

# S&P GSCI Crude Oil Covered Call Index

## Commodity Indices |



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### About the Index

The S&P GSCI<sup>®</sup> Crude Oil Covered Call Index seeks to simulate a covered call strategy on the most active crude oil futures contract. The index is designed to be investable and provides long only exposure to the crude oil market, but with less volatility and the potential for income generation.

#### Highlights

A covered call strategy is an income generating strategy that is generally used in neutral to bullish market environments where a slow rise in market prices is anticipated. The S&P GSCI Crude Oil Covered Call Index reflects an investment in the WTI Crude Oil contract traded at NYMEX, an exchange owned by CME Group, and the systematic writing of out of the money calls on the same contract.

The index is based on the S&P GSCI Crude Oil Index, a sub-index of the S&P GSCI, the leading measure of general commodity price movements and inflation in the world economy. The S&P GSCI Crude Oil Covered Call Index seeks to provide higher returns than the S&P GSCI Crude Oil Index but with lower volatility in most environments with the exception of when the crude oil futures market is rallying rapidly.

This index is part of the S&P GSCI family of indices targeted to commodity index investors looking for long only exposure but with less volatility and some alleviation of the potential drag on returns from rolling futures into contango.

#### Index Construction

The S&P Crude Oil Covered Call Index is calculated on a hypothetical portfolio consisting of a long futures position and a short out of the money call position, both of which are rolled monthly.

Crude oil futures and options are not held to maturity. Instead, the long futures and short options positions roll to the next month over a five-day period, with 20% replaced every

business day. The roll period is the first five business days of each month. The call option chosen to be rolled into is always based on the same contract month as the futures that are being rolled. The strike price of the call option to be rolled into is based on the market price level implied by the realized volatility of the crude oil market.

#### Index Methodology

The S&P GSCI Crude Oil Covered Call Index is part of a series of sub-indices calculated by Standard & Poor's that represent components of the S&P GSCI from across a number of commodity sectors: Energy, Industrial Metals, Precious Metals, Agriculture, Softs, and Livestock.

The S&P GSCI Crude Oil Covered Call Index is based on one underlying security; therefore, there is no periodic rebalancing.

#### S&P GSCI and Related Indices

In addition to calculating indices by commodity sector, Standard & Poor's offers sub-indices of the S&P GSCI on a single component, multi-currency, and forward month basis. Thematic baskets such as Biofuel and Petroleum are also available. A series of energy capped benchmarks which offer stepped reductions in exposure to the energy sector are also calculated.

Additional information and complete details of the S&P GSCI methodology including roll rules and regulations and index additions and deletions are available on the Web site: [www.indices.standardandpoors.com](http://www.indices.standardandpoors.com).

# S&P GSCI Crude Oil Covered Call Index

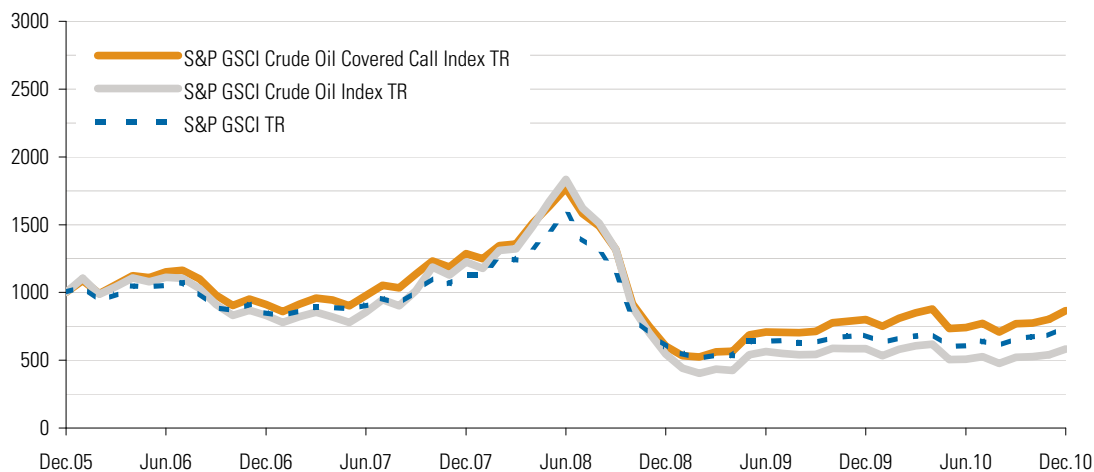
Commodity Indices |

December 31, 2010

Seeks to simulate a covered call strategy on the most active crude oil futures contract.

|                                       |
|---------------------------------------|
| S&P GSCI                              |
| S&P GSCI Crude Oil Index              |
| S&P GSCI Crude Oil Covered Call Index |

## 5 Year Historical Performance



## Tickers

|  | BLOOMBERG <sup>SM</sup> | Reuters   |
|--|-------------------------|-----------|
| <b>S&amp;P GSCI Crude Oil Covered Call Index</b> |                         |           |
| Spot   | SPCLCL                  | .SPCLCL   |
| Excess Return                                    | SPCLCLP                 | .SPCLCLP  |
| Total Return                                     | SPCLCLTR                | .SPCLCLTR |
| <b>S&amp;P GSCI Crude Oil Index</b>              |                         |           |
| Spot   | SPGSCS                  | .SPGSCS   |
| Excess Return                                    | SPGSCLP                 | .SPGSCLP  |
| Total Return                                     | SPGSCLTR                | .SPGSCLTR |
| <b>S&amp;P GSCI</b>                              |                         |           |
| <i>USD</i>                                       |                         |           |
| Spot   | SPGSCI                  | .SPGSCI   |
| Excess Return                                    | SPGSCIP                 | .SPGSCIP  |
| Total Return                                     | SPGSCITR                | .SPGSCITR |
| <i>EUR</i>                                       |                         |           |
| Spot   | SGCUE                   | .SGCUE    |
| Excess Return                                    | SGCUEP                  | .SGCUEP   |
| Total Return                                     | SGCUETR                 | .SGCUETR  |

## Index Performance

|                           |                 | S&P GSCI Crude Oil Covered Call Index TR | S&P GSCI Crude Oil Index TR | S&P GSCI TR |
|---------------------------|-----------------|--|-----------------------------|-------------|
| <b>Returns</b>            | 1 Month         | 8.12%                                    | 8.01%                       | 9.40%       |
|                           | 3 Month         | 12.70%                                   | 11.88%                      | 13.41%      |
| <b>Annualized Returns</b> | 3 Years         | -12.33%                                  | -21.88%                     | -12.84%     |
|                           | 5 Years         | -2.83%                                   | -10.21%                     | -5.70%      |
|                           | 7 Years         | -  | 0.34%                       | 1.35%       |
| <b>Annualized Risk</b>    | 3 Years Std Dev | 35.25%                                   | 41.21%                      | 31.90%      |
|                           | 5 Years Std Dev | 30.72%                                   | 36.40%                      | 27.69%      |
| <b>Sharpe Ratio</b>       | 3 Years         | -0.0585                                  | -0.1135                     | -0.0816     |
|                           | 5 Years         | -0.0012                                  | -0.0482                     | -0.0428     |
| <b>Yearly Returns</b>     | 2006            | -8.90%                                   | -16.95%                     | -15.09%     |
|                           | 2007            | 41.18%                                   | 47.45%                      | 32.67%      |
|                           | 2008            | -53.08%                                  | -55.47%                     | -46.49%     |
|                           | 2009            | 32.69%                                   | 7.15%                       | 13.48%      |
|                           | 2010            | 8.21%                                    | -0.11%                      | 9.03%       |

|                                       | S&P GSCI Crude Oil Covered Call Index Total Return | S&P GSCI Crude Oil Index Total Return | S&P GSCI Total Return |
|---------------------------------------|--|---------------------------------------|-----------------------|
| <b>3 Years Correlation</b>            |  |                                       |                       |
| S&P GSCI Crude Oil Covered Call Index | 1.0000   | 0.9862                                | 0.9733                |
| S&P GSCI Crude Oil Index              |  | 1.0000                                | 0.9730                |
| S&P GSCI                              |  |                                       | 1.0000                |
| <b>5 Years Correlation</b>            |  |                                       |                       |
| S&P GSCI Crude Oil Covered Call Index | 1.0000   | 0.9824                                | 0.9642                |
| S&P GSCI Crude Oil Index              |  | 1.0000                                | 0.9618                |
| S&P GSCI                              |  |                                       | 1.0000                |

Source: Standard & Poor's. Data as of December 31, 2010. Charts and graphs are provided for illustrative purposes only. It is not possible to invest directly in an index. Past performance is not an indication of future results. The S&P GSCI Crude Oil Covered Call Index was launched on July 8, 2009 and all data presented prior to that date reflect hypothetical historical performance. Please see the Performance Disclosure for more information on the Index and the inherent limitations associated with back-tested index performance.

## **Performance Disclosure**

It is not possible to invest directly in an S&P index. Past performance of an index is not an indication of future results.

S&P acquired the GSCI from Goldman Sachs on February 2, 2007 and it was subsequently renamed the S&P GSCI. Goldman Sachs began first publishing the GSCI related indices in 1991 but has calculated the historical value of the GSCI beginning January 2, 1970 based on actual prices from that date forward and the selection criteria, methodology and procedures in effect during the applicable periods of calculation (or, in the case of all calculation periods prior to 1991, based on the selection criteria, methodology and procedures adopted in 1991). The GSCI has been normalized to a value of 100 on January 2, 1970, in order to permit comparisons of the value of the GSCI to be made over time.

The inception date for the S&P GSCI Crude Oil Covered Call Index was July 8, 2009 at the market close. The index was not in existence prior to that date and all data presented prior to that date are back-tested. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Complete index methodology details are available at [www.indices.standardandpoors.com](http://www.indices.standardandpoors.com).

Prospective application of the methodology used to construct the S&P GSCI Crude Oil Covered Call Index may not result in performance commensurate with the back-test returns shown. The back-test period does not necessarily correspond to the entire available history of the indices. Please refer to the methodology paper for the index, available at [www.standardandpoors.com](http://www.standardandpoors.com) for more details about the index, including the manner in which it is rebalanced, and the timing of such rebalancing, criteria for additions and deletions and index calculation. The index is rules based, although the Index Committee reserves the right to exercise discretion, when necessary. Where applicable, foreign exchange conversions to U.S. Dollars are calculated on a daily basis.

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