ECPI GLOBAL AGRICULTURE EQUITY INDEX

The Index is designed to give equity exposure to the agriculture sector, through commodity production and related industries

DECEMBER 2011

BACKGROUND: RISING DEMAND FOR AGRICULTURAL SOFT COMMODITIES

PRICES OF AGRICULTURAL SOFT COMMODITIES HAVE SURGED RECENTLY

In the past few years, arable crop commodity prices have increased dramatically to new or existing record levels.

World corn and wheat prices, for example, nearly doubled in nominal terms between 2005 and 2007 and continued to rise in 2008. Prices of other commodities such as sugar, soybeans and rice registered similar increases.[1], [2]

This sharp rise is attributable to a combination of demand- and supply-side developments:

On the demand side

- Growth in biofuels production, among other factors, has fuelled the increase in demand in the global soft commodity markets.[3]
- Sensitivity of demand to price changes is falling. Supply shocks of a given size, in other words, require a greater change in price to bring about the demand adjustment needed to balance the market.
- Population growth and rising incomes, especially in certain developing countries, impact on dietary habits -- increasing demand for protein-rich and quality foods, for instance -- further reducing the sensitivity of demand to price changes.[4]

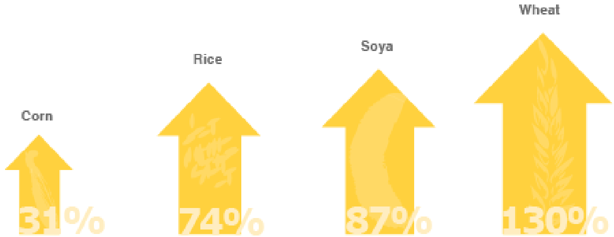
On the supply side

- Unfavourable weather conditions brought about by climate change threaten production processes, product quality and export supplies to world markets.[5]
- High oil prices are expected to stifle future supply responses by raising the costs of production.
- Destruction of farmland, triggered by human migration from the countryside into cities, also limits production potential.
- Global stocks of crops have declined to record-low levels over the last decade. As a result, variations in supply and demand –- made more difficult to offset by that decline -- have a proportionately greater effect on market prices. [2]
- Cross-border trade policies introduced by many countries in an effort to boost domestic market supplies have reduced supplies on world markets, further fuelling the price increases.

These trends only amplify the need for more efficient use of farmland and productivity around the world. For related industries like the fertiliser, crop protection, seed development and agricultural equipment sectors -– not to mention investors in these businesses -– that presents a wealth of opportunities.

Estimates suggest that even if the commodity price surge slows in the medium term, the price of agriculture commodities will be 40-60% higher than prior to 2007.

PRICE RISES IN A SINGLE YEAR, MARCH 2007-MARCH 2008



SOURCE: Bloomberg, except rice: FAO/ Jackson Son & Co

ECPI GLOBAL AGRICULTURE EQUITY INDEX

The Index is designed to select companies best placed to seize the opportunities arising from the gap between demand for food, feed and fuel and the supply of the necessary inputs.

Chosen firms would be focused on:

- *Production of eight major crops*:

  Wheat; red wheat; corn; soybeans; cotton; sugar; coffee and cocoa.
- *And related sectors*:
  - Agricultural Chemicals

    The production and marketing of fertilizers, crop nutrients, potash, seeds and crop-protection products.
  - Agricultural Equipment

    The production and marketing of equipment such as tractors, sprayers, replacement parts, grain dryers and grain cleaning machines.
  - Agricultural Products

    the growing, cultivation, harvesting and marketing of the commodities.

FOCUS: EQUITY EXPOSURE TO AGRICULTURE

1. INDUSTRY SELECTION

ECPI has identified the following industries based on their link to the agricultural soft commodity markets:

- Agricultural Chemicals
- Agricultural Operations
- Chemicals – Diversified
- Coffee
- Food – Flour and Grain
- Food – Misc./Diversified
- Machinery – Farm
- Textile – Products
- Sugar

The list of industries will be reviewed on an annual basis by an Index Advisory Board so as to reflect structural changes that might otherwise impact substantially on the Index's performance. The Board will be composed of respected international academics as well as representatives of industry and other international organizations.

2. STOCK SELECTION

Selection of Index constituents is based on a company's:

- Corporate revenues
- ECPI ESG Rating
- Liquidity

1. Corporate Revenues

At least 20% of the firm's corporate revenues must be generated by its agriculture-related businesses (in Agricultural Chemicals, Agricultural Equipment or Agricultural Products, as previously defined).

2. ESG Rating

Companies included in the Index must have a positive ECPI ESG Rating.

The ESG Rating is an evaluation of corporate Environmental, Social, and Governance performance, as defined by the ECPI ESG Rating Methodology.

Through ECPI Research, the rating is designed to single out companies with the most unexpressed intangible value.

3. Liquidity Screening

Traditional liquidity criteria are applied in order to build a liquid and hedgeable investment tool:

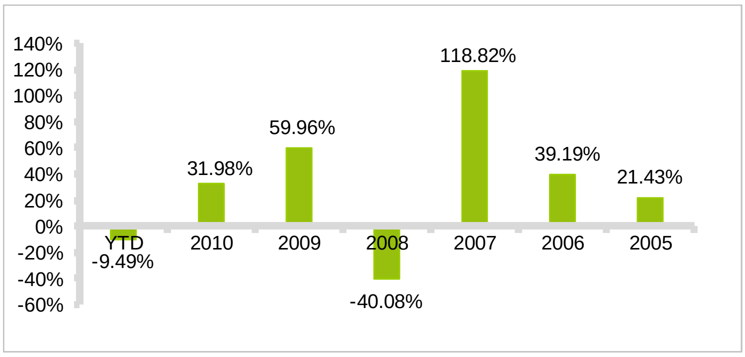
Minimum market capitalization: EUR 1 bio

Minimum 6-month average trading volume: EUR 1 mio

FINAL CONSTITUENTS LIST

All stocks satisfying both the industry and stock selection criteria are included in the ECPI Global Agriculture Equity Index.

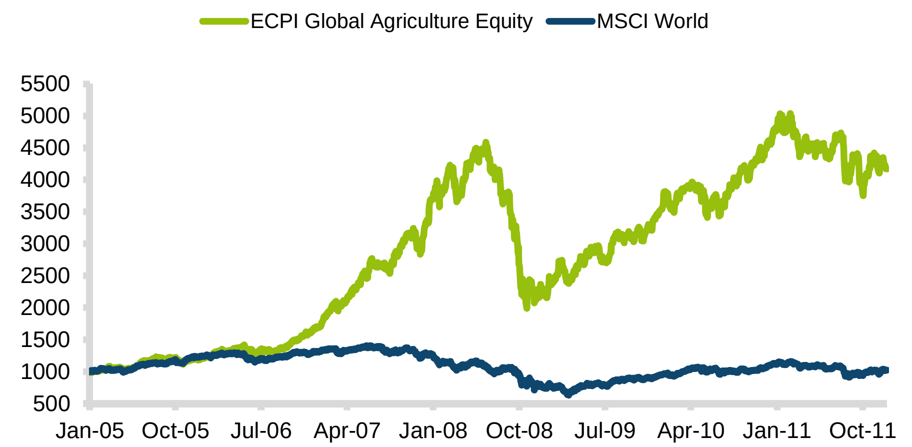
Number of Constituents	**41.00**
Eligibility Monitoring	**Daily**
Constituent Weights	**Equal**
Index Rebalancing Frequency	**Annual**
Constituent min Market Cap	**1 bio EUR**
Min ADV (last 6 months)	**1 mio EUR**
Currency of Calculation	**EURO**
Average Market Cap (EUR bio)	**9.22**
Largest Market Cap (EUR bio)	**35.56**
Smallest Market Cap (EUR bio)	**0.98**
Highest Index Value (since 2003)	**8367.07**
Lowest Value (since 2003)	**857.95**



Average	Annualized Volatility
Since 2003	**19.61%**

Fundamental Analysis	P/E Trailing	P/E Projected	P/B	P/S	P/CF	Dividend Yield
	15.16	13.31	1.89	0.86	12.73	1.71

Country	
AUSTRALIA	6.57%
BRAZIL	2.76%
CANADA	6.52%
CHILE	3.03%
CHINA	2.83%
DENMARK	3.13%
FRANCE	2.71%
GERMANY	5.73%
HONG KONG	4.22%
JAPAN	4.73%
NORWAY	3.29%
SPAIN	2.38%
SWITZERLAND	2.76%
TAIWAN	2.84%
UNITED STATES	35.36%
UNITED KINGDOM	4.53%
SINGAPORE	4.68%
SOUTH AFRICA	1.90%
Sector	
Industrial	12.49%
Basic Materials	56.62%
Consumer, Non-cyclical	30.89%



Index Summary			
Asset Class	**Equity**	**Bond**	**Alternative**
Investment Objective	**Beta**	**Alpha**	**Income**
Constituents	**Large Caps**	**Medium Caps**	**Small Caps**
Screening	**Positive**	**Negative**	**Both**
Bias	**Geographical**	**Industry**	**Quantitative**

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DEFINITIONS

P/E trailing: Current price/index earnings. Index earnings are calculated by summing up the trailing 12 months EPS before XO items of the member companies multiplied by the shares in the index and divided by the index divisor. US and Canada: calculated using trailing 12 month diluted EPS from continuous operations of each member.
P/E projected: Current price/index projected earnings. Index projected earnings are calculated by summing all members' best EPS in FY1 multiplied by shares in the index and divided by the index divisor.
P/B: Current price/index weighted book value. Index weighted book value is calculated by summing up current book value per share of the member companies, multiplied by the shares in the index and divided by the index divisor.
P/S: Current price/index sales. Index sales are calculated by summing up all trailing 12 month sales per share, multiplied by shares in the index and divided by the index divisor.
P/CF: Current price/index cash flow. Index cash flow is calculated by summing up the trailing 12 month cash flow per share of the member companies, multiplied by the shares in the index and divided by the index divisor.
Dividend Yield: Index dividend/current price. Index dividend is calculated by taking the sum of all members' last 12 month dividends, multiplied by shares in the index and divided by the index divisor. Market convention dividends use gross dividends except for Australia, New Zealand, and the United Kingdom, which use net.

Fundamental Data Source: Bloomberg

REFERENCES

[1] Food and Agricultural Policy Research Institute (FAPRI) 2008. "U.S. And World Agricultural Outlook" Ames, Iowa: FAPRI.
[2] OECD-FAO 2008. "Agricultural Outlook 2008-2017" OECD/FAO.
[3] BBC News 2007. "Mexicans stage tortilla protest" URL: http://news.bbc.co.uk/2/hi/americas/6319093.stm
[4] Dyson, T. 2001. "World Food Trends: A Neo-Malthusian Prospect?. Proceedings of the American Philosophical Society" 145: 438-455.
[5] FAO 2008. "Climate change and food security: a framework document" Rome: FAO