

STANDARD
& POOR'S

S&P GLOBAL INFRASTRUCTURE INDEX

INDEX METHODOLOGY

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Table of Contents

Introduction	3
Highlights	3
Index Family	3
Eligibility Criteria	5
Index Eligibility	5
Eligibility Factors	5
Index Construction	7
Approaches	7
Constituent Weightings	7
Index Calculations	8
Index Maintenance	10
Rebalancing	10
Corporate Actions	10
Index Actions	11
Base Date	11
Index Data	12
Total Return and Net Return Indices	12
Index Governance	13
Index Committee	13
Index Policy	14
Announcements	14
Holiday Schedule	14
Unscheduled Market Closures	14
Index Dissemination	15
Tickers	15

S&P Contact Information	16
Index Management	16
Media Relations	16
Index Operations & Business Development	16
Disclaimer	17

Introduction

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.

Highlights

The S&P Global Infrastructure Index includes 75 large, liquid infrastructure stocks from around the world. Up to one-fifth of the constituents are emerging market stocks with a liquid, developed market listing (NYSE ADRs, LSE GDRs or Hong Kong listings of Chinese stocks).

Index constituents must meet minimum size and liquidity requirements to ensure investability and tradability.

To ensure diversified exposure across different infrastructure clusters, the 75 constituents are distributed at each rebalancing as follows:

Cluster	Count	Weight
Energy	15	20%
Transportation	30	40%
Utilities	30	40%

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

Index Family

The S&P Global Infrastructure Index belongs to the S&P Global Thematic Indices. 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 Clean Energy Index, S&P Global Eco 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, both defined below.

S&P Global Clean Energy Index. 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.

S&P Global Eco Index. The S&P Global Eco Index is comprised of 30 of the largest publicly listed companies in ecology-related industries.

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 principal universe from which the S&P Global Infrastructure Index is drawn is the S&P/Citigroup Global Broad Market Index (BMI). The BMI comprises all investable, index eligible countries in the world that meet minimum size and liquidity requirements, currently there are approximately 11,000 index members representing 27 Developed and 26 Emerging Market countries.

The infrastructure clusters are chosen based on the Global Industry Classification Standard (GICS[®]), as follows:

GICS	Description	Infrastructure Cluster
10102040	Oil & Gas Storage & Transportation	Energy
20305010	Airport Services	Transportation
20305020	Highways & Railtracks	
20305030	Marine Ports & Services	
55101010	Electric Utilities	Utilities
55102010	Gas Utilities	
55103010	Multi Utilities	
55104010	Water Utilities	
55105010	Independent Power Producers & Energy Traders (*)	

(*) Only companies considered as Independent Power Producers are eligible. It excludes Gas & Power Marketing & Trading Specialists and/or integrated Energy Merchants.

Companies belonging to the above GICS sub-industries become the universe for the S&P Global Infrastructure 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 a Market Capitalization Threshold as of each rebalancing reference date. The Market Capitalization Threshold is currently US\$ 100 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\$ 1 million for developed markets and US\$ 500,000 for emerging markets, as of the reference date of each year.

Domicile. The stocks' domicile must be a developed market country or an emerging market country with a liquid developed market listing.

Stocks passing these criteria form the Investable Universe.

The reference dates for the eligibility screens above are the last trading dates of February and August 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 75 companies; the second is the weighting of the index constituents. The selection of index constituents is done as follows:

1. All stocks in the Investable Universe are classified as being in one of the three clusters: Energy, Transportation or Utilities
2. 15 emerging market stocks are chosen first, based on the highest float-adjusted market capitalization of the parent company, with no more than 10 chosen for any one cluster.
3. The 60 largest developed market stocks, based on float-adjusted market capitalization, are then chosen to complete the index. The developed market stocks are chosen such that there total 30 transportation, 30 utilities and 15 energy infrastructure companies in the index.

In the event of fewer than 75 qualifying stocks that meet the distribution criteria above, the largest companies from the Investable Universe, not already in the index, are added until the count reaches 75.

Constituent Weightings

At each rebalancing, the weight for each index constituent is set in the following manner:

1. Every stock is given an initial Adjustment Factor (*AF*) of 1. A Maximum Weight (*MW*) in the index is set to 5%. The weight of a stock in the index is defined as follows:

$$W_i = \text{Cluster Weight} * \text{Weight in Cluster}$$

where,

Cluster	Count	Weight
Energy	15	20%
Transportation	30	40%
Utilities	30	40%

$$\text{Weight in Cluster} = \frac{AF_i * \text{Market Cap}_i}{\sum_{i=1}^N (\text{Market Cap}_i * (AF)_i)}$$

$N =$ Count of stocks in the respective cluster

- The weight for each stock in the index is calculated as follows:

$$W_i = \frac{AF_i * \text{Market Cap}_i}{\sum_{i=1}^N (\text{Market Cap}_i * (AF)_i)} * \text{ClusterWeight}$$

- The adjustment factor for each stock is modified as follows:

If $W_i \geq MW$

then $AF_i = AF_{i, \text{previous}} - (10\% * AF_{i, \text{previous}})$

else $AF_i = AF_{i, \text{previous}}$

- If, for every stock $W_i < MW$, then the process is complete and the weights derived in Step 2 are used. If not, Steps 2, and 3 are repeated until all stocks meet the minimum weight requirement. (Note: No further adjustments are made for stocks where the AF has been reduced to 0.1)

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 4 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.

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

Therefore,

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

Index Maintenance

Rebalancing

Frequency. Index rebalancings occur after the closing of the last trading dates of March and September of each year. The rebalancing reference dates will be the last trading dates of previous February and August, 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 the 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 from the S&P Citigroup Global Broad Market Index	Stock is dropped from the Index. No intra-year replacements are made.	Yes

Index Actions

S&P/Citigroup Global BMI Action	Adjustment made to the index	Divisor adjustment?
Constituent change	If the constituent is a member of the index, it is dropped.	Yes
Share changes between quarterly share adjustments	None.	No
Periodic share or float factor changes	None.	No

Base Date

The index base date is November 16th, 2001. The base value, for both the price return and total return series, is 1000. Daily returns are available from November 16th, 2001.

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 6, 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 Infrastructure 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 Infrastructure Index – Price Return (U.S. dollars)	SPGTINFR	.SPGTINFR
S&P Global Infrastructure Index – Total Return (U.S. dollars)	SPGTINTR	.SPGTINTR
S&P Global Infrastructure Index – Price Return (Euros)	SPGTINFE	.SPGTINFE
S&P Global Infrastructure Index – Total Return (Euros)	SPGTITRE	.SPGTITRE
S&P Global Infrastructure Index – Net Total Return (U.S. dollars)	SPGTINNT	.SPGTINNT
S&P Global Infrastructure Index – Net Total Return (Euros)	SPGTINNE	.SPGTINNE

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