

## PRESS RELEASE

### **S&P Dow Jones Indices, Research Affiliates Join Forces to Launch Dow Jones RAFI Commodity Index**

*New Index is a Factor Weighted, Broad-Market Commodity Index with a Modified Roll*

**New York, September 11, 2014** – S&P Dow Jones Indices (S&P DJI), one of the world’s leading providers of financial market indices, and Research Affiliates, a global leader in innovative indexing and asset allocation strategies, announced today the launch of the Dow Jones RAFI Commodity Index. The Index offers a factor based approach that uses signals intended to generate outperformance, but with typical indexing merits like liquidity, governance, and transparency.

The methodology, developed jointly by S&P DJI and Research Affiliates, uses momentum and roll yield to over (under)-weight commodities within the equally weighted sectors of the [Dow Jones Commodity Index](#) (DJCI). Currently, the Dow Jones RAFI Commodity Index contains 23 commodities across three major sectors including energy, agriculture and livestock, and metals. The reconstitution of the Index occurs annually during the January Roll.

“The Dow Jones RAFI Commodity Index intends to provide investors the potential to achieve alpha-like returns within an index strategy by weighting according to fundamental factors in commodities,” says Jodie Gunzberg, Global Head of Commodities at S&P Dow Jones Indices. “The Index is designed to serve as the basis for potential investment products, such as ETFs, which may offer a liquid and transparent means for investors to gain exposure to current drivers of commodity returns.”

“While first generation commodities indices have delivered on diversification and inflation protection, the low and very volatile returns have kept many investors out of the asset class. Yet the finance literature shows momentum and roll yield are simple and reliable sources of added returns,” says Jason Hsu, Co-Founder and Vice Chairman at Research Affiliates. “Historically, expensive commodity CTAs have been the primary way to access these sources of return. Our smart beta approach uses these two strategies in a rules-based, transparent, low cost commodity index solution that seeks to deliver higher returns (compared to first generation commodity indices) in addition to diversification and inflation protection.”

The complete methodology for the Dow Jones RAFI Commodity Index can be found by accessing: [www.spdji.com](http://www.spdji.com).

#### **About S&P Dow Jones Indices**

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world’s largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average™, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit [www.spdji.com](http://www.spdji.com).

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