

# S&P GSCI Enhanced Index

## Commodity Indices |



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### About the Index

The S&P GSCI<sup>®</sup> Enhanced Index measures the total return available to investors holding a modified version of the S&P GSCI to which certain dynamic, timing, and seasonal rolling rules are applied.

The Index is a modified version of the S&P GSCI, the world's leading measure of general commodity price movements and inflation. The S&P GSCI Enhanced Index includes the same futures contracts as the S&P GSCI although contract months vary and the return values differ.

The S&P GSCI Enhanced Index variations include various related single commodity, sector, and capped indices.

#### Index Calculation

The S&P GSCI Enhanced Index is calculated on a basis similar to that of the S&P GSCI, with modifications made in order to apply certain dynamic, timing, and seasonal rolling rules. These rules are designed to yield enhanced returns when the WTI Crude Oil and Brent Crude Oil futures contracts market demonstrates wide contango conditions. In addition, the index modifies rolls for Heating Oil, Natural Gas, Chicago Wheat, Corn, Lean Hogs, and Live Cattle to alleviate potential rolling expenses and to reflect the seasonal demand for the commodities.

Most of the S&P GSCI futures contracts in the S&P GSCI Enhanced Index follow their normal schedule with the following exceptions:

- WTI Crude Oil rolls from the first contract month to the sixth contract month if the contango between the first and second contract month is greater than 0.50%.
- Brent Crude Oil rolls from the second to the seventh contract month if the contango between the second and third contract month is greater than 0.50%.
- Heating Oil is rolled annually to the December contract (during the November roll).
- Natural Gas is rolled annually to the January contract

(during the December roll).

- Chicago Wheat is rolled annually to the December contract (during the November roll).
- Corn is rolled annually to the July contract (during the May roll).
- Lean Hogs are rolled semiannually to the April and August contracts (April during the July roll, and August during the March roll).
- Live Cattle is rolled semiannually to the April and October contracts (April during the September roll and October during the March roll).

The roll period for the S&P GSCI Enhanced Index diverges from the standard S&P GSCI roll period. The S&P GSCI rolls 20% of the underlying commodity exposure per day over the fifth to ninth business days of each month, whereas the S&P GSCI Enhanced Index rolls 20% of the underlying commodity exposure per day over the first to fifth business days of each month.

#### Valuing the Index

The total dollar weight of the index is the total dollar weight of the underlying commodities. The dollar weight of the index is equal to the product of the daily contract reference prices, the appropriate contract production weights (CPWs), and the appropriate roll weights needed during a roll period.

#### Index Methodology

The S&P GSCI Enhanced 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. For more information and the complete methodology please visit [www.spgsci.standardandpoors.com](http://www.spgsci.standardandpoors.com).

# S&P GSCI Enhanced Index

December 31, 2010

Measures the total return available to investors holding a modified version of the S&P GSCI where certain dynamic, timing, and seasonal rolling rules are applied.

## Index Performance

	S&P GSCI Enhanced TR	S&P GSCI TR	S&P 500 TR	S&P/BGCantor 7-10Yr TB
<b>Returns</b>				
1 Month	9.73%	9.40%	6.68%	-3.27%
3 Month	13.37%	13.41%	10.76%	-4.22%
<b>Annualized Returns</b>				
3 Years	-7.03%	-12.84%	-2.86%	6.87%
5 Years	2.00%	-5.70%	2.29%	6.71%
10 Years	11.19%	1.77%	1.41%	6.32%
<b>Annualized Risk (Std Dev)</b>				
3 Years	29.48%	31.90%	22.16%	8.84%
5 Years	25.74%	27.69%	17.82%	7.37%
<b>Sharpe Ratio</b>				
3 Years	-0.0331	-0.0816	-0.0135	0.2109
5 Years	0.0358	-0.0428	0.0267	0.1779
<b>Yearly Returns</b>				
2007	36.19%	32.67%	5.49%	10.30%
2008	-41.09%	-46.49%	-37.00%	18.13%
2009	21.63%	13.48%	26.46%	-5.91%
2010	12.14%	9.03%	15.06%	9.82%
<b>3 Year Correlations</b>				
Enhanced	1.0000	0.9907	0.6189	-0.2837
S&P GSCI	0.9907	1.0000	0.6145	-0.2999
S&P 500	0.6189	0.6145	1.0000	-0.1794
7-10 Yr T-Bond	-0.2837	-0.2999	-0.1794	1.0000
<b>5 Year Correlations</b>				
Enhanced	1.0000	0.9877	0.5321	-0.2528
S&P GSCI	0.9877	1.0000	0.5219	-0.2611
S&P 500	0.5321	0.5219	1.0000	-0.2013
7-10 Yr T-Bond	-0.2528	-0.2611	-0.2013	1.0000

## Yearly Returns

Year	S&P GSCI Enhanced TR	S&P GSCI TR	S&P 500 TR	S&P/BGCantor 7-10Yr TB
2007	36.19%	32.67%	5.49%	10.30%
2008	-41.09%	-46.49%	-37.00%	18.13%
2009	21.63%	13.48%	26.46%	-5.91%
2010	12.14%	9.03%	15.06%	9.82%

## 3 Year Correlations

Index	Enhanced	S&P GSCI	S&P 500	7-10 Yr T-Bond
Enhanced	1.0000	0.9907	0.6189	-0.2837
S&P GSCI	0.9907	1.0000	0.6145	-0.2999
S&P 500	0.6189	0.6145	1.0000	-0.1794
7-10 Yr T-Bond	-0.2837	-0.2999	-0.1794	1.0000

## 5 Year Correlations

Index	Enhanced	S&P GSCI	S&P 500	7-10 Yr T-Bond
Enhanced	1.0000	0.9877	0.5321	-0.2528
S&P GSCI	0.9877	1.0000	0.5219	-0.2611
S&P 500	0.5321	0.5219	1.0000	-0.2013
7-10 Yr T-Bond	-0.2528	-0.2611	-0.2013	1.0000

## Tickers

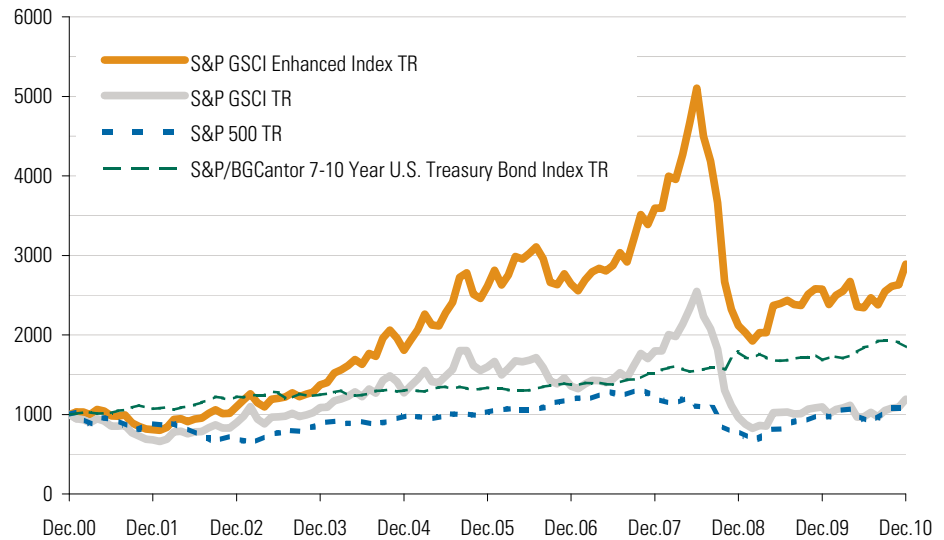
	BLOOMBERG <sup>SM</sup>	Reuters
S&P GSCI Enhanced Index		
Spot Return	SPGCES	.SPGCES
Excess Return	SPGCESP	.SPGCESP
Total Return	SPGCESTR	.SPGCESTR

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 Enhanced Index was launched on September 22, 2009 and all data presented prior to that date reflect hypothetical historical performance. The S&P/BGCantor 7-10 Year U.S. Treasury Bond Index was launched on March 24, 2010 and all data presented prior to that date reflect hypothetical historical performance. Please see the Performance Disclosure for more information on indices and the inherent limitations associated with back-tested index performance.

## S&P GSCI

### S&P GSCI Enhanced Index

## 10 Year Historical Performance



## Components Dollar Weights

Commodities	Dollar Weights
<b>Energy</b>	
Crude Oil	34.8%
Brent Crude	14.0%
Unleaded Gasoline	4.2%
Heating Oil	4.6%
GasOil	5.4%
Natural Gas	3.8%
	66.7%

## Industrial Metals

Aluminum	2.4%
Copper	3.9%
Lead	0.5%
Nickel	0.8%
Zinc	0.6%
	8.2%

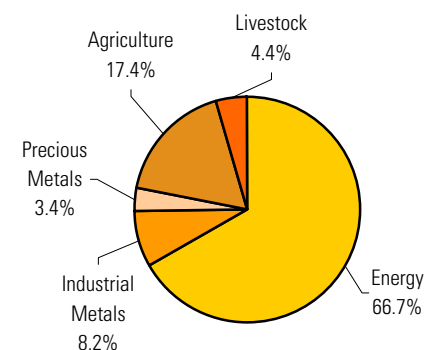
## Precious Metals

Gold	2.9%
Silver	0.5%
	3.4%

Commodities	Dollar Weights
<b>Agriculture</b>	
Wheat	4.0%
Kansas Wheat	0.8%
Corn	4.3%
Soybeans	2.6%
Cotton	1.8%
Sugar	2.7%
Coffee	1.0%
Cocoa	0.3%
	17.4%

## Livestock

Feeder Cattle	0.4%
Live Cattle	2.6%
Lean Hogs	1.4%
	4.4%



## **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 Enhanced Index was September 22, 2009 at the market close. The inception date for the S&P/BGCantor 7-10 Year U.S. Treasury Bond Index was March 24, 2010 at the market close. The indices were 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 indices were 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 Enhanced Index and the S&P/BGCantor 7-10 Year U.S. Treasury Bond 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 these indices, available at [www.standardandpoors.com](http://www.standardandpoors.com) for more details about the indices, including the manner in which it is rebalanced, and the timing of such rebalancing, criteria for additions and deletions and index calculation. The indices are 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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