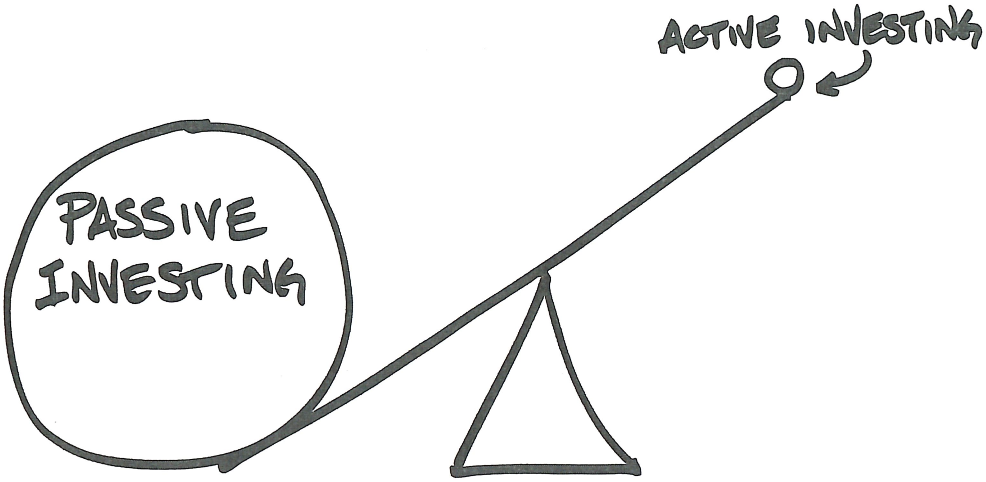
THE WEIGHT OF EVIDENCE[1]



(1) A SMALL SAMPLE OF ACADEMIC PAPERS THAT SUPPORT PASSIVE INVESTING • Markowitz, Harry | *Portfolio selection* | Journal of Finance, 1952 • Fama, E. | *Efficient capital markets: a review of theory and empirical work* | Journal of Finance, 1970 • Sharpe, William | *Capital asset prices: a theory of market equilibrium under conditions of risk* | Journal of Finance, 1964 • Carhart, Mark | *On persistence in mutual fund performance* | Journal of Finance, 1997 • Fama, E.; French, K. | *Multifactor explanations of asset pricing anomalies* | Journal of Finance, 1996 • Lo, Andrew | *Reconciling efficient markets with behavioral finance: the adaptive markets hypothesis* | Journal of Investment Consulting, 2005 • Malkiel, Burton | *Returns from investing in equity mutual funds 1971-1991* | Journal of Finance, 1995 • Merton, Robert | *Theory of rational option pricing* | Bell Journal of Economics and Management Science, 1973 • Samuelson, Paul | *Proof that properly anticipated prices fluctuate randomly* | Industrial Management Review, 1965 • Black, F.; Scholes, Myron | *The pricing of options and corporate liabilities* | Journal of Political Economy, 1973 • Campbell, John; Vuolteenaho, Tuomo | *Bad beta, good beta* | Working Paper, 2002 • Fama, E.; Fisher, L.; Jensen, M.; Roll, R. | *The adjustment of stock prices to new information* | International Economic Review, 1969 • Merton, Robert | *An intertemporal capital asset pricing model* | Econometrica, 1973 • Sharpe, William | *The arithmetic of active management* | The Financial Analysts' Journal, 1991 • Fama, E.; French, K. | *The cross-section of expected stock returns* | Journal of Finance, 1992 • Fama, Eugene; Bliss, Robert | *The information in long-maturity forward rates* | The American Economic Review, 1987 • Anand, Vineeta | *Exxon Mobil goes passive in a big way* | Pensions & Investments, 2002 • Arnott, Robert; Berkin, Andrew; Ye, Jia | *How well have taxable investors been served in the 1980s and 1990s?* | Journal of Portfolio Management, 2000 • Arrington, George | *Chasing performance through style drift* | Journal of Investing, 2000 • Arshanapalli, Bala; Coggin, Daniel; Doukas, John | *Multifactor asset pricing analysis of international value investment strategies* | Journal of Portfolio Management, 1998 • Barber, Brad; Odean, Terrance | *Trading is hazardous to your wealth: the common stock investment performance of individual investors* | Journal of Finance, 2000 • Barr, Paul | *Washington system goes to indexing* | Pensions & Investments, 1997 • Bauman, Scott; Conover, Mitchell; Cox, Don | *Are the best small companies the best investments?* | Journal of Financial Research, 2002 • Baxi, Neeraj | *Paying up: the hidden cost of portfolio management, commission recapture* | Journal of Investing, 2003 • Baxter, Marianne; Jermann, Urban | *The international diversification puzzle is worse than you think* | The American Economic Review, 1997 • Blake, Christopher; Elton, Edwin; Gruber, Martin | *The performance of bond mutual funds* | Journal of Business, 1993 • Blake, Christopher; Morey, Matthew | *Morningstar ratings and mutual fund performance* | Journal of Financial & Quantitative Analysis, 2000 • Busse, Jeffrey; Green, T. 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