S&P Indices Launches Multiple Contract Version of the S&P GSCI

S&P GSCI Multiple Contract Index Provides Exposure Along the Futures Curve to Reduce Negative Impact of Contango

London, January 26, 2012 – S&P Indices today extended the range of its widely followed family of commodity indices with the launch of the S&P GSCI Multiple Contract Index.

The new, long-only index provides more diverse exposure along the commodity market futures curve than the S&P GSCI, which is based on the front most liquid futures contracts only. Spreading exposure along the futures curve for each of the commodities included in the Index helps alleviate some of the negative impact of rolling into contango, a situation where the prices of further out futures contracts are above the front contracts. It also potentially reduces volatility risk while maintaining maximum liquidity.

Michael McGlone, Senior Director, Commodity Indexing at S&P Indices, said: “The S&P GSCI Multiple Contract Index is designed for those investors who want to reduce the negative effects of contango by gaining exposure to commodities futures contracts that are more dispersed along the futures curve. The index reflects increasing demand from the investment community for innovative additions to the S&P GSCI family of indices.”

The S&P GSCI Multiple Contract Index contains the same commodities as the S&P GSCI and is calculated on a similar basis. The difference, however, is that 55% of the components are based on the contract months included in the S&P GSCI - the front most liquid futures prices. A further 30% are based on the contract months in the S&P GSCI 1-Month Forward Index and the remaining 15% are based on the contract months in the S&P GSCI 2-Month Forward Index. All of the individual commodity contract production weights are the same as the S&P GSCI, but they are allocated by a fixed percentage weight along the futures curve beyond the front most liquid futures contract.

The S&P GSCI is widely recognized as a leading measure of commodity price movements and inflation in the world economy. It provides investors with a publicly available benchmark for investment performance in the commodity markets. The S&P GSCI index series comprises a vast array of sub and related indices to meet investors’ needs. These include modified weight indices such as light energy, capped and equal weight, and modified roll indices including forward, enhanced and dynamic roll. S&P Indices also offers other commodity index solutions such as covered call and international commodities.

For more information, please visit: www.spgsci.standardandpoors.com.
About S&P Indices

S&P Indices, a leading brand of the McGraw-Hill Companies (NYSE:MHP), maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Over $1.45 trillion is directly indexed to our indices, which includes the S&P 500, the world's most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry's most closely watched commodities index, and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit: www.standardandpoors.com/indices.

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