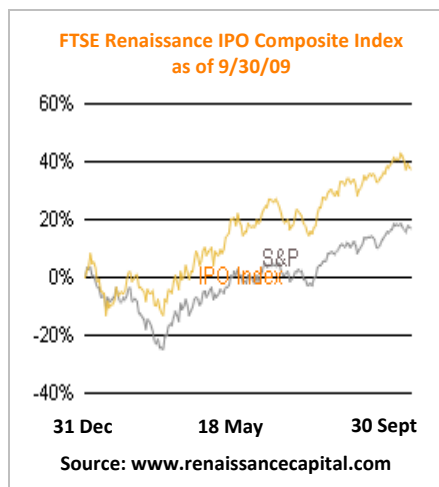


**Index Return:** The FTSE Renaissance IPO Composite Index was up 13% in the third quarter, pushing YTD performance far ahead of the other major indices to nearly 38%. Sixteen companies made their public debut over the past three months, compared to only seven in the same period last year, and the pipeline continues to swell with big-name filings like Dole Foods and Dollar General. Together with the strong performance of the IPO Index, this activity signals that investor demand for new and innovative companies has returned and suggests a turnaround in the IPO space.

**Sector Returns:** The best contributing sector this quarter was Financials, which was boosted by the strong performance of credit card transaction processor Visa (V) whose shares gained 11% as debit volume continued to increase, and index provider MSCI (MXB), up 21% on growth in assets on ETFs linked to its indices. The worst contributing sector was Basic Materials, which was hurt by the poor performance of potassium chloride producer Intrepid Potash, whose shares traded down 16% over the quarter as potash demand remained weak and inventories high.

**Stock Returns:** The strongest performers this quarter included online vacation reservation provider Orbitz Worldwide (OWW), which gained 234% as transaction volumes improved and cost cuts are expected to drive margin expansion; enterprise application software provider Deltek (PROJ), up 77% as investors anticipate recovery in the engineering sector; and fuel refiner CVR Energy (CVI), whose shares gained 70% on an improved outlook for the diesel market in the near-term. The worst performances came from medical device maker CardioNet (BEAT), down 59% as sharp reimbursement cuts officially took effect in early September; online education provider K12 (LRN), whose shares lost 24% after reporting weak FY10 guidance; and interconnection services provider Neutral Tandem (TNDM), down 23% as a rumored merger between the company's two largest customers which could lead to a decrease in traffic, took its toll on investor sentiment.



	Performance			
	IPO	S&P 500	RUS 2000	NASDAQ
Week	-3.1%	-0.4%	-1.5%	-0.4%
QTD	12.7%	15.0%	18.9%	15.7%
YTD	37.5%	17.0%	21.0%	34.6%
1-yr	2.3%	-9.2%	-11.1%	1.9%
3-yr	-8.1%	-20.9%	-16.7%	-6.0%
Alpha	----	7.7%	3.0%	0.4%
Sharpe	-0.06	-0.42	-0.22	-0.08

Alpha indicates the unique returns of the IPO Index against its peers. Results are based on 36 trailing monthly data points.

Best Contributing Sector	
Financials	6.0%
Worst Contributing Sector	
Basic Materials	-0.2%
Strongest Monthly Performers*	
Orbitz Worldwide	234%
Deltek	77%
CVR Energy	70%
Weakest Monthly Performers*	
CardioNet	-59%
K12	-24%
Neutral Tandem	-23%

\*Excludes Stock Prices below \$5.00

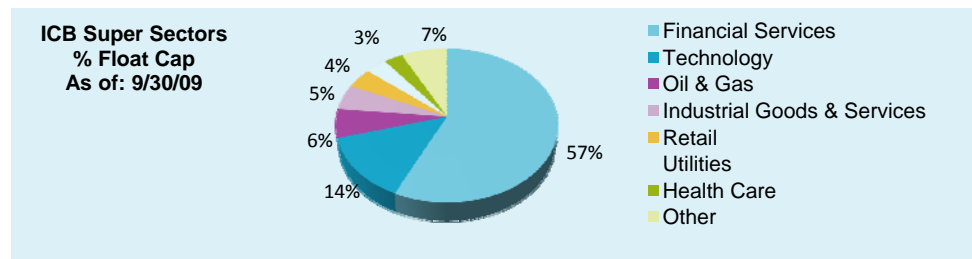
Summary Statistics as of 9/30/09	
Index Value	192.32
Number of Holdings	99
Size Characteristics	
<i>(in millions)</i>	
Total Market Cap	\$109,051
Total Float Cap	\$78,023
Average Float Cap	\$788
Fundamental Characteristics	
Price/Sales	2.7x
Price/Earnings	16.4x
Price/Book	1.9x
Debt/Total Capitalization	14.5%
Dividend Yield	0.7%
Risk Measures*	
R-Squared	0.70
Beta	1.13

\*as compared to the S&P 500

Top 10 Holdings	
1	Visa (V)
2	MSCI (MXB)
3	American Water Works (AWK)
4	Chimera Investment (CIM)
5	Sandridge Energy (SD)
6	Mead Johnson Nutrition (MJN)
7	Intrepid Potash (IPI)
8	athenahealth (ATHN)
9	Hatteras Financial (HTS)
10	Rackspace Hosting (RAX)

Company Concentration	
Top 5 Holdings	54%
Top 10 Holdings	62%
Top 20 Holdings	72%
Top 50 Holdings	90%

Market Cap Breakdown	
Large Cap (>\$5b)	1%
Mid Cap (>\$1b-\$5b)	20%
Small Cap (>\$250m-\$1b)	62%
Micro Cap (<=\$250m)	17%



### About the FTSE Renaissance IPO Composite Index

The FTSE Renaissance IPO Composite Index is a comprehensive benchmark index designed to capture the essence of IPO activity and performance. The Index was designed by Renaissance Capital, The IPO Expert®, in conjunction with FTSE Group, a global leader in the creation and management of indices, to provide investors with a comprehensive and structured vehicle to invest in the IPO market. For further information about the FTSE Renaissance IPO Composite Index or tradable subsets visit [www.renaissancecapital.com/index](http://www.renaissancecapital.com/index) or [www.ftse.com/ipo](http://www.ftse.com/ipo).