S&P Dow Jones Indices

A Division of S&P Global

S&P GSCI Enhanced Index
Methodology Supplement

April 2017

The S&P GSCI Enhanced Total Return Index (the Index) reflects the total return available through an unleveraged investment in specific commodity components of the S&P GSCI. The index is calculated on a basis similar to the S&P GSCI, but modified to apply certain dynamic, timing and seasonal rolling rules as discussed below.

The S&P GSCI Enhanced Index Methodology Supplement

This methodology supplement uses various terms from *the S&P GSCI Index Methodology*. Where not specifically noted otherwise in this document, the rules of the S&P GSCI Methodology will prevail. Where the terms in this document are also defined in the S&P GSCI Methodology, the definitions in this document prevail.

This methodology supplement was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology supplement. Any changes to or deviations from this methodology supplement are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

For information on:

- *Quality Assurance*
- *Internal Reviews of Methodology*
- *Calculations and Pricing Disruptions*
- *Error Corrections*
- *Expert Judgment*
- *Data Hierarchy*
- *Unexpected Exchange Closures*

Please refer to S&P Dow Jones Indices' Commodities Indices Policies & Practices document located on our Web site, www.spdji.com.

Value of the Index

On any given day, the value of the index is equal to the total dollar weight of the index divided by a normalizing constant, which assures the continuity of the index over time. The total dollar weight of the index is the total dollar weight of the underlying commodity components. The dollar weight of the underlying commodity component on any given day is equal to the product of:

- the daily contract reference price,
- the appropriate contract production weight (CPW) and,
- the appropriate "roll weights" needed during a roll period (discussed below).

On any given day, the daily contract reference price used in calculating the dollar weight of the commodity futures contract is the most recent daily contract reference price made available by the relevant trading facility. The daily contract reference price for the most recent prior day will be used if the trading facility is closed or otherwise fails to publish a daily contract reference price on that day. In addition, if the trading facility fails to make a daily contract reference price available or publishes a daily contract reference price that, in the reasonable judgment of S&P Dow Jones Indices reflects manifest error, the relevant calculation will be delayed until the price is made available or corrected. However, if the price is not made available or corrected by 4:00 PM ET, S&P Dow Jones Indices may determine the appropriate daily contract reference price for the applicable futures contract for purposes of the relevant calculation of the value of the index, if it deems such action to be appropriate under the circumstances.

Calculation of the Index

The value of the index on any S&P GSCI business day is equal to the product of (i) the value of the index on the immediately preceding S&P GSCI business day, (ii) one plus the sum of the contract daily return and the Treasury bill return on the hypothetical investment in the index on the S&P GSCI business day on which the calculation is made, and (iii) one plus the Treasury bill return on the hypothetical investment in the index for each non S&P GSCI business day since the immediately preceding S&P GSCI business day. We use the term S&P GSCI business day to mean each day on which S&P Dow Jones Indices offices in New York City are open for business. The value of the index has been normalized such that its hypothetical level on January 16, 1995 was 100.

Contract Daily Return

On any given day, the contract daily return is equal to the applicable daily contract reference price on the specific commodity component contract multiplied by the CPW and the appropriate "roll weight," divided by the total dollar weight of the contract on the preceding day, minus one.

The S&P GSCI Enhanced Total Return Index applies certain dynamic and seasonal rolling rules to specific commodity components of the S&P GSCI. Although the S&P GSCI Enhanced Total Return Index includes the same futures contracts as the S&P GSCI, the contract months will vary and the returns and values will differ from the S&P GSCI. The five day roll begins on the first business day of the month, and the closing futures prices on the third to last business day of the prior month are used to determine the dynamic roll check.

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

- For WTI crude oil, during the roll in the contract determination months of January through June, if the contango between the first and second contact month is more than 0.50%, the contracts will roll to the current year's December contracts. During the roll in the contract determination months of July through December, if the contango between the first and second contact month is more than 0.50%, the contracts will roll to the next year's December contracts.
- For Brent crude oil, during the roll in the contract determination months of January through June, if the contango between the second and third contract month is more than 0.50%, the contracts will roll to the current year's December contracts. During the roll in the contract determination months of July through December, if the contango between the second and third contract month is more than 0.50%, the contracts will roll to the next year's December contracts.
- Heating oil is rolled only to the December contract annually (during the November roll period).
- Natural gas is rolled only to the January contract annually (during the December roll period).
- Chicago Wheat is rolled only to the December contract annually (during the November roll period).
- Corn is rolled only to the July contract annually (during the May roll period).
- Lean Hogs are rolled only to the April and August contracts semi-annually (April during the July roll, and August during the March roll).
- Live Cattle is rolled only to the April and October contracts semi-annually (April during the September roll and October during the March roll).

The table below identifies the contracts included in the S&P GSCI Enhanced Total Return Index that have specifically different Designated Contract Expirations than the S&P GSCI.

Enhanced Contract Roll Schedule														
			Designated Contract Expirations at Month Begin[1]											
Trading Facility	Commodity (Contract)	Ticker	1	2	3	4	5	6	7	8	9	10	11	12
CBOT	Wheat (Chicago)	W	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z+1
CBOT	Corn	C	N	N	N	N	N	N+1	N+1	N+1	N+1	N+1	N+1	N+1
CME	Lean Hogs	LH	J	J	J	Q	Q	Q	Q	J	J	J	J	J
CME	Cattle (Live)	LC	J	J	J	V	V	V	V	V	V	J	J	J
NYM	Oil (#2 Heating)	HO	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z+1
ICE	Natural Gas	NG	F+1	F+1	F+1	F+1	F+1	F+1	F+1	F+1	F+1	F+1	F+1	F+1

(1) Future Months included in the Enhanced Strategy Index at the beginning of each calendar month.

Month Letter Codes			
Month	Letter Code	Month	Letter Code
January	F	July	N
February	G	August	Q
March	H	September	U
April	J	October	V
May	K	November	X
June	M	December	Z

Tickers

Index	Bloomberg	Reuters
S&P GSCI Enhanced Commodity Index	SPGSES	.SPGSES
S&P GSCI Enhanced Commodity Index ER	SPGSESP	.SPGSESP
S&P GSCI Enhanced Commodity Index TR	SPGSESTR	.SPGSESTR

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