

Cushing 30[®] MLP Index

S&P Custom Index Case Study |



Swank Energy Indices

Cushing[®] 30 MLP Index

Price Return

BLOOMBERGSM MLPX

Total Return

BLOOMBERGSM MLPXTR

The Index

The Cushing[®] 30 MLP Index is a North American Energy Infrastructure equal weighted index comprised of 30 publicly traded stocks that hold midstream energy assets.

The Client

Swank Energy Income Advisors, LP. Based in Dallas, Texas, Swank Energy is one of the premier managers of publicly traded energy infrastructure companies also known as MLPs (Master Limited Partnerships).

The Challenge

Swank established one of the first MLP hedge funds in 2003. The goal of Swank's Cushing[®] 30 MLP Index is to provide investors with a realistic measure of MLP asset class performance, which is unbiased by market capitalization and investable in today's marketplace based on prudent portfolio management guidelines for a passively managed portfolio. Swank is seeking to establish an index that it believes most accurately reflects the performance of the MLP sector. The methodology of Swank assumes that equal weighting is preferable to market capitalization for this purpose. In addition, Swank Energy believes the combination of an equal weighting and formula based ranking system is the right way to build an MLP index.

The Solution

Swank Energy Income Advisors, LP created the Cushing[®] 30 MLP Index which provides a benchmark to measure the performance of the more stable and widely held energy infrastructure master limited partnerships (MLPs). The Cushing[®] 30 MLP Index is an equal weighted index that uses a formula based, proprietary valuation methodology to rank the MLPs for inclusion in the index. The Cushing[®] 30 MLP Index does not include some of the more commodity sensitive MLP subsectors such as Upstream MLPs and Shipping MLPs. Swank Energy enlisted the knowledge and experience of S&P Custom Indices to create and maintain their indices. The index is rebalanced quarterly by S&P Custom Indices.

The Result

S&P Indices calculates the new Swank Energy index on a real-time, daily basis under the ticker MLPX. S&P Indices also calculates the new Cushing[®] 30 MLP index on a total return basis, using end of day pricing, under the ticker MLPXTR.

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Standard & Poor's does not sponsor, endorse, sell or promote any S&P index-based investment product.

See what others don't,
so you can do what others can't.

For more information, please visit our Web site:

www.customindices.standardandpoors.com



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Shariah
Size
Algorithm
Style

Real-Time
End-of-Day

Currency Hedge
Capping
Multiple Currencies
Withholding tax rate

Market Capitalization Weighted
Fundamentally Weighted
Equal Weighted
Modified Weighted

Price Level
Total Return
Net Total Return

S&P Indices recognizes that no single index meets the needs of all investors. A custom index calculated by Standard & Poor's enables our clients to refine either existing S&P indices to reflect tailored measurements of market performance; or to create a unique index as the basis for a new derivative investment product.

Why Choose S&P Custom Index & Calculation Service?

- *Our Core Business.* We are a global leader in creating and maintaining investment benchmarks that are reliable, authoritative and transparent.
- *Our Team.* A dedicated team of experienced S&P index analysts provide local, regional and global support.
- *Quick-to-Market Responsiveness.* Our experience and resources enable us to fast-track custom index development when bringing new ETFs and structured products to market.
- *Breadth and Depth of Coverage.* S&P draws from an extensive global database of over 22,000 stocks in 81 countries.
- *Multiple Asset Classes.* Custom indices are available across equity, commodity and fixed income universes.
- *S&P Indices Brand.* The "Calculated by S&P Custom Indices" Mark is a powerful communications tool which allows clients to demonstrate calculation and verification by S&P.

YOUR Proprietary Index

and/or

"Slice & Dice" of a S&P Index

- | | |
|---|---|
| <ul style="list-style-type: none"> • Your Idea: "Indexize" an investment strategy • Your IP: Full ownership of license rights • Your Brand + "Calculated by S&P Custom Indices" | <ul style="list-style-type: none"> • S&P Index serves as the basis • S&P Intellectual Property (IP) • S&P Brand |
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Custom Indices Across Multiple Asset Classes

Standard & Poor's has the ability to calculate real-time and end-of-day custom indices over a number of asset classes, as well as multi-asset class indices.

TYPES OF S&P CUSTOM INDICES

EQUITIES

U.S. Equities
Global Equities
Strategy
REIT

COMMODITIES

S&P GSCI
S&P DTI
S&P CTI
S&P FTI

FIXED INCOME

Money Markets
Leveraged Loan
U.S. Municipal
CDS
Global
Preferred

Examples of Customization Capabilities

- *Equities.* By sector, geography, alternative weight, net return, hedging.
- *Commodities.* By sector, alternative weight, roll period.
- *Fixed Income.* By asset class, structure, deal size, rating.

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