



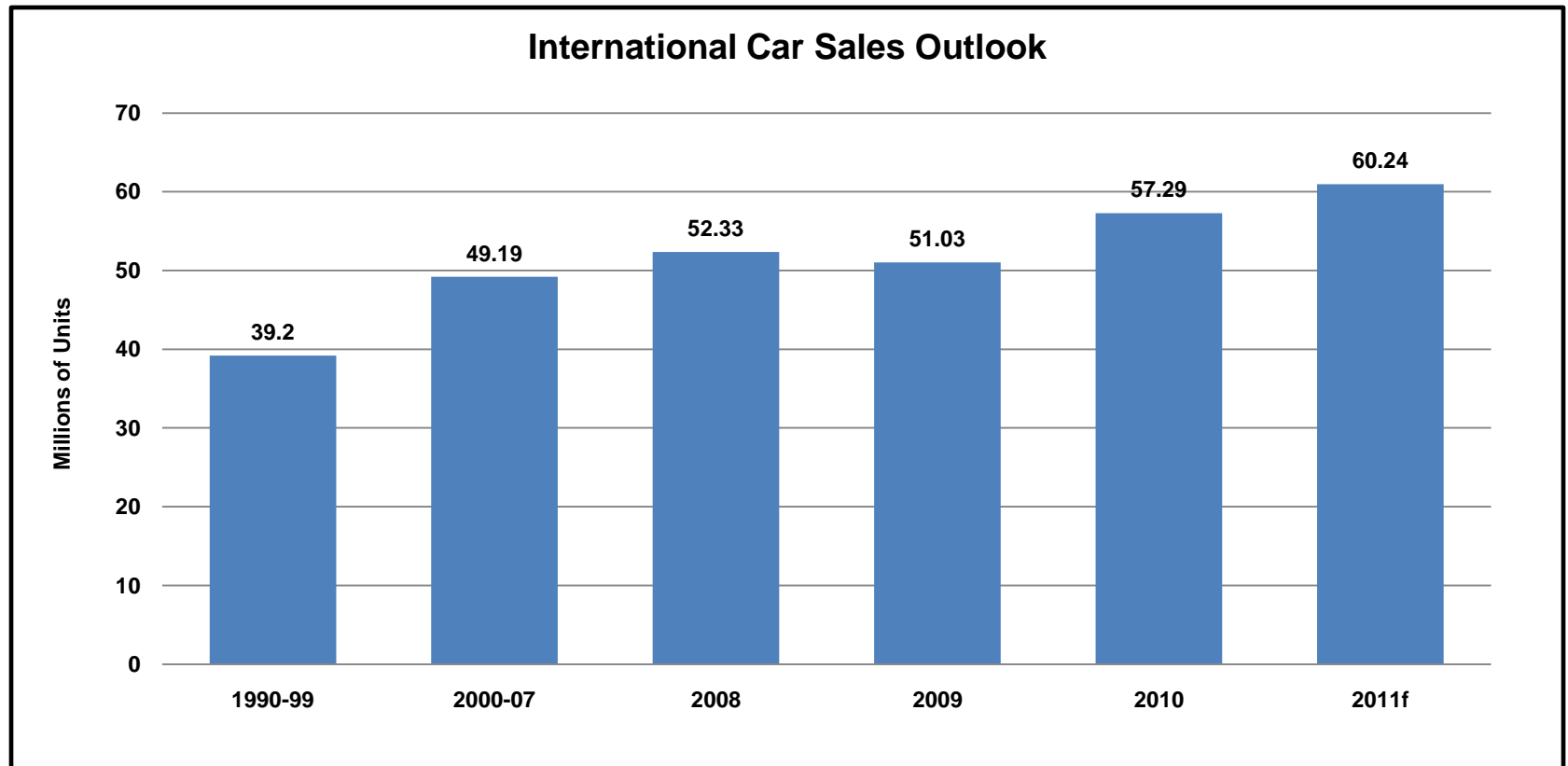
# **S-Network Global Automotive Index (AUTOS)**

May 2011

**THIS INFORMATION IS PROPRIETARY AND CONFIDENTIAL**

## Industry Outlook

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Source: Scotia Capital, as of 5/10/2011

**Global Vehicle Sales Continue to Rebound from Downturn with Purchases Predicted to Reach a Record High in 2011.**

## Industry Outlook

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### ❑ **Several Automotive Manufacturers Have Recently Posted Profits and Forecast Further Growth**

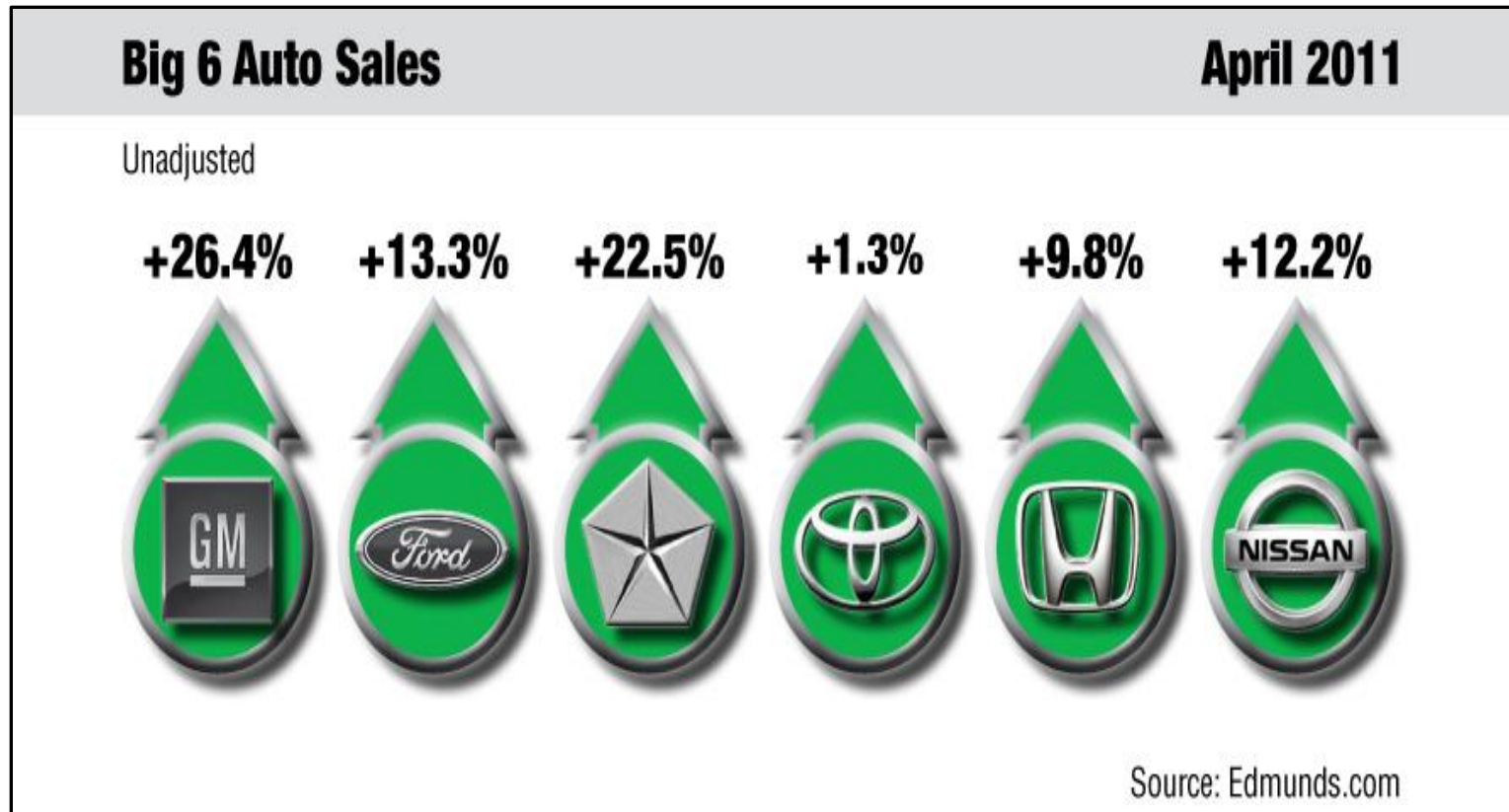
- General Motors Revenue Grew 15% to \$36.2 Billion in First Quarter of 2011
- Chrysler Sales Rose 20% in April 2011
- Ford's US Sales Up 16.4% in April 2011
- BMW Group Sales Increased 17.9% in 2011
- Hyundai Global Sales Up 9.2% and Net Profit Up 46.5% in Q1 2011
- Kia Motors Global Sales Rose 30% and Net Profit Increase of 91% in First Quarter of 2011
- Daimler AG's Net Income Increased 93% and Revenue Rose 17% in First Quarter of 2011
- Toyota's Brand Increased 11% to Regain Position as World's Most Valuable Auto Brand
- Tata Motors Sales Up 13% in April 2011

### ❑ **United States Auto Industry Experiencing Comeback:**

- Expanding Job Market Leading to Increased Incomes
- Auto Sales Up 18% in April 2011 and 19.6% for Year
- Seasonally Adjusted Annual Rate of Sales for Month, 13.2 Million Units, Falls in Line with Industry Projections of US Sales Between 13-13.5 Million for Year
- Customers Seek Fuel Efficient Cars as Gas Prices Reach \$4/Gallon
- Small Car Sales up 32.9% in April 2011
- Incentive Spending at Lowest Point in Five Years

Source: Scotia Capital, Edmund's AutoObserver, JD Power and Associates, The Detroit Bureau

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**US Auto Industry Improving. Detroit Big 3 Market Share Increased 1.5 Points Higher to 46.5% in April 2011.**

## Industry Outlook

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### ❑ Canada:

- Sales Increased in March and April 2011, Averaging Annualized 1.67 Million Units
- Sales Gains Strongest in Resource-Rich Provinces of Western Canada Rising 14% in March 2011

### ❑ China:

- 2008 Government Policy Incentives Helped Stimulate Vehicle Demand
- Annual Growth Increased 46% in 2009 and 32% in 2010
- The Chinese Market is Experiencing “hyper-competition” as Foreign and Domestic Manufacturers Strive to Develop Innovative New Products and Brands to Capture Growth Opportunities
- China Predicted to Outperform the Global Auto Industry in 2011 Due to Continued Urbanization and Growing Demand from Lower Tier Cities
- Will Grow at Slower Pace Than in Previous Years Due to the Termination of Government Subsidies and Tax Incentives

### ❑ Japan:

- Japanese Auto Production Dropped 57% Due to March 11 Earthquake and Tsunami
- Manufacturers Unable to Keep Up with Demand
- Japanese Brand Share Down 3.4 points in April to 35.5%
- Toyota’s Sales Increased About 1%, Full Production Will Not Resume Until End of Year
- Honda’s Net Profit Fell 38% in First Quarter of 2011, Suspending June/July Dealer Orders for Vehicles in Japan

Source: Scotia Capital, Edmund’s AutoObserver, JD Power and Associates, The Detroit Bureau

## Industry Outlook

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- ❑ **Global Sales Recovery Should Continue**
- ❑ **Sales Gains to Be Led by Emerging Markets and Strengthening Demand in US**
- ❑ **Global Job Creation Rising Almost 2% Year-Over-Year**
- ❑ **Lower Manufacturing Costs Should Result in Further Growth**
  - Automakers Continue Moving Manufacturing Facilities to Lower-Cost Areas, such as China and India, Where Cheaper Labor Can Be Obtained
- ❑ **Surge in Oil Prices will Lead to Greater Demand for Smaller Fuel-Efficient Cars**
- ❑ **Halt in Japanese Production May Cause Potential Global Auto Parts Shortage Which Will Threaten Global Output**
- ❑ **Long Term Global Vehicle Demand Remains Strong and Production Will Bounce Back Once Situation in Japan Stabilizes**

Source: Scotia Capital, Edmund's AutoObserver, JD Power and Associates, The Detroit Bureau

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## S-Network Global Automotive Index: Index Description

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### ❑ Equity Index Designed to Serve as an Equity Benchmark for Globally Traded Stocks Principally Engaged in the Automotive Industry

### ❑ Comprised of Three Main Business Segments

- Automobile Manufacturers
- Auto Parts & Equipment
- Tires

### ❑ Inclusion Criteria

- Constituents Must Be Principally Engaged in the Primary Automobile Industry
- Listed on Recognized Exchange
- Minimum Capitalization Adjusted for Free Float Greater Than USD 1 Billion
- Minimum Average Daily Trading Volume Greater Than 1 Million USD

### ❑ Weighting Methodology

- Fixed Number of 50 Constituents
- Modified Capitalization Weighted, Adjusted for Free Float

## Top Ten Constituents

Company	Ticker	Weight	AUM
DAIMLER AG	DAI GR	10.42%	75.61 Billion USD
TOYOTA MOTOR CORP	TM US	10.25%	138.35 Billion USD
FORD MOTOR CO	F US	9.56%	56.40 Billion USD
BAYERISCHE MOTOREN WERKE AG	BMW GR	5.04%	53.18 Billion USD
HONDA MOTOR CO LTD	HMC US	5.03%	67.95 Billion USD
JOHNSON CONTROLS INC	JCI US	4.77%	28.16 Billion USD
HYUNDAI MOTOR CO	005380 KS	4.36%	40.73 Billion USD
VOLKSWAGEN AG	VOW GR	3.68%	73.00 Billion USD
HYUNDAI MOBIS	012330 KS	3.13%	29.04 Billion USD
GENERAL MOTORS CO	GM US	2.78%	48.43 Billion USD

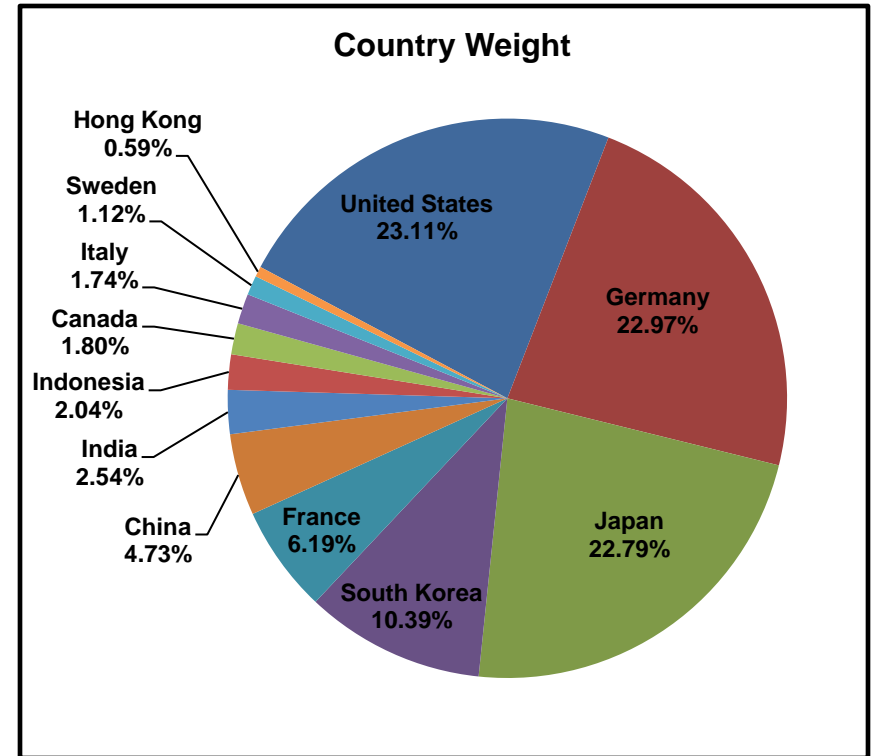
Source: S-Network, as of 3/31/2011



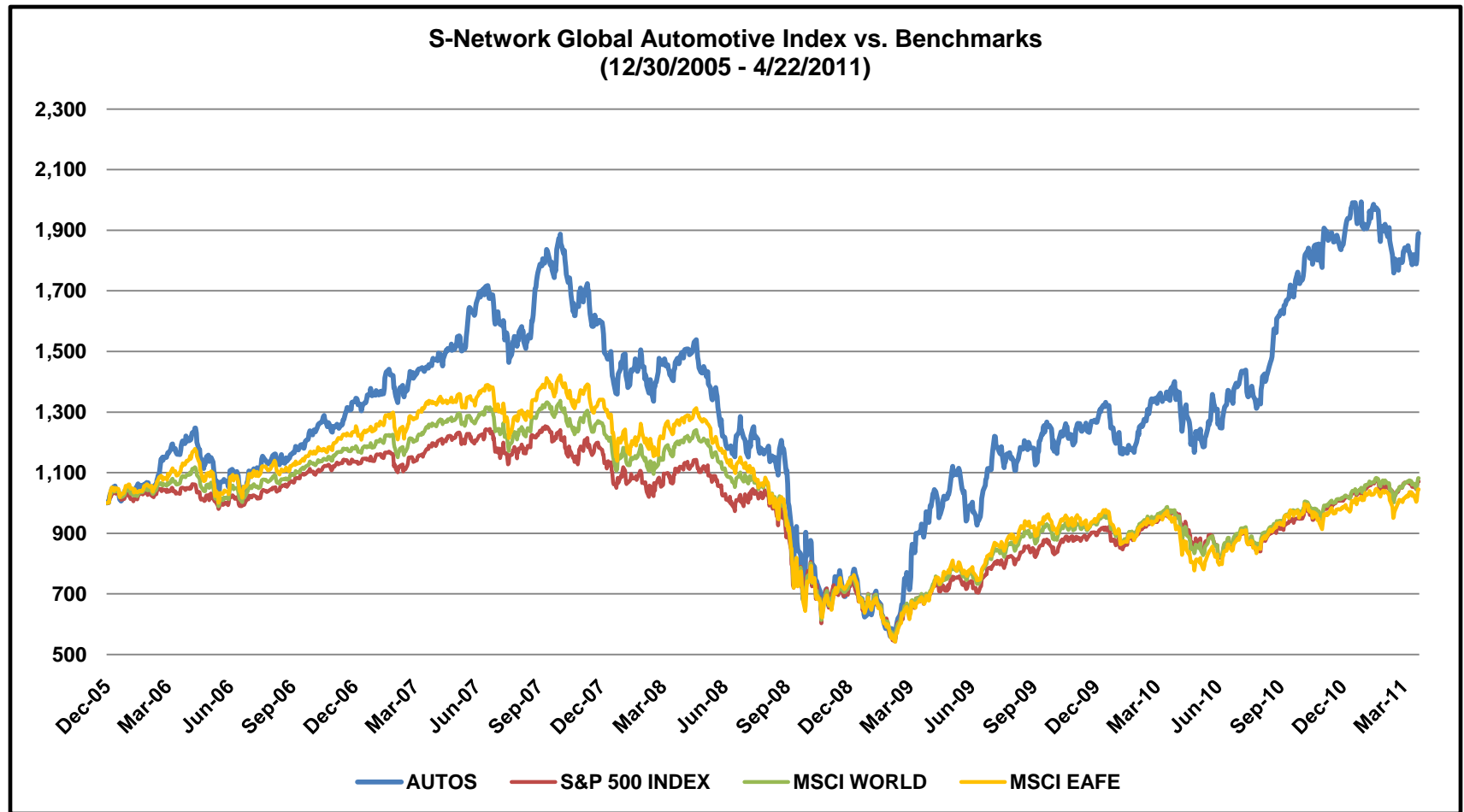
## Market Capitalization and Country Distribution

Market Capitalization Profile	
Numbers of Constituents	50
Total Market Capitalization	1.03 Trillion USD
Largest Market Capitalization	138.35 Billion USD
Smallest Market Capitalization	2.65 Billion USD
Average Market Capitalization	20.59 Billion USD
Median Market Capitalization	10.06 Billion USD

Source: S-Network, as of 3/31/2011



# Historical Index Performance I



Source: Bloomberg, as of 4/22/2011

## Statistical Profile I

Simple Price Appreciation				
	SNET AUTOS	S&P 500	MSCI World	MSCI EAFE
Since Inception*	89.02%	7.14%	8.21%	4.54%
5 Year	56.93%	1.99%	-0.66%	-7.58%
3 Year	29.35%	-2.80%	-9.46%	-17.60%
1 Year	38.01%	10.65%	11.68%	11.51%
Year to Date	2.01%	6.34%	6.32%	5.92%

Compound Annual Growth Rate				
	SNET AUTOS	S&P 500	MSCI World	MSCI EAFE
Since Inception*	12.79%	1.31%	1.50%	0.84%
5 Year	9.43%	0.39%	-0.13%	-1.56%
3 Year	8.96%	-0.94%	-3.26%	-6.25%
1 Year	38.01%	10.65%	11.68%	11.51%

\* Inception Date: 12/31/03

Source: Bloomberg, as of 3/31/2011

## Statistical Profile II

Sharpe Ratio				
	SNET AUTOS	S&P 500	MSCI World	MSCI EAFE
Since Inception*	0.418	0.049	0.067	0.032
5 Year	0.301	0.011	(0.012)	(0.072)
3 Year	0.241	(0.036)	(0.136)	(0.236)
1 Year	1.584	0.594	0.694	0.588

Standard Deviation				
	SNET AUTOS	S&P 500	MSCI World	MSCI EAFE
Since Inception*	30.29%	24.35%	20.53%	22.93%
5 Year	30.97%	24.97%	21.03%	23.44%
3 Year	36.67%	29.56%	24.81%	26.93%
1 Year	23.91%	17.73%	16.66%	19.37%

\* Inception Date: 12/31/03

Source: Bloomberg, as of 3/31/2011

## Statistical Profile III

Correlation Matrix (5 Year / Daily)				
	SNET AUTOS	S&P 500	MSCI World	MSCI EAFE
SNET AUTOS	1.0000			
S&P 500	0.7046	1.0000		
MSCI World	0.7970	0.8749	1.0000	
MSCI EAFE	0.6648	0.4764	0.8408	1.0000

Beta Matrix (5 Year / Daily)				
	SNET AUTOS	S&P 500	MSCI World	MSCI EAFE
SNET AUTOS	1.0000			
S&P 500	0.8739	1.0000		
MSCI World	1.1737	1.0387	1.0000	
MSCI EAFE	0.8783	0.5075	0.7543	1.0000

R-Square (5 Year / Daily)				
	SNET AUTOS	S&P 500	MSCI World	MSCI EAFE
SNET AUTOS	1.0000			
S&P 500	0.4965	1.0000		
MSCI World	0.6353	0.7654	1.0000	
MSCI EAFE	0.4420	0.2270	0.7070	1.0000

Source: Bloomberg, as of 3/31/2011

## S-Network Global Automotive Index: Index Details & Data Distribution

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- ❑ **Index Values Distributed in Real Time (15 second snapshots) in USD and EUR**
- ❑ **Total Return Index Calculated Daily in USD and EUR**
- ❑ **Index Values Distributed via Consolidated Tape**
- ❑ **Comprehensive Historic Data (including simulated back-tests from 01/01/2002)**
  - Daily Prices for Price-Only + TR Indexes in USD + EURO
  - Quarterly Portfolio Snapshots (Historic Constituents and Weights)
- ❑ **Extensive Analytic support**
  - Quarterly Reports (“Index Insights”)
  - Industry Overviews
  - Extensive Statistical Data
- ❑ **Comprehensive website**
- ❑ **Broad data distribution via third party vendors**
  - S&P/Bloomberg/Yahoo, etc.
  - S-Network contribution page on Bloomberg: SNET

**Complete data availability and index transparency facilitate more effective benchmarking and investment analytics.**



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