

# **S&P GSCI Capped Indices** *Methodology*

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# Introduction

## Index Objective

The S&P GSCI Capped Indices represent the S&P GSCI suite of indices that employ various capping rules. These capping rules are applied at the component or commodity level as well as equal weighted or specialized. Each method is outlined in the applicable sections below.

This methodology covers the capping rules and calculations for indices in the S&P GSCI family. Any changes to or deviations from this document are made in the sole judgment and discretion of S&P Dow Jones Indices so that the indices continue to achieve their stated objectives.

## Capping Determination & Implementation Dates

For the S&P GSCI and capped indices family (Standard, Forward, Dynamic Roll, and Equal Weight), the monthly determination date is the fourth business day of each month. The implementation will take place during the five-day roll period (5<sup>th</sup> to 9<sup>th</sup> business days) each month. For the S&P GSCI Enhanced Index family, the determination date is the last business day of each month. The implementation will take place during the five-day roll period at the beginning (1<sup>st</sup> to 5<sup>th</sup> business days) of the month.

## Different Varieties of Capped Indices

S&P Dow Jones Indices offers a variety of capped versions of their indices, where the indices are calculated according to various methodologies within the S&P GSCI family. The actual index calculations of the specific indices will not be covered in this document and will instead refer to the corresponding index methodology for reference. Capping variations include:

- Capped Component (headline & sector)
- Capped Commodity (headline & sector)
- Equal Weighted (headline & sector)
- Specialized Capping

*Inverse and leveraged versions of the indices may be available. For more information on the calculation of such indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology document.*

## Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Commodities Indices Policies & Practices Methodology	<a href="#">Commodities Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>

This methodology 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 document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

## List of Commodity Components

The following table lists the commodities and components:

Sector	Sub Sector	Commodity	Component
Energy		WTI Crude Oil	Petroleum
		Brent Crude Oil	
		Gas Oil	
		Heating Oil	
		Unleaded Gasoline	
		Natural Gas	
Agriculture	Grains & Oilseeds	Chicago Wheat	Wheat
		Kansas Wheat	
	Corn		
	Soybeans		
	Softs	Coffee	
		Sugar	
		Cocoa	
		Cotton	
Livestock		Live Cattle	Cattle
		Feeder Cattle	
		Lean Hogs	
Industrial Metals		Aluminum	
		Copper	
		Lead	
		Nickel	
		Zinc	
Precious Metals		Gold	
		Silver	

# Capped Component Indices

The methodology uses various terms and definitions from *the S&P GSCI Methodology*. Where not specifically noted otherwise in this document, the rules of the S&P GSCI will prevail.

The capping procedure follows two rules, in succession:

**Rule 1: Only one component can reach a maximum weight of 32%.** Any excess weight is distributed proportionately among the remaining components.

*Once Rule 1 is implemented,*

**Rule 2: No remaining component's weight can exceed 17%.** Any excess weight is distributed proportionately among the remaining components.

**Capping Excess Distribution.** Distributed proportionately among the remaining components

## Implementation

Any excess weight from a rule #1 violation is distributed proportionally among the remaining index components.

After rule #1 is implemented, if there are rule #2 violations then the violating components are adjusted, and the balance is distributed proportionately among the remaining index components.

The adjustment process takes place at the beginning of each month.

1. On the S&P GSCI business day before each monthly first roll date, the latest S&P GSCI commodity CPWs are multiplied by the commodity prices to determine the S&P GSCI commodity weights.
2. The commodities are separated into components and the components are sorted in descending order by their sector weights.
3. The largest component is capped at 32% if it exceeds 32% (historically the case for petroleum). The excess weight is distributed among the remaining index components.
4. Additional components are capped at 17% if any component exceeds 17%. The excess weight is distributed among the remaining index components. This process is repeated iteratively until all the capping rules are met.
5. The percentage weights of all commodities are converted to CPW-equivalents, based on the prices from the business day one day prior to the first roll date, using the initial S&P GSCI weights implied by those prices and the latest S&P GSCI CPWs. For example, the S&P GSCI CPWs are multiplied by the commodity prices from the last business day before the roll.
6. This capping adjustment process takes place every month and utilizes any CPW component changes to the base index, additions, subtractions, substitutions, etc. in order to maintain continuity and proportion with the base S&P GSCI.

## Capping Formulas

At each rebalancing, CPWs are calculated as follows:

$$CPW_{capped, i} = CPW_{GSCI, i} * TargetWeight_j / GSCIWeight_j$$

where:

$CPW_{capped, i}$  = CPW for commodity  $i$  in the S&P GSCI Capped Component as of the upcoming rebalancing.

$CPW_{GSCI, i}$  = CPW for commodity  $i$  in the S&P GSCI as of the upcoming rebalancing.

$GSCIWeight_j$  = Weight of component  $j$ , of which commodity  $i$  is a part, in the S&P GSCI as of the upcoming rebalancing.

$TargetWeight_j$  = Weight of component  $j$ , of which commodity  $i$  is a part, in the S&P GSCI Capped Component as of the upcoming rebalancing.

At each rebalancing target weights are calculated as follows:

If  $GSCIWeight_j > 32\%$ , then  $TargetWeight_j = 32\%$

For all remaining components:

$$TargetWeight_j = 68\% * GSCIWeight_j / (100\% - GSCIWeight)$$

where:

$GSCIWeight$  = Total weight of the capped components in the S&P GSCI as of the upcoming rebalancing.

For any subsequent commodities:

If  $GSCIWeight_j > 17\%$  then  $TargetWeight_j = 17\%$

For all remaining uncapped components:

$$TargetWeight_j = (100\% - CappedWeight) * GSCIWeight_j / (100\% - GSCIWeight)$$

This process is repeated iteratively until no more than one component has a weight greater than 17% in the index.



## Capped Component Index Codes

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Index Code
S&P GSCI Capped Component	SPGSUC
S&P GSCI Capped Component ER	SPGSUCP
S&P GSCI Capped Component TR	SPGSUCTR
S&P GSCI 3 Month Forward Capped Component	SG3MCIC
S&P GSCI 3 Month Forward Capped Component ER	SG3MCICP
S&P GSCI 3 Month Forward Capped Component TR	SG3MCICTR
S&P GSCI 6 Month Forward Capped Component	SG6MCIC
S&P GSCI 6 Month Forward Capped Component ER	SG6MCICP
S&P GSCI 6 Month Forward Capped Component TR	SG6MCICTR
S&P GSCI 12 Month Forward Capped Component	SG12MCIC
S&P GSCI 12 Month Forward Capped Component ER	SG12MCICP
S&P GSCI 12 Month Forward Capped Component TR	SG12MCICTR
S&P GSCI & Livestock 1 Month Forward Capped Component	SG1MALC
S&P GSCI & Livestock 1 Month Forward Capped Component ER	SG1MALCP
S&P GSCI & Livestock 1 Month Forward Capped Component TR	SG1MALCT
S&P GSCI & Livestock 3 Month Forward Capped Component	SG3MALC
S&P GSCI & Livestock 3 Month Forward Capped Component ER	SG3MALCP
S&P GSCI & Livestock 3 Month Forward Capped Component TR	SG3MALCT
S&P GSCI Dynamic Roll Capped Component	SPDYUC
S&P GSCI Dynamic Roll Capped Component ER	SPDYUCP
S&P GSCI Dynamic Roll Capped Component TR	SPDYUCTR
S&P GSCI Energy & Metals Capped Component	SPGCNC
S&P GSCI Energy & Metals Capped Component ER	SPGCNCP
S&P GSCI Energy & Metals Capped Component TR	SPGCNCT
S&P GSCI Energy & Metals 1 Month Forward Capped Component	SG1MNC
S&P GSCI Energy & Metals 1 Month Forward Capped Component ER	SG1MNCP
S&P GSCI Energy & Metals 1 Month Forward Capped Component TR	SG1MNCT
S&P GSCI Energy & Metals 3 Month Forward Capped Component	SG3MNC
S&P GSCI Energy & Metals 3 Month Forward Capped Component ER	SG3MNCP
S&P GSCI Energy & Metals 3 Month Forward Capped Component TR	SG3MNCT
S&P GSCI Energy & Metals 6 Month Forward Capped Component	SG6MNC
S&P GSCI Energy & Metals 6 Month Forward Capped Component ER	SG6MNCP
S&P GSCI Energy & Metals 6 Month Forward Capped Component TR	SG6MNCT
S&P GSCI Energy & Metals 12 Month Forward Capped Component	SG12MNC
S&P GSCI Energy & Metals 12 Month Forward Capped Component ER	SG12MNCP
S&P GSCI Energy & Metals 12 Month Forward Capped Component TR	SG12MNCT
S&P GSCI Enhanced Capped Component	SPGSCIE27C
S&P GSCI Enhanced Capped Component ER	SPGSCIE27CP
S&P GSCI Enhanced Capped Component TR	SPGSCIE27CTR
S&P GSCI Agriculture Capped Component	SPGSAGSC
S&P GSCI Agriculture Capped Component ER	SPGSAGSCP
S&P GSCI Agriculture Capped Component TR	SPGSAGSCTR
S&P GSCI Agriculture Dynamic Roll Capped Component	SPDYPA
S&P GSCI Agriculture Dynamic Roll Capped Component ER	SPDY PAP
S&P GSCI Agriculture Dynamic Roll Capped Component TR	SPDY PAT
S&P GSCI Agriculture Enhanced Capped Component	SPGSCIAEC
S&P GSCI Agriculture Enhanced Capped Component ER	SPGSCIAECP
S&P GSCI Agriculture Enhanced Capped Component TR	SPGSCIAECTR

# Capped Commodity Indices

The capping procedure follows two rules, in succession:

**Rule 1: Largest commodity can reach a maximum weight of 32%.** Any excess weight is distributed proportionately within the sector.

*Once Rule 1 is implemented,*

**Rule 2: Weights of additional commodities cannot exceed 17%.** Any excess weight is distributed proportionately within the sector.

**Determination Date.** One S&P GSCI Business Day before the first roll date.

## Implementation

Any excess weight from a rule #1 violation is distributed proportionally among the remaining commodities within that specific sector, thus keeping sector weights intact.

After rule #1 is implemented, if there are any rule #2 violations, the commodity that violates the 17% rule is adjusted and the balance is distributed proportionally among the remaining commodities within that specific sector.

The adjustment process takes place at the beginning of each month.

1. On the S&P GSCI Business Day before each monthly first roll date, the latest S&P GSCI commodity CPWs are multiplied by the commodity prices to determine the S&P GSCI commodity weights.
2. The commodities are separated into sectors and the sectors are sorted in descending order by their sector weights. If there is any commodity above 32% (historically the case for crude oil), it is capped at 32% and the excess weight is distributed proportionally among the remaining commodities **within that sector**, thus keeping the sector weights the same.
3. If any additional commodity is above 17%, it is capped at 17% and the excess weight is distributed among the remaining commodities within that sector, thus keeping the sector weights the same. This process is repeated iteratively. If the final commodity within a sector exceeds 17%, the weight is distributed proportionally among the remaining commodities outside that sector in the index.
4. The percentage weights of all commodities are converted to CPW-equivalents, based on the prices from the business day one day prior to the first roll date, using the initial S&P GSCI weights implied by those prices and the newly updated S&P GSCI CPWs. For example, the January S&P GSCI CPWs are multiplied by the commodity prices from the 4<sup>th</sup> business day in January, the last business day before the roll.
5. The capping adjustment process takes place every month and utilizes any CPW component changes to the base index (additions, subtractions, substitutions, etc.) in order to maintain continuity and proportion with the base S&P GSCI.

## Capping Formulas

At each rebalancing, CPWs are calculated as follows:

$$CPW_{capped,i} = CPW_{GSCI,i} * TargetWeight_j / GSCIWeight_j$$

where:

$CPW_{capped,i}$  = CPW for commodity  $i$  in the S&P GSCI Capped Commodity as of the upcoming rebalancing.

$CPW_{GSCI,i}$  = CPW for commodity  $i$  in the S&P GSCI as of the upcoming rebalancing.

$GSCIWeight_j$  = Weight of commodity  $i$  in the S&P GSCI as of the upcoming rebalancing.

$TargetWeight_j$  = Weight of commodity  $i$  in the S&P GSCI Capped Commodity as of the upcoming rebalancing.

At each rebalancing target weights are calculated as follows:

If  $GSCIWeight_j > 32\%$ , then  $TargetWeight_j = 32\%$

For all remaining commodities in that sector:

$$TargetWeight_j = (SectorWeight_i - 32\%) * GSCIWeight_j / (SectorWeight_i - GSCIWeight_c)$$

where:

$SectorWeight_i$  = Weight of the sector in the S&P GSCI as of the upcoming rebalancing.

$GSCIWeight_c$  = Total weight of the capped commodities in sector  $c$  in the S&P GSCI as of the upcoming rebalancing.

For any subsequent commodities:

If  $GSCIWeight_j > 17\%$  then  $TargetWeight_j = 17\%$

For all remaining commodities in that sector:

$$TargetWeight_j = (SectorWeight_i - 17\%) * GSCIWeight_j / (SectorWeight_i - GSCIWeight_c)$$

where:

$SectorWeight_i$  = Weight of the sector in the S&P GSCI as of the upcoming rebalancing.

$GSCIWeight_c$  = Total weight of the capped commodities in sector  $c$  in the S&P GSCI as of the upcoming rebalancing.

This process is repeated iteratively until no more than one commodity has a weight of greater than 17% in the index.

Thus, for any uncapped commodities in a sector which has more than one capped commodity, the weights are calculated as follows:

$$TargetWeight_i = (SectorWeight_i - CappedWeight) * GSCIWeight_i / (SectorWeight_i - GSCIWeight_c)$$

where:

$Capped Weight$  = Total weight of all capped commodities for the sector in question.

If the final commodity in a sector has a weight of greater than 17% after the prior iteration, the weight of that commodity is set to 17% with the excess weight redistributed proportionately among all remaining uncapped commodities in the index.

### Capped Commodity Index Codes

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Index Code
S&P GSCI Capped Commodity	SPGSUCE
S&P GSCI Capped Commodity ER	SPGSUCEP
S&P GSCI Capped Commodity TR	SPGSUCTR
S&P GSCI Dynamic Roll Capped Commodity	SPDYP
S&P GSCI Dynamic Roll Capped Commodity ER	SPDYPP
S&P GSCI Dynamic Roll Capped Commodity TR	SPDYPT
S&P GSCI Enhanced Capped Commodity	SPGSCIESC
S&P GSCI Enhanced Capped Commodity ER	SPGSCIESCP
S&P GSCI Enhanced Capped Commodity TR	SPGSCIESCTR
S&P GSCI All Metals Capped Commodity	SPGSAMC
S&P GSCI All Metals Capped Commodity ER	SPGSAMCP
S&P GSCI All Metals Capped Commodity TR	SPGSAMCTR
S&P GSCI All Metals 3 Month Forward Capped Component	SG3MAMC
S&P GSCI All Metals 3 Month Forward Capped Component ER	SG3MAMCP
S&P GSCI All Metals 3 Month Forward Capped Component TR	SG3MAMCT
S&P GSCI Energy Capped Commodity	SPGCEC
S&P GSCI Energy Capped Commodity ER	SPGCECP
S&P GSCI Energy Capped Commodity TR	SPGCECT
S&P GSCI Energy 1 Month Forward Capped Commodity	SG1MENC
S&P GSCI Energy 1 Month Forward Capped Commodity ER	SG1MENC P
S&P GSCI Energy 1 Month Forward Capped Commodity TR	SG1MENC T
S&P GSCI Energy 3 Month Forward Capped Commodity	SG3MENC
S&P GSCI Energy 3 Month Forward Capped Commodity ER	SG3MENC P
S&P GSCI Energy 3 Month Forward Capped Commodity TR	SG3MENC T
S&P GSCI Energy Dynamic Roll Capped Commodity	SPDYPE
S&P GSCI Energy Dynamic Roll Capped Commodity ER	SPDYPEP
S&P GSCI Energy Dynamic Roll Capped Commodity TR	SPDYPET
S&P GSCI Energy Enhanced Capped Commodity	SGECCEN
S&P GSCI Energy Enhanced Capped Commodity ER	SGECCEN P
S&P GSCI Energy Enhanced Capped Commodity TR	SGECCEN TR
S&P GSCI Industrial Metals Capped Commodity	SPGCMC
S&P GSCI Industrial Metals Capped Commodity ER	SPGCMCP
S&P GSCI Industrial Metals Capped Commodity TR	SPGCMCT
S&P GSCI Industrial Metals 1 Month Forward Capped Commodity	SG1MINC
S&P GSCI Industrial Metals 1 Month Forward Capped Commodity ER	SG1MINC P
S&P GSCI Industrial Metals 1 Month Forward Capped Commodity TR	SG1MINC T
S&P GSCI Industrial Metals 3 Month Forward Capped Commodity	SG3MINC
S&P GSCI Industrial Metals 3 Month Forward Capped Commodity ER	SG3MINC P
S&P GSCI Industrial Metals 3 Month Forward Capped Commodity TR	SG3MINC T
S&P GSCI Industrial Metals Dynamic Roll Capped Commodity	SPDYPI
S&P GSCI Industrial Metals Dynamic Roll Capped Commodity ER	SPDYPIP
S&P GSCI Industrial Metals Dynamic Roll Capped Commodity TR	SPDYPI T
S&P GSCI Industrial Metals Enhanced Capped Commodity	SPGSCIIMC
S&P GSCI Industrial Metals Enhanced Capped Commodity ER	SPGSCIIMC P
S&P GSCI Industrial Metals Enhanced Capped Commodity TR	SPGSCIIMC TR

# Equal Weighted Indices

## S&P GSCI Equal Weight Select

The S&P GSCI Equal Weight Select is designed to benefit from the framework of the S&P GSCI, a benchmark index for investing in commodities. The index sorts the S&P GSCI commodity space into six commodity groups and selectively includes only the largest and most liquid commodities in each commodity group. At the beginning of each month, the individual commodities are equally weighted in the Index.

**Highlights.** The S&P GSCI Equal Weight Select Index is comprised of 14 commodities, categorized into six commodity groups, where:

- No single group accounts for more than 30% of the total.
- Rules-based annual reconstitution.
- Turnover minimized through an annual rebalancing.
- Fewer commodities than the S&P GSCI which results in fewer monthly rolls.

**Index Eligibility.** Only those commodities that are included in the S&P GSCI are eligible for the S&P GSCI Equal Weight Select Index. As such, the S&P GSCI Equal Weight Select Index Methodology maintains many of the rules of S&P GSCI Methodology.

**Eligibility Factors.** During the S&P GSCI index roll period, the S&P GSCI Equal Weight Select Index allocates the same weight to all its constituents. To promote diversification and reduce concentration risk, six commodity groups are identified:

- Agriculture – Grains and Oilseeds
- Agriculture – Softs
- Energy
- Industrial Metals
- Livestock
- Precious Metals

**Distribution of Commodities into Commodity Groups.** As of the current S&P GSCI rebalancing the groups are as follows:

- Four commodities in the Agriculture - Grains and Oilseeds group (Chicago Wheat, Corn, Kansas Wheat and Soybeans),
- Four commodities in the Agriculture - Softs group (Cocoa, Coffee, Cotton and Sugar),
- Six commodities in the Energy group (Brent Crude, Gasoil, Heating Oil, Natural Gas, RBOB Unleaded Gasoline and WTI Crude),
- Five commodities in the Industrial Metals group (Aluminum, Copper, Lead, Nickel and Zinc),
- Three commodities in the Livestock group (Feeder Cattle, Lean Hogs and Live Cattle), and
- Two in the Precious Metals group (Gold and Silver).

**Allocation Scheme.** For the index to be representative of the size and trading in the commodities markets, three (3) commodities are selected from the Agriculture - Grains and Oilseeds group, one (1) from the Agriculture - Softs group, four (4) from the Energy group, four (4) from the Industrial Metals group, one (1) from the Livestock group, and one (1) from the Precious Metals group, for a total of fourteen (14) commodities.

**Rule of Selection.** Within each commodity group, the average daily dollar weights for the 12-months ending in August of each year are computed for each of the commodities. Commodities within the group are, then, ranked in descending order based these weights. The number of commodities chosen for the index is based on the Allocation Scheme designated for each commodity group.

**Timing of Changes.** The Index is reconstituted annually, at the end of December. The Index weights are rebalanced monthly, during the S&P GSCI roll period.

- **Additions.** No commodities are added to the Index until the following annual reconstitution period.
- **Deletions.** In the event that a commodity is removed from the Index, the weight of the deleted commodity is distributed to the remaining members of the Index proportionately.

**Rebalancing Frequency.** Monthly.

### **S&P GSCI Equal Weight Capped Component**

The S&P GSCI Equal Weight Capped Component Index is a version of the S&P GSCI, where 100% of the index weight is equally distributed among the total number of constituents in the S&P GSCI – currently 24 commodities. Once the weights have been equally distributed, the capped component methodology is then applied to the index.

**Capping Frequency.** Monthly.

*For information on the capping methodology, please refer to the Capped Component section of this methodology.*

### **S&P GSCI Precious Metals, Palladium & Platinum Equal Weight**

The S&P GSCI Precious Metals, Palladium & Platinum Equal Weight index membership takes into account the Precious Metals sector of the S&P GSCI (Gold & Silver), along with Platinum & Palladium, which are not currently members of the S&P GSCI. Only these 4 commodities are eligible for index inclusion. The index weights are reset to equal weights during the designated rebalancing periods.

**Rebalancing Frequency.** Monthly.

*For further details on index composition and contract calendar, please refer to the S&P GSCI methodology.*

### **S&P GSCI Industrial Metals & Iron Ore Equal Weight**

The S&P GSCI Industrial Metals & Iron Ore Equal Weight index membership consists of the Industrial Metals sector of the S&P GSCI (Aluminum, LME Copper, Lead, Nickel & Zinc) and Iron Ore, which is not currently a member of the S&P GSCI. The index weights are reset to equal weights during the designated rebalancing periods.

**Rebalancing Frequency.** Monthly. The GSCI Industrial Metals components follow the parent methodology for the contract calendar. See the table below for the Iron Ore contract calendar.

*For further details on index composition and contract calendar, please refer to the S&P GSCI methodology.*

## Contract Calendar (Iron Ore):

Trading Facility	Commodity	Ticker <sup>(1)</sup>	Designated Contract Expirations at Month Begin											
			1	2	3	4	5	6	7	8	9	10	11	12
SGX	SGX TSI Iron Ore CFR China (62% Fe Fines) Index Futures	SZZF	G	H	J	K	M	N	Q	U	V	X	Z	F

(1) Tickers are RIC Codes.

## S&P GSCI 3 Month Forward Capped Sector Equal Weight Composite

The S&P GSCI 3 Month Forward Capped Sector Equal Weight Composite reflects the total return available through an unleveraged investment in the specific commodities of the S&P GSCI 3 Month Forward, employing the S&P GSCI Capped methodology. The index contains the specific commodities of and is calculated on a basis similar to the S&P GSCI 3 Month Forward, but modified to apply the S&P GSCI Capped Commodity and Component capping rules. Furthermore, the universe of the commodities of the S&P GSCI 3 Month Forward is grouped into three distinct sectors, with equal weights assigned to each sector. The three sectors are the Agriculture and Livestock, Energy, and All Metals.

The capping procedure follows two rules, in succession:

**Rule 1: Only one commodity can reach a maximum weight of 32% within its sector.** If there is any commodity above 32%, it is capped at 32%, and any excess weight is distributed proportionally among the remaining commodities in that sector.

*Once Rule 1 is implemented,*

**Rule 2: No remaining commodity's weight can exceed 17%.** If any remaining commodity within the same sector is above 17% it is capped at 17%, and the excess weight is distributed proportionally among the remaining commodities in that sector.

**Capping Frequency.** Monthly.

**Capping Excess Distribution.** Distributed proportionally among the remaining Commodities within the same sector.

**Commodities.** Commodities included in each sector are as follows:

- **Agriculture and Livestock sector.** Chicago Wheat, Kansas City Wheat, Corn, Soybeans, Coffee, Sugar, Cocoa, Cotton, Lean Hogs, Live Cattle, and Feeder Cattle. Within the Agriculture and Livestock sector, the two Wheat commodities (Chicago Wheat and Kansas City Wheat) and the two Cattle commodities (Live Cattle and Feeder Cattle) are grouped together as components, on a par with the other commodities within the sector for the purpose of applying their capping procedure (explained in *Appendix II*).
- **Energy sector.** WTI Crude, Brent Crude, Heating Oil, Gasoil, Gasoline and Natural Gas.
- **All Metals sector.** Aluminum, Copper, Lead, Nickel, Zinc, Gold and Silver.

**Implementation.** The excess weight from a rule #1 violation is distributed proportionally among the remaining sector commodities.

After rule #1 is implemented, if there are rule #2 violations, then the violating commodities are adjusted and the balance is distributed proportionally among the remaining sector commodities.

In order to properly implement, Contract Production Weights (CPWs) are adjusted to arrive at the assigned weights for each commodity. This adjustment process takes place at the beginning of each month and every time the S&P GSCI 3-Month Forward Index is rebalanced, adjusted, and/or new commodities are added to or deleted from the Index.

The adjustment processes for the Energy and All Metals sectors take place as follows:

1. On the S&P GSCI Business Day before each monthly first roll date, the latest S&P GSCI 3-Month Forward Index commodity CPWs are multiplied by their respective 3-month forward commodity prices to determine the commodity weights. For January, the CPWs will be the new ones that were determined with that year's annual rebalancing.
2. Within each sector, the commodities are sorted in descending order by their respective index weights.
3. If there is any commodity above 32%, it is capped at 32%, and the excess weight is distributed proportionally among the remaining commodities within that sector.
4. If any additional commodity is above 17% it is capped at 17%, and the excess weight is distributed among the remaining commodities within that sector. This process is repeated iteratively until all the capping rules are met.
5. The percentage weights of all commodities are converted to CPW-equivalents, based on the prices from the S&P GSCI Business Day, one day prior to the first roll date, using the initial S&P GSCI 3-Month Forward Index weights implied by those prices and the latest S&P GSCI CPWs. For January, the CPWs are the new ones that were determined with that year's annual rebalancing. For example, the S&P GSCI CPWs are multiplied by the 3-Month Forward commodity prices from the last business day before the roll.
6. The capping adjustment process takes place every month and utilizes any CPW commodity changes to the base index, additions to, subtractions from, commodity substitutions, etc. in order to maintain continuity with the base S&P GSCI Index.

**Capping Formulas.** At each rebalancing, CPWs are calculated as follows:

$$CPW_{capped,i} = CPW_{GSCI,i} * TargetWeight_j / GSCIWeight_j$$

where:

$CPW_{capped,i}$  = CPW for commodity  $i$  in the S&P GSCI 3-Month Forward Capped Sector Equal Weight Composite Index as of the rebalancing reference date.

$CPW_{GSCI,i}$  = CPW for commodity  $i$  in the S&P GSCI 3-Month Forward Index as of the rebalancing reference date.

$GSCIWeight_j$  = Weight of Commodity  $j$ , of which commodity  $i$  is a part, in the S&P GSCI 3-Month Forward Index as of rebalancing reference date.

$TargetWeight_j$  = Weight of Commodity  $j$ , of which commodity  $i$  is a part, in the S&P GSCI 3-Month Forward Capped Sector Equal Weight Composite Index as of the rebalancing reference date.

For the Energy and All Metals Sectors, target weights are calculated at each rebalancing as follows:

If  $GSCIWeight_j > 32\%$ , then  $TargetWeight_j = 32\%$



For all remaining Commodities:

$$TargetWeight_j = \frac{68\% * GSCIWeight_j}{(100\% - GSCIWeight_c)}$$

where:

$GSCIWeight_c$  = Total S&P GSCI 3-Month Forward Commodity Index weight of all capped Commodities as of the rebalancing reference date.

For any subsequent commodities:

If  $GSCIWeight_j > 17\%$  then  $TargetWeight_j = 17\%$

For all remaining uncapped Commodities:

$$TargetWeight_j = \frac{(100\% - Total\ Capped\ Weights) * GSCIWeight_j}{(100\% - GSCIWeight_c)}$$

$Total\ Capped\ Weights$  = Total S&P GSCI 3-Month Forward Capped Sector Equal Weight Composite Index weight of all capped Commodities as of the rebalancing reference date.

This process is repeated iteratively until no more than one Commodity has a weight of greater than 17% in the sector.

**Sector Equal Weight Explanation & Procedures.** At the end of the capping procedure, all the individual Target Weights within a given sector are re-scaled to obtain a total of 33.33% for each given sector.

1. For the energy and all metals sectors, determine the largest commodity weight from the "sector specific weight" column. If that weight is greater than 32%, then set it to 32%; otherwise leave it as is.
2. For the energy and all metals sectors, determine the difference between the largest commodity weight from the "sector specific weight" column and 32% (or the same value if it is under 32%). Redistribute that weight proportionally to the other commodities within its sector. In this example, the 17.8% is redistributed to all energy commodities other than crude oil, but nothing is redistributed in metals because copper is under 32%.
3. For the energy and all metals sectors, add the redistributed extra weight of each commodity to the "sector specific weight" of each commodity to get new weights for all but the largest "sector specific weight" from each sector.
4. For the energy and all metals sectors, determine the largest commodity weight from the new weights in step 3. If that weight is greater than 17%, then set it to 17%; otherwise leave it as is.
5. For the energy and all metals sectors, determine the difference between the largest commodities weight from step 3 and 17% (or the same value if it is under 17%). Redistribute that weight proportionally to the other commodities within its sector. In this example the 12.5% is redistributed to all energy commodities other than Brent crude and crude oil. In metals, 7.2% is redistributed from gold to all metals commodities other than gold and copper.
6. For the energy and all metals sectors, add the redistributed extra weight of each commodity to the weights in step 3 for all but the two that have been "redistributed" from each sector.
7. For the energy and all metals sectors, find the largest commodity weight from the new weights in step 6. If that weight is greater than 17%, then set it to 17%; otherwise leave it as is.

8. For the energy and all metals sectors, add the redistributed extra weight of each commodity to the weights in step 6 for all but the three that have been "redistributed" from each sector.
9. Since there are no more commodity weights greater than 17%, these are the weights for each sector to total 100% for each sector.

**Effective Weight.** Since there are three sectors, all weights are divided by three to get a total index weight of 100% with 33.3% coming from each.

**Agriculture and Livestock.** On the capping determination date, the highest component is capped at 32% only if its uncapped weight exceeds 32%. The other components are capped at 17% only if their uncapped weights exceed 17%.

### S&P GSCI Equal Weight Commodity Sector Index

**Index Objective.** The index is a weighted return index consisting of four equal weighted component sub-indices, as defined below.

**Underlying Indices.** Please see the table below. For more information on the component sub-indices, please refer to the S&P GSCI Methodology at [www.spdji.com](http://www.spdji.com).

Component Sub-Indices	Index Code	Weight
S&P GSCI Agriculture & Livestock Index	SPGSAL	25%
S&P GSCI Energy Index	SPGSEN	25%
S&P GSCI Industrial Metals Index	SPGSIN	25%
S&P GSCI Precious Metals Index	SPGSPM	25%

**Index Calculation.** The index is only calculated when the component sub-indices are calculated. The index is calculated using the following formula:

$$Index_t = Index_r \times (1 + Index\ Return)$$

$$Index\ Return = \sum_{i=1}^N weight_{i,r} \times \left( \frac{ComponentIndex_{i,t}}{ComponentIndex_{i,r}} - 1 \right)$$

Where:

$Index_t$  = the value of the top level index on day  $t$

$Index_r$  = the value of the top level index at the previous rebalancing date  $r^1$

$weight_{i,t}$  = the weight of component index  $i$  on day  $t$

$weight_{i,r}$  = the weight of component index  $i$  on the previous rebalancing date  $r$

$ComponentIndex_{i,t}$  = the value of the component index  $i$  on day  $t$

$ComponentIndex_{i,r}$  = the value of the component index  $i$  on the previous rebalancing date  $r^2$

$N$  = the number of component indices within the top level index, as per the table above

For more information on index calculation, please refer to the Weighted Return section of S&P Dow Jones Indices' Index Mathematics Methodology available at [www.spdji.com](http://www.spdji.com).

**Index Weighting.** At each rebalancing, the component sub-indices are equal weighted.

**Index Maintenance.** All index adjustments and corporate action treatments follow the underlying index.

<sup>1</sup> Note that the value is as of the close of the rebalancing date.

<sup>2</sup> Note that the value is as of the close of the rebalancing date.

**Rebalancing.** The index is reweighted on a quarterly basis, effective at the open of the first business day of January, April, July, and October.

**Currency of Calculation.** The index is calculated in USD, AUD, EUR, GBP, JPY, NZD, and SGD.

**Exchange Rate.** WM/Refinitiv foreign exchange rates are taken daily at 4:00 PM London Time and used in the calculation of these indices. These mid-market fixings are calculated by the WM Company based on Refinitiv data and appear on Refinitiv pages WMRA.

### S&P GSCI 3 Month Forward Equal Weight Commodity Sector Index

**This index is a 3 Month Forward version of the S&P GSCI Equal Weight Commodity Sector Index. The only exception from the S&P GSCI Equal Weight Commodity Sector Index is the component make up. The index uses 3-month forward versions of the Component Sub-Indices detailed in the above table. Equal Weighted Index Codes**

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Index Code
S&P GSCI Equal Weight Select	SPGSCIEW
S&P GSCI Equal Weight Select ER	SPGSCIEWP
S&P GSCI Equal Weight Select TR	SPGSCIEWTR
S&P GSCI Dynamic Roll Equal Weight Select	SPDYEW
S&P GSCI Dynamic Roll Equal Weight Select ER	SPDYEWP
S&P GSCI Dynamic Roll Equal Weight Select TR	SPDYEWT
S&P GSCI Equal Weight Capped Component	SGEWUC
S&P GSCI Equal Weight Capped Component ER	SGEWUCP
S&P GSCI Equal Weight Capped Component TR	SGEWUCT
S&P GSCI Energy & Metals Equal Weight Capped Component	SGEMEW C
S&P GSCI Energy & Metals Equal Weight Capped Component ER	SGEMEWCP
S&P GSCI Energy & Metals Equal Weight Capped Component TR	SGEMEWCT
S&P GSCI 3 Month Forward Capped Sector Equal Weight Composite	SG3MCE
S&P GSCI 3 Month Forward Capped Sector Equal Weight Composite ER	SG3MCEP
S&P GSCI 3 Month Forward Capped Sector Equal Weight Composite TR	SG3MCET
S&P GSCI Precious Metals, Platinum & Palladium Equal Weight	SGPMPPE
S&P GSCI Precious Metals, Platinum & Palladium Equal Weight ER	SGPMPPEP
S&P GSCI Precious Metals, Platinum & Palladium Equal Weight TR	SGPMPPET
S&P GSCI Industrial Metals & Iron Ore Equal Weight	SGIMIOE
S&P GSCI Industrial Metals & Iron Ore Equal Weight ER	SGIMIOEP
S&P GSCI Industrial Metals & Iron Ore Equal Weight TR	SGIMIOET
S&P GSCI Equal Weight Commodity Sector	EWCI
S&P GSCI Equal Weight Commodity Sector ER	EW CIP
S&P GSCI Equal Weight Commodity Sector TR	EW C ITR
S&P GSCI Equal Weight Commodity Sector AUD	EW CIA
S&P GSCI Equal Weight Commodity Sector ER AUD	EW C IPA
S&P GSCI Equal Weight Commodity Sector TR AUD	EW C ITRA
S&P GSCI Equal Weight Commodity Sector AUD Hedged	EW CIAH
S&P GSCI Equal Weight Commodity Sector ER AUD Hedged	EW C IPAH
S&P GSCI Equal Weight Commodity Sector TR AUD Hedged	EW C ITRAH
S&P GSCI Equal Weight Commodity Sector CHF	EW C IC
S&P GSCI Equal Weight Commodity Sector ER CHF	EW C IPC
S&P GSCI Equal Weight Commodity Sector TR CHF	EW C ITRC
S&P GSCI Equal Weight Commodity Sector CHF Hedged	EW C ICH
S&P GSCI Equal Weight Commodity Sector ER CHF Hedged	EW C IPCH
S&P GSCI Equal Weight Commodity Sector TR CHF Hedged	EW C ITRCH
S&P GSCI Equal Weight Commodity Sector EUR	EW C IE
S&P GSCI Equal Weight Commodity Sector ER EUR	EW C IPE

Index	Index Code
S&P GSCI Equal Weight Commodity Sector TR EUR	EWCITRE
S&P GSCI Equal Weight Commodity Sector EUR Hedged	EWCIEH
S&P GSCI Equal Weight Commodity Sector ER EUR Hedged	EWCIEPH
S&P GSCI Equal Weight Commodity Sector TR EUR Hedged	EWCITREH
S&P GSCI Equal Weight Commodity Sector GBP	EWCIG
S&P GSCI Equal Weight Commodity Sector ER GBP	EWCIPG
S&P GSCI Equal Weight Commodity Sector TR GBP	EWCITRG
S&P GSCI Equal Weight Commodity Sector GBP Hedged	EWCIGH
S&P GSCI Equal Weight Commodity Sector ER GBP Hedged	EWCIPGH
S&P GSCI Equal Weight Commodity Sector TR GBP Hedged	EWCITRGH
S&P GSCI Equal Weight Commodity Sector JPY	EWCIJ
S&P GSCI Equal Weight Commodity Sector ER JPY	EWCIPJ
S&P GSCI Equal Weight Commodity Sector TR JPY	EWCITRJ
S&P GSCI Equal Weight Commodity Sector JPY Hedged	EWCIJH
S&P GSCI Equal Weight Commodity Sector ER JPY Hedged	EWCIPJH
S&P GSCI Equal Weight Commodity Sector TR JPY Hedged	EWCITRJH
S&P GSCI Equal Weight Commodity Sector NZD	EWCINZ
S&P GSCI Equal Weight Commodity Sector ER NZD	EWCIPNZ
S&P GSCI Equal Weight Commodity Sector TR NZD	EWCITNZ
S&P GSCI Equal Weight Commodity Sector NZD Hedged	EWCINZH
S&P GSCI Equal Weight Commodity Sector ER NZD Hedged	EWCIPNZH
S&P GSCI Equal Weight Commodity Sector TR NZD Hedged	EWCITNZH
S&P GSCI Equal Weight Commodity Sector SGD	EWCIS
S&P GSCI Equal Weight Commodity Sector ER SGD	EWCIPS
S&P GSCI Equal Weight Commodity Sector TR SGD	EWCITRS
S&P GSCI Equal Weight Commodity Sector SGD Hedged	EWCISH
S&P GSCI Equal Weight Commodity Sector ER SGD Hedged	EWCIPSH
S&P GSCI Equal Weight Commodity Sector TR SGD Hedged	EWCITRSH
S&P GSCI 3 Month Forward Equal Weight Commodity Sector	SG3MEWC
S&P GSCI 3 Month Forward Equal Weight Commodity Sector ER	SG3MEWP
S&P GSCI 3 Month Forward Equal Weight Commodity Sector TR	SG3MEWT
S&P GSCI 3 Month Forward Equal Weight Commodity Sector ER EUR Hedged	SG3ECEHP

# Specialized Capping Indices

## S&P GSCI Agriculture & Livestock Enhanced Capped 40/75

The S&P GSCI Agriculture & Livestock Enhanced Capped 40/75 reflects the total return available through an unleveraged investment in the specific commodities of the S&P GSCI Agriculture & Livestock Enhanced employing the S&P GSCI Capped 40/75 methodology. The Index contains the specific commodities of the S&P GSCI Agriculture & Livestock Enhanced and is calculated on a basis similar to the S&P GSCI Agriculture & Livestock Enhanced but modified to apply the following 40/75 capping rules employing a 5% buffer.

**Objective.** On the fourth business date of each month, 1) the highest weight constituent is capped at 35%, 2) the top 5 constituents are capped at 70% AND 3) none of the succeeding positions (n+1 -th position) can be larger than its preceding position (n-th position) after capping. Capping calculation is based on the closing price as of the last business day of the previous month.

**Capping Methodology.** The capping methodology is as follows:

1. Cap each constituent at 35%. If the weight of a constituent is larger than 35%, it is capped at 35% and the excess weight is reallocated among the remaining constituents on a pro-rata basis. Repeat the step if any additional constituent is larger than 35%, until all constituents are less than 35%.
2. Cap Top 5 constituents if their total weight is greater than 70%. If the total weight of the top 5 constituents is over 70%, cap the top 5 constituents at 70% on a pro-rata basis and re-allocate their excess weighting to the remaining constituents on a pro-rata basis.
3. Cap any succeeding position if larger than preceding position. After re-allocation, if the 6<sup>th</sup> position becomes larger than the 5<sup>th</sup> position, cap the 6<sup>th</sup> position at the weighting of the 5<sup>th</sup> position and re-allocate the excess weight to the remaining constituents (succeeding the 6<sup>th</sup> position) on a pro-rata basis.
4. Repeat: Cap any succeeding position if larger than preceding position. Repeat the step 3 process for the remaining constituents if any position is larger than its preceding position after re-allocation until none of the succeeding positions is larger than a preceding position.
5. A Special Case: No Solution. If there is no solution after the iteration in step 4 (i.e. there is still a succeeding position which has a larger weighting than a preceding position), perform the following steps:
  - a. Redo from Step 2, but ONLY apply capping to top 4 constituents in a way such that total weighting of top 5 constituents is capped at 70%.
  - b. If any succeeding position is larger than a preceding position after step 5a, repeat Step 3 and start from the 4th position (i.e. cap 5th position at 4th position if larger than the 4th position, and repeat this process for the remaining constituents if any succeeding position is larger than the preceding position).
  - c. If there is still no solution after the iteration in step 5b, redo from step 5a but ONLY apply capping to top 3 constituents (one fewer constituent) in a way such that total weighting of top 5 constituents is capped at 70%, and proceed to step 5b starting from the 3th position (one further preceding position).
  - d. Repeat Step 5c until no succeeding position is greater than a preceding position.

**Capping Frequency.** Monthly.

**Capping Excess Distribution.** Distributed proportionately among the remaining constituents.

**Constituents.** Refer to tables 1 and 3.

**Implementation.** In order to properly implement, Contract Production Weights (CPWs) are adjusted to arrive at the assigned weights for each commodity. This adjustment process takes place at the beginning of each month and every time the S&P GSCI Agriculture & Livestock Enhanced is rebalanced, adjusted, and/or new constituents are added to or deleted from the index, in order to be initially proportional to and inclusive of the S&P GSCI Agriculture & Livestock Enhanced constituents.

The adjustment process takes place as follows:

1. On the S&P GSCI Business Day before each monthly first roll date, the latest S&P GSCI Agriculture & Livestock Enhanced commodity CPWs are multiplied by the commodity prices to determine the S&P GSCI Agriculture & Livestock Enhanced commodity weights. For January, the CPWs will be the new ones that were determined with that year's annual rebalancing.
2. The commodities are sorted in descending order by weights.
3. If there is any commodity above 35%, it is capped at 35% and the excess weight distributed among the remaining commodities. The process is iterative.
4. If the total weight of the top 5 commodities is above 70%, it is capped at 70% and the excess weight is distributed among the remaining uncapped commodities. Any commodity that meets the capping mentioned in step 3 will not be subject to further capping.
5. If the weight of any uncapped commodity is greater than the capped weight of the smallest commodity in the Top 5, it is capped at the capped weight of the smallest commodity in the Top 5 and the excess weight is distributed among the remaining uncapped commodities. This process is repeated iteratively until all the capping rules are met.
6. The percentage weights of all commodities are converted to CPW-equivalents, all based on prices from the S&P GSCI Business Day one day prior to the first roll date, using the initial S&P GSCI Agriculture & Livestock Enhanced weights implied by those prices and the **latest** S&P GSCI Agriculture & Livestock Enhanced CPWs. For January, the CPWs are the new ones that were determined with that year's annual rebalancing. For example, the January S&P GSCI Agriculture & Livestock Enhanced CPWs are multiplied by the commodity prices from the last business day in December, the last business day before the roll.
7. This capping adjustment process takes place every month and utilizes any CPW commodity changes to the base index, additions to, subtractions from, commodity substitutions, etc. in order to maintain continuity and be proportional with the S&P GSCI Agriculture & Livestock Enhanced.

**Capping Formulas.** At each rebalancing, CPWs are calculated as follows:

$$CPW_{capped,i} = CPW_{GSCI,i} * TargetWeight_j / GSCIWeight_j$$

where:

$CPW_{capped,i}$  = CPW for commodity  $i$  in the S&P GSCI Enhanced Agriculture & Livestock Capped 40/75 as of the rebalancing reference date.

$CPW_{GSCI,i}$  = CPW for commodity  $i$  in the S&P GSCI Agriculture & Livestock Enhanced as of the rebalancing reference date.

$GSCIWeight_j$  = Weight of commodity  $j$ , of which commodity  $i$  is a part, in the S&P GSCI Agriculture & Livestock Enhanced as of the rebalancing reference date.

$TargetWeight_j$  = Weight of commodity  $j$ , of which commodity  $i$  is a part, in the S&P GSCI Enhanced Agriculture & Livestock Capped 40/75 as of the rebalancing reference date.

At each rebalancing target weights are calculated as follows:

If  $SPGSCIWeight_j > 35\%$ , then  $TargetWeight_t = 35\%$

For the Top 5 commodities:

$$TargetWeight_j = \frac{70\% * SPGSCIWeight_j}{Total\ Top\ 5\ Weights}$$

For all remaining commodities:

$$TargetWeight_j = \frac{30\% * SPGSCIWeight_j}{(1 - SPGSCIWeight_c)}$$

where:

$SPGSCIWeight_c$  = Total S&P GSCI Agriculture & Livestock Enhanced weight of all capped commodities as of the rebalancing reference date.

For the commodities not in Top 5:

If  $TargetWeight_t > TargetWeight_s$  then  $TargetWeight_t = TargetWeight_s$

where:

$TargetWeight_s$  = Weight of the smallest commodity in Top 5 Commodities

For all remaining commodities:

$$TargetWeight_t = \frac{(100\% - Total\ Capped\ Weights) * SPGSCIWeight_j}{(100\% - SPGSCIWeight_c)}$$

where:

$Total\ Capped\ Weights$  = Total S&P GSCI Agriculture & Livestock Capped Commodity weight of all capped Commodities as of the rebalancing reference date.

This process is repeated iteratively until no commodity with weight greater than the smallest commodity in Top 5.

### Specialized Capping Index Codes

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Index Code
S&P GSCI Agriculture & Livestock Enhanced Capped 40/75	SGECCAL
S&P GSCI Agriculture & Livestock Enhanced Capped 40/75 ER	SGECCALP
S&P GSCI Agriculture & Livestock Enhanced Capped 40/75 TR	SGECCALT

# Index Governance

## Index Committee

S&P Dow Jones Indices has established an Index Committee to oversee the daily management and operations of the S&P GSCI, and is responsible for all analytical methods and calculation in the indices. The Committee is comprised of full-time professional members of S&P Dow Jones Indices staff. At each meeting, the Committee reviews any issues that may affect index constituents, statistics comparing the composition of the indices to the market, commodities 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 commodities, or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

All references to methodology-related decisions made by S&P Dow Jones Indices in this document represent decisions made by the Index Committee.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

*For information on:*

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

*Please refer to S&P Dow Jones Indices' Commodities Indices Policies & Practices Methodology.*



# Index Policy

## Announcements

Announcements of the daily index values are made after the futures market close each day.

Announcements of the new futures contract months to be rolled into are made following the close of business on the third business day of each month.

*For information on Calculations and Pricing Disruptions, Expert Judgment, Data Hierarchy and Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Commodities Indices Policies & Practices Methodology.*

## Currency of Calculation and Additional Index Return Series

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to [S&P DJI Methodology & Regulatory Status Database](#).

*For information on the calculation of different types of indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

*For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at [www.spdji.com](http://www.spdji.com).*

## Contact Information

For questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Appendix I

## Methodology Changes

Methodology changes since January 1, 2015 are as follows:

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Index name for the S&P GSCI Equal Weight Commodity Sector Index	07/17/2020	The index name was Equal Weighted Commodity Index.	The index is S&P GSCI Equal Weight Commodity Sector Index.
Capping rules for indices with buffers	01/07/2020	<p><b>Rule 1: The weight of the largest component or commodity cannot exceed 35% and will be capped down to 32%. Any excess weight is distributed proportionately within the sector.</b></p> <p><i>Once Rule 1 is implemented,</i></p> <p><b>Rule 2: The weights of the other components or commodities cannot exceed 20% and will be capped down to 17%. Any excess weight is distributed proportionately within the sector.</b></p>	<p><b>Rule 1: The weight of the largest component or commodity cannot exceed 32%. Any excess weight is distributed proportionately within the sector.</b></p> <p><i>Once Rule 1 is implemented,</i></p> <p><b>Rule 2: The weights of the other components or commodities cannot exceed 17%. Any excess weight is distributed proportionately within the sector.</b></p>
Capping rules for indices with no buffers	01/07/2020	<p><b>Rule 1: The weight of the largest component or commodity cannot exceed 35%. Any excess weight is distributed proportionately within the sector.</b></p> <p><i>Once Rule 1 is implemented,</i></p> <p><b>Rule 2: The weights of the other components or commodities cannot exceed 20%. Any excess weight is distributed proportionately within the sector.</b></p>	<p><b>Rule 1: The weight of the largest component or commodity cannot exceed 32%. Any excess weight is distributed proportionately within the sector.</b></p> <p><i>Once Rule 1 is implemented,</i></p> <p><b>Rule 2: The weights of the other components or commodities cannot exceed 17%. Any excess weight is distributed proportionately within the sector.</b></p>

# Appendix II

## EU Required ESG Disclosures

<b>EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL &amp; GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY<sup>3</sup></b>		
1.	<b>Name of the benchmark administrator.</b>	S&P Dow Jones Indices LLC.
2.	<b>Underlying asset class of the ESG benchmark.<sup>4</sup></b>	N/A
3.	<b>Name of the S&amp;P Dow Jones Indices benchmark or family of benchmarks.</b>	<a href="#">S&amp;P DJI Futures Indices Benchmark Statement</a>
4.	<b>Do any of the indices maintained by this methodology take into account ESG factors?</b>	No
<b>Appendix latest update:</b>		January 2021
<b>Appendix first publication:</b>		January 2021

<sup>3</sup> The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology.

<sup>4</sup> The 'underlying assets' are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

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