STATE STREET GLOBAL ADVISORS®

State Street Global Advisors (Canada) Ltd.

www.ssga.ca

Month End Investment Commentary Report

As of 30 Nov 2012

University of Western Ontario

Report ID: 763455.1 Published: 21 Dec 2012

Table of Contents

Canadian Fixed Income Market Commentary

November 2012

Global Economic Background
Risk aversion dominated the first 2 weeks of trading. And why not... there was plenty to worry about. Japan appears poised to slide into recession for the third time in four years, and there may well be a leadership change in December. China is slowing and there has just been a leadership change. Israel struck Gaza while Gaza was firing rockets at Tel Aviv and Jerusalem. However, investors seemed most concerned about the US fiscal cliff and the festering European crisis, but, ironically, there were some grounds for optimism on these.
The opening salvo in the fiscal cliff negotiations appeared less contentious than during last year's debt ceiling debacle. The Republicans have conceded the need to raise revenues although not marginal tax rates. Meanwhile, the Democrats understand the need for entitlement reform given that Medicare and Medicaid are the true budget busters. And both sides seem to like the idea of cutting the rate on corporate profits, eliminating loopholes and limiting deductions. Meanwhile, further progress was made on Greece. Greece will now need only balance its primary budget rather than run a 1.8% surplus in 2012, and then generate a surplus of just 1.5% rather than 4.5% in 2013.

In the second half of the month, conditions appeared to stabilize and there was even some improvement in risk appetites. Further signs of the green shoots of recovery in the long dormant US housing market gave a boost to investor sentiment. Surprisingly enough, the most positive news in the last week of the month came from Europe, as important steps were taken to deal with the festering Greek problem. Specifically, the so-called Troika (Eurogroup finance ministers, the ECB, and the IMF) agreed to a deal which aims to ease Greece's debt burden, allowing the Troika to argue that Greece remains on the path to fiscal sustainability and thus eligible to receive its next tranche of aid . As mentioned above, earlier in the month Greece had passed the necessary austerity budget to remain compliant with Troika demands.

While October's equity gyrations looked like a roller coaster ride, this month had a clear V shape pattern. The MSCI World Index ® posted a mild 1.47% return in local terms in November, although it was down more than 3% at mid-month. For the second consecutive month, Greece was the notable winner, with its 6.6% return. Japan was another out-performer, posting a 5.6% return, on speculation that the general election scheduled for December 16 will hand power to the Liberal Democratic Party, whose leader, Shinzo Abe, has called on the Bank of Japan to provide unlimited monetary stimulus to revive growth and end deflation. The US and Canada lagged Europe, likely reflecting some jitters associated with the lack of progress on dealing with the US fiscal cliff. Commodities were higher on Middle East fragile geopolitics.

Canadian Economic Background
GDP growth slowed to an anemic pace in Q3 as expected. Indeed, the quarter's meager 0.6% (annual rate) headline is down 1.1 percentage points from Q2 to its weakest in five quarters. Household consumption actually rose a surprisingly robust 3.8% in Q3. However, government purchases expanded a much more modest 1.2%, and fixed investment actually fell 2.9% on declines in residential building, business investment, and government investment. Moreover, exports dropped a whopping 7.8%, their largest decline since the second quarter of 2009. Thus, combined with a 1.7% rise in imports, net international trade subtracted roughly 3 percentage points from overall growth. Meanwhile, inventory building picked up in Q3, providing a moderate offset in the quarter. Year-over-year, GDP rose an anemic 1.4%.

Home price inflation has slowed progressively since last fall. The Teranet-National Bank national composite home price index rose 3.4% y/y in October, two ticks slower than September and 3.7 percentage points down from last November in yet another sign Canada's hot housing market has cooled.

Canadian Bond Market
Following a slight pause in October, the Canadian bond market resumed its positive streak with a 0.62% return for November, lifting the DEX Universe Bond Index year to date return to 3.74%. All sub-indices posted positive returns for the month, led by long term issues which posted nearly twice the return of the broad benchmark. The outperformance of long bonds came largely by virtue of their long duration in an environment where government of Canada benchmark bond yields declined by approximately 10basis points during the month.

From a sector perspective, the looming specter of event risk did not seem to impact investor's appetite for corporates which extended their lead over both Federal and Provincial sectors with a total return of 0.78% for the month, outperforming the Federal sector by 3.76% year to date despite the $3.8 billion in new corporate issues that entered the index this month.
Inflation linked bonds underperformed their long term nominal peers by 0.69% as DEX Real Return Index TM returned 0.81% in November while real yields dropped by 4 bps to close the month at 0.11% for the Index, which now brings long term breakeven inflation to 1.96%, down 4bps from October 31st levels.

Market Outlook

While the recent outperformance of the corporate sector paralleled an improvement in credit fundamentals, the tightness in spreads also reflects the impact of ongoing accommodative central bank actions on yields, which in turn fuelled demand for credit product and near record levels of new corporate issuance. Between laborious fiscal cliff negotiations in the US, a constrained growth environment globally and a congested new issue market locally, there is currently no shortage of potential sources of volatility for the credit markets, especially after 5 months of near continuous spread tightening. As of month end, we have therefore maintained our conservative stance and our modest tactical underweight to credit sectors established towards the end of Q3 in anticipation of a pull-back in both corporate and provincial spreads.

From an interest rate and duration positioning point of view, we maintain our view that a low growth environment in a global backdrop of fiscal tightening will contribute to maintain interest rates within a narrow trading range from their current low levels.

Although bonds generally present less short-term risk and volatility risk than stocks, bonds contain interest rate risks; the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk. This effect is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

State Street Global Advisors, Ltd., 770 Sherbrooke Street West Suite 1200, Montreal, Quebec H3A 1G1
Canada and 30 Adelaide Street East, Suite #500, Toronto, Ontario, M5C 3G6

This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy's Disclosure Document, which is available from SSgA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.

Performance shown is gross of fees and expenses.
CanPE-0359

SSgA Enhanced Canadian Universe Bond Fund Investment Commentary

November 2012 performance attribution (bps)

Dura.	Curve	Corp.	Provi. / Agencies	Carry	Others	Month Total
0	+2	0	0	0	0	+2

Past performance is not a guarantee of future results.

The SSgA Enhanced Canadian Universe Bond Fund returned 0.64% in November, outperforming the DEX Universe Bond Index™ by 2 basis points (bps). Overall, the underperformance of the fund for the month can be attributed to our tactical overweight to long bonds, which outperformed their 10yr counterparts in the first half of the month. Sector positioning had a neutral impact on performance.

As of month end, we maintained our conservative stance and our modest tactical underweight to credit sectors established towards the end of Q3 in anticipation of a pull-back in both corporate and provincial spreads.

THE USER AGREES THAT PC-BOND AND THE PARTIES FROM WHOM PC-BOND OBTAINS DATA DO NOT HAVE ANY LIABILITY FOR THE ACCURACY OR COMPLETENESS OF THE DATA PROVIDED OR FOR DELAYS, INTERRUPTIONS OR OMMISIONS THEREIN OR THE RESULTS TO BE OBTAINED THROUGH THE USE OF THIS DATA.
THE USER FURTHER AGREES THAT NEITHER PC-BOND NOR THE PARTIES FROM WHOM IT OBTAINS DATA MAKE ANY REPRESENTATION, WARRANTY OR CONDITION, EITHER EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE DATA OR AS TO THE MERCHANTABLE QUALITY OR FITNESS OF THE DATA FOR A PARTICULAR PURPOSE.

Investing involves risk including the risk of loss of principal.

Although bonds generally present less short-term risk and volatility risk than stocks, bonds contain interest rate risks; the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk. This effect is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

State Street Global Advisors, Ltd., 770 Sherbrooke Street West Suite 1200, Montreal, Quebec H3A 1G1
Canada and 30 Adelaide Street East, Suite #500, Toronto, Ontario, M5C 3G6

This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy's Disclosure Document, which is available from SSgA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.

Performance shown is gross of fees and expenses.
CanPE-0359

SSgA Canadian Short Term Investment Fund Commentary

November 2012

The Canadian Short Term Investment Fund returned 0.09% for November, in-line with the DEX 91 Day T-bill Index™. As of November 30th 2012, the Fund had an average term to maturity of 40 days for an annualized yield of 1.29%, compared to 91 days and 0.96% for the Index.

State Street Global Advisors, Ltd., 770 Sherbrooke Street West Suite 1200, Montreal, Quebec H3A 1G1
Canada and 30 Adelaide Street East, Suite #500, Toronto, Ontario, M5C 3G6

US Markets Investment Commentary

November 2012

Overview and Outlook

Earlier in the fourth quarter, investors survived a choppy but far from cataclysmic October, even taking Hurricane Sandy in stride as the massive storm pummeled New York City and its environs near the end of the month. Somewhat prophetically, widespread infrastructure failures followed by numerous nimble restorations would become an apt metaphor for a rough-and-tumble November, when stocks around the world suffered accelerating declines in the first half of the month before enjoying sustained rallies in its final two weeks. Sources of consternation certainly stayed plentiful as November progressed. In the US, presidential elections gave way to heightened focus on the tax hikes and spending cuts that would send the economy over the fabled fiscal cliff during 2013. Economic stagnation persisted in Europe as leaders dickered over bailout details for Greece and Spain. Violence flared in the Middle East as civil conflict continued to fracture Syria and hostilities escalated between Israel and Hamas. Transfer of power proceeded in China as Xi Jinping took over leadership of the Communist Party, while Japan watched Liberal Democrat Shinzo Abe win favor in upcoming December elections by calling for greater monetary accommodation. The ebullient response of Tokyo share prices to the latter prospect served to remind investors that despite the palpable global risks to economic vibrancy and corporate earnings, central banks still wield powerful tools that can restrain volatility and buoy financial assets. Notwithstanding the harrowing declines that afflicted many securities during early November, the month still finished with widespread positive results for stocks, bonds, and commodities. With cash and short-term holdings continuing to offer scant income and little upside potential, longer-term assets retained considerable appeal, especially when their prices endured what proved to be just a temporary swoon through the opening weeks of November.

Despite the lingering aftereffects of Sandy, equities began November with a firm undertone. October jobs data in the US looked unexpectedly robust, and the malaise from a lackluster set of third-quarter earnings reports seemed to be running its course. Perhaps most supportive of sentiment, however, was a growing belief that Mitt Romney might be able to unseat President Barack Obama on November 6. Many investors reasoned that a Romney victory would lend fresh impetus to corporate profits via lighter regulations and benign tax policies. Unfortunately, Obama's convincing win delivered a sharp rebuke to this facile optimism, and attention swiftly turned to the looming tax and spending changes due to arrive in 2013. With emboldened Democrats facing off against frustrated Republicans, share prices needed to adjust to the possibility of broad and automatic tax increases that would curtail consumer demand. Few global markets could escape the expanding maelstrom, fearing the potential ripple effects of tempered American consumption. But Japanese stocks all of a sudden sprang to life on November 15, when prospects for a Liberal Democratic Party victory in December parliamentary elections appeared likely to bring more concerted efforts to weaken the yen. The potential for a major new player contributing to the debasement of developed world currencies easily spawned rallies in other global markets. US shares surged on signs of promise in fiscal negotiations, while European stocks also bounced as regional leaders moved to finalize details on upcoming aid payments to Greece. The rebounds carried readily through to the end of November, leaving a majority of global equity averages well in the black for the month. Shares in Asia and Europe were especially strong, boosting the MSCI World Index of developed equity markets to a 1.3% November gain, a result that was matched by the MSCI Emerging Markets (EM) Index, within which weak African and Latin returns detracted from solid equity advances in Taiwan and India. On a year-to-date basis, MSCI World has advanced 13.7%, retaining a modest advantage over the 12.7% result posted by MSCI EM.

Fixed income provided broadly positive returns for November as well, but the path to that outcome was far less bungee-like than the precipitous route followed by most equity markets. Government bond prices reflected a quiet sense of achievement consistent with the huge contributions that have graced income-oriented investment vehicles during 2012. The widely followed Merrill Option Volatility Estimate, an index of Treasury bond volatility, reflected their tranquility. During November, the MOVE index dropped nearly 20 basis points to less than 52, close to its record low. Most bonds held in nicely early in the month, getting a modest boost when equity markets tumbled in the wake of the US presidential elections, but their lack of follow through to the upside was mildly unusual. Equity investors were clearly perturbed by the economic and earnings risks that could result from sharp 2013 tax hikes, but bond prices seemed relatively indifferent to prospects of a harsher hit to growth. By the same token, however, bonds did not sell off with any alacrity when equities surged in the last two weeks of November. To the contrary, some government issues, including US TIPS, UK linkers, as well as nominal bonds in Spain, Italy, and Japan, managed to continue rallying right on through to the end of the month. Corporate debt tended to fare worse than government paper during November, reacting nervously to the equity retreats that accompanied concerns over the US fiscal cliff, and seeing only a muted recovery when stock markets rebounded. While the snap back in high yield issues was reasonably vigorous, investment-grade paper seemed as broadly unimpressed by the equity rally as government issues had been by the preceding equity declines. Still, limited price action is far from unwelcome to debt investors who merely want to clip their coupons in peace, and even though bond yields around the world remained achingly low from a historical perspective, they continued to provide solid accruals relative to the minimal carry available on short-term instruments. Echoing the gentler trading in bonds, commodity benchmarks also saw their volatility ebb during November, undergoing only minimal deterioration in the first half of the month. They perked up thereafter in response to a frisson of anticipation that fiscal follies might unleash yet more asset purchases from the US Federal Reserve, a sentiment that likely contributed positively to performance across all asset classes during November.

Only a few quick weeks remain in 2012, and if markets can hold their own through the convergent mysteries associated with December 21, it will have been a solid year for financial returns. To be sure, all the major equity progress thus far was achieved during the first quarter, but preserving value since then has been equally important. Despite daunting debt dislocations in the eurozone, unaccustomed growth headwinds in many emerging countries, and ugly partisan politics in the US, volatility stayed remarkably contained as the year wore on, allowing long-only investors to avoid undue angst as they accrued steady dividend and interest payments. Those who surveyed the onerous leverage that lingers around the world and concluded that renewed financial crisis was both inevitable and imminent earned at most fleeting rewards if they tried to profit from the potential for panic. Share prices definitely had to negotiate plenty of twists and turns along the way, but steady gains for bonds and the absence of yield on cash meant that even slipping stock markets tended to find fresh buyers. Given the return prosperity that has flattered 2012, together with prospects for tepid earnings gains and unexciting bond yields in 2013, it seems difficult to project anything more than a moderate pace of advance for either equities or fixed income in the months ahead. But we should not forget the demonstrated powers of the central banks that are seeking to preserve financial stability while major economies attempt to build broader and more sustainable recoveries. Even if unstinting accommodation seems increasingly incapable of spurring renewed vitality, official balance sheets have yet to be overwhelmed by marketplace disarray. Against this backdrop, the unrelieved need for adequate returns seems likely to continue drawing investors into longer-term assets. Low yields and limited profits growth should keep the upside potential restrained, but until monetary authorities are willing to countenance material market weakness, the downside seems on a short leash as well.

US Equities
Share prices in the US began November optimistically, bolstered by solid readings on consumer confidence and non-farm payrolls. But enthusiasm peaked on election day, November 6, when many investors expected that a changing configuration of power in Washington DC might lead to a more productive environment for legislation and policy. Such a shift was not to be, as Barack Obama retained the presidency, Democrats took stronger hold of the Senate, and Republicans maintained firm control of the House of Representatives. The results, suggesting that both sides would harden their resolve on policy choices, placed the approaching fiscal cliff in stark relief. While stocks lost value swiftly as investors fretted over the potential damage to corporate profits, their subsequent rebound was equally rapid. Investors seized hopefully on any signals that budget negotiations were thawing, but the more likely source of renewed equity resilience was the simple recollection that the Federal Reserve had already committed to aggressive action in support of stronger growth and rising employment. Even if the benefit to the economy might remain unclear, there seemed little doubt that abundant liquidity provisions would support financial values. Rising nicely on eight of the last ten trading days in November, broad US equity averages readily regained positive territory for the month. The S&P 500® posted a 0.6% return for November, extending its year-to-date advance to just shy of 15.0%.

The US equity recovery that began at mid-month was especially salutary for second-tier issues, which save for a few flashes of brilliance during the summer, had not created much relative excitement since the first quarter of 2012. Beyond the conspicuous woes that afflicted several large-cap household names, secondary stocks may also have benefited from anticipation of a seasonal increase in risk appetites during the winter months. Depending on how fiscal negotiations proceed, however, relative momentum in lower-tier stocks may prove more difficult than usual to sustain. Mid-cap issues still enjoyed a most impressive November, reflected in a 2.2% monthly return for the S&P Midcap 400 IndexTM, a result that lifted the benchmark to a year-to-date gain of 15.4%, 40 basis points ahead of the S&P 500. Smaller stocks as captured by the Russell 2000® Index returned 0.5% for November, failing to outpace the S&P 500, but they had looked far worse off in the middle of the month. The Russell 2000 remains a year-to-date laggard, with a return of 12.4% since the start of 2012.

Growth-oriented portfolios rebounded from a poor showing in October, scoring modest November advances across the range of market capitalizations as consumer staples and healthcare issues held up well. Their relative resilience was largely consistent through the month, paying little heed to post-election market weakness or to the subsequent rally. Holding back value stocks was a pullback in the financials, as banking shares retreated on concerns of more burdensome regulation. Utilities were especially soft, in part due to expenses associated with Hurricane Sandy, but also on concern that expanding use of renewable energy would restrain peak pricing and by extension their profitability. The Russell 1000® Value Index still managed to finish November just shy of flat, but the Russell 1000® Growth Index climbed a solid 1.7%. Since the start of 2012, Russell 1000 Growth has retaken the lead, now showing a 15.3% year-to-date return, while Russell 1000 Value is close behind with a 15.1% advance. On the small-cap side, the Russell 2000® Value Index added 0.3% in November to extend its 2012 advance to 13.3%. Even though the Russell 2000® Growth Index outperformed in November with a 0.7% gain, its year-to-date result of 11.4% still lags its value-oriented counterpart by 190 basis points.

While defensive growth themes performed well in November as investors fretted over the potential course of fiscal policy in 2013, sector performance within the S&P 500 showed considerable mixture. The top sector for the month was consumer discretionary, which climbed 3.2%, leaving it 150 basis points better off than its closest rival, the materials sector, which was boosted by a takeover bid for Titanium Metals and some solid gains among construction-related names. As for consumer discretionary, notable resilience in shares of several major retailers made up for an otherwise mixed set of monthly results. The industrials and the consumer staples groups, also strange bedfellows, finished November less than 10 basis points behind the materials sector. On the negative side, the utilities had the roughest time, losing 4.3% for the month. Their year-to-date return of 1.2% is mercifully still positive, but also 275 basis points behind the 4.0% year-to-date gain for the energy sector. Energy itself lost 1.4% for November, with notable declines in several coal and natural gas names. All other S&P sectors after energy and utilities have produced double-digit returns thus far in 2012. Consumer discretionary regained the overall lead in November, and has now advanced 23.3% since the start of the year, but the financials are not far off the pace, with a year-to-date gain of 23.0%.

Global Fixed Income

November was friendly to government bond markets. Sovereign yields edged lower in almost all major countries, with Australia a rare exception. Key factors keeping a floor under Aussie yields likely included the generally unexpected decision of the Reserve Bank not to trim interest rates and wider indications that Chinese activity might be turning for the better. Elsewhere, however, concerns about the globally adverse implications of US fiscal constraints kept yields biased lower. Weak European data on industrial production and employment, as well as downbeat GDP figures in Japan, suggested that holders of longer-term government bonds had little to worry about in terms of vigorous growth or sustainable inflation. Many in Japan wish that inflation might become a concern, and Shinzo Abe, leader of the Liberal Democratic Party, suggested that the central bank consider a more proactive stance in that direction. The yen accordingly weakened, denting returns for unhedged holders of Japanese bonds, but yields remained largely unperturbed. Only at the longest maturities did Japanese yields suggest any hint of hesitation; sluggish economic figures helped 10-year Japanese yields tumble to multi-year lows.

Much greater yield declines occurred on the eurozone periphery. As European leaders came to agreement with the International Monetary Fund on terms governing the next aid disbursement to Greece, the chances of a disruptive break in financial conditions seemed to grow even more remote. The carry available in Spanish, Italian, and Portuguese paper looked increasingly attractive, even though yields in these nations had already been trending lower for months. Libor rates for euros continued to erode as well, not only suggesting a measure of confidence in interbank dealing, but also making returns on short-term money markets even less appealing than they already were. And for unhedged holders of eurozone sovereign issues, the confidence boost to the currency provided a further benefit to their positions. By the end of November, even though equity gains were robust during the final weeks of the month, most government bonds around the world had enjoyed an assortment of constructive forces that left them with solidly positive returns. Unfortunately, currency losses of more than 3% for the yen, together with a modest decline in the British pound, produced stiff headwinds for unhedged investors that small gains in the euro and Aussie dollar were unable to offset. Even though the US Treasury market as tracked by the Barclay's Capital US Treasury Index added 0.5% for November, foreign exchange effects dropped the Citigroup World Government Bond Index (WGBI) to a 0.2% monthly loss from the standpoint of dollar-based unhedged investors. Since the start of 2012, the WGBI and the US Treasury Index have become even closer, with respective year-to-date returns of 2.6% and 2.4%. For the Treasury Index to keep its momentum and win the year, the US dollar may need a strong December finish.

After corporate bond spreads tightened consistently from June through October, they were ripe to widen out when equity declines started to accelerate in the first half of November. More disappointing, however, was the failure of investment-grade spreads to narrow in again as stock markets rebounded into the end of the month. While fraught US budget negotiations no doubt spurred uncertainty about corporate profits and creditworthiness, the proximate cause of corporate bond lethargy may have been yield resistance. Even though corporate bond spreads seem ample and remain well above their record lows, the yield on the Barclay's Capital US Corporate Index approached an unprecedented 2.6% shortly after the US elections. Investors seemed hesitant to drive yields sustainably into new lower ground while longer-maturity government yields stayed dozens of basis points above their July nadirs. For the month as a whole, even though US corporate spreads moved wider by barely 10 basis points, the weakness in investment-grade was enough to sink the US Corporate Index to a 0.2% loss. On a year-to-date basis, though, the Corporate Index retains a generous 9.9% gain. Agency-backed mortgages had a similarly difficult November, despite the operation of the US Federal Reserve's concerted buying program. With mortgage borrowing costs continuing to erode, prepayment activity continued to dent returns for those holding premium-priced mortgage loans. This disadvantage combined with mortgage spreads that were modestly wider on the month to leave the Barclay's Capital MBS Index with a 0.2% November decline. Since the start of the year, the MBS Index is still ahead by 0.5%, very much in line with the Treasury Index. Although corporate and mortgage issues lost ground in November, the gains in the Treasury market were strong enough to lift the Barclay's Capital US Aggregate Index to a 0.2% return for the month that extended the year-to-date return for the Aggregate to 4.4%, a figure driven largely by the outperformance of corporate debt.

Issues below investment grade ran into the same kind of congestion as higher-rated spread product during the first half of November, but unlike investment-grade paper, high-yield bonds rebounded smartly with the equity rally into month end. High-yield spreads still ended the month wider, but only by a few basis points. As a result, their yields were still able to fall slightly, adding to total returns. For a second consecutive month, the Barclay's Capital US High Yield Index finished with a yield less than 6.5%, advancing another 0.8% during November. With a streak of six consecutive monthly gains under its belt, the High Yield Index has now climbed 14.0% since the start of 2012, keeping impressively on pace with the general trends in equity returns around the world.

Alternative Assets

Trading action in US real estate investment trusts (REITs) closely tracked the progress of broader US equities during November, firming modestly into the presidential elections, tumbling in their wake, and then rebounding strongly in the last two weeks of the month. Still, the Dow Jones US Select REIT Index^{SM} finished November with a 0.5% decline, lagging the S&P 500 by slightly more than 100 basis points. Despite continuing to produce solid income, the REIT Index has now suffered a negative total return in each of the last four months. Restraining property sentiment in November was the joint acquisition of Archstone, the apartment owner bought by Lehman Brothers back in the heady days of 2007. While Archstone thus avoided an offering of its own shares, both its buyers, Equity Residential and AvalonBay, floated additional stock to help pay for their stakes. As investors stayed nervous about the sustainability of firm rental pricing, especially given continued downward pressure on mortgage rates, shares of apartment and manufactured-home REITs were among the weakest performers during November. Healthcare REITs stayed resilient, though, and hotel REITs enjoyed a decent rebound from their October weakness. Still, the ongoing slippage in the REIT Index lowered its total return on a year-to-date basis down to 12.9%, more than 200 basis points behind the S&P 500. REITs outside the US faced no such indignity, continuing their steady 2012 advance amid broadly favorable liquidity conditions across Europe and Asia.

Commodities passed a relatively placid November, holding in well while equities slumped, but also taking little notice during their subsequent recovery. Orange juice was a worthwhile gainer on fears that Florida might face a chilly winter, but the leader list was otherwise filled with industrial metals. Signs of better economic performance in China helped copper, lead, and aluminum prices to firm nicely. Crude oil posted more modest gains, while heating oil saw even narrower movement. Precious metals were flat for the month, as stable sovereign bond markets limited demand for gold, but agricultural commodities lost value. Soybeans were among the largest decliners, as news of ample inventories and favorable growing conditions pushed prices lower. For November as a whole, the S&P GSCI® Commodity Index added 1.5%, lifting its year-to-date return back into positive territory by 0.7%. The Dow Jones-UBS Commodity Index^{SM} edged higher by just 0.1% in the latest month, bringing its year-to-date progress up to a similarly uninspiring 1.6%.

While commodity behavior hardly seemed enough to inspire much movement in inflation expectations, the late November surge in equities proved beneficial to most breakeven yield levels. Investors may have been fretting over the potentially negative consequences of higher taxes and mandated spending cuts, but they also seemed to anticipate a greater likelihood of increased central bank activism. Still, the only major market that saw a measurable gain in breakevens on the month was the UK, where relative weakness in the pound may have contributed to greater inflation concerns. British real yields thus fell by more than 10 basis points across the curve, but real yields also slipped in most other countries, following nominal yields lower, as growth prospects into 2013 remained uncertain. One exception was Australia, where improving sentiment on Chinese activity helped lift both the currency and local bond yields. But with solid inflation adjustments accruing in many markets, it was a constructive month for linkers in general. In the US, most Treasury inflation-protected securities (TIPS) reflected increasingly negative yields; one now has to reach beyond 20-year maturities to find real yields above zero. The Barclays Capital US TIPS Index tacked on another 0.5% in November, extending its year-to-date return to 7.7%. Non-US linkers fared even better in the latest month, getting an extra boost from mild currency appreciation in several countries.

Sources: Bloomberg, FactSet, Morgan Stanley, JPMorgan, RBS, Credit Suisse, Citigroup, SSgA Performance Group, MSCI

90-day U.S. Treasury bills are insured and guaranteed by the U.S. government. U.S. Treasury Bills maintain a stable value if held to maturity, but returns are generally only slightly above the inflation rate.

Investing in REITs involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

Investing in foreign domiciled securities may involve risk of capital loss from unfavorable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations.

Please review your own account performance via www.ssga.com or contact your Relationship Manager.
Australia: State Street Global Advisors, Australia, Limited (ABN 42 003 914 225) is the holder of an Australian Financial Services Licence (AFSL Number 238276). Registered office: Level 17, 420 George Street, Sydney, NSW 2000, Australia Telephone: 612 9240-7600 o Facsimile: 612 9240-7611. **Belgium :** State Street Global Advisors Belgium, Office Park Nysdam, 92 Avenue Reine Astrid, B-1310 La Hulpe, Belgium. Telephone: 32 2 663 2036, Facsimile: 32 2 672 2077. Belgium is a branch of State Street Global Advisors Limited. **Canada :** State Street Global Advisors, Ltd., 770 Sherbrooke Street West Suite 1200, Montreal, Quebec H3A 1G1 Canada and 161 Bay Street, T.D. Canada Trust Tower, Suite 4530, Toronto, Ontario M5J 2S1. **Dubai :** State Street Bank and Trust Company (Representative Office), Suite 404 4th Floor, Building 4, Emaar Square, Dubai, United Arab Emirates. Telephone: 971 (0)4-4372800, Facsimile: 971 (0)4-4372818. **France :** State Street Global Advisors France. Authorised and regulated by the Autoritdes March Financiers. Registered with the Register of Commerce and Companies of Nanterre under the number 412 052 680. Registered office: Immeuble Dense Plaza, 23-25 rue Delarivie-Lefoullon, 92064 Paris La Dense Cedex, France. Telephone: (33) 1 44 45 40 00. Facsimile: (33) 1 44 45 41 92. **Germany :** State Street Global Advisors GmbH, Brienner Strasse 59, D-80333 Munich. Telephone 49 (0)89-55878-400, Facsimile 49 (0)89-55878-440. **Hong Kong:** State Street Global Advisors Asia Limited, 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, Telephone: 852 2103-0288, Facsimile: 852 2103-0200. **Japan :** State Street Global Advisors, Japan, 9-7-1 Akasaka, Minato-ku, Tokyo Telephone 813-4530-7380 Financial Instruments Business Operator, Kanto Local Financial Bureau (Kinsho #345). Japan Securities Investment Advisers Association, Investment Trust Association, Japan Securities Dealers' Association. **Ireland:** State Street Global Advisors Ireland Limited is regulated by the Central Bank of Ireland. Incorporated and registered in Ireland at Two Park Place, Upper Hatch Street, Dublin 2. Registered number 145221. Member of the Irish Association of Investment Managers. **Italy:** State Street Global Advisors Ltd., Sede Secondaria di Milano - Via dei Bossi, 4 20121 Milan, Italy. Telephone: 39 02 32066 100, Facsimile: 39 02 32066 155. **Netherlands :** State Street Global Advisors Netherlands, Adam Smith Building, Thomas Malthusstraat 1-3, 1066 JR Amsterdam, Netherlands. Telephone: 31 20 7085600, Facsimile 31 20 7085601. SSgA Netherlands is a branch of State Street Global Advisors Limited. **Singapore:** State Street Global Advisors Singapore Limited, 168, Robinson Road, #33-01 Capital Tower, Singapore 068912 (Company Reg. No: 200002719D). Telephone: 65 6826-7500, Facsimile: 65 6826-7501. **Switzerland :** State Street Global Advisors AG, Beethovenstr. 19, CH-8027 Zurich. Telephone 41 (0)44 245 70 00. Facsimile Fax: 41 (0)44 245 70 16. **United Kingdom :** State Street Global Advisors Limited. Authorised and regulated by the Financial Services Authority. Registered in England. Registered No. 2509928. VAT No. 5776591 81. Registered office: 20 Churchill Place, Canary Wharf, London, E14 5HJ. Telephone: 020 3395 6000. Facsimile: 020 3395 6350. **United States :** State Street Global Advisors, One Lincoln Street, Boston, MA 02111-2900.