

New Investable Indexes from The Center for Research in Security Prices (CRSP) selected by Vanguard for U.S. Stock Index Funds

CHICAGO, Illinois, (October 2, 2012) – The Center for Research in Security Prices (CRSP), one of 11 research centers at the University of Chicago Booth School of Business, has created a new series of investable indexes: The CRSP Indexes. These indexes currently include market cap, sector, and value and growth style indexes. The new indexes blend insights from academic research and the practice of investment management. The CRSP indexes will be of interest to academics and practitioners.

CRSP is also pleased to announce Vanguard as the first licensee of the new CRSP investable indexes. Since its inception in 1960, CRSP has partnered with the investment industry to develop and maintain databases and market indexes that are widely used in academic and practitioner research.

David K. Barclay, CRSP Chief Operating Officer, says, “For more than 50 years, CRSP has been providing research-quality market and index data. The new CRSP Indexes are a logical extension of our core products – they provide data for the development of new research products, central to our scholarly heritage, and they also strategically position CRSP for the future as an index provider.”

Chicago Booth Dean Sunil Kumar adds, “Chicago Booth continues to have an extraordinary impact on business research and education worldwide. The CRSP Indexes reflect the unique and very interesting work that is done by Booth’s research centers to advance the body of knowledge in business and finance.”

John C. Heaton, Joseph L. Gidwitz Professor of Finance and Deputy Dean for Faculty, and Lubos Pastor, Charles P. McQuaid Professor of Finance, both of the Chicago Booth School of Business, serve as consultants to the CRSP Indexes project and have been central to developing CRSP’s unique methodology. Consultations with Vanguard provided important practical insights for the development of the indexes. CRSP’s index methodology aims to minimize index turnover while delivering style purity. The innovative process of “packeting” cushions the movement of stocks between adjacent indexes and allows holdings to be shared across indexes. Other features of the methodology include a novel multidimensional approach to classifying stocks as value and growth.



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Vanguard provided development funding for the CRSP Indexes; however, the methodologies for the CRSP Indexes were developed by CRSP, and the indexes are owned and operated independently by CRSP. Accordingly, the CRSP Indexes will be available for license as are all CRSP data products.

About The Center for Research in Security Prices (CRSP)

The Center for Research in Security Prices at the University of Chicago Booth School of Business has been an integral part of the academic and commercial world of financial and economic research since 1960. CRSP's portfolio of historical databases for common stocks, mutual funds, Treasuries, REITs and research indexes is relied on by more than 435 leading academic institutions in 31 countries. It is also widely used for research in the commercial and governmental sectors. For more information, please visit <http://www.crsp.chicagobooth.edu> or call (312) 263-6400.

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