

The S&P Systematic Global Macro Index (S&P SGMI) is designed to represent the global macro and managed futures/Commodity Trading Advisor (CTA) universe. The index uses a quantitative methodology to track the price trends of a globally diversified portfolio of over 30 commodity, foreign exchange and financial futures contracts.

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Each constituent may be in a long, short, or no investment position depending on a signal generated by a regression of its historical prices. An even risk capital allocation weighting scheme is applied across the index by sector and again to each constituent within each sector so that no single sector or constituent drives the volatility of the index.

### Sectors

The six most widely held sectors in the futures universe — Commodities, Energy, Fixed Income, Foreign Exchange, Short Term Interest Rates and Equity Indices — are included in the S&P SGMI. Each sector includes the following subsectors (number of constituents indicated in parentheses):

- **Commodities [10]:** Grains [3], Livestock & Softs [4], Metals [3]
- **Energy [6]:** No subsectors
- **Fixed Income [6]:** Asia [1], Europe [2], U.S. [3]
- **Foreign Exchange [6]:** No subsectors
- **Short Term Interest Rates [3]:** Asia [1], Europe [1], U.S. [1]
- **Equity Indices [6]:** Asia [2], Europe [2], U.S. [2]

### Constituents

The S&P SGMI currently includes 37 constituents (futures contracts), which are grouped into six sectors (shown above). The constituents are selected from the universe of all futures contracts and are updated every two years. The constituents with the highest total dollar value traded in each designated subsector are selected. The total dollar value traded minimum for individual constituents is US\$ 5 billion annually.

### Position Direction

The S&P SGMI may be long, short, or have no position in each constituent each month based on the direction of the constituent's trend. The trend is determined by the slope of a regression of historical returns through time. A test is applied to establish the relevant time frame of the trend for each constituent by comparing the variance of the daily returns to the variance of the residuals from an Ordinary Least Squares (OLS) regression of cumulative daily returns on time.

### Weighting Scheme

On a monthly basis, each sector in the S&P SGMI is given an even risk capital allocation, and each constituent is allocated the same risk capital within its sector. This weighting scheme is designed to ensure that no single sector or constituent drives the volatility of the index. Furthermore, leverage may be applied within constraints to adjust the risk so that it reflects the overall risk in the global macro space.

### Rebalancing and Roll

The sectors and constituents within the S&P SGMI are rebalanced monthly. The roll is performed on the second through sixth S&P SGMI Business Days of each month; 20% of the old position is exited each S&P SGMI Business Day.

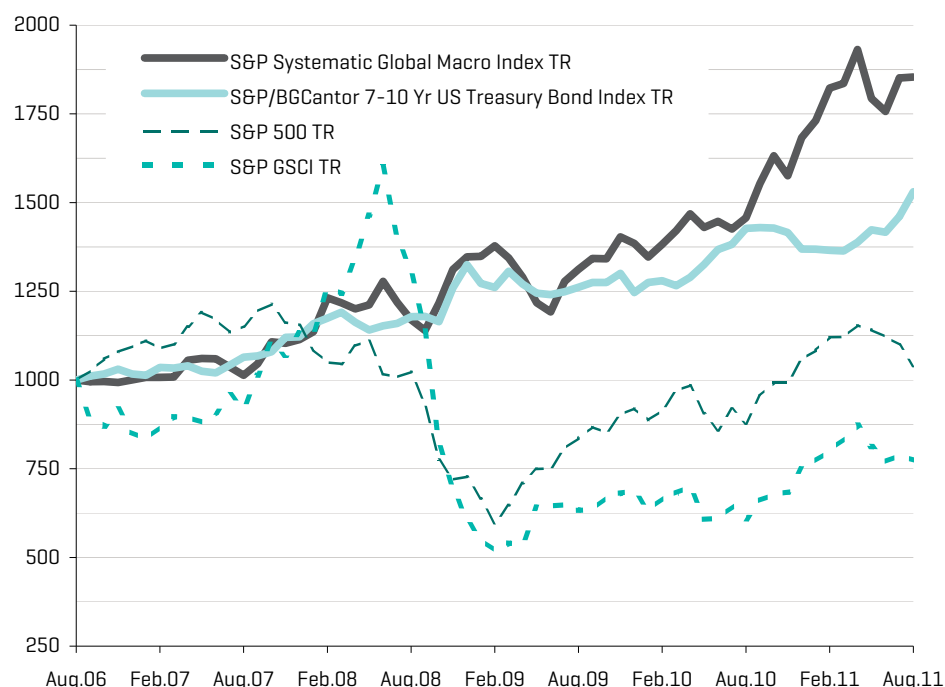
For more information, please visit our Web site, [www.indices.standardandpoors.com](http://www.indices.standardandpoors.com).

# S&P SYSTEMATIC GLOBAL MACRO INDEX August 31, 2011

## Sector Breakdown

		Exposure		
		Nominal	Gross	
		Long [+], Short [-], Flat [0]		
<b>Commodities</b>				
Grains	Soybeans	4.8%	1.6%	+
	Corn	2.0%	0.7%	+
	Wheat	1.6%	0.5%	-
Livesto	Sugar	1.9%	0.6%	+
	Live Cattle	4.0%	1.3%	+
	Coffee	2.7%	0.9%	+
	Cotton	1.4%	0.5%	-
Metals	Copper	3.2%	1.0%	+
	Gold	6.3%	2.1%	+
	Silver	1.7%	0.5%	+
<b>Energy</b>				
	Natural Gas	3.0%	1.0%	-
	Heating Oil	3.4%	1.1%	+
	Gasoil	4.2%	1.4%	+
	Crude Oil	2.7%	0.9%	+
	Brent Crude	3.1%	1.0%	+
	Unleaded Gas	2.9%	0.9%	+
<b>Fixed Income</b>				
Asia	JGB	49.3%	16.1%	+
Europe	Bund	16.2%	5.3%	+
	BOBL	23.9%	7.8%	+
U.S.	10 Yr Note	19.3%	6.3%	+
	Five Yr Note	28.1%	9.2%	+
	Treasury Bond	12.8%	4.2%	+
<b>Foreign Exchange</b>				
	Euro	8.8%	2.9%	+
	Japanese Yen	16.7%	5.5%	+
	British Pound	13.6%	4.5%	+
	Australian Dollar	9.7%	3.2%	+
	Canadian Dollar	12.4%	4.1%	+
	Swiss Franc	10.8%	3.5%	+
<b>Short Term Interest Rates</b>				
Asia	EuroDollar	0.0%	0.0%	0
Europe	3 Month Euribor	0.0%	0.0%	0
U.S.	3 Month Euroyen	0.0%	0.0%	0
<b>Stock Indices</b>				
Asia	KOSPI 200	4.9%	1.6%	+
	Nikkei 225	6.9%	2.3%	+
Europe	Euro STOXX 50	4.8%	1.6%	+
	DAX Index	5.5%	1.8%	+
U.S.	NASDAQ 100	6.2%	2.0%	+
	S&P 500	6.8%	2.2%	+
<b>Total</b>		<b>305.7%</b>	<b>100%</b>	

## 5 Year Historical Performance



## Index Performance & Tickers

	S&P Systematic Global Macro Index (TR)	S&P/BGCantor 7-10 Year U.S. Treasury Bond Index (TR)	S&P 500 (TR)	S&P GSCI (TR)
<b>Returns</b>				
1 Month	0.15%	4.76%	-5.43%	-1.84%
3 Month	3.37%	7.54%	-8.90%	-4.79%
YTD	10.17%	11.81%	-1.77%	3.27%
<b>Annualized Returns</b>				
1 Year	27.24%	7.24%	18.50%	27.06%
3 Years	16.60%	9.11%	0.54%	-15.99%
5 Years	13.14%	8.89%	0.78%	-5.01%
<b>Annualized Risk</b>				
3 Years Std Dev	13.45%	8.95%	21.50%	29.46%
5 Years Std Dev	12.34%	7.65%	18.07%	27.33%
<b>Yearly Returns</b>				
2008	20.90%	18.13%	-37.00%	-46.49%
2009	2.81%	-5.91%	26.46%	13.48%
2010	21.52%	9.82%	15.06%	9.03%
<b>5 Years Correlation</b>				
S&P SGMI TR	1.0000	0.1252	-0.0193	0.1230
S&P/BGCantor 7-10 Yr US Treasury Bc		1.0000	-0.2347	-0.2429
S&P 500 TR			1.0000	0.5396
S&P GSCI TR				1.0000
<b>Tickers</b>				
S&P Systematic Global Macro Index	Excess Return	BLOOMBERG <sup>SM</sup> SPSGMIP		Reuters .SPSGMIP
	Total Return	SPSGMITR		.SPSGMITR

Source: Standard & Poor's. Data as of August 31, 2011. Charts and graphs are provided for illustrative purposes. These charts and graphs may reflect hypothetical historical performance. Please see the Performance Disclosure for more information regarding the inherent limitations associated with back-tested performance.

## **Performance Disclosure**

The inception date of the S&P Systematic Global Macro Index was July 21, 2011, at the market close. All information presented prior to the index inception date is 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).

Past performance is not an indication of future results. Prospective application of the methodology used to construct the S&P Systematic Global Macro 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 index. 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, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. It is not possible to invest directly in an Index.

Also, another limitation of hypothetical information is that generally the index is prepared with the benefit of hindsight. Back-tested data reflect the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities [or fixed income, or commodities] markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.

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