Canadian Crude Index

April 2015

Canadian Crude Excess Return Index (CCIER) Methodology

Overview

The Canadian Crude Excess Return Index (“the Index”) is designed to provide returns that reflect the price of owning crude oil that is produced in Canada. It represents a liquid benchmark for investors that desire exposure to this underlying commodity.

The Index targets an exposure that represents a three month rolling position in crude oil. To create a price representative of Canadian crude oil the index uses two futures contracts: A fixed price contract, which represents the price of crude oil at Cushing in Oklahoma, and a basis differential contract, which represents the difference in price between Cushing and Canada. Together these create a fixed price for Canadian crude oil. The Index is calculated based on daily returns of prices published by the Intercontinental Exchange (“ICE®”) for the Designated Relevant Contracts.

Index Component Specifications

Component	Name	Symbol	Exchange	Contract Size	Price Quote
Fixed Price Contract	ICE® WTI Crude Future	T	ICE®	1000 bbl	USD/bbl
Basis Differential Contract	ICE® Crude Diff – WCS TMX 1b Index Future	TDX	ICE®	1000 bbl	USD/bbl

Business Day Convention

For the purposes of these indices, a Business Day is any day on which the ICE® exchange is open and publishes a Contract Settlement Price for each of the Designated Relevant Contracts, NYMEX is open and publishes an official settlement price for WTI Crude Futures, the Banks in Canada and the US are open and have the ability to settle foreign exchange transactions, and the Toronto Stock Exchange (“TSX”) is open and publishes closing prices.

Designated Relevant Contracts

The Designated Relevant Contract at the beginning of each month is outlined in the following table. For more detail, please refer to the Contract Roll Period and Weights Section.

Designated Relevant Contracts Table

Contract	1st Nearest	2nd Nearest	3rd Nearest	4th Nearest
January	G	H	J	K
February	H	J	K	M
March	J	K	M	N
April	K	M	N	Q
May	M	N	Q	U
June	N	Q	U	V
July	Q	U	V	X
August	U	V	X	Z
September	V	X	Z	F
October	X	Z	F	G
November	Z	F	G	H
December	F	G	H	J

Month Codes

Month	Month Code	Month	Month Code
January	F	July	N
February	G	August	Q
March	H	September	U
April	J	October	V
May	K	November	X
June	M	December	Z

Contract Roll Period and Weights

The roll dates will be from the 1st Business Day of each applicable month to the Business Day that corresponds to the expiration of either the 1st Nearest Basis Contract or the 1st Nearest Fixed Price Contract (whichever contract expires first). This varies month-to-month but is typically between 10 and 14 Business Days. The example below demonstrates a roll assuming an 11 day roll. The determination of the appropriate Designated Relevant Contract is based on the day of the month. Please see the table below for more information.

Contract Roll Period and Weights Table

	Business Days of the Month										
Canadian Crude Excess Return Index	**1st**	**2nd**	**3rd**	**4th**	**5th**	**6th**	**7th**	**8th**	**9th**	**10th**	**11th - last**
Fixed Price Contract											
1st Nearest	30.3%	27.3%	24.2%	21.2%	18.2%	15.2%	12.1%	9.1%	6.1%	3.0%	0.0%
2nd Nearest	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
3rd Nearest	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
4th Nearest	3.0%	6.1%	9.1%	12.1%	15.2%	18.2%	21.2%	24.2%	27.3%	30.3%	33.3%
Basis Differential Contract											
1st Nearest[1]	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	0.0%
2nd Nearest	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
3rd Nearest	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
4th Nearest	3.0%	6.1%	9.1%	12.1%	15.2%	18.2%	21.2%	24.2%	27.3%	30.3%	33.3%

Determination of Prices Used in the Index Calculation

For the calculation of the Fixed Price component of the Index, the official settlement prices published by the exchange will be used. In the event that the exchange fails to publish an official price on any day, the situation will be considered a "Market Disruption Event" and will be handled according to the Market Disruption Event policy which is explained in the "MARKET DISRUPTION EVENTS" section below.

For the calculation of the Basis Differential Price component of the Index, the Calculation Agent will determine the price to be used in the Index based on the following hierarchy:

1. The midpoint of the bid/offer of the Basis Differential Price contract at 2:30pm ET (or any other time at which Fixed Price contract settles on the ICE, i.e. 1:30pm ET, as determined by the ICE) if the spread between the bid and offer is $0.50 or less, or failing that;
2. the last trade will be used if it occurs within 5 minutes before or after 2:30pm ET (or any other time at which Fixed Price contract settles on the ICE), or;

Failing the above two steps, the situation will be considered a "Market Disruption Event" and will be handled according to the Market Disruption Event policy which is explained in the "MARKET DISRUPTION EVENTS" section below.

[1] The weighting of the 1st Nearest Basis Contract does not decrease through the roll period in the same way the Fixed Price Contract does, because it is financially settling over this period. The final settlement price for this contract is the simple average of the daily settlement prices for the underlying physical crude oil (The TMX WCS 1b Index as published by NGX) over the averaging period, which corresponds to the roll period. The averaging has the effect of decreasing the exposure to the underlying contract over the averaging period. Therefore, even though the apparent weight of the exposure appears to be greater than 100%, the effective leverage never exceeds 100%.

Notwithstanding the foregoing, the Index Committee may override the rules for the Basis Differential price determination and instead use the official settlement prices for the Basis Differential as published by the exchange for that day.

Market Disruption Events

From time to time, Market Disruption events may occur that will result in the postponement of the Index and/or the adjustment of the roll period. In the event there is a market disruption in either the Fixed Price component or the Basis Differential Price component, a Market Disruption Day will be deemed to have occurred for both components.

In the case of the Fixed Price component of the Index, a Market Disruption Day will be deemed to have occurred if any of the following events occur:

1. The Daily Contract Settlement Price is not published by the Exchange by 4:00 PM Eastern Time;
2. The Daily Contract Settlement Price is erroneous, in the reasonable judgment of the Index Committee or the Calculation Agent, and such error is not corrected by 4:00pm Eastern Time;
3. The Daily Contract Settlement Price is a Limit price (as defined by the applicable Exchange).

In the case of the Basis Differential Price component of the Index, a Market Disruption Day will be deemed to have occurred if the price was unable to be determined in the steps as explained in the section above: “DETERMINATION OF PRICES USED IN THE INDEX CALCULATION”.

If a Market Disruption Day has been deemed to have occurred on a non-roll date, the Index will not be posted for that Business Day.

If a Market Disruption Day has been deemed to have occurred on a roll date, the applicable Index will not be posted for that Business Day AND the portion of the roll that was to take place on the Market Disruption Day will take place on the next non-Market Disruption Business Day. For instance, if the Market Disruption Day occurred on the 7th Business Day of the month, the portion that was to be rolled on day 7 will be added to the roll on the 8th Business Day.

Notwithstanding the foregoing, the Index Committee may override the Market Disruption Events rule for the Index calculation and instead use the official settlement prices for the Basis Differential as published by the exchange for that day and deem that the roll would have occurred as on a normal trading day.

Index Value and Rounding Methodology

The Index was created to yield a benchmark value of 1000.0000 on November 1, 2010. The index value is calculated daily and is rounded to four decimal places. The Index will be tracked on a daily basis and reported on NYSE’s website on each Trading Day.

Index Codes

INDEX	NYSE	BLOOMBERG	REUTERS
Canadian Crude Excess Return Index	CCIER	<CCIER><Index>	.CCIER

Data Corrections

Commercially reasonable efforts are made to ensure the correctness of data used in the Index calculations. If incorrect price data is detected, it will be corrected as soon as feasible.

Index Governance

Auspice has established an index committee ("Index Committee") to oversee the daily management and operations of the Index.

The components comprising the Index may change at the discretion of the Index Committee. Components may be added or removed from the Index based on changes to the futures contracts, their liquidity and their suitability to achieving the Index goals.

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