

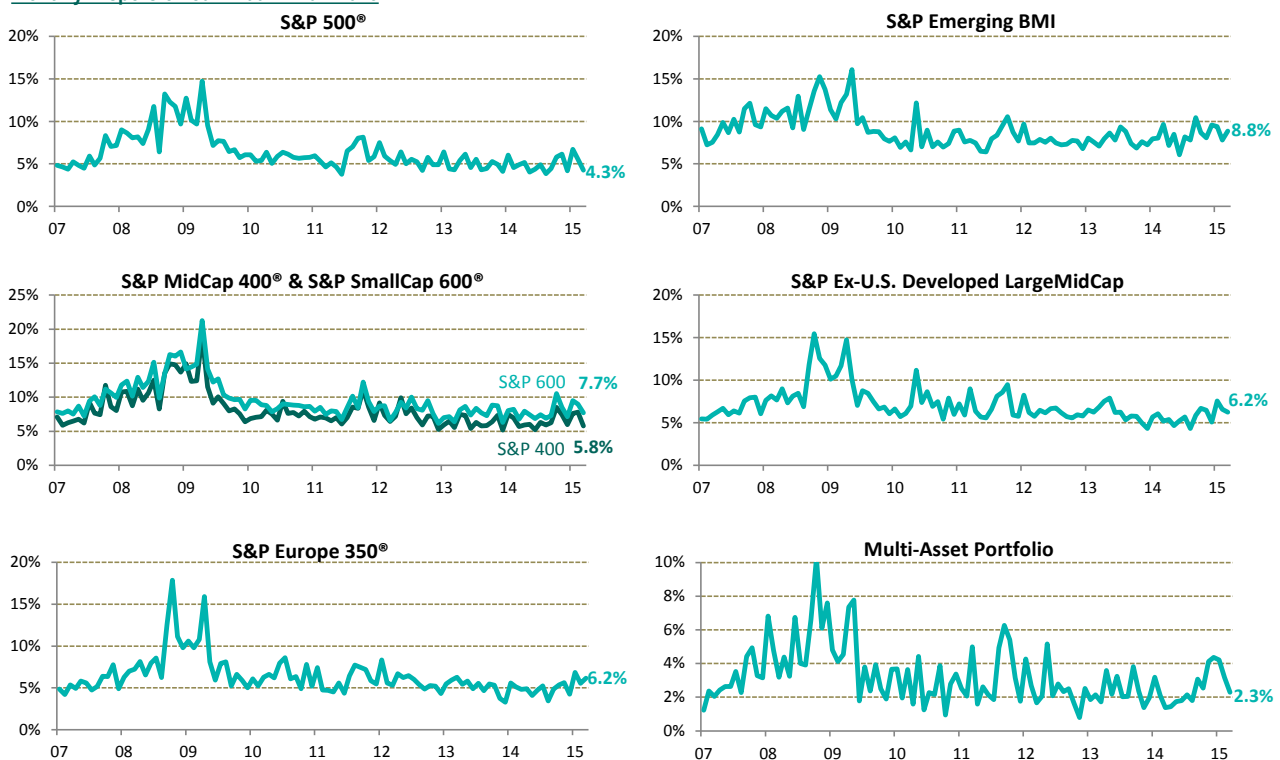
**Index Investment Strategy**

**COMMENTARY**

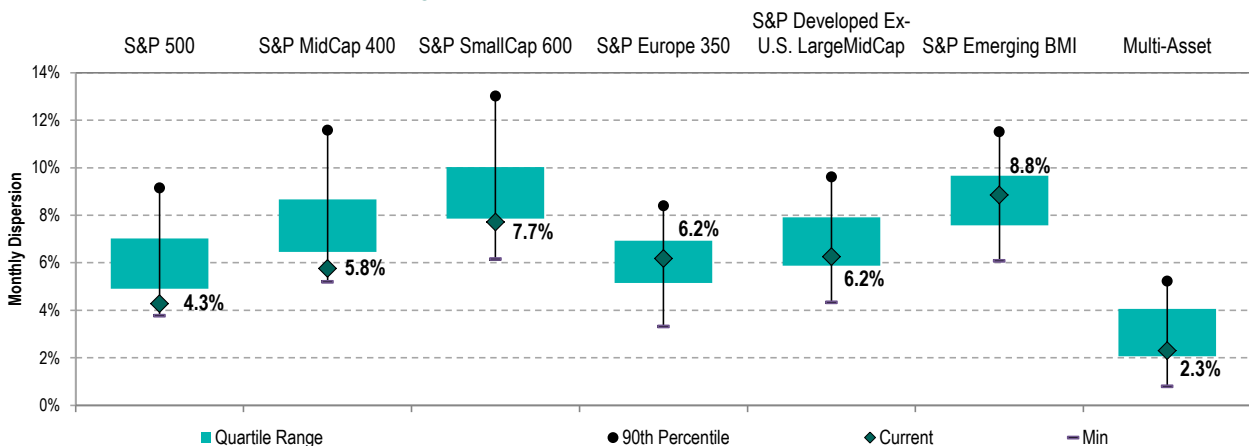
- March's figures show a reduction in U.S. equity dispersion, which returned close to the recent lows in the case of the S&P 500® and fell back to well below average in the S&P MidCap 400® and the S&P SmallCap 600®.
- There was a small increase in the S&P Europe 350® dispersion, as well as among emerging market equities. The large decrease in multi-asset dispersions was driven in part by the importance of U.S. dollar variations over the past month.
- Correlations in the S&P 500 rose above average but remained within the central quartiles. Correlations also rose between smaller U.S. stocks, but remained close to (in the case of mid caps) or below average (small caps).
- In the S&P Europe 350 and for our Emerging and Ex-U.S. Developed equity indices, correlations remained below average; the decreasing asset dispersion via U.S. dollar effects was also reflected in higher multi-asset correlations.

**DISPERSION**

Monthly Dispersion Jan. 2007 - Mar. 2015



Dispersion Levels versus Historical Range

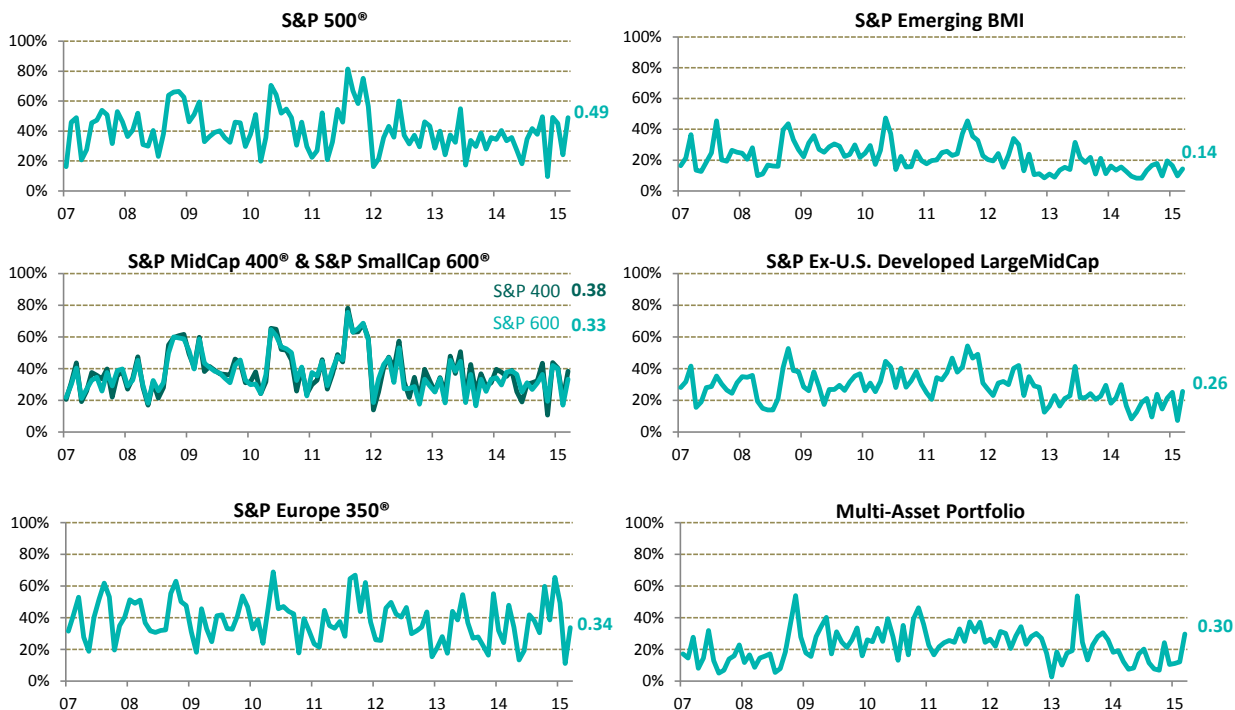


Source: S&P Dow Jones Indices LLC and/or its affiliates as of April 1, 2015. Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results. For more information, please visit our website at [www.spdji.com](http://www.spdji.com)

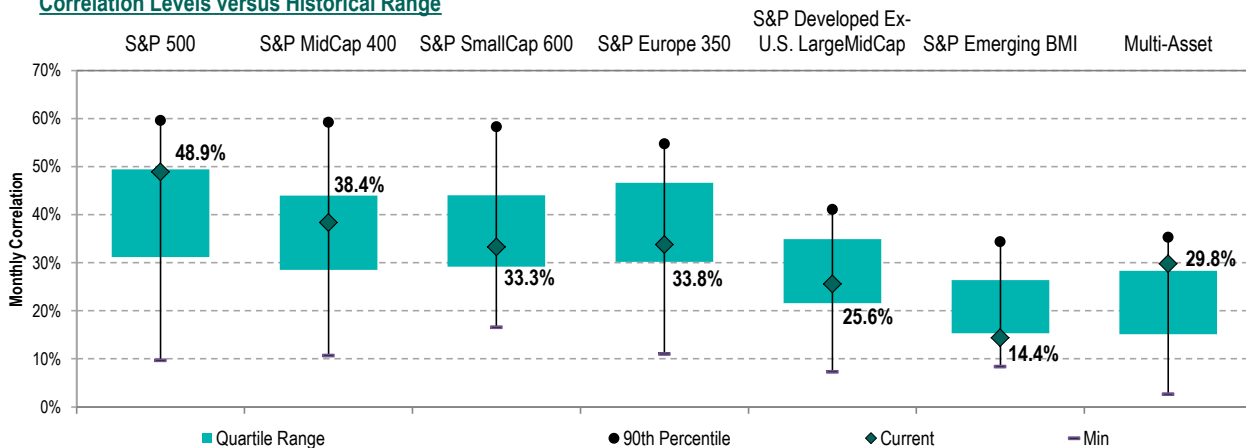
**Index Investment Strategy**

**CORRELATION**

**Index-Weighted Average Pairwise Stock Correlation Jan. 2007 - Mar. 2015**



**Correlation Levels versus Historical Range**



**NOTES**

- Index dispersions shown based on calendar month stock-level index-weighted dispersion. See "[Dispersion: Measuring Market Opportunity](#)" for the definition of index dispersion and more information on the uses of dispersion.
- Index correlation based on single stock daily total returns during each calendar month. See "[At the Intersection of Diversification, Volatility and Correlation](#)" for details on the relationship between correlation and dispersion.
- All calculations based total return indices in USD unhedged except in the case of the S&P Europe 350, the latter provided in EUR total returns.
- The Multi-Asset Portfolio comprises equal weights in each of: the S&P 500, S&P Europe 350, S&P Emerging Market BMI, S&P GSCI®, S&P TOPIX 150, Barclays Aggregate U.S. Corporate High Yield, Barclays Aggregate U.S. Bond and S&P / Citigroup International Treasury Bond Ex-US Indices. All returns are total returns in USD unhedged. Multi-Asset Portfolio dispersion and correlation are based on equally-weighted total monthly returns in the case of the former and equally weighted pairwise daily returns over in calendar month for the latter.

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