



## Partial Contribution Of Yen To U.S. Equities Decreasingly Negative

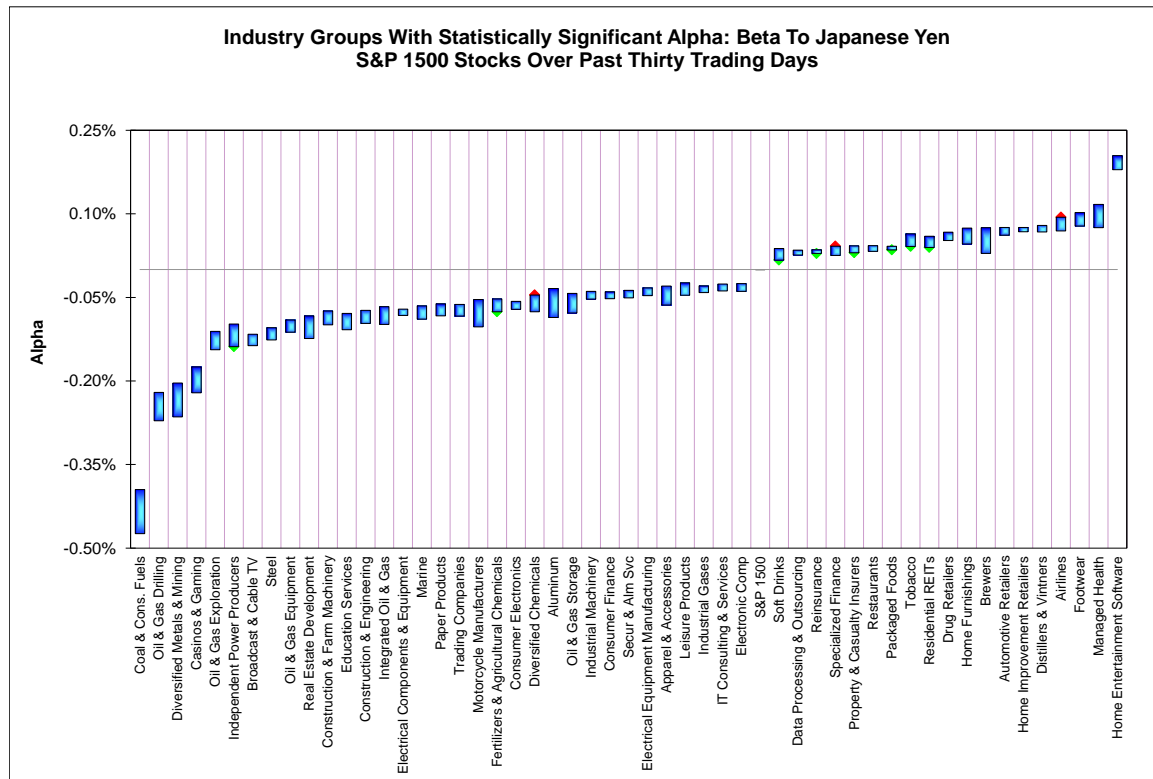
Twenty-three industry groups in the S&P 1500 accounting for 20.65% of market capitalization have a statistically significant negative relative performance beta to the Japanese yen. The net weighted beta is -6.45%. These groups are concentrated in non-REIT Financials, Technology and Industrials (yellow, purple and pink backgrounds, respectively).

Twenty-five groups accounting for 17.57% of the S&P 1500 have a statistically significant positive relative performance beta; the net weighted beta here is 6.27%. Utilities and REITs (green and canary yellow backgrounds, respectively) are represented heavily here.

The net contribution is -0.17 as compared to -0.52% in early October. Each 1% decrease in the yen, about 1.208 at current levels, could be expected to lead to a 0.0017% increase in the S&P 1500, all else held equal.

### Alpha Impact

A stronger in the JPY would have a mixed impact on industry groups with statistically significant alpha. The distribution of positive and negative relative performance betas amongst these groups (green and red markers, respectively) is divided widely over the positive and negative alpha groups and would not have a material impact on the dispersion of returns.



Japanese Yen Beta-Weighted Impact On S&P 1500							
	SPR	JPY	Weighted		SPR	JPY	Weighted
	Weight	Beta	Beta		Weight	Beta	Beta
Diversified Banks	4.4%	0.421	0.019	Electric Utilities	169%	0.626	0.011
Biotech	3.54%	0.238	0.008	Multi-line Utilities	14%	0.547	0.006
Regional Banks	1.57%	0.393	0.006	Tobacco	138%	0.409	0.006
Investment Banking & Brokerage	0.94%	0.523	0.005	Integrated Telecommunications	2.08%	0.268	0.006
Airlines	0.72%	0.583	0.004	Household Products	162%	0.329	0.005
Semiconductors	2.07%	0.194	0.004	Soft Drinks	172%	0.270	0.005
Asset Management & Custodial Banks	1.18%	0.321	0.004	Retail REITs	0.78%	0.452	0.004
Life & Health Insurers	0.84%	0.406	0.003	Packaged Foods	160%	0.216	0.003
Railroads	0.73%	0.272	0.002	Specialized REITs	0.88%	0.367	0.003
Application Software	1.09%	0.178	0.002	Residential REITs	0.53%	0.500	0.003
Hotels	0.41%	0.246	0.001	Hypercenters & Superstores	0.84%	0.237	0.002
Semiconductor Equipment	0.28%	0.355	0.001	Office REITs	0.40%	0.419	0.002
Life Sciences Tools & Services	0.53%	0.173	0.001	Property & Casualty Insurers	0.96%	0.168	0.002
Diversified Chemicals	0.56%	0.158	0.001	Gas Utilities	0.23%	0.680	0.002
Specialized Finance	0.62%	0.136	0.001	Gold	0.06%	1.359	0.001
Auto Parts & Equipment	0.37%	0.176	0.001	Environmental Services	0.30%	0.272	0.001
Construction Materials	0.16%	0.253	0.000	Food Retailers	0.27%	0.250	0.001
Computers & Electronics Retailers	0.09%	0.399	0.000	Fertilizers & Agricultural Chemicals	0.38%	0.170	0.001
Building Products	0.22%	0.149	0.000	Food Distributors	0.14%	0.444	0.001
Technology Distributors	0.12%	0.165	0.000	Diversified REITs	0.09%	0.373	0.000
Specialized Consumer Services	0.09%	0.215	0.000	Industrial REITs	0.11%	0.250	0.000
Publishing & Printing	0.09%	0.173	0.000	Independent Power Producers	0.07%	0.358	0.000
Tires & Rubber	0.04%	0.345	0.000	Reinsurance	0.15%	0.126	0.000
				Metal & Glass Containers	0.11%	0.164	0.000
				Water Utilities	0.03%	0.489	0.000
Subtotal:	20.65%		-6.45%	Subtotal:	17.57%		6.27%
				<b>Total:</b>	<b>38.23%</b>		<b>-0.17%</b>