



Press Release

New S&P Indices Offer Diversified Style Benchmarks for the Israeli Market

S&P Israel BMI Capped Style Indices Licensed to KSM for the Creation of Exchange Traded Notes

London, April 18, 2012 – S&P Indices has launched the S&P Israel BMI Capped Growth and Value Indices, tradable indices comprised of a wide range of the largest and most-liquid Israeli stocks listed on the Tel Aviv Stock Exchange. The indices have been licensed to KSM, a leading index-linked certificate manager in the Israeli market, which has issued Exchange Traded Notes (“ETNs”) based on the indices.

Both indices are based on the established multi-factor style methodology of the S&P Israel BMI (Broad Market Index) Style Indices with additional rules applied. Any stock from the S&P Israel BMI that is not an index constituent of the Tel Aviv Stock Exchange Composite is excluded. In addition, a 10% cap is applied to individual stocks at each quarterly rebalancing in order to prevent a small number of large stocks from dominating the index. The indices are calculated in real-time from Sunday to Thursday to coincide with the Tel Aviv Stock Exchange’s trading hours.

Michael Orzano, Associate Director of Global Equity Indices at S&P Indices, said: “The S&P Israel BMI Capped Style Indices are examples of our responsive and innovative approach to creating new indices. We have customised the S&P Israel BMI Style Indices to meet the needs of local Israeli investors and deliver a tradable index capable of supporting financial products in the local market.”

Roy Regev, KSM Founder said: “These new style indices present a new era for the Israeli index based market. Israel has reached developed market status and is one of the most interesting countries compared to its peer group. These unique indices provide a new way for passive managers and other market participants to exploit the potential in the growing Israeli economy. Using the S&P methodology as the base of the indices also provides the necessary credibility needed by foreign investors.”

The S&P Israel BMI Style Indices use three growth variables and four value variables to classify each stock in the universe as 100% growth, 100% value, or a mixture of both growth and value. This approach permits a stock to be classified, for example, as 60% growth and 40% value, for better securities classification and less index turnover by recognizing that companies may gradually move from one style to another over time. All constituents must have a float-adjusted market capitalisation of at least US\$100 million, and a value traded of at least US\$50 million over the last 12 months.

The S&P Israel BMI Capped Growth Index is comprised of 76 stocks, including Israel Chemical Corp and Bank Leumi Le-Israel, while the S&P Israel BMI Capped Value Index, is comprised of 78 stocks, such as Bezeq Israeli Telecom and Bank Hapoalim.

About S&P Indices

S&P Indices, a leading brand of the McGraw-Hill Companies (NYSE:MHP), maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Over \$1.45 trillion is directly indexed to our indices, which includes the S&P 500, the world's most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry's most closely watched commodities index, and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit: www.standardandpoors.com/indices.

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