

STANDARD
& POOR'S

S&P GLOBAL CLEAN ENERGY INDEX

INDEX METHODOLOGY

November 2008

Table of Contents

Introduction	3
Highlights	3
Index Family	3
Eligibility Criteria	5
Index Eligibility	5
Eligibility Factors	6
Index Construction	7
Approaches	7
Constituent Weightings	7
Index Calculations	8
Index Maintenance	9
Rebalancing	9
Corporate Actions	9
Base Date	9
Index Data	10
Total Return and Net Return Indices	10
Index Governance	11
Index Committee	11
Index Policy	12
Announcements	12
Holiday Schedule	12
Unscheduled Market Closures	12
Index Dissemination	13
Tickers	13
S&P Contact Information	14
Index Management	14

Product Management	14
Media Relations	14
Index Operations & Business Development	14
<u>Disclaimer</u>	<u>15</u>

Introduction

The S&P Global Clean Energy Index is comprised of 30 of the largest publicly traded companies in clean energy related businesses that meet specific investability requirements. The index is designed to provide liquid exposure to the leading publicly listed companies in the global clean energy business, from both developed markets and emerging markets.

Highlights

The S&P Global Clean Energy Index includes 30 of the largest publicly traded stocks from companies involved in clean energy, from around the world. To ensure investability, a developed market listing, a minimum market capitalization, and a liquidity requirement have been set.

The index is comprised of a diversified mix of Clean Energy Production and Clean Energy Equipment and Technology companies.

Constituent weights are driven by size, with no single stock having a weight of more than 5% in the index at each rebalancing.

Index Family

The S&P Global Clean Energy Index belongs to the S&P Global Thematic index series. This series offers liquid exposure to emerging investment themes. Other indices in this series are the S&P Emerging Markets Infrastructure Index, the S&P Global Alternative Energy Index, the S&P Global Eco Index, the S&P Global Infrastructure Index, the S&P Global Nuclear Energy Index, the S&P Global Timber & Forestry Index, and the S&P Global Water Index.

S&P Emerging Markets Infrastructure Index. The S&P Emerging Markets Infrastructure Index is comprised of 30 of the largest publicly listed emerging markets infrastructure companies that meet specific investability requirements. The index is designed to provide liquid exposure to the leading publicly listed emerging market companies in the infrastructure industry.

S&P Global Alternative Energy Index. Designed to measure investable opportunities in the complete alternative energy space, the S&P Global Alternative Energy Index is the combination of the S&P Global Clean Energy Index and the S&P Global Nuclear Index, defined below.

S&P Global Eco Index. The S&P Global Eco Index is comprised of 40 of the largest publicly listed companies in ecology-related industries.

S&P Global Infrastructure Index. The S&P Global Infrastructure Index is comprised of 75 of the largest publicly listed infrastructure companies that meet specific investability requirements. The index is designed to provide liquid exposure to the leading publicly listed companies in the global infrastructure industry, from both developed markets and emerging markets.

S&P Global Nuclear Energy Index. The S&P Global Nuclear Energy Index is comprised of 20 of the largest publicly traded companies in nuclear energy related businesses that meet investability requirements. The index is designed to provide liquid exposure to the leading publicly listed companies in the global nuclear energy business from both developed markets and emerging markets.

S&P Global Timber & Forestry Index. The S&P Global Timber & Forestry Index is comprised of 25 of the largest publicly traded companies engaged in the ownership, management or the upstream supply chain of forests and timberlands.

S&P Global Water Index. The S&P Global Water Index is comprised of 50 of the largest publicly traded companies in water-related businesses that meet specific investability requirements. The index is designed to provide liquid exposure to the leading publicly listed companies in the global water industry, from both developed markets and emerging markets.

For more information on any of these indices, please refer to their methodology documents.

Eligibility Criteria

Index Eligibility

The universe, from which the S&P Clean Energy Index is drawn, is all publicly listed companies in Standard & Poor's CapitalIQ (CIQ) database with specific terms related to clean energy in their business description. Companies are identified as being in the clean energy business based on their membership in either of two clusters, Clean Energy Producers and Clean Energy Technology & Equipment Providers, as follows:

Clean Energy Producers	Clean Energy Technology & Equipment Providers
Biofuel & Biomass Energy Production	Biomass & Biofuel Technology & Equipment
Ethanol & Fuel Alcohol Production	Fuel Cells Technology & Equipment
GeoThermal Energy Production	Hydro-Electric Turbines & Other Equipment
Hydro Electricity Production	Photo Voltaic Cells & Equipment
Solar Energy Production	Wind Turbines & Other Wind Energy Equipment
Wind Energy Production	

Universe constituents are then reviewed to get further details on exposure to the clean energy clusters and are classified as follows:

Set Name	Description	Exposure Score
Primary	Primary business is clean energy	1
Secondary	Multi-Industry with significant clean energy exposure	0.5
Eliminated	Marginal clean energy exposure	0

Companies with an exposure score of 1 or 0.5 become the universe for the S&P Global Clean Energy Index.

Eligibility Factors

The universe is, then, narrowed down to an investable set of stocks based on the following criteria:

Market Capitalization. Stocks must have a total market capitalization above the Market Capitalization Threshold as of each rebalancing reference date. The Market Capitalization Threshold is currently US\$ 300 million.

Liquidity. Stocks must have three-month average daily trading value above a Liquidity Threshold as of each rebalancing reference date. The Liquidity Threshold is currently US\$ 3 million.

Listing Venues. The stock must be trading on a developed market exchange. Emerging market stocks are considered only if they have a developed market listing.

Stocks passing these criteria form the Investable Universe.

The reference dates for the eligibility screens above are the third Friday of March and September of each year. The Market Capitalization Threshold and Liquidity Threshold are subject to change on an annual basis according to market conditions.

Index Construction

Approaches

The methodology employs a modified market capitalization-weighting scheme, using the divisor methodology used in most Standard & Poor's equity indices.

There are two steps in the creation of the Index. The first is the selection of the 30 companies; the second is the weighting of the index constituents. The selection of index constituents is done as follows:

1. The 30 largest companies with Exposure Scores of 1 from the Investable Universe are chosen.
2. In the event of fewer than 30 qualifying stocks with an exposure score of 1, the largest companies from within the Investable Universe with an Exposure Score of 0.5 are added until the count reaches 30.

Constituent Weightings

1. Every stock is given an initial Index Capitalization (IC) equal to its exposure score times its float-adjusted market cap. A Maximum Weight (MW) is set to 5% for all stocks. The weight of the i^{th} stock in the index is defined as follows:

$$\text{Weight of Stock}_i = \frac{IC_i}{\sum_{i=1}^{30} (IC)_i}$$

2. The IC for each stock is, then, modified as follows:

If $\text{Weight of Stock}_i > MW$

then $IC_i = IC_{i, \text{previous}} - (5\% * IC_{i, \text{previous}})$

else $IC_i = IC_{i, \text{previous}}$

3. If every $\text{Weight of Stock}_i < MW$, then the process is complete and the weights derived in Step 2 are used. If not, Steps 1 and 2 are repeated until all stocks meet the maximum weight requirements.

The MW parameter is the maximum weight of each stock at the rebalancing. This parameter can be changed depending upon market circumstances at rebalancing. Steps 1 through 3 modify the market cap-weighting scheme in a looped manner until the MW constraints are satisfied for all index constituents.

Index Calculations

The index is calculated by means of the divisor methodology used in all Standard & Poor's equity indices. The index value is simply the index market value divided by the index divisor:

$$\text{Index Value} = \frac{\text{Index Market Value}}{\text{Index Divisor}} \quad (1)$$

For more information on the Index calculation methodology, please refer to the Modified Market Capitalization Weighted Indices section of Standard & Poor's Index Mathematics Methodology.

In order to maintain basket series continuity, it is also necessary to adjust the divisor at the rebalancing.

$$(\text{Index Value})_{\text{before rebalancing}} = (\text{Index Value})_{\text{after rebalancing}} \quad (2)$$

Therefore,

$$(\text{Divisor})_{\text{after rebalancing}} = \frac{(\text{Index Market Value})_{\text{after rebalancing}}}{(\text{Index Value})_{\text{before rebalancing}}} \quad (3)$$

Index Maintenance

Rebalancing

Frequency. Index rebalancings occur after the closing on the third Friday of April and October of each year. The rebalancing reference dates are the third Friday of March and September, respectively. No companies are added to the index between rebalancings.

Corporate Actions

Corporate Action	Adjustment made to index	Divisor adjustment?
Spin-off	No weight change. The price is adjusted to Price of the Parent Company minus (Price of the Spun-off company/Share Exchange Ratio). Index Shares change so that the company's weight remains the same as its weight before the spin-off.	No
Rights Offering	The price is adjusted to the Price of Parent Company minus (Price of the Rights Offering/Rights Ratio). Index Shares change so that the company's weight remains the same as its weight before the rights offering.	No
Stock Split	Index Shares are multiplied by and the price is divided by the split factor.	No
Share Issuance or Share Repurchase	None. Actual shares outstanding of the company play no role in the daily index calculation.	No
Special Dividends	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes
Delisting, acquisition or any other corporate action resulting in the deletion of the stock.	Stock is dropped from the Index. No intra-year replacements are made.	Yes

Base Date

The index base date is November 21st, 2003. The base value, for both the price return and total return series, is 1000. Daily returns are available from November 21st, 2003.

Index Data

Total Return and Net Return Indices

The index has a total return counterpart, which assumes dividends are reinvested in the index after the close on the ex-date. On any given date t :

$$\text{Total Return Multiplier}_t = \frac{[\text{Index Value}_t + \text{Index Dividend Points}_t]}{\text{Index Value}_{t-1}} \quad (4)$$

$$\text{Total Return Index Value}_t = (\text{Total Return Index Value}_{t-1}) * (\text{Total Return Multiplier}_t) \quad (5)$$

$$\text{Index Dividend Points}_t = \sum_{i=1}^N (\text{Index Shares})_{i,t} * (\text{Ex-dividends})_{i,t} / \text{Divisor}_t \quad (6)$$

There is also a net return index series, which adds dividends after adjustments for withholding taxes based on a Luxembourg domicile. Effectively, the net return index adds index dividend points, as in Equation 8, except that the Ex-dividends term is multiplied by (100% - withholding tax rate).

Index Governance

Index Committee

An Index Committee maintains the S&P Global Thematic index series. The Index Committee meets regularly. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the indices to the market, companies that are being considered as candidates for addition to an index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

Standard & Poor's considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

Index Policy

Announcements

Announcements of additions and deletions are made at 05:15 PM U.S. Eastern Time via the Web site at www.indices.standardandpoors.com. Rebalancing announcements are made 4 to 7 business days prior to the rebalancing date.

Holiday Schedule

The S&P Global Clean Energy Index is calculated daily on all business days of the year, with no exceptions.

A complete holiday schedule for the year is available on Standard & Poor's Web site at www.indices.standardandpoors.com.

Unscheduled Market Closures

In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, Standard & Poor's will calculate the closing price of the indices based on (1) the closing prices published by the exchange, or (2) if no closing price is available, the last regular trade reported for each stock before the exchange closed. In all cases, the prices will be from the primary exchange for each stock in the index. If an exchange fails to open due to unforeseen circumstances, the index will use the prior day's closing prices. If all exchanges fail to open, Standard & Poor's may determine not to publish the index for that day.

Index Dissemination

Complete data for index replication (including share counts, tickers and data on index levels and returns) are available through Standard & Poor's index data group for subscription via FTP.

Tickers

	Bloomberg	Reuters
S&P Global Clean Energy Index - Price Return (U.S. dollars)	SPGTCLEN	.SPGTCLEN
S&P Global Clean Energy Index - Total Return (U.S. dollars)	SPGTCLTR	.SPGTCLTR
S&P Global Clean Energy Index - Price Return (Euros)	SPGTCLEE	.SPGTCLEE
S&P Global Clean Energy Index - Total Return (Euros)	SPGTCTRE	.SPGTCTRE
S&P Global Alternative Energy Index - Price Return (U.S. dollars)	SPGTAE	.SPGTAE
S&P Global Alternative Energy Index - Total Return (U.S. dollars)	SPGTAET	.SPGTAET
S&P Global Alternative Energy Index - Price Return (Euros)	SPGTAEE	.SPGTAEE
S&P Global Alternative Energy Index - Total Return (Euros)	SPGTAETE	.SPGTAETE

S&P Contact Information

Index Management

David M. Blitzer, Ph.D. – Managing Director & Chairman of the Index Committee	
david_blitzer@standardandpoors.com	+1.212.438.3907
A. Silvia Kitchener – Director, Index Benchmarks	
silvia_kitchener@standardandpoors.com	+1.212.438.3532

Product Management

Tim Eisenhauer – Senior Director, Strategy & Custom Indices	
tim_eisenhauer@standardandpoors.com	+1.212.438.7575

Media Relations

David Guarino – Communications	
dave_guarino@standardandpoors.com	+1.212.438.1471

Index Operations & Business Development

North America

New York

David Kao	+1.212.438.3354
-----------	-----------------

Toronto

Jasmit Bhandal	+1.416.507.3203
----------------	-----------------

Europe

London

Susan Fagg	+44.20.7176.8888
------------	------------------

Asia

Tokyo

Seiichiro Uchi	+813.4550.8568
----------------	----------------

Beijing

Andrew Webb	+86.10.6569.2919
-------------	------------------

Sydney

Guy Maguire	+61.2.9255.9822
-------------	-----------------

Disclaimer

The report is published by Standard & Poor's, 55 Water Street, New York, NY 10041. Copyright © 2008. Standard & Poor's is a division of The McGraw-Hill Companies, Inc. All rights reserved. Standard & Poor's does not undertake to advise you of changes in the information contained in this report.

These materials have been prepared solely for informational purposes based upon information generally available to the public from sources believed to be reliable. Standard & Poor's makes no representation with respect to the accuracy or completeness of these materials, the content of which may change without notice. The methodology involves rebalancings and maintenance of the indices that are made periodically during each year and may not, therefore, reflect real time information. Standard & Poor's disclaims any and all liability relating to these materials and makes no express or implied representations or warranties concerning the accuracy or completeness of the report.

No portion of this publication may be reproduced in any format or by any means including electronically or mechanically, by photocopying, recording or by any information storage or retrieval system, or by any other form or manner whatsoever, without the prior written consent of Standard & Poor's.

Analytic services and products provided by Standard & Poor's are the result of separate activities designed to preserve the independence and objectivity of each analytic process. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during each analytic process.