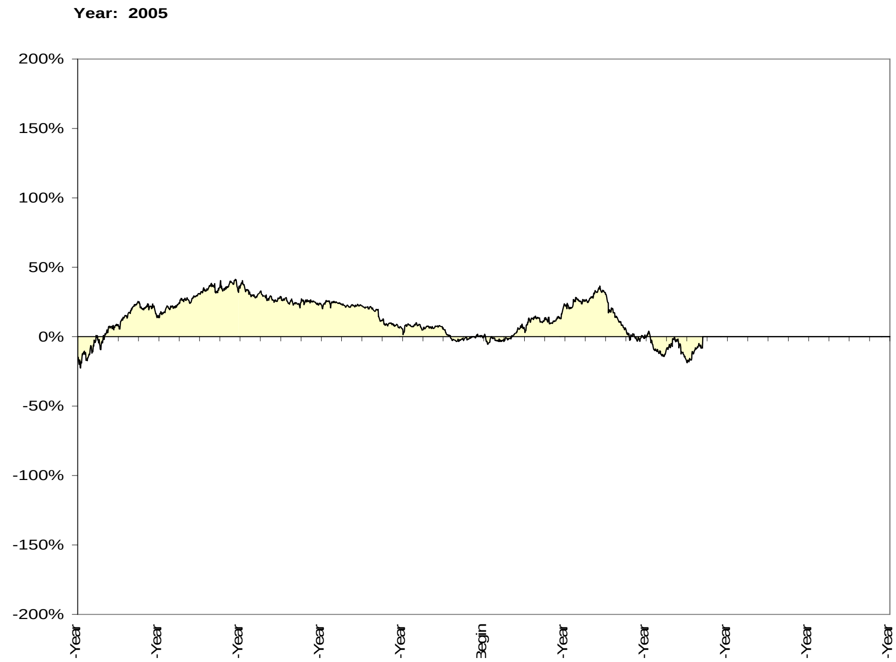
Time	Excess Return	Number of Companies
-5 Years	-26.8%	4
-4 Years	5.5%	4
-3 Years	0.9%	4
-2 Years	3.1%	4
-1 Year	-6.7%	4
-6 Months	-1.0%	4
-1 Quarter	-2.9%	4
0	0.0%	4
+1 Quarter	3.7%	4
+6 Months	5.4%	4
+1 Year	-3.7%	4
+2 Years	-6.9%	4
+3 Years	0.8%	4
+4 Years	9.2%	4
+5 Years		

Exhibit A.19



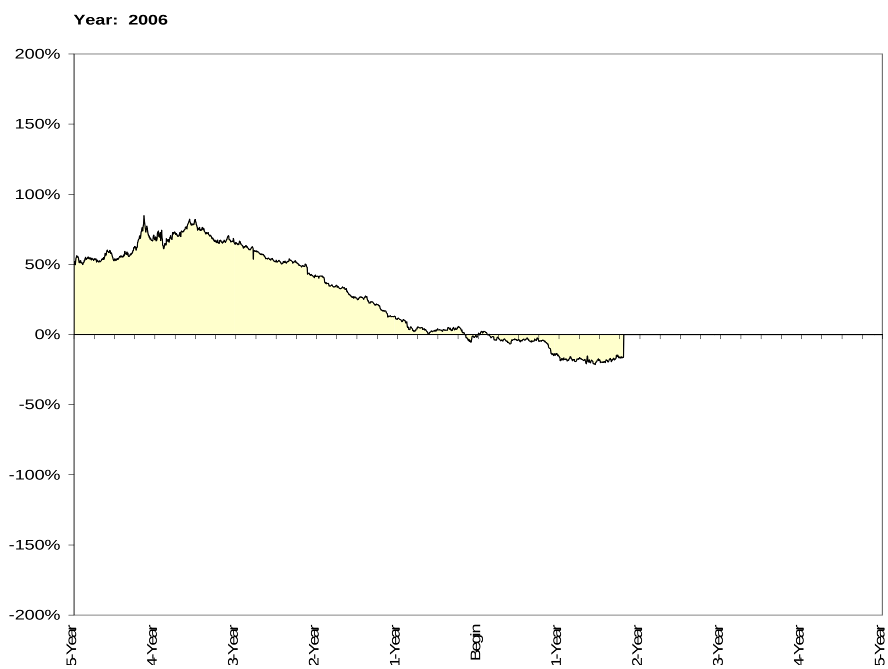
Time	Excess Return	Number of Companies
-5 Years	-10.6%	5
-4 Years	8.0%	5
-3 Years	4.1%	5
-2 Years	37.4%	5
-1 Year	1.0%	5
-6 Months	-12.0%	5
-1 Quarter	-3.1%	5
0	0.0%	5
+1 Quarter	-11.0%	5
+6 Months	-21.7%	5
+1 Year	-28.9%	5
+2 Years	-33.0%	5
+3 Years	-43.5%	5
+4 Years		
+5 Years		

Exhibit A.20



Time	Excess Return	Number of Companies
-5 Years	16.1%	6
-4 Years	-14.7%	6
-3 Years	-34.9%	6
-2 Years	-23.0%	6
-1 Year	-5.7%	6
-6 Months	-6.5%	6
-1 Quarter	2.4%	6
0	0.0%	6
+1 Quarter	-1.8%	6
+6 Months	5.3%	6
+1 Year	22.8%	6
+2 Years	-0.7%	6
+3 Years		
+4 Years		
+5 Years		

Exhibit A.21



Time	Excess Return	Number of Companies
-5 Years	-51.0%	11
-4 Years	-67.5%	11
-3 Years	-65.8%	11
-2 Years	-41.5%	11
-1 Year	-11.0%	11
-6 Months	-3.8%	11
-1 Quarter	-5.5%	11
0	0.0%	11
+1 Quarter	-2.4%	11
+6 Months	-3.5%	11
+1 Year	-15.6%	11
+2 Years		
+3 Years		
+4 Years		
+5 Years		