

**ITEM 1 COVER PAGE**

**FORM ADV BROCHURE**

**PART 2A**

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**IMPORTANT DISCLOSURE:**

This brochure provides information about the qualifications and business practices of Standard & Poor's Securities Evaluations, Inc. ("SPSE"), an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact us at (212) 438-4510 or send an email at: ses\_customerservice@standardandpoors.com. Registration with the SEC does not imply that SPSE or its employees possess a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about SPSE also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2**

### **MATERIAL CHANGES**

This Brochure is dated January 20, 2012. This brochure contains material changes to the disclosure SPSE provided in its last annual update of this brochure dated March 28, 2011 as follows:

- Revised fee information was added to Section 5 “Fees and Expenses on pages 10 to 23 to reflect how SPSE’s services can be delivered to clients. Fee information for S&P Municipal Bond Indices via Investor Tools Custom Index Manager on page 26 was revised to reflect new fees.
- Revised fee information was added to Section 5 “Fees and Expenses” on pages 8 to 13 for inverse floaters. Revised fee information for model valuation was added to page 18 (October 12, 2011 amendment).
- New fee disclosure for SPSE’s model valuation service was added as well as revised fee disclosure which appears on pages 18 to 22 (September 22, 2011 amendment).
- Disclosure was added to Item 4.A under “Advisory Business” on page 4 to coincide with a new branding program (September 22, 2011 amendment).
- Addition of time of day when SPSE provides snapshots of its evaluated prices on U.S. corporate & structured finance bonds, which was added to page 26 (September 22, 2011 amendment).
- Credit-Adjusted Valuation pricing was renamed Model Valuation, effective May 17, 2011 (May 17 amendment).
- SPSE discontinued offering its liquidity determination service to clients in January of 2011 (May 17, 2011 amendment).

Please note that the above summary addresses only changes the SPSE has determined to be material and therefore, does not reflect all of the changes that have been made to this brochure since the last annual update dated March 28, 2011 was distributed to clients.

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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. Advisory Firm**

SPSE is a New York corporation that has been providing advisory services for over 25 years. SPSE is a wholly-owned subsidiary of The McGraw-Hill Companies, Inc., a New York Stock Exchange listed company. The McGraw-Hill Companies is comprised of 4 operating segments: (i) McGraw-Hill Education; (ii) Information & Media; (iii) Standard & Poor's; and (iv) McGraw-Hill Financial. SPSE is a part of the McGraw-Hill Financial business segment. McGraw-Hill Financial operates two separate brands for its products: S&P Capital IQ and S&P Indices. SPSE is a part of S&P Capital IQ brand.

#### **B. Specialization**

SPSE has experience and a background in providing evaluated prices and other valuations services. SPSE provides evaluated prices on fixed income securities, equity securities, derivatives, Risk-to-Prices scores (**R2P**) on fixed income securities and model valuation services.

#### **C. Advisory Services**

SPSE's services include providing valuations, including evaluated prices, and Risk to Price scores and commentary on various types of securities. In particular, SPSE specializes in providing evaluated prices on fixed income securities, equity securities and derivatives as well as R2P scores on fixed income securities. SPSE does not provide portfolio management services to clients.

SPSE also provides certain non-advisory products and services, including the distribution of (i) market data and prices; (ii) municipal securities information to be used as performance measurement tools and for price measurement and (iii) municipal indices.

**Municipal Securities Information.** SPSE also offers various products for clients to use in evaluating and measuring the performance of the securities held in portfolios. SPSE prepares various indices and yield curve products for clients to use as tools to price and evaluate the performance of municipal securities.

SPSE also provides other services to assist investors in evaluating and measuring the performance of securities held in client portfolios. SPSE's other services include KENNYBASE, a complete municipal securities database; the KIS Notification Service, a complete automated service of call and put announcements for corporate and municipal bonds; Standard & Poor's Housing Call Reports, a service providing redemption histories on single family state housing issuers; and Securities Data Manager, an automatic updating of municipal security master files, which includes Associate Obligor information. SPSE sells these services on a per item basis. In addition, SPSE also

provides the service called Market, Credit & Risk Strategies (**MCRS**), which includes reports on economic, risk and market trends impacting the fixed income market. Some of the above services may be provided with SPSE's evaluated pricing service.

Clients may also obtain SPSE's municipal securities service through third party distributors.

Set forth below is more detailed information about each of the products and services described above.

(1) **Evaluated Pricing Service.** SPSE determines and publishes its opinion on the valuation of fixed income securities and derivatives each day. SPSE provides price evaluations for US and non-US fixed income securities and instruments, including: (i) municipalities, (ii) corporations; (iii) agencies and other entities, (iv) notes (fixed, floating and medium term), (v) commercial paper, (vi) bonds, (vii) forward contracts, (viii) convertible securities, (ix) mortgage backed securities, including commercial mortgage backed securities, (x) other asset backed securities, (xi) collateralized mortgage and debt obligations, (xii) certificates of deposit, (xiii) syndicated bank loans, (xiv) interest rate swaps, (xv) inflation swaps, (xvi) tender option bonds and other derivatives.

(2) **Model Valuation Service.** SPSE also provides analyses of certain global fixed income securities using its proprietary model valuation methodology. This methodology is designed to offer an alternative risk based valuation measure of a bond, incorporating credit and market risk assumptions. The assumptions and methodologies used differ from those used by SPSE in generating SPSE's evaluated prices and may result in a different value than that provided by SPSE when it determines an evaluated price for the same security.

SPSE also offers various products for clients to use in evaluating and measuring the performance of the securities held in portfolios and also prepares various yield and duration measures as tools to evaluate the performance of securities.

(3) **Risk-to-Price (R2P).** SPSE provides analyses of certain fixed-income securities using the SPSE's proprietary R2P score methodology that measures the perceived market and credit risk of a security against the security's price. A screening tool is also made available to clients that subscribe to the Risk-to-Price service.

(4) **Third Party Prices & Data.** SPSE also makes available to its clients data and pricing information from unaffiliated third party vendors. The information from unaffiliated third party vendors is prepared and/or created by these entities and not by SPSE. In this regard, and since SPSE has no input into the creation of these prices, SPSE disclaims any responsibility for the accuracy of any information created by an unaffiliated third party. An unaffiliated third party vendor may use different pricing methodologies than SPSE and may provide a price for a security or instrument that differs from SPSE's price for the same security or instrument. SPSE has no obligation to test the accuracy or appropriateness of prices or methodologies from unaffiliated third party vendors. Unaffiliated third party vendors may have their own policies and

procedures for compliance matters, including, but not limited to, personal trading for their employees, confidentiality and data protection. Such policies and procedures are solely the responsibility of those vendors.

For some instruments, prices are provided only by SPSE or a vendor. With categories of instruments for which either SPSE or a vendor has the capacity to provide a price, SPSE will determine in its discretion whether prices for such instruments will be provided to a client by SPSE or such third party vendor. When making a determination, SPSE may be subject to competing incentives that may create a conflict of interest for SPSE in making such determination. These incentives include, among other things, the fact that SPSE may earn revenues and profits from providing prices itself; SPSE could receive a portion of the fees charged for providing a third party's services and in certain instances, SPSE may need to direct an agreed-upon amount of revenue to a vendor in order to act as the exclusive distributor for such vendor, which may enhance the attractiveness of SPSE's services in comparison to other competing vendors.

**D. Wrap Fee Programs**

SPSE does not offer or participate in wrap fee programs.

**E. Assets Under Management**

As of December 31, 2010, SPSE does not manage or advise client assets.

## **ITEM 5 FEES AND COMPENSATION**

### **I. Evaluated Prices & Model Valuation Services Provided by SPSE**

- A. Types of Fees.* SPSE generally charges activity based fees for its valuation services and/or may assess fees (which may include flat fees) based on several factors, including, par value of an investment, the number of a client's users, or the number of securities or instruments priced at the request of a client. SPSE also charges subscription based fees based on the number of users for a client. SPSE's clients generally enter into a master subscription agreement in addition to a service attachment.
- B. Payment Method.* SPSE's clients that enter into an agreement for SPSE's evaluated pricing services are invoiced monthly in arrears for activity based fees or on a quarterly basis at the beginning of each quarter for subscription based services. SPSE bills clients or a designated third party generally on the first business day of the calendar quarter and clients are requested to pay their invoice within 30 days after receipt of an invoice.
- C. Cost and Expenses.* SPSE does not charge and clients do not incur any other types of fees or expenses for SPSE's services.
- D. Refunds.* SPSE's clients who enter into a subscription agreement generally agree to pay SPSE's fee on a quarterly basis. Should any agreement terminate prior to the end of the term outlined in the agreement and in advance of the client's receipt of services through the end of a quarter, any remaining fees will be refunded by SPSE in accordance with the terms of the client's agreement with SPSE.
- E. Sales Compensation.* SPSE does not receive any additional compensation in the form of sales or brokerage commissions in connection with sales of its pricing services.

#### Fee Schedules

As discussed above, in addition to charging a subscription fee, SPSE may also charge additional fees for providing its evaluated prices based on the number of securities priced and the frequency with which it provides a client with prices, as set forth in the individual fee schedules, below. All fee schedules are shown in U.S. dollars.

#### Description of SPSE's Individual Fees Based on Usage

For its evaluated pricing service, which includes intrinsic prices, SPSE generally charges a per item fee based on the total number and types of items in a client's portfolio. Certain products may be offered on a flat fee basis or based on a fee schedule. Fees may also be negotiated, and can be based upon several factors, including without limitation, the number of instruments (as further defined below) to be priced, the frequency with which a client seeks prices (i.e. daily, weekly, monthly, etc.) and the timing of delivery (e.g., end of day pricing).

Detailed fee schedules are set forth below for different securities and instruments. All fees are quoted and generally billed in US dollars. Upon the request of a client, SPSE will bill for its fees in a local currency.

- (1) Fees for market based valuations (NAV) for managed funds (pricing feeds for funds for use by Investment Company Act of 1940 ("40 Act") funds' net asset value calculations (NAV), Undertakings for Collective Investments in Transferable Securities ("UCITS"), hedge funds, etc.)

***Fee per evaluation per day based on security type and frequency of pricing:***

<b>SPSE Security Groupings</b>	<b>Rates for Pricing- Daily Frequency</b>	<b>Rates for Pricing- Weekly Frequency</b>	<b>Rates for Pricing- Monthly Frequency</b>
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Treasuries, Agencies, Non-Linked Certificates for Deposit, Governments, Money Market	\$0.35	\$0.70	\$1.40
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Mortgage Backed Securities Fixed Rate Pools (MBS)	\$0.35	\$0.70	\$1.40
<b>SPSE Evaluations for US securities including:</b> Municipal Bonds, Municipal Commercial Paper	\$0.55	\$1.10	\$2.20
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs	\$0.55	\$1.10	\$2.20
<b>SPSE Evaluations for non US securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, Treasuries, Non-Linked Certificates of Deposits, Agencies, Governments, Money Markets, TBAs	\$0.55	\$1.10	\$2.20
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Adjustable Rate Mortgage Pool (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$1.00	\$2.00	\$4.00
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> High Yield Corporate Bonds, Covered Bonds	\$1.00	\$2.00	\$4.00
<b>SPSE Evaluations for non US securities including:</b> Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$1.00	\$2.00	\$4.00
<b>SPSE Evaluations for non US securities including:</b> High Yield Corporate Bonds, Covered Bonds	\$1.00	\$2.00	\$4.00
<b>SPSE Evaluations for complex securities including:</b> CDOs/CLOs	\$2.50	\$5.00	\$10.00
<b>Unaffiliated 3rd Party Pricing by CIBC for Canadian Bonds</b>	\$0.35	\$0.70	\$1.40



<b>SPSE Security Groupings</b>	<b>Rates for Pricing- Daily Frequency</b>	<b>Rates for Pricing- Weekly Frequency</b>	<b>Rates for Pricing- Monthly Frequency</b>
<b>Unaffiliated 3rd Party Pricing by Yield Broker for Australian Bonds</b>	\$0.35	\$0.70	\$1.40

**Note: Monthly rates also apply for semi-monthly, semi-annual and annual frequencies**

Pricing requests in addition to or outside of the schedule set forth herein will be invoiced at a rate of \$2 per security per evaluation. Accounts are subject to a monthly minimum charge of \$2,500. Volume and/or frequency discounts may apply to certain clients. Fees for loans, swaps TOBs & baskets of instruments are covered under a separate fee schedule. SPSE's minimum fee can be waived by SPSE and is negotiable with clients.

(2) Loan market-based valuation fees

<b>Ranges Per Evaluation Cycle</b>	<b>Per Security Fee for Daily Valuations</b>	<b>Per Security Fee for Weekly Valuations</b>	<b>Per Security Fee for Monthly Valuations</b>
Loan #1-25	\$4.00	\$8.00	\$16.00
Loan #26-50	\$2.00	\$6.00	\$14.00
Loan #51-100	\$1.00	\$5.00	\$12.00
Loan #101-200	\$0.75	\$4.00	\$10.00
Loan #201-300	\$0.50	\$3.00	\$6.00
Loan #301-1000	\$0.35	\$1.50	\$3.00
>1000	\$0.25	\$0.75	\$1.50

Accounts are subject to monthly minimum charge of \$2,500

Volume or frequency discounts may apply to certain clients.

Universe fees (e.g. based on asset type, sector, etc.) are available upon request

(3) Complex structure market based valuation fees for swaps and TOBs

<b>Ranges Per Evaluation Cycle</b>	<b>Per Security Fee for Daily Valuations*</b>	<b>Per Security Fee for Weekly Valuations*</b>	<b>Per Security Fee for Monthly Valuations*</b>
1-500	\$1.00	\$2.00	\$4.00
501-1000	\$0.90	\$1.90	\$3.90
1001-1500	\$0.80	\$1.80	\$3.80
1501-2000	\$0.70	\$1.70	\$3.70
2001-2500	\$0.60	\$1.60	\$3.60
2501-3000	\$0.50	\$1.50	\$3.50
>3000	Negotiable	Negotiable	Negotiable

\*Each security is subject to a \$110 set up fee

All accounts are subject to monthly minimum charge of \$2,500

Volume or frequency discounts may apply to the above accounts:

Loans & Baskets of Instruments are covered under a separate fee schedule

(4) Complex structures fees for market-based valuation fees for baskets of instruments for global clients

Delivery includes value of basket plus value of underlying securities

\$1,000 set-up fee per basket

\$0.75 fee per evaluation per constituent

All accounts are subject to monthly minimum charge of \$2,000

Or:

Delivery includes value of basket without value of underlying securities

\$1,000 set-up fee per basket

\$350 per month for up to 100 underlying securities

\$500 per month for up to 200 underlying securities

Volume or frequency discounts may apply to clients based on frequency of delivering prices and account size.  
Loans, swaps & TOBs are covered under a separate fee schedule.

(5) Fees for end of day market-based valuations and pricing related data fees

Pricing feeds for uses such as reporting, client statements, custody, research etc.

Clients may be eligible to receive a discount on fees. Discounts may apply based on for example, scope of the client's license agreement with SPSE and/or usage of SPSE's evaluated prices (as more fully described below). Any available discount is applied separately and is not combined.

Fee:

The following is a list of available discounts.

<b>License Scope*</b>	<b>Usage Scope*</b>
Global—No discount	Reporting & Infrastructure ('End of Day') Base Fee—No Discount
Regional –10% discount	Research & Analysis (End of day pricing) – 20% Discount
Country –15% discount	
Site - 20% discount	

Discounts are applied individually to the rates and are not combined. Discounts do NOT apply to Third Party SIX Telekurs Pricing.

SPSE feeds offer multiple snapshots that are available for SPSE priced U.S. corporates, governments, structured securities and all non-U.S. bonds. The second snapshot is valued at 25% of the first snapshot fee. The third snapshot is valued at 10% of the first snapshot fee. Only the non-U.S. bonds have a fourth and fifth snapshot available and the fee is waived. For example, if the first snapshot is

valued at US\$100,000 per annum, the second snapshot is valued at US\$25,000; the third at \$10,000 per annum. (Multiple snapshots are not available via the S&P Capital IQ Excel Plug-in, Valuations Portal or through the software development kit (SDK.)

#### Rates per Unit

<b>SPSE Security Groupings</b>	<b>First 5,000 Per Month</b>	<b>Next 5,000 Per Month</b>	<b>Next 10,000 Per Month</b>	<b>Next 25,000 Per Month</b>	<b>Next 50,000 Per Month</b>	<b>Next 75,000 Per Month</b>	<b>Over 170,000 per Month</b>
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Treasurys, Agencies, Non-Linked Certificates to Deposit, Governments, Money Market	\$0.250	\$0.190	\$0.125	\$0.095	\$0.062	\$0.035	\$0.019
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Mortgage Backed Securities Fixed Rate Pools (MBS)	\$0.250	\$0.190	\$0.125	\$0.095	\$0.062	\$0.035	\$0.019
<b>SPSE Evaluations for US Securities including:</b> Municipal Bonds, Municipal Commercial Paper	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes Inverse Floaters, Medium Term Notes, TBAs	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
<b>SPSE Evaluations for non US securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, Treasuries Non-Linked Certificates of Deposits, Agencies Government, Money Market, TBAs	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025

<b>SPSE Security Groupings</b>	<b>First 5,000 Per Month</b>	<b>Next 5,000 Per Month</b>	<b>Next 10,000 Per Month</b>	<b>Next 25,000 Per Month</b>	<b>Next 50,000 Per Month</b>	<b>Next 75,000 Per Month</b>	<b>Over 170,000 per Month</b>
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Adjustable Rate Mortgage Pools(ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> High Yield Corporate Bonds, Covered Bonds	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
<b>SPSE Evaluations for non US securities including:</b> Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
<b>SPSE Evaluations for non US securities including:</b> High Yield Corporate Bonds, Covered Bonds	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
<b>SPSE or Index (Unaffiliated 3rd Party) MBS Pool Factory</b> (Requires separate delivery)	\$0.125	\$0.088	\$0.063	\$0.045	\$0.025	\$0.020	\$0.015
<b>SPSE Evaluations for securities including:</b>	\$0.250	\$0.190	\$0.125	\$0.095	\$0.625	\$0.035	\$0.019

SPSE Security Groupings	First 5,000 Per Month	Next 5,000 Per Month	Next 10,000 Per Month	Next 25,000 Per Month	Next 50,000 Per Month	Next 75,000 Per Month	Over 170,000 per Month
UITs							
SPSE Data for: U.S. Equity Dividends, Mutual Fund, IADs, Equity IADs, UIT Dividends, Daily Dividend	\$0.250	\$0.190	\$0.125	\$0.095	\$0.625	\$0.035	\$0.019

### Rates per Unit

SPSE Security Groupings	Rate Per CDO-Daily Pricing Frequency	Rates Per CDO-Weekly Pricing Frequency	Rates Per CDO-Monthly Pricing Frequency
SPSE Evaluations for complex securities including: CDOs/CLOs	\$2.500	\$5.000	10.000

### Rates per Unit

SPSE Security Groupings	First 5,000 Per Month	Next 5,000 Per Month	Next 10,000 Per Month	Next 25,000 Per Month	Next 50,000 Per Month	Next 75,000 Per Month	Over 170,000 per Month
Unaffiliated 3rd Party Pricing by CIBC for Canadian Bonds	\$0.250	\$0.190	\$0.125	\$0.095	\$0.062	\$0.035	\$0.019
Unaffiliated 3rd Party Pricing by PIP for Mexican Bonds	\$0.250	\$0.190	\$0.125	\$0.095	\$0.062	\$0.035	\$0.019
Unaffiliated 3rd Party Pricing by Yield Broker Australian Bonds	\$0.250	\$0.190	\$0.125	\$0.095	\$0.062	\$0.035	\$0.019

### Rates per Unit

SPSE Security Grouping	Rate Per Unit
Unaffiliated 3rd Party Pricing from SIX Telekurs Complex Valuations for: Bonds & Linked Securities including CDs and Preferreds	\$1.00

### Rates per Unit

SPSE Security Groupings	First 10,500	Next 10,500 Per Month	Next 21,000 Per Month	Next 21,000 Per Month	Over 63,000 Per Month
Unaffiliated 3rd Party Planning from SIX Telekurs For: Exchange Traded Securities	\$0.200	\$0.089	\$0.070	\$0.038	\$0.025

**Note: SIX Telekur Exchange Traded Pricing is for distribution and use in North America, Asia/Pacific region and the Middle East. Distribution in Europe determined on a case-by-case basis.**

**Pricing requests in addition to or outside of the schedule set forth herein will be invoiced at a rate of \$2 per security per evaluation.**

All accounts are subject to monthly minimum charge of \$2,000.

Volume or frequency discounts may apply.

Universe fees are available upon request.

Loans, swaps, tender offer bonds (TOBs) & baskets of instruments are covered under a separate fee schedule

#### (6) Valuations on the Global Credit Portal

Evaluated prices are also available through S&P Capital IQ's Global Credit Portal. Prices depend on the level of access a client desires. Clients who wish only to view prices will pay lower fees than clients who desire to view and download fees. Clients who desire to obtain SPSE's prices via the Global Credit Portal will be required to access them through: [www.standardandpoors.com/globalcreditportal.com/valuations](http://www.standardandpoors.com/globalcreditportal.com/valuations). Fees are negotiable and volume discounts may apply to certain qualifying clients.

Entitlement	Fee per annum per seat	Fee for Export Add-on for Market-based Valuations
Current day & historical pricing - Unlimited access	\$4,200	See "Valuations Site Export for Market-based Valuations per Security Download Fees"
Bundled Pricing & Reference Data - Unlimited access	\$6,720	See "Valuations Site Export for Market-based Valuations per Security Download Fees"
Market-based Valuations PLUS Model Valuation	\$6,000	See "Valuations Site Export for Market-based Valuations per Security Download Fees"
Market-based Valuations plus Model Valuation PLUS T&C	\$7,800	See "Valuations Site Export for Market-based Valuations per Security Download Fees"

View Option	Fee Per Annum, Per Seat
Valuations on the Global Credit Portal – View Option	\$4,200
Valuations PLUS Terms & Conditions on the Global Credit Portal	\$7,800

View & Export Option	Fee Per Annum, Per Seat
Valuations on the Global Credit Portal – View & Export Option	<b>\$4,200 PLUS per security download fees</b> below (for rates see "Valuation Site Export per Security Download fees")
Valuations on the Global Credit Portal –View & Export including view of terms & conditions	<b>\$7,800 PLUS per security download fees</b> below (for rates see "Valuation Site Export per Security Download Fee")

**Volume discounts may apply**

## Valuations Site Export for Market-Based Valuations per Security Download Fees:

The chart below is for fees for “End of Day” pricing for Infrastructure, Reporting, Research and Analysis and Export for Desktop use only.

License Scope	Usage Scope
Global –No discount	Reporting & Infrastructure (“End of Day”) –Base Fee-No Discount
Regional –10% discount	Research & Analysis (“End of Day”)-20% discount
Country – 15% discount	Export – for Desktop use only (End of Day)-30% discount
Site – 20% discount	

\*End of day pricing discounts are applied individually to the rates and are not combined.

SPSE Security Groupings	First 5,000 Per Month	Next 5,000 Per Month	Next 10,000 Per Month	Next 25,000 per Month	Next 50,000 Per Month	Next 75,000 per Month	Over 170,000 per Month
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Treasurys, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market	\$0.250	\$0.190	\$0.125	\$0.095	\$0.062	\$0.035	\$0.019
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Mortgage Backed Securities Fixed Rate Pools (MBS)	\$0.250	\$0.190	\$0.125	\$0.095	\$0.062	\$0.035	\$0.019
<b>SPSE Evaluations for US Securities including:</b> Municipal Bonds, Municipal Commercial Paper	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
<b>SPSE Evaluations for non US securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, Treasurys, Non-Linked Certificates of Deposits, Agencies Government, Money Market, TBAs	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligations (CMOs), Asset	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085

	<b>First 5,000 Per Month</b>	<b>Next 5,000 Per Month</b>	<b>Next 10,000 Per Month</b>	<b>Next 25,000 per Month</b>	<b>Next 50,000 Per Month</b>	<b>Next 75,000 per Month</b>	<b>Over 170,000 per Month</b>
<b>SPSE Security Groupings</b>							
Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters							
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including: High Yield Corporate Bonds, Covered Bonds</b>	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
<b>SPSE Evaluations for non US securities including: Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligations (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters</b>	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
<b>SPSE Evaluations for non US securities including: High Yield Corporate Bonds, Covered Bonds</b>	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
<b>SPSE or Intex (Unaffiliate 3<sup>rd</sup> Party) MSRB Pool Factors (Requires separate delivery)</b>	\$0.125	\$0.088	\$0.063	\$0.045	\$0.025	\$0.020	\$0.015
<b>SPSE Evaluations for securities including: UITs</b>	\$0.250	\$0.190	\$0.125	\$0.095	\$0.625	\$0.035	\$0.019
<b>SPSE Data for: U.S. Equity Dividends, Mutual Funds IADs, Equity IADs, UIT Dividends, Daily Dividend</b>	\$0.250	\$0.190	\$0.125	\$0.095	\$0.625	\$0.035	\$0.019

	<b>Rates per unit</b>	<b>Rates per unit</b>	<b>Rates per unit</b>
<b>SPSE Security Groupings</b>	Rate Per CDO –Dly pricing frequency	Rate per CDO Wkly pricing frequency	Rate per CDO Mthly pricing frequency
<b>SPSE Evaluations for complex securities including: CDOs/CLOs</b>	\$2.500	\$5.000	\$9.999

The chart below shows SPSE's fees for Valuations (NAV) for managed funds including '40 Act Funds' NAV calculation, UCITs, Hedge Funds and other pooled vehicles. Clients may qualify for volume and/or frequency discounts.

<b>SPSE Security Groupings</b>	<b>Rating Per Pricing</b>
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including: Treasuries, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market</b>	\$0.35



<b>SPSE Security Groupings</b>	<b>Rating Per Pricing</b>
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Mortgage Backed Securities Fixed Rate Pools (MBS)	\$0.35
<b>SPSE Evaluations for US securities including:</b> Municipal Bonds, Municipal Commercial Paper	\$0.55
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs	\$0.55
<b>SPSE Evaluations for non US securities including:</b> Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, Treasuries, Non-Linked Certificates of Deposits, Agencies, Governments, Money Markets, TBAs	\$0.55
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligations (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$1.00
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> High Yield Corporate Bonds, Covered Bonds	\$1.00
<b>SPSE Evaluations for non US securities including:</b> Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligations (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$1.00
<b>SPSE Evaluations for non US securities including:</b> High Yield Corporate Bonds, Covered Bonds	\$1.00
<b>SPSE Evaluations for complex securities including for:</b> CDOs/CLOs	\$2.50

Volume or frequency discounts may apply

## **II. Evaluated Prices Provided by a Third Party**

**A. Types of Fees.** SPSE also provides data and pricing information from unaffiliated third party vendors and receives fees from clients for providing this service. Fees paid to SPSE by clients are agreed to and may vary. Fees will be set forth in SPSE's subscription agreement with each client and may be determined based on the client's needs, delivery time and frequency as well as whether they are bundled with other services provided by SPSE or an affiliate of SPSE.

### **B. Payment Method.**

SPSE has the option, along with the third party to bill clients or the client's designated third party. SPSE bills usage fees monthly in arrears.

### **C. Costs and Expenses.**

SPSE reserves the right to charge a client an account set up fee at the time it agrees to provide its services to a client.

### **D. Refunds.**

Since SPSE bills clients for usage in arrears, this section is not applicable.

### **E. Sales Compensation.**

SPSE does not receive any other compensation in the form of sales or brokerage commissions.

## Fee Schedules

### (1) Municipal bond market-based valuation prices distributed via Bloomberg desktop

DATA	Number of Terminals	Fee
<b>Municipal Evaluations - Level 1 Access-Look-Up</b> (For viewing on Bloomberg screen, copying and printing; Downloading data off the Bloomberg desktop is expressly prohibited.)	Terminals 1-5	\$250/month per ID
	Terminals 6-15	\$150/month per ID
	Terminals 16-25	\$100/month per ID
	State/Province Enterprise Fee (for a single state or province, e.g. NY, CA, Ontario, etc.)	\$55,000/yr
	Country Enterprise Fee (for a single country, e.g. US, UK, etc.)	\$100,000/yr
	Global Enterprise Fee	\$150,000/yr
<b>Municipal Evaluations - Level 2 Access-Portfolio</b> (Includes Level 1 usage as specified above, plus the ability to access and analyze a portfolio on the specified Bloomberg desktop(s). Downloading data off the Bloomberg desktop is expressly prohibited.)	Terminals 1-5	\$500/month per ID
	Terminals 6-15	\$300/month per ID
	Terminals 16-25	\$150/month per ID
	State/Province Enterprise Fee (for a single state or province, e.g. NY, CA, Ontario, etc.)	\$110,000/yr
	Country Enterprise Fee (for a single country, e.g. US, UK, etc.)	\$200,000/yr
	Global Enterprise Fee	\$300,000/yr

### (2) Third Party Provided Global Exchange Based Pricing

This service provides clients with data and pricing from unaffiliated third party supplemental providers and is designed to provide clients with fuller price and valuation coverage by combining evaluated prices, exchange based prices and related pricing and market quotes from multiple sources. Many suppliers may be included or

eliminated at any time. SPSE may choose one provider over another based on where there is a gap in coverage, cost or where there may be a financial incentive to clients of SPSE. SPSE has entered into Agreements with these unaffiliated firms and it is the firms' responsibility to provide this information, which is produced according to the firm's methodologies and not SPSE's. The provision of this service is available to clients in North America and the Asia Pacific region. Availability in Europe will be determined on a case by case basis.

### III. Model Valuation Service

SPSE provides valuations for U.S. and European fixed income securities and instruments issued by government and corporate entities. Clients can access this service through different distribution platforms. .

#### 1) Model Valuations on the Global Credit Portal

Entitlement	Fee per mth per seat	Fee per annum per seat
Model Valuations	\$600	\$7,200

Volume discounts may apply

#### 2) Fees for Bundled Model & Market-Based Valuations via Excel Plug-In for Individual Desktop use ONLY.

Individual Usage of End of Day Market-based Valuations, Model Valuations and Dealer Related Data desktop use only							
Flat rate of \$15,000 per year for the first 5,000 securities in a month. Each unit over the 5,000 cap is billed at the following rate based on the specific mnemonic group							
Mnemonic Groupings for securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs, High Yield Corporate Bonds, Covered Bonds, Treasuries, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market-based	Rates per unit for Individual/Desktop Use						
	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
Market-based Valuation Mnemonic	Included in flat annual rate	\$0.210	\$0.126	\$0.084	\$0.056	\$0.036	\$0.014
Model Valuation Mnemonic	Included in flat annual rate	\$0.160	\$0.095	\$0.063	\$0.042	\$0.027	\$0.010
Dealer Traded Mnemonic	Included in flat annual rate	\$0.038	\$0.023	\$0.015	\$0.010	\$0.003	\$0.001

Individual Usage of End of Day Market-based Valuation mnemonic available for additional asset types - Not included in the \$15,000 flat annual fee.  
Usage will be billed according to monthly volume.

	Rates per unit for Individual/Desktop Use						
	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
<b>Market-based Valuations for Mnemonic Groupings for Other Security Types</b>							
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b>							
Mortgage Backed Securities Fixed Rate Pools (MBS)	\$0.140	\$0.100	\$0.070	\$0.050	\$0.035	\$0.020	\$0.010
<b>SPSE Evaluations for US securities including:</b> Municipal Bonds, Municipal Commercial Paper	\$0.280	\$0.210	\$0.126	\$0.084	\$0.056	\$0.036	\$0.014
<b>SPSE Evaluations for US, Canadian &amp; Latin American securities including:</b> Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$0.525	\$0.280	\$0.154	\$0.126	\$0.077	\$0.062	\$0.048
<b>SPSE Evaluations for non US securities including:</b> Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$0.525	\$0.280	\$0.154	\$0.126	\$0.077	\$0.062	\$0.048
<b>SPSE Evaluations for securities including:</b> UITs	\$0.140	\$0.100	\$0.070	\$0.050	\$0.035	\$0.020	\$0.010
<b>Unaffiliated 3rd Party Pricing by CIBC for Canadian Bonds</b>	\$0.140	\$0.100	\$0.070	\$0.050	\$0.035	\$0.020	\$0.010
<b>Unaffiliated 3rd Party Pricing by PIP for Mexican Bonds</b>	\$0.140	\$0.100	\$0.070	\$0.050	\$0.035	\$0.020	\$0.010
<b>Unaffiliated 3rd Party Pricing by YieldBroker for Australian Bond</b>	\$0.140	\$0.100	\$0.070	\$0.050	\$0.035	\$0.020	\$0.010
	<b>Rates per unit</b>						
<b>Market-based Valuations for Mnemonic Groupings for Other Security Types</b>	Rate per unit						
<b>SPSE Evaluations for complex securities including for:</b> CDOs/CLOs	\$2.500						
<b>Unaffiliated 3rd Party Pricing from SIX Telekurs for Complex Valuations for:</b> Bonds & Linked Securities including CDs, Preferreds	\$1.00						
	Rates per unit for Individual/Desktop Use						
	First 10,500	Next 10,500 per mth	Next 21,000 per mth	Next 21,000 per mth	Over 63,000 per mth		
<b>Market-based Valuations for Mnemonic Groupings for Other Security Types</b>							
<b>Unaffiliated 3rd Party Pricing from SIX Telekurs for:</b> Exchange Traded Securities*	\$0.200	\$0.089	\$0.070	\$0.038	\$0.025		

\*For Distribution & Use in North American, Asia/Pacific, Middle East. Distribution in Europe determined on a case-by-case basis.

**3) Fees for Bundled Model & Market-Based Valuations via Excel Plug-in for Enterprise**  
Shared Usage of Model Valuations and Dealer Traded Data for client statements, reporting, research & infrastructure.

Enterprise Usage of Market-based Valuations for End of Day Pricing for client statements, reporting, research, reporting, etc...

License Scope*	Usage Scope*						
Global - No Discount	Reporting & Infrastructure ('End of Day') - Base Fee - No Discount						
Regional - 10% Discount	Research & Analysis ('End of Day') - 20% Discount						
Country - 15% Discount							
Market-based Valuation Mnemonic	Rates per unit for Enterprise Use: Global License Scope / Reporting & Infrastructure usage						
SPSE Security Groupings	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
SPSE Evaluations for US, Canadian & Latin American securities including: Treasurys, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market-based	\$0.250	\$0.190	\$0.125	\$0.095	\$0.063	\$0.035	\$0.019
SPSE Evaluations for US, Canadian & Latin American securities including: Mortgage Backed Securities Fixed Rate Pools (MBS)	\$0.250	\$0.190	\$0.125	\$0.095	\$0.063	\$0.035	\$0.019
SPSE Evaluations for US securities including: Municipal Bonds, Municipal Commercial Paper	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
SPSE Evaluations for US, Canadian & Latin American securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
SPSE Evaluations for non US securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, Treasurys, Non-Linked Certificates of Deposits, Agencies, Governments, Money Market-baseds, TBAs	\$0.500	\$0.375	\$0.225	\$0.150	\$0.100	\$0.065	\$0.025
SPSE Evaluations for US, Canadian & Latin American securities including: Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
SPSE Evaluations for US, Canadian & Latin American securities including: High Yield Corporate Bonds, Covered Bonds	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
SPSE Evaluations for non US securities including: Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
SPSE Evaluations for non US securities including: High Yield Corporate Bonds, Covered Bonds	\$0.938	\$0.500	\$0.275	\$0.225	\$0.138	\$0.110	\$0.085
SPSE or Intex (Unaffiliate 3rd Party) MBS Pool Factors (Requires separate delivery)	\$0.125	\$0.088	\$0.063	\$0.045	\$0.025	\$0.020	\$0.015
SPSE Evaluations for securities including: UITs	\$0.250	\$0.190	\$0.125	\$0.095	\$0.0625	\$0.035	\$0.019
	Rates per unit						
	Rate per CDO - Dly pricing frequency						
SPSE Security Groupings							
SPSE Evaluations for complex securities including for: CDOs/CLOs	\$2.500						
	Rates per unit						
SPSE Security Groupings	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
Unaffiliated 3rd Party Pricing by CIBC for Canadian Bonds	\$0.250	\$0.190	\$0.125	\$0.095	\$0.063	\$0.035	\$0.019
Unaffiliated 3rd Party Pricing by PIP for Mexican Bonds	\$0.250	\$0.190	\$0.125	\$0.095	\$0.063	\$0.035	\$0.019
Unaffiliated 3rd Party Pricing by YieldBroker for Australian Bond	\$0.250	\$0.190	\$0.125	\$0.095	\$0.063	\$0.035	\$0.019
	Rates per unit						
	Rate per unit						
SPSE Security Groupings							
Unaffiliated 3rd Party Pricing from SIX Telekurs for Complex Valuations for: Bonds & Linked Securities including CDs, Preferreds	\$1.00						
	Rates per unit						
SPSE Security Groupings	First 10,500	Next 10,500 per mth	Next 21,000 per mth	Next 21,000 per mth	Over 63,000 per mth		
Unaffiliated 3rd Party Pricing from SIX Telekurs for: Exchange Traded Securities*	\$0.200	\$0.089	\$0.070	\$0.038	\$0.025		
*For Distribution & Use in North American, Asia/Pacific, Middle East. Distribution in Europe determined on a case-by-case basis.							

Enterprise Usage of Market-based Valuations for Managed Funds including: '40 Act Funds' Funds, Mutual Funds, Hedge Funds, etc..

Market-based Valuation Mnemonic								
		Rates per Pricing - Daily Frequency						
SPSE Security Groupings								
SPSE Evaluations for US, Canadian & Latin American securities including: Treasuries, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market-based		\$0.35						
SPSE Evaluations for US, Canadian & Latin American securities including: Mortgage Backed Securities Fixed Rate Pools (MBS)		\$0.35						
SPSE Evaluations for US securities including: Municipal Bonds, Municipal Commercial Paper		\$0.55						
SPSE Evaluations for US, Canadian & Latin American securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs		\$0.55						
SPSE Evaluations for non US securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, Treasuries, Non-Linked Certificates of Deposits, Agencies, Governments, Money Market-baseds, TBAs		\$0.55						
SPSE Evaluations for US, Canadian & Latin American securities including: Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters		\$1.00						
SPSE Evaluations for US, Canadian & Latin American securities including: High Yield Corporate Bonds, Covered Bonds		\$1.00						
SPSE Evaluations for non US securities including: Adjustable Rate Mortgage Pools (ARMs), DUS, Collateralized Mortgage Obligation (CMOs), Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Residential Mortgage Backed Securities (RMBS), Inverse Floaters		\$1.00						
SPSE Evaluations for non US securities including: High Yield Corporate Bonds, Covered Bonds		\$1.00						
SPSE Evaluations for complex securities including for: CDOs/CLOs		\$2.50						
Unaffiliated 3rd Party Pricing by CIBC for Canadian Bonds		\$0.35						
Unaffiliated 3rd Party Pricing by YieldBroker for Australian Bonds		\$0.35						

Enterprise Usage of Model Valuation for client statements, reporting, research, infrastructure, Funds and '40 Act Funds' etc...

	Rates per unit for Enterprise Use: Global License Scope / Reporting & Infrastructure usage						
Model Valuation Mnemonic	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
Mnemonic Groupings for securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs, High Yield Corporate Bonds, Covered Bonds, Treasuries, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market-based	\$0.350	\$0.280	\$0.170	\$0.110	\$0.070	\$0.040	\$0.018

Enterprise Usage of Dealer Traded Data for client statements, reporting, research, infrastructure, Funds and '40 Act Funds' etc...

	Rates per unit for Enterprise Use: Global License Scope / Reporting & Infrastructure usage						
Dealer Traded Mnemonic	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
Mnemonic Groupings for securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs, High Yield Corporate Bonds, Covered Bonds, Treasuries, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market-based	\$0.080	\$0.067	\$0.040	\$0.025	\$0.015	\$0.010	\$0.005

#### **IV. Risk – to – Price**

##### *A. Types of Fees.*

SPSE generally enters into a subscription agreement with clients for its Risk-to-Price services. The fee is generally paid by a client at the time it enters into an agreement with SPSE. Volume and other discounts may apply.

##### *B. Payment Method.*

SPSE bills clients or a designated third party on a quarterly basis generally at the beginning of each quarter for fees due pursuant to the terms of the subscription agreement.

##### *C. Costs and Expenses.*

No other costs or expenses are charged by SPSE for the services.

##### *D. Refunds.*

Clients are billed at the beginning of each quarter and if the client's agreement terminates prior to the end of the client's receipt of services through the end of a quarter, any remaining fees will be refunded by SPSE in accordance with the terms of the client's agreement with SPSE.

##### *E. Sales Compensation.*

SPSE does not receive any other compensation in the form of sales or brokerage commissions.

The following is a fee schedule applicable to SPSE's Risk-to-Price Service:

<b>Desktop Use for Large Functional Group*</b>	<b>Fee Per Annum</b>
First 10 IDs	\$75,000
Subsequent IDs	\$6,000 per ID

<b>Desktop Use for Small Functional Group*</b>	<b>Fee Per Annum</b>
First 10 IDs	\$45,000
Subsequent IDs	\$6,000 per ID

\* Determination of Functional Group type is based on a Statement of Use completed by the client.

Dealer Traded Data\*\*

Dealer Trade Data for Individual Desktop Use							
	Rates per unit for Individual/Desktop Use						
	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
Dealer Traded Data for securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs, High Yield Corporate Bonds, Covered Bonds, Treasuries, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market-based	\$0.050	\$0.038	\$0.023	\$0.015	\$0.010	\$0.003	\$0.001
Enterprise Usage of Dealer Traded Data for client statements, reporting, research, infrastructure, Funds and '40 Act Funds' etc...							
	Rates per unit for Enterprise Use: Global License Scope / Reporting & Infrastructure usage						
	First 5,000 per mth	Next 5,000 per mth	Next 10,000 per mth	Next 25,000 per mth	Next 50,000 per mth	Next 75,000 per mth	Over 170,000 per mth
Dealer Traded Data for securities including: Investment Grade Corporate Bonds, Sovereign Bonds, Convertible Bonds, Adjustable/Floating Rate Bonds or Notes, Medium Term Notes, TBAs, High Yield Corporate Bonds, Covered Bonds, Treasuries, Agencies, Non-Linked Certificates of Deposit, Governments, Money Market-based	\$0.080	\$0.067	\$0.040	\$0.025	\$0.015	\$0.010	\$0.005

\*\*This service has the ability to provide clients with data and pricing from unaffiliated third party supplemental providers designed to provide clients with a fuller coverage. It may be used to combine evaluated prices, exchange based prices, pricing related data, and market quotes etc from multiple sources based on a hierarchy, which is applied when there is overlap in coverage. A constant array of suppliers is included and for no apparent reason they may be rearranged or eliminated. We may chose unaffiliated third parties based on those which provide coverage where there is a gap, or based on an economic incentive to our clients or ourselves. Fees for third party data are available upon request. S&P Supplemental Feeds reflect evaluations and equity pricing services of other, unaffiliated firms with which SPSE has contracted to distribute to its client base. Prices and data provided by these third-party firms are the responsibilities of those firms and not SPSE and are produced under the firm's methodologies and policies and procedures.

## V. SPSE's Other Services (Non-Advisory)

### A. *Types of Fees.*

The SPSE also provides certain other services that are not investment advisory services, but may be sold to a client in connection with its advisory services. The fees and compensation paid to SPSE for these services are based on monthly use of an item or based on the number of items purchased by a client.

### B. *Payment Method.*

The fees and compensation paid to SPSE will be paid in accordance with SPSE's agreement with the client and SPSE will bill the client monthly, quarterly, annually or other agreed upon time periods or in arrears for these services.

### C. *Costs and Expenses.*

Not applicable.

### D. *Refunds.*

SPSE will refund any prepaid fees to a client if the client cancels its agreement with SPSE before SPSE has finished providing its service to a client. .



*E. Sales Compensation.*

SPSE will not receive sales commissions in connection with sales of its non-advisory services.

(1) S&P Municipal Bond Indices via Investor Tools Custom Index Manger

Number of Workstations	Monthly Price Tier*
1	\$1,200
2 – 3	\$1,5,00
4 – 5	\$1,800
6 – 10	\$2,400
11 – 15	\$3,000

Monthly fee is based on the number of seats licensed at a given time. For daily bond pricing: an additional \$ 2, 100 monthly is charged.

For weekly bond pricing, an additional \$1,225 is charged. Clients are billed monthly.

(Bond files with description data and monthly prices included with Workstation fees)

Standard & Poor's Municipal Bond Indices via FTP direct (non-Custom Index Manager users (no redistribution rights)

Statistics -only file, per CIM-generated custom report: \$500/month

Bond files with descriptive data and monthly prices:\$2,000/month

For daily bond pricing: add an additional \$2,100/month

For weekly bond pricing: add an additional \$1, 225/month

(2) Municipal Portfolio Report Fees

\$65 per report for the first 25 reports per month

\$35 per report for the next 50 reports per month

\$25 per report for the next 75 reports per month

A ten percent (10%) surcharge per quarter for any quarter with fewer than 1,000 portfolio reports.

**Note: This service is no longer being offered to new clients.**

(3) Municipal Yield Curves

\$150 per month for Generic sales

\$2,000 per month for Sector sales

(4) Municipal Reset Indices

\$150 per week for weekly delivery per index

\$500 per week for daily delivery for 1 index

\$750 per week for daily delivery for 2 indices

**V. SPSE's Other Services Provided by a Third Party (Non-Advisory)**

A. SPSE also provides certain non-advisory services via third party distributors:

(1) Municipal Bond Market-Based Valuations & Yield Curve Fees via Bloomberg Desktop

DATA	Number of Terminals	FEE
Municipal Yield Curves	Terminals 1-2	\$100/month per ID
	Terminals 3-6	\$75/month per ID
	Terminals 7+	\$50/month per ID
	State/Province Enterprise Fee (for a single state or province, e.g. NY, CA, Ontario, etc.)	\$15,000/yr
	Country Enterprise Fee (for a single country, e.g. US, UK, etc.)	\$30,000/yr
	Global Enterprise Fee	\$50,000/yr

(2) Municipal Market-based Valuations

DATA	FEE
<b>Municipal Evaluations - Level 1 Access- Look-Up</b> (For viewing on Bloomberg screen, copying and printing; downloading of the Data off the Bloomberg desktop is expressly prohibited.)	Terminals 1-5 \$250/month per ID Terminals 6-15 \$150/month per ID Terminals 16-25 \$100/month per ID Number of Terminals _____ State/Province Enterprise Fee \$55,000/yr (for a single state or province, e.g. NY, CA, Ontario, etc.) Country Enterprise Fee \$100,000/yr (for a single country, e.g. US, UK, etc.) Global Enterprise Fee \$150,000/yr
<b>Municipal Evaluations - Level 2 Access- Portfolio</b> (Includes Level 1 usage as specified above, plus the ability to access and analyze a portfolio on the specified Bloomberg desktop(s); downloading of the Data off the Bloomberg desktop is expressly prohibited.)	Terminals 1-5 \$500/month per ID Terminals 6-15 \$300/month per ID Terminals 16-25 \$150/month per ID Number of Terminals _____ State/Province Enterprise Fee \$110,000/yr (for a single state or province, e.g. NY, CA, Ontario, etc.) Country Enterprise Fee \$200,000/yr (for a single country, e.g. US, UK, etc.) Global Enterprise Fee \$300,000/yr

(2) Municipal Yield Curves Fees via Thompson Reuters Desktop

\$115 per month for Generic Scales per terminal per site  
 \$57,500 per annum for global enterprise site license

**ITEM 6**  
**PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

SPSE does not charge performance-based fees.

## **ITEM 7**

### **TYPES OF CLIENTS**

SPSE does not provide investment management services (i.e. discretionary portfolio management services) or investment advisory services on a non-discretionary basis. SPSE provides evaluated prices, related non-advisory services and Risk to Price scores and related research to clients. SPSE's clients are primarily limited to institutional investment advisers, banks, custodians, unit investment trusts, non-profit organizations, corporations, state or municipal government entities, insurance companies, hedge funds and offshore funds. While SPSE does not impose a minimum account size, it may require a certain minimum level of service to be received by a client, resulting in a certain minimum charge.

## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

#### A. Methods of Analysis and Investment Strategies

**Evaluated Pricing Service.** The primary pricing approach and methodology used by SPSE for its evaluated pricing of fixed income securities and related derivatives is a market based approach. SPSE's market approach pricing utilizes its own proprietary pricing models and pricing systems, mathematical tools and the experienced judgment of SPSE's pricing analysts to determine an evaluated price for an instrument based upon a hierarchy of market information regarding that instrument or instruments with similar characteristics. SPSE also uses two alternative pricing approaches when it determines the price of a security or an instrument: (i) the future cash flow approach; and (ii) the liquidation approach. Each approach involves the use of fundamental information concerning the individual bond issue or credit. Generally, these methodologies are used to determine the evaluated prices of a limited number of municipal high yield securities. In valuing high yield municipal bonds, SPSE utilizes a cash flow or liquidation approach that takes into consideration all of the factors used for the market based approach, but that also factors into the analysis a longer term outlook when issuing an opinion on a security's value. In utilizing the above approach, SPSE relies on the following for its main sources of information: (i) financial newspapers and magazines, (ii) research materials prepared by third parties; (iii) information from ratings agencies, (iv) annual reports, prospectuses and filings made by publicly listed companies with the US Securities & Exchange Commission; and (v) company press releases.

In addition, SPSE may conduct different levels of research on non-rated bonds and other fixed income instruments (e.g. syndicated loans) that trade infrequently (or not at all) when evaluating these instruments. The level of research varies by the types of bonds or instruments, the perceived ability of the obligor to repay its obligations, and the type of pricing that the client has requested. For example, some sectors within the municipal bond asset class including healthcare, housing, industrial development and land secured have a higher incident of default. Many of these bonds are not rated by a Nationally Recognized Statistical Ratings Organization ("NRSRO"). SPSE identifies certain municipal non-rated issues within the above sectors for additional research, which may include collecting and analyzing credit data. In general SPSE will perform additional research and reviews on these bond issues for which clients have requested 4:00 p.m. EST evaluated pricing.

SPSE may also perform additional research on these types of bond issues for clients who have contracted to receive prices on a different scheduled basis, e.g., weekly, monthly or daily after 4:00 p.m. EST. However, SPSE does not undertake to collect and analyze the credit data for all of these municipal non-rated bond issues priced (on an evaluated basis) for these clients. Thus, these

bond issues are generally priced based on market data and other information that SPSE received during the course of its business or that is brought to its attention by the client. Generally, SPSE charges less for these evaluations than it charges for daily price evaluations by 4:30 p.m. because clients may not be getting the same level of evaluated pricing research services for the bonds described above.

SPSE provides its evaluated prices at different times during the day and will take a “snapshot” of its evaluated prices, depending on a client’s needs as follows:

<b><u>US Municipals, Swaps</u></b>	<b><u>European (Non US) Bonds</u></b>	<b><u>US Corporate &amp; Structure Finance Bonds</u></b>
4 pm ET snapshot	10 am GMT snapshot 12 pm GMT snapshot 2 pm GMT snapshot 5 pm GMT snapshot 4 pm ET snapshot	12:30 pm ET snapshot 3 pm ET snapshot 4 pm ET snapshot

To assist it in carrying out its evaluated pricing service, SPSE purchases reports from the Municipal Securities Rulemaking Board (“**MSRB**”), FINRA’s Bond Trade Dissemination Service and other commercial market data providers related to various securities trading levels.

SPSE may also use information received from clients when conducting market based price evaluations. In connection with providing price evaluations, if a client passes along information to SPSE that it receives from an original source, including without limitation the issuer, underwriter, obligor, project manager, bond trustees, placement agent or servicer bank relating to such instruments, SPSE may, in its own judgment, rely on such information. If such information is verbally transmitted to SPSE; SPSE will review such information and attempt to corroborate the information through another source. In any event, SPSE will use its independent judgment in determining if it will use information it receives from clients.

SPSE also receives from clients reports of trades of instruments not covered in trade dissemination reports from the MSRB, FINRA or other commercial market data providers when conducting price evaluations. SPSE obtains most required indicative data from clients when evaluating CD’s, commercial paper and syndicated bank loans. SPSE relies on clients to identify the terms of other derivatives entered into by such clients and counterparties when evaluating these instruments.

If SPSE does not believe it is in possession of reliable information in a reasonable amount of time to continue to provide price evaluation services for such

instruments, SPSE will withdraw from pricing such instruments and notify all affected clients.

Although SPSE's evaluated prices do not constitute a recommendation to buy, hold or sell any security, investors should realize that there are risks in investing in municipal bonds and other fixed income securities and investing in these securities involves risk of loss that clients should be prepared to bear.

**Model Valuation Service.** The methodology used by SPSE for its model valuation services is model generated. The model valuation approach utilizes SPSE's proprietary pricing models and systems and mathematical tools to determine a view of valuation for a security based upon a series of credit risk and market-centric fundamentals concerning the individual bond issue.

**Risk-to-Price.** SPSE also provides analyses of certain U.S. and European fixed-income securities using its proprietary R2P (risk-to-price) score methodology. This methodology is designed to rank the extent to which a bond's current market value is compensating the owner for market and credit risks (as measured under the R2P methodology) and to allow users to identify bonds that potentially may be disregarding such relationship in the market. The assumptions and methodologies used may differ from those used by SPSE in generating evaluated prices and may produce a different value than SPSE provides in an evaluated price for the same security. SPSE also provides a web-based screening tool that allows clients to apply their own criteria when reviewing securities.

SPSE's evaluated pricing service and R2P involve SPSE's providing an opinion on the price of or an indication on where a security's current market value is relative to its credit risk in the marketplace. SPSE's opinion on a security's value to its credit risk or price is based on and limited to publicly available information and does not constitute a recommendation to buy, hold or sell any security.

SPSE also publishes research and related market commentary relating to various securities, markets and sectors some of which may be related to SPSE's R2P scores.

## **B. Risks Associated with SPSE's Services**

The provision of evaluated prices requires SPSE to rely on third parties for certain information, including non-affiliated data vendors who provide information that is used as "inputs" into the evaluated pricing process. From time to time SPSE may rely on one significant data supplier to furnish it with information that is critical to its price evaluation process and any reduction in SPSE's ability to obtain such information could impact its future ability to generate evaluated prices in a timely manner.

For some instruments, prices are provided only by SPSE or a vendor. In these circumstances, SPSE will determine in its discretion, whether prices for such instruments will be provided by SPSE or a third party vendor. When making this determination, SPSE may be subject to competing incentives that may create a conflict of interest for SPSE in making such determination. These incentives include, among other things, the fact that SPSE may earn revenues and profits from providing prices itself. SPSE could receive a portion of the fees charged for providing a third party's services and in certain instances, SPSE may need to direct an agreed-upon amount of revenue to a vendor in order to act as the exclusive distributor for such vendor, which may enhance the attractiveness of SPSE's services in comparison to other competing vendors.

SPSE's evaluated prices are sometimes used by clients to value their portfolios at the end of each business day and any delay in receiving these prices due to technical transmission problems, internet power outages and other unforeseen technical problems could cause clients to experience delays in valuing these portfolios and accounts.

- *Fixed Income Securities.* The prices of fixed income securities will generally respond to economic developments, particularly interest rate changes, as well as to perceptions of an issuer's creditworthiness. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. Investors in fixed income securities should also realize that the prices of a bond varies inversely with a shift in interest rates and that investors can lose money when they invest in bonds and other fixed income securities.

The duration of these securities affects risk as well, with longer term securities generally more volatile than shorter term securities. SPSE provides evaluated prices on US, and non-US fixed income securities and also on derivatives of such securities on a daily basis.

- *Equity Securities.* SPSE also distributes prices produced by unaffiliated third parties on equity securities. An investor or user of these prices must understand that an investment in equity securities may expose them to a sudden decline in the share price or to an overall decline in the stock market. The value of investments held by an investor will fluctuate daily and cyclically based on changes in the issuer's financial condition and prospects and on overall market and economic conditions.
- *Highly Volatile Markets.* The prices of any investment held by an investor can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which SPSE may price or



distribute prices of third parties are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

- *Foreign Securities.* Prices on foreign fixed income securities and investments can be more volatile than U.S. securities, and are subject to risks that are not typically associated with U.S. securities. For example, such investments may be adversely affected by changes in currency rates and exchange control regulations, unfavorable political, social and economic developments and the possibility of seizure or nationalization of companies or imposition of withholding taxes on income. Prices of these securities may correspond, accordingly. Moreover, less information may be publicly available concerning certain foreign issuers than is available concerning U.S. companies. Foreign markets tend to be more volatile than the U.S. market due to economic and political instability, social unrest and regulatory conditions in some countries.
- *Emerging Market Securities.* Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries, which include several countries in Asia, Latin America, Eastern Europe, Africa, and the Middle East. The economies of many of these countries depend heavily upon international trade and are therefore significantly affected by protective trade barriers and economic conditions of their trading partners. Prices may then, correspond accordingly. Many of these countries may also have government exchange controls, currencies with no recognizable market value relative to the established currencies of developed market economies, little or no experience in trading in securities, no financial reporting standards, a lack of banking or securities infrastructure, and a legal tradition which does not recognize rights in private property.
- *High Yield Bonds and Municipal High Yield Bonds.* Fixed income securities that are below investment grade or unrated involve greater risks of default and are more volatile than investment grade securities. Prices may then, correspond accordingly. High yield bonds involve a greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of high yield bonds may be more susceptible than other issuers to economic downturns, which may result in a weakened capacity of the issuer to make principal or interest payments. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity.
- *Derivatives.* Derivatives involve the risks separate from the risks of the underlying instrument, including improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may

not correlate perfectly with the underlying instrument. Derivatives are also subject to other risks, such as the risk of an illiquid secondary market which may result in significant, rapid, and unpredictable changes in the prices for such derivatives, risks relating to the financial soundness and creditworthiness of the counterparty, and the risk of the failure of any of the exchanges on which a client account's positions trade or of their clearinghouses.

- **C. Portfolio Investment Risks**

SPSE does not manage client portfolios or assets and this section is not applicable to SPSE.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SPSE's advisory business or the integrity of SPSE's management. SPSE currently has no information applicable to this Item.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. Registration as a Broker-Dealer or Registered Representative**

Neither SPSE nor its management persons are registered as broker dealers or have an application pending to register, as broker-dealers or registered representatives of a broker-dealer.

**B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading SPSE or Associated Person**

Neither SPSE nor its management persons are registered or have an application pending to register, as futures commission merchants, commodity pool operators, commodity trading advisers, or associated persons of the foregoing entities.

**C. Material Relationships**

- (1) With broker-dealer, municipal securities dealer, or government securities dealer or broker.

SPSE does not have any material relationships with a broker-dealer, municipal securities dealer or government securities dealer or broker.

- (2) With investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).

Not applicable.

- (3) With other investment adviser or financial planner.

SPSE’s related person, Standard & Poor’s Investment Advisory Services, LLC (“**SPIAS**”), is an affiliate of SPSE and a registered investment adviser. SPSE provides R2P information and research to SPIAS for use in the security selection process for its fixed income model portfolio. SPIAS does not pay compensation to SPSE for the R2P information and does not consider its relationship with SPIAS to be material to its overall business operation.

SPSE is also affiliated with the following non-US investment advisers: Standard & Poor’s Investment Advisory Services (HK) Limited (“**SPIAS HK**”), McGraw-Hill Financial Japan KK (“**MHF Japan**”), McGraw-Hill Financial Europe Research Ltd. (“**MHF Europe**”), Standard & Poor’s LLC-Singapore branch (“**S&P LLC-Singapore**”). Certain persons associated with MHF Europe are also associated with SPSE’s London branch operations.

(4) With futures commission merchant, commodity pool operator, or commodity trading SPSE.

Not applicable.

(5) With banking or thrift institution.

Not applicable.

(6) With accountant or accounting firm.

Not applicable.

(7) With lawyer or law firm.

Not applicable.

(8) With insurance company or agency.

Not applicable.

(9) With pension consultant.

Not applicable.

(10) With real estate broker or dealer.

Not applicable.

(11) With sponsor or syndicator of limited partnerships.

Not applicable.

(12) Nationally Recognized Statistical Rating Organization (NRSRO)

SPSE is affiliated with Standard & Poor's Ratings Services ("**Ratings Services**"), a Nationally Recognized Statistical Rating Agency (NRSRO). SPSE uses certain information from Rating Services when it determines evaluated prices and Risk-to-Price service. SPSE does not compensate Ratings Services for its rating information when it is used in SPSE's business. SPSE redistributes Ratings Services' ratings information to clients and receives compensation for redistributing the ratings information. The relationship SPSE has with Ratings Services does not create a material conflict of interest with any client of SPSE.

(13) Other services. Certain associated persons of SPSE have an ownership interest in IF Analytics, an unaffiliated firm that creates and designs tools to assist financial professionals in screening fixed income securities for, among other things, credit risk and probability of default. SPSE does not use IF Analytics in its advisory business and none of SPSE's associated persons receive any compensation from the use of IF Analytics by any affiliate of SPSE.

**D. Recommendation of Other Investment Advisers**

SPSE's evaluated price service and Risk-to-Price scores may be distributed by SPSE's advisory affiliates in certain countries as follows: in Hong Kong, by Standard & Poor's Investment Advisory Services (HK) Limited ("**SPIAS HK**"), in Singapore, by Standard & Poor's LLC - Singapore branch ("**S&P LLC Singapore**"), in London, by McGraw-Hill Financial Research Europe Limited and in Malaysia, by Standard & Poor's Malaysia Sdn. Bhd. Two of SPSE's directors also serve as Members of the Board of Managers of S&P LLC Singapore and SPIAS HK. SPSE does not receive additional compensation from these advisers for selling its evaluated prices or Risk-to-Price service, other than the fees paid by clients to SPSE for its services.

**E. Registration with Foreign Financial Regulatory Authorities**

In addition to being registered with the U.S. Securities and Exchange Commission as an investment SPSE, SPSE is also registered with the Kanto Financial Bureau in Japan as a non-discretionary investment adviser. SPSE also relies on a class order exemption issued by the Australian Securities and Investments Commission and provides its pricing service to only wholesale clients in Australia.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT**  
**TRANSACTIONS AND PERSONAL TRADING**

**A. Description of Code of Ethics**

SPSE has adopted a Code of Ethics (the “**Code**”), pursuant to Rule 204A-1 under the Advisers Act, for the purposes of setting the standard of ethical and professional business conduct that SPSE requires of its employees, requiring employees to comply with applicable federal securities laws and regulations, and setting forth provisions regarding personal securities transactions by employees.

The Code contains policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that SPSE and each of its employees owes to each advisory client. The terms of the Code requires, among other things, that SPSE’s employees put a client’s interest first and prohibits employees from using any information obtained during the course of their employment for personal gain or in a manner that would be harmful to the interest of any client. The Code also requires employees to maintain information about clients in strict confidence and prohibits employees from using any confidential or proprietary information for personal gain, or passing on such information to anyone who does not have a need to know such information. All of these policies and procedures are designed to prevent, among other things, any improper or abusive conduct when potential conflicts of interest may exist with respect to a client, as well as the misuse of material non-public information and insider trading by any employee of SPSE.

The Code is made available to all employees, and each employee must affirm on an annual basis that he or she has received and followed the Code and any amendments thereto.

SPSE will provide a copy of the Code to any client or prospective client upon request.

SPSE has also adopted a Confidential and Proprietary Information Policy and Guidelines relating to the preservation of confidential and proprietary information that requires all employees to comply with applicable laws and regulations regarding the use of confidential or proprietary information and to avoid situations that may create an appearance of impropriety.

**B. Participation or Interest in Client Transactions**

If certain employees participate in the evaluated pricing decision of a particular security, and such employees or their immediate family members have a material financial interest in such securities, a conflict of interest may arise. Accordingly, the SPSE has prohibited such employees (and their immediate family members) from trading in such securities.

### **C. Personal Trading**

SPSE has also adopted a Securities Disclosure Policy (SDP), which requires SPSE's employees to pre-clear most trades, report these transactions on a periodic basis and maintain their personal security accounts (as well as those of "immediate family" members) at certain designated brokerage firms, from which it will receive real time feeds of employees (and immediate family members) trades for comparison against trades that were pre-cleared by the employee and immediate family members. The SDP's blackout periods, pre-clearance procedures and periodic reporting of transactions is designed to monitor transactions in employees' personal securities accounts and prevent conflicts of interest that may arise between employees' personal securities transactions and the SPSE's evaluated pricing service and Risk to Price service.

An employee's Securities Classification Profile level will determine if an employee (including an immediate family member) is prohibited from trading in certain securities and will also determine which Restricted List an employee must follow before submitting a trade pre-clearance request. All employees are required to pre-clear the majority of trades. Pre-clearance is only valid from the receipt of approval until the end of that same trading day in the principal market for that security.

SPSE believes that the adoption of the Code of Ethics and SDP will provide for strong internal controls and will mitigate any risks that an employee or covered person (and immediate family members) will trade in a security in contravention of SPSE's aforementioned policies or when certain employees or covered persons are in possession of confidential and/or price sensitive information as a result of their involvement in determining the price of a security.

### **D. Concurrent Trading Activity**

Under SPSE's Code and employee trading policy, employees are generally subject to restricted lists and black-out periods surrounding activity occurring in SPSE's business unit and therefore, certain employees and their immediate family members will be prohibited from trading in securities that are subject to this same business unit activity.



**ITEM 12**  
**BROKERAGE PRACTICES**

Not applicable to SPSE's business.

**ITEM 13**  
**REVIEW OF ACCOUNTS**

Not applicable to SPSE's business.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

**A. Compensation By Non-Clients**

SPSE collects fees from clients in connection with the transmittal to clients by SPSE of third-party vendor prices and data, which clients have elected to receive. As a general matter, pursuant to fee sharing arrangements with such vendors, SPSE retains a portion of such fees and remits a portion of the fees to such vendors. SPSE's share of fees may differ according to the arrangements with each of such vendors, including in one such instance an arrangement between SPSE and a vendor whereby SPSE's share of the fees is dependent on aggregate fees earned by that vendor from SPSE's clients exceeding a specified amount. SPSE addresses this conflict by disclosing its fee-sharing arrangement to clients in the client agreement and believes that its compensation arrangement with unaffiliated third parties is the best way to ascertain that SPSE's clients are receiving information and prices that are beneficial to the client's investment needs.

**B. Compensation for Client Referrals**

SPSE compensates salespersons employed by an affiliate of SPSE for clients referred to SPSE by the salespersons. SPSE may pay a portion of the fees that it receives from clients to unrelated parties through which evaluated prices are distributed to clients. Generally, such compensation will be calculated based on a portion of the fees paid by clients to SPSE.

**ITEM 15**  
**CUSTODY**

Not applicable. SPSE does not take custody of any client assets/funds.

**ITEM 16**  
**INVESTMENT DISCRETION**

SPSE does not have discretion over any client assets/funds. SPSE does not provide advisory services on a non-discretionary basis to any client.

**ITEM 17**  
**VOTING CLIENT SECURITIES**

SPSE does not have investment discretion over client accounts or assets and does not vote proxies.

**ITEM 18**  
**FINANCIAL INFORMATION**

**A. Prepayment of Fees**

SPSE does not require prepayment of fees of more than \$1,200, six months or more in advance. This section is not applicable to SPSE, and it is not required to file an audited balance sheet with its Form ADV.

**B. Impairment of Contractual Commitments**

Not applicable to SPSE's business.

**C. Bankruptcy Petitions**

SPSE has not been subject to bankruptcy proceedings within the last 10 years.