

America

Sector summary May 2013

SECTOR SOUNDBITES

- The consensus view among managers was that the government would take some action before year-end to avoid the looming fiscal cliff, which it did.
- Uncertainty led many managers to focus on high-conviction structural growth names and companies able to grow through self-help.
- Managers with established, longer-term processes continue to look for buying opportunities.
- Some managers were looking beyond the fiscal cliff to identify sectors able to benefit from any market bounce.

Simon Dorricott
Sector head
America

KEY FACTS

| | | | | | | |
|--------------------------------|------------------------------------|------------------------------------|-----------------------|--------------------------------|-----------------------|----|
| Sector name: | America | | | | | |
| Peer groups: | US mainstream equities | | | US small- and mid-cap equities | | |
| Review period: | 1 November 2011 to 31 October 2012 | | | | | |
| Number of graded funds: | 59 | | | | | |
| Dispersion of gradings: | Platinum | 2 | Gold | 31 | Silver | 22 |
| | Bronze | 3 | On Hold | 1 | Grading Removed | 0 |
| Peer group | Index | Median fund performance (%) | | Index performance (%) | | |
| | | Year to | Review period* | Year to | Review period* | |
| | | 31 April 2013 | | 31 April 2013 | | |
| US mainstream equities | S&P 500 TR | 11.66 | 10.09 | 12.74 | 15.21 | |
| US small- and mid-cap equities | S&P 600 Small Cap TR | 11.79 | 8.9 | 11.51 | 13.6 | |

* Review period = 1 November 2011 - 31 October 2012

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GRADINGS CHANGES

| Sector fund/name | Previous grading | Issued on | Current grading | Issued on |
|---|------------------|---------------|-----------------|---------------|
| Upgrades | | | | |
| BlackRock Global Funds - North American Equity Income Fund | Silver | June 2012 | Gold | January 2013 |
| Legg Mason Global Funds plc - Legg Mason Clearbridge US Appreciation Fund | Silver | December 2011 | Gold | February 2013 |
| Downgrades | | | | |
| Calamos US Growth Fund | Gold | January 2012 | Silver | January 2013 |
| Neuberger Berman US Large Cap Growth Fund | Gold | December 2011 | Silver | January 2013 |

An S&P Capital IQ fund grading is valid for 12 months from the date it is made public.

NC = not covered

| <i>Sector fund/name</i> | <i>Previous grading</i> | <i>Issued on</i> | <i>Current grading</i> | <i>Issued on</i> |
|---|-------------------------|------------------|------------------------|------------------|
| Pioneer Funds - U.S. Pioneer Fund | Platinum | December 2011 | Gold | January 2013 |
| Schroder International Selection Fund - US Small & Mid Cap Fund | Gold | January 2012 | Silver | January 2013 |
| UBAM - Calamos US Equity Growth Fund | Gold | January 2012 | Silver | January 2013 |
| Newly covered | | | | |
| Alliance Trust North American | NC | – | Silver | May 2013 |
| BNY Mellon American Fund | NC | – | Gold | December 2012 |
| Capital International US Growth & Income | NC | – | Gold | November 2012 |
| CF Canlife North American | NC | – | Silver | April 2013 |
| Dodge & Cox Worldwide - US Stock Fund | NC | – | Gold | May 2013 |
| Heptagon Fund - Yacktman US Equity | NC | – | Gold | September 2012 |
| Neptune US Income Fund | NC | – | Silver | March 2013 |
| Principal Global Investors Funds - Edge Equity Income Fund | NC | – | Silver | April 2013 |
| S4A US Long UI Fund | NC | – | Silver | April 2013 |
| Revised gradings | | | | |
| BlackRock Global Funds - US Basic Value Fund | Grading On Hold | October 2012 | Silver | January 2013 |
| Sabadell BS Estados Unidos Bolsa, FI | Grading On Hold | June 2012 | Bronze | January 2013 |

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GRADINGS SUMMARY

US mainstream equities

| | | | |
|--|----------|---|----------|
| Alliance Trust North American | Silver | Neptune US Income Fund | Silver |
| AllianceBernstein Select US Equity Portfolio | Gold | Neptune US Opportunities Fund | Gold |
| Aviva Investors US Equity Income Fund | Gold | Neuberger Berman US Large Cap Growth Fund | Silver |
| AXA WF Framlington American Growth | Gold | ◆ Old Mutual North American Equity Fund | Silver |
| BlackRock Global Funds - North American Equity Income Fund | Gold | PARVEST Equity USA Growth | Silver |
| BlackRock Global Funds - US Basic Value Fund | Silver | ◆ PARVEST Opportunities USA | Gold |
| BlackRock Global Funds - US Flexible Equity Fund | Bronze | ◆ Pioneer Funds - U.S. Pioneer Fund | Gold |
| BlackRock US Dynamic Fund | Bronze | Polar Capital - North American Fund | Silver |
| BNY Mellon American Fund | Gold | Principal Global Investors Funds - Edge Equity Income Fund | Silver |
| BNY Mellon Global Funds - BNY Mellon US Equity Fund | Silver | ◆ Principal Global Investors Funds - US Equity Fund | Gold |
| Calamos US Growth Fund | Silver | Reyl North American Equities Fund | Silver |
| Capital International US Growth & Income | Gold | Robeco US Large Cap Equities | Gold |
| CapitalatWork - American Equities at Work | Gold | S4A US Long UI Fund | Silver |
| CF Canlife North American | Silver | Sabadell BS Estados Unidos Bolsa, FI | Bronze |
| Dodge & Cox Worldwide - US Stock Fund | Gold | ◆ Standard Life Investments Funds - American Equity | |
| Fidelity Funds America Fund | Silver | Unconstrained Fund | Silver |
| Fidelity Investment Funds - American Fund | On Hold | ◆ Threadneedle Investment Funds - American Fund | Gold |
| ◆ Franklin Templeton Funds - Franklin Mutual Shares Fund | Gold | ◆ Threadneedle Investment Funds - American Select Fund | Gold |
| ◆ Franklin Templeton Investment Funds - Franklin Mutual | | ◆ UBAM - Calamos US Equity Growth Fund | Silver |
| Beacon Fund | Gold | ◆◆ UBAM - Neuberger Berman US Equity Value Fund | Gold |
| GAM Star Capital Appreciation US Equity | Gold | ◆ WP Stewart Holdings Fund | Gold |
| GAM Star GAMCO US Equity | Platinum | | |
| ◆ GAM Star US All Cap Equity | Gold | US small- and mid-cap equities | |
| Henderson Horizon Funds - American Equity Fund | Silver | ◆◆ Findlay Park American Fund | Platinum |
| Heptagon Fund - Yacktman US Equity | Gold | ◆ Legg Mason Funds ICVC - Legg Mason US Smaller Companies Fund | Gold |
| ◆◆ Invesco US Structured Equity Fund | Silver | ◆ Legg Mason Global Funds plc - Legg Mason Royce | |
| Jupiter North American Income Fund | Gold | Smaller Companies Fund | Gold |
| ◆◆ Legg Mason Global Funds plc - Legg Mason ClearBridge | | ◆ Legg Mason Global Funds plc - Legg Mason Royce US | |
| US Aggressive Growth Fund | Gold | Small Cap Opportunity Fund | Gold |
| Legg Mason Global Funds plc - Legg Mason Clearbridge | | Robeco US Select Opportunities Equities | Silver |
| US Appreciation Fund | Gold | ◆ Schroder International Selection Fund - US Small & Mid Cap Fund | Silver |
| ◆ Legg Mason Global Funds plc - Legg Mason ClearBridge | | VAM Funds (Lux) - US Micro Cap Growth Fund | Gold |
| US Fundamental Value Fund | Silver | | |
| ◆ M&G Investment Funds - American Fund | Gold | ◆ Fund with a 5-year Long-term Grading designation - ie, the fund has | |
| MFS Meridian Funds - US Concentrated Growth Fund | Silver | achieved a Silver grading or above for 5 consecutive years | |
| ◆◆ MFS Meridian Funds - US Value Fund | Gold | ◆◆ Fund with a 10-year Long-term Grading designation - ie, the fund has | |
| | | achieved a Silver grading or above for 10 consecutive years | |

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