

# S&P Custom Index & Calculation Service



## S&P CUSTOM CLIENTS

Asset Managers  
Exchange Traded Funds  
Pension Plans  
Structured Products  
Index Funds  
Exchanges  
Investment Banks

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S&P Indices recognizes that no single index meets the needs of all investors. A custom index calculated by Standard & Poor's enables our clients to refine either existing S&P indices to reflect tailored measurements of market performance; or to create a unique index as the basis for a new derivative investment product.

### WHY CREATE CUSTOM INDICES?

- *Product Creation.* Custom indices serve as the basis for multiple types of investment products: structured products, over-the-counter (OTC) options and notes, mutual funds and ETFs.
- *Improve Measurement of Investment Performance.* Custom indices have the ability to isolate key variables that affect actual total return, allowing investors to create an index that measures true performance rather than indicative performance. Custom indices can also be used to reduce tracking errors.

### WHY USE A CUSTOM INDEX PROVIDER?

- A third-party calculator provides independence and objectivity in index development and maintenance.
- Third-party calculation also outsources risk, reducing the potential for regulatory issues.
- Large scale outsourcing provides investors with cost benefits associated with economies of scale.

### WHY CHOOSE S&P CUSTOM INDEX & CALCULATION SERVICE?

- *Our Core Business.* We are a global leader in creating and maintaining investment benchmarks that are reliable, authoritative and transparent.
- *Our Team.* A dedicated team of experienced S&P index analysts provide local, regional and global support.
- *Quick-to-Market Responsiveness.* Our experience and resources enable us to fast-track custom index development when bringing new ETFs and structured products to market.
- *Breadth and Depth of Coverage.* S&P draws from an extensive global database of over 22,000 stocks in 81 countries.
- *Multiple Asset Classes.* Custom indices are available across equity, commodity and fixed income universes.
- *S&P Indices Brand.* The "Calculated by S&P Custom Indices" Mark is a powerful communications tool which allows clients to demonstrate calculation and verification by S&P.

#### YOUR Proprietary Index

- Your Idea: "Indexize" an investment strategy
- Your IP: Full ownership of license rights
- Your Brand + "Calculated by S&P Custom Indices"

and/or

#### "Slice & Dice" of a S&P Index

- S&P Index serves as the basis
- S&P Intellectual Property (IP)
- S&P Brand

**CUSTOM INDEX & CALCULATION  
SERVICE OFFERING**

Equity Indices  
Commodity Indices  
Fixed Income Indices  
Multi-Asset Indices  
Fund Indices  
Currency Indices  
Sector Indices  
Geographic Indices  
Shariah  
Size  
Algorithm  
Style

Real-Time  
End-of-Day

Currency Hedge  
Capping  
Multiple Currencies  
Withholding tax rate

Market Capitalization Weighted  
Fundamentally Weighted  
Equal Weighted  
Modified Weighted

Price Level  
Total Return  
Net Total Return

**CUSTOM INDICES ACROSS MULTIPLE ASSET CLASSES**

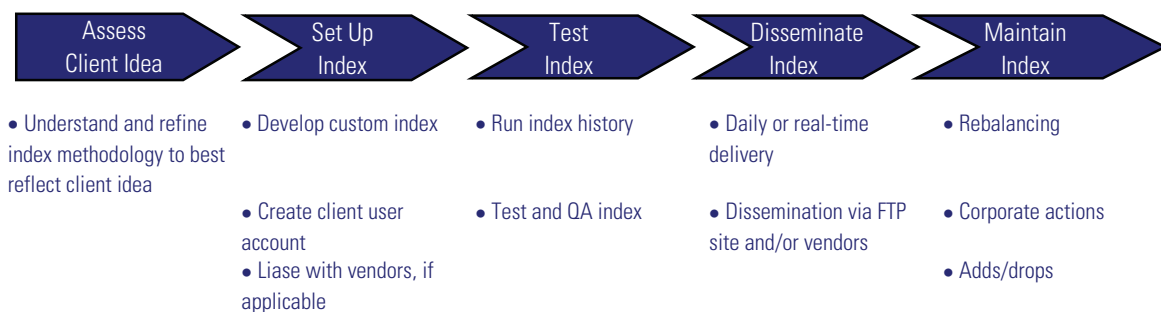
Standard & Poor's has the ability to calculate real-time and end-of-day custom indices over a number of asset classes, as well as multi-asset class indices.

TYPES OF S&P CUSTOM INDICES		
EQUITIES	COMMODITIES	FIXED INCOME
U.S. Equities Global Equities Strategy REIT	S&P GSCI S&P DTI S&P CTI S&P FTI	Money Markets Leveraged Loan U.S. Municipal CDS Global Preferred

**EXAMPLES OF CUSTOMIZATION CAPABILITIES**

- *Equities.* By sector, geography, alternative weight, net return, hedging.
- *Commodities.* By sector, alternative weight, roll period.
- *Fixed Income.* By asset class, structure, deal size, rating.

**END TO END PROCESS**



**LEVERAGING THE S&P BRAND**



The "Calculated by" Standard & Poor's Mark is a powerful communications tool which allows clients to leverage the fact that their index returns are calculated and verified by Standard & Poor's an independent, third party whose core-competency is index calculation and maintenance. This "mark" is made available to all clients who rely on Standard & Poor's Custom Index Group to calculate and distribute their proprietary benchmark to measure the performance of an unique investment strategy.

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