

# CRB-EQ

THOMSON REUTERS | JEFFERIES

## WILDCATTERS

### Contact Information

**Joseph LaCorte, CFA**  
S-Network Global Indexes, LLC  
(646) 467-7927  
jlacorte@snetworkllc.com

### Licensed ETF

Jefferies | TR/J CRB Wildcatters  
Exploration & Production Equity ETF

Ticker: WCAT

This is not an offer to purchase or sell shares of the above listed funds. All purchases or sales of shares must be pursuant to a current prospectus for the relevant fund or funds.

Information about the index, including rule book, company descriptions and historic data, can be found at:  
[www.crbequityindexes.com](http://www.crbequityindexes.com)

### TICKER:

Thomson Reuters/Jefferies CRB  
Wildcatters Energy E&P  
Equity Index:  
WCATI

December 2010

Inquire about our custom institutional  
benchmarking services

This material has been prepared and/or issued by S-Network Global Indexes LLC and/or one of its consultants or affiliates. This document is for information purposes only and it should not be regarded as an offer to sell or as a solicitation of an offer to buy the securities or other instruments mentioned in it. The information, including any third party information, may not be accurate or complete in its entirety, and it should not be relied upon as such. S-Network Global Indexes LLC and/or its affiliates are not acting in a fiduciary capacity. The products mentioned herein may not be eligible for sale in some states or countries and may not be suitable for all investors. The potential yield created by these products may be adversely affected by exchange rates, interest rates, or other economic and political factors. An investor's return may be less than the principle invested. S-Network Global Indexes LLC and/or its affiliates may now, in the past, or in the future make markets, or deal as principle in the securities or derivatives thereof, mentioned in the document. In addition, S-Network Global Indexes LLC, its shareholders, directors, officers, and/or employees and consultants, may from time to time hold a long or short position in these securities. This document may not be reproduced in any manner without the prior written authorization of S-Network Global Indexes LLC. Opinions expressed within reflect the opinions of S-Network Global Indexes LLC and the author/analyst and are subject to change without notice.



## Thomson Reuters/Jefferies CRB Wildcatters Energy E&P Equity Index

**Index Performance.** The Thomson Reuters/Jefferies CRB Wildcatters Energy E&P Equity Index (TICKER: WCATI) increased +24.24% from 2386.17 to 2964.66 in the fourth quarter of 2010. This compares to an increase in the Henry Hub Natural Gas Spot Price Index (TICKER: NGUSHUB) of +9.59% and an increase in the S&P 500 (TICKER: SPX) of +10.20%.

The best performing stocks were Hyperdynamics Corporation (TICKER: HDY US), which rose +110.17%; Approach Resources Inc (TICKER: AREX US), which rose +106.62%; and Houston American Energy Corporation (TICKER: HUSA US), which rose +80.90%. The worst performing stocks were CAMAC Energy Inc (TICKER: CAK US), which declined -37.62%; Questerre Energy Corp (TICKER: QEC CN), which declined -16.79%; and OPTI Canada Inc (TICKER: OPC CN), which declined -16.44%.

The Thomson Reuters/Jefferies CRB Wildcatters Energy E&P Equity Index was up +30.45% in 2010. This compares to a -27.44% fall in the Henry Hub Natural Gas Spot Price Index and a +12.78% rise in the S&P 500.

**Index Description.** The Thomson Reuters/Jefferies CRB Wildcatters Energy E&P Equity Index (TICKER: WCATI) is an equity index designed to serve as a benchmark for small-cap and mid-cap American and Canadian companies that are principally engaged in the exploration and production of natural gas and oil.

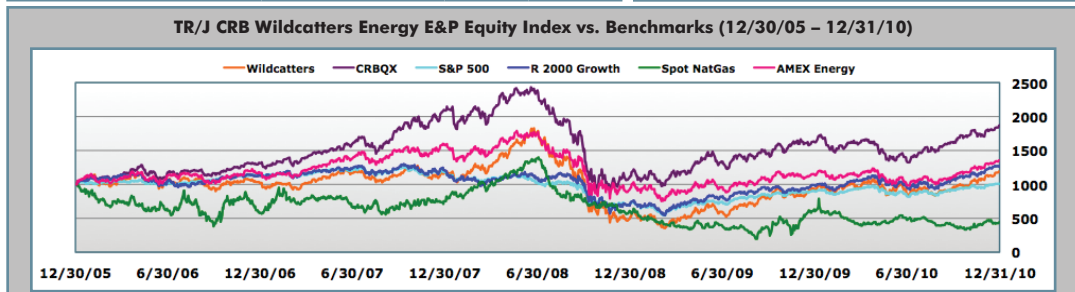
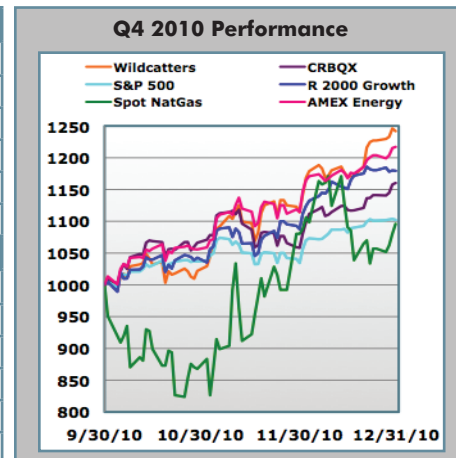
**Inclusion Criteria.** All WCATI constituents are "principally" engaged in exploration and production of natural gas and oil. For the purposes of WCATI, all constituents must generate more than 75% of annual revenues directly from participation in this industry. WCATI contains stocks selected from a universe of 300 exploration and production stocks domiciled in the United States and Canada that pass applicable revenue tests. Stocks must have a market capitalization between USD 200 million and USD 2 billion to be eligible for inclusion in the index. In addition, companies representing at least 95% of the total weight of the underlying index must have an average daily turnover for the previous ninety days of more than USD 1 million.

**Weighting Methodology.** WCATI employs a capitalization weighted methodology, adjusted for free float. Weightings are capped and adjusted for UCITS and RIC concentration (25/5/45). WCATI is rebalanced quarterly on the third Friday of the last month of each calendar quarter.

**Index Data.** WCATI currently contains 62 constituents and is calculated in real time by Thomson Reuters. Index values are distributed throughout the day at fifteen second intervals in U.S. Dollars. WCATI is calculated on both a price only and total return basis. Daily values are available from December 31, 2003.

**Index Rationale.** "Wildcatters" are small-cap and mid-cap US and Canadian exploration and production companies, with operations primarily focused on North American natural gas. Because of their comparatively modest proved reserves, new discoveries often have a material impact on performance. This segment of the natural gas industry is expected to benefit from a) rising demand for natural gas due to the fuel's relatively low carbon footprint (~45% CO2 compared to coal), b) improved extraction technologies for shale and coal bed methane, and c) the opening up of sizeable new fields. Dominated by small cap companies, this index tends to be more volatile than other energy indexes, which are dominated by large integrated oil and gas companies.

Leading Movers				
Company Name	Ticker	Opening	Closing	Change
HYPERDYNAMICS CORP	HDY US	2.360	4.960	110.17%
APPROACH RESOURCES INC	AREX US	11.180	23.100	106.62%
HOUSTON AMERICAN ENERGY CORP	HUSA US	10.000	18.090	80.90%
MAGNUM HUNTER RESOURCES CORP	MHR US	4.140	7.200	73.91%
W&T OFFSHORE INC	WTI US	10.600	17.870	68.58%
Lagging Movers				
Company Name	Ticker	Opening	Closing	Change
CAMAC ENERGY INC	CAK US	3.190	1.990	-37.62%
QUESTERRE ENERGY CORP	QEC CN	2.478	2.062	-16.79%
OPTI CANADA INC	OPC CN	0.806	0.674	-16.44%
CHINOOK ENERGY INC	CKE CN	2.351	2.152	-8.47%
NUVISTA ENERGY LTD	NVA CN	10.134	9.303	-8.20%



\*Note: This chart is a normalized historical graph. This chart is for illustrative purposes only. All data for the WCATI index before its official launch date are simulated. Current data may differ from data quoted. Investors cannot invest directly in index. Index returns do not reflect any management fees or brokerage expenses.

Data Source: S-Network Data as of December 31, 2010.

**Capitalization Profile**

Number of constituents	62
TOTAL MARKET CAPITALIZATION	67.54 Billion USD
LARGEST MARKET CAPITALIZATION	3.18 Billion USD
SMALLEST MARKET CAPITALIZATION	189.85 Million USD
AVERAGE MARKET CAPITALIZATION	1.09 Billion USD
MEDIAN MARKET CAPITALIZATION	0.88 Billion USD

**Simple Price Appreciation**

	WCATI	CRBQX	S&P 500	R 2000 Growth	Spot NatGas	AMEX Energy
5 Year	18.781%	87.700%	0.749%	25.600%	-55.567%	35.654%
3 Year	2.057%	-10.113%	-14.351%	4.585%	-40.922%	-13.924%
1 Year	30.450%	15.755%	12.783%	28.326%	-27.444%	19.633%

**Compound Annual Growth Rate (CAGR)**

	WCATI	CRBQX	S&P 500	R 2000 Growth	Spot NatGas	AMEX Energy
5 Year	3.502%	13.421%	0.149%	4.664%	-14.976%	6.289%
3 Year	0.681%	-3.492%	-5.033%	1.506%	-16.091%	-4.875%
1 Year	30.450%	15.755%	12.783%	28.326%	-27.444%	19.633%

**Annualized Standard Deviation (Monthly)**

	WCATI	CRBQX	S&P 500	R 2000 Growth	Spot NatGas	AMEX Energy
5 Year	38.733%	26.364%	17.846%	23.323%	71.512%	24.795%
3 Year	45.938%	30.926%	22.176%	28.070%	56.303%	27.940%
1 Year	27.210%	23.902%	19.306%	24.105%	44.738%	24.145%

**Sharpe Ratio**

	WCATI	CRBQX	S&P 500	R 2000 Growth	Spot NatGas	AMEX Energy
5 Year	0.087	0.504	0.001	0.194	-0.211	0.248
3 Year	0.012	-0.117	-0.233	0.049	-0.288	-0.179
1 Year	1.114	0.654	0.655	1.170	-0.616	0.808

\* Annualized average 3M T-Bill return of 0.129% used for Sharpe Ratio calculation

**Top Ten Constituents**

Company	Ticker	Country	Weight
BRIGHAM EXPLORATION CO	BEXP US	UNITED STATES	5.47%
SANDRIDGE ENERGY INC	SD US	UNITED STATES	4.58%
DAYLIGHT ENERGY LTD	DAY CN	CANADA	3.69%
PROGRESS ENERGY RESOURCES CO	PRQ CN	CANADA	3.69%
ROSETTA RESOURCES INC	ROSE US	UNITED STATES	3.44%
BERRY PETROLEUM CO	BRY US	UNITED STATES	3.40%
BILL BARRETT CORP	BBG US	UNITED STATES	3.29%
ENERGY XXI BERMUDA	EXXI US	BERMUDA	3.27%
GRAN TIERRA ENERGY INC	GTE CN	CANADA	3.24%
BANKERS PETROLEUM LTD	BNK CN	CANADA	3.21%

**Correlation Matrix (5 Year/Daily)**

	WCATI	CRBQX	S&P 500	R 2000 Growth	Spot NatGas	AMEX Energy
WCATI	1.0000					
CRBQX	0.8535	1.0000				
S&P 500	0.7471	0.7390	1.0000			
R 2000 Growth	0.7492	0.6938	0.9235	1.0000		
Spot NatGas	0.1248	0.1095	0.0259	0.0155	1.0000	
AMEX Energy	0.8953	0.8475	0.8322	0.7598	0.0852	1.0000

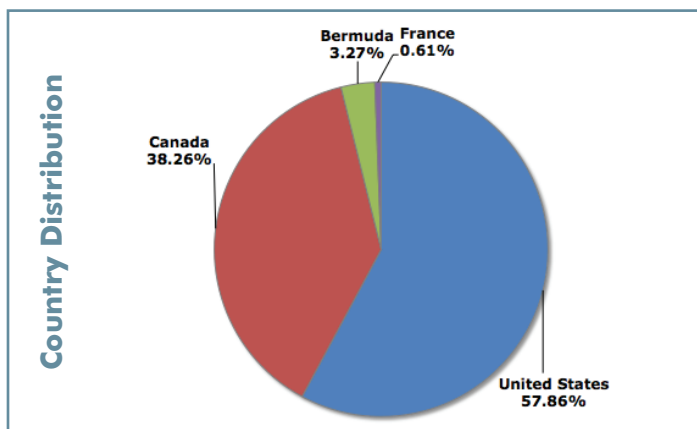
**BETA Matrix (5 Year/Daily)**

	WCATI	CRBQX	S&P 500	R 2000 Growth	Spot NatGas	AMEX Energy
WCATI	1.0000					
CRBQX	1.2102	1.0000				
S&P 500	1.3201	0.9209	1.0000			
R 2000 Growth	1.1060	0.7223	0.7716	1.0000		
Spot NatGas	0.0765	0.0473	0.0090	0.0064	1.0000	
AMEX Energy	1.0767	0.7188	0.5665	0.6190	0.1672	1.0000

**R-Square Matrix (5 Year/Daily)**

	WCATI	CRBQX	S&P 500	R 2000 Growth	Spot NatGas	AMEX Energy
WCATI	1.0000					
CRBQX	0.7284	1.0000				
S&P 500	0.5582	0.5462	1.0000			
R 2000 Growth	0.5613	0.4814	0.8528	1.0000		
Spot NatGas	0.0156	0.0120	0.0007	0.0002	1.0000	
AMEX Energy	0.8015	0.7182	0.6925	0.5773	0.0073	1.0000

\* All data is as of December 31, 2010.



This information, including the Thomson Reuters/Jefferies Wildcaters Energy E&P Equity Index (WCATI) and materials relating thereto, is the property of S-Network Global Indexes LLC ("SNGI"). SNGI is the designer of the construction and methodology for the WCATI index and is responsible for the content of this information. Reuters America LLC or its affiliates ("Thomson Reuters") and/or Jefferies Financial Products, LLC or its affiliates ("Jefferies") act as brand licensors for the WCATI index. This information may not be used to create, offer, trade, market or promote any financial products without the express written consent of SNGI, which may be withheld for any reason including the objections of Jefferies or Thomson Reuters. All historical data for the WCATI before its launch date are simulated by applying the index construction and methodology at the Initial Launch Date, which was designed with the benefit of hindsight, to available historical equity values. Simulated historical returns do not reflect the impact (if any) of market disruption or market emergency events. Simulated historical returns do not reflect the impact that material changes in the underlying markets might have had on the decisions to use or continue using certain securities and weightings in the WCATI index. None of SNGI, Jefferies, Thomson Reuters or any other of their subsidiaries or affiliates makes any representations as to the accuracy, completeness or timeliness of the information herein. None of Jefferies, Thomson Reuters or any of their subsidiaries or affiliates shall have any liability, contingent or otherwise, to any person or entity for the quality, accuracy, timeliness and/or completeness of the information contained herein, the WCATI index, or for delays, errors, omissions or interruptions in the publication of the WCATI index or any related data. Thomson Reuters performs certain services for SNGI with respect to the WCATI index including the calculation and dissemination of index values. SNGI, Thomson Reuters and Jefferies may operate and market other indices that may compete with the WCATI index, and they and their affiliates and their respective directors, officers and employees may buy or sell securities mentioned or contemplated herein as agent or as principal for their own account and may have positions or engage in transactions based on or indexed to the WCATI index. It is possible that such trading activity will affect the value of the WCATI index. SNGI, Jefferies, Thomson Reuters and their subsidiaries and affiliates including directors, officers and employees, with respect to use of this material or the WCATI index, including but not limited to the trading of or investments in products based on or related to the WCATI index, (a) make no warranty, express or implied, as to the results to be obtained by any person or entity, (b) make no warranty, express or implied, and expressly disclaim any warranty or merchantability or fitness for a particular purpose, and (c) without limiting any of the foregoing, shall have no liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits), even if notified of the possibility of such damages. Certain third parties, pursuant to license agreements with SNGI, may create, offer, trade, market and promote financial products or transactions based on, indexed to, or calculated with regard to, the WCATI index (the "Third Party Products"). SNGI, Jefferies, Thomson Reuters and their subsidiaries and affiliates do not sponsor or endorse any Third Party Products, except as expressly and duly acknowledged by the applicable SNGI, Jefferies or Thomson Reuters entity, and SNGI may operate the WCATI index without regard to the possible effects on such Third Party Products. This is not an offer or solicitation of an offer to buy or sell any security or investment. Past performance of the WCATI index is not necessarily indicative of future results.