

# Index Fact Sheet

## Sustainable Utility Leaders Index

### Description

The Target Rock Advisors (TRA) Sustainable Utility Leaders Index (SULI) is a thematic sector-specific equity index comprising U.S.-domiciled energy utilities ranked by TRA as highly sustainable. SULI component companies exhibit the best overall sustainability performance across all three Triple Bottom Line categories (economic, environmental, and social) as determined by TRA's proprietary and patent-pending sustainability assessment and indexing process.

The SULI provides a benchmark for investors seeking to invest in sustainable and socially responsible utilities while potentially benefitting from the income and risk-adjusted total return performance typical of this sector.

### Features

- Sustainable and socially responsible companies
- Large capitalization
- Ample liquidity
- Low volatility
- Above-market current income
- Strong historical risk-adjusted total returns

## Weightings

Component weightings are determined by a proprietary hybrid scheme of market capitalization and TRA's sustainability score, with market capitalization bias. The result is an index that is relevant to sustainable and socially responsible investing while still practical in terms of size, liquidity and diversification considerations.

## Descriptive Statistics

Number of Components	Component Weightings			Market Capitalization (\$mils)*			
	Average	Largest	Smallest	Aggregate	Average	Largest	Smallest
24	4.2%	9.6%	2.2%	363,291.4	15,137.1	46,547.6	1,391.6

Source: SNL Financial and Target Rock Advisors. \* As of 8/23/13.

## Valuation Statistics

Dividend Yield	P/E (x)			P/Book (x)			P/Cash Flow (x)		
	LTM	2013E	2014E	MRQ	2013E	2014E	MRQ	2013E	2014E
4.0%	17.3	15.4	14.7	1.6	1.6	1.5	7.7	7.6	6.9

Source: SNL Financial and Target Rock Advisors. All data as of 8/23/13.

## Financial Statement Statistics

	Total Revenues	Operating Income	EBITDA	Net Income	Total Assets	Total Equity
SULI Aggregate	214,747,415.0	34,729,213.0	66,126,312.0	17,679,378.0	825,062,034.0	237,441,586.0
SULI Largest	23,744,000.0	4,463,000.0	6,805,000.0	2,415,000.0	114,100,000.0	40,201,000.0
SULI Average	8,947,809.0	1,509,965.8	2,755,263.0	736,640.8	34,377,584.8	9,893,399.4
SULI Smallest	868,998.0	155,200.0	280,800.0	(92,000.0)	2,708,300.0	848,427.0

Source: SNL Financial and Target Rock Advisors. All data is most recent 12-months (income statement) or quarter end (balance sheet).

## Performance Statistics

Index	Compound Annual Growth Rate (price)				
	10-Year	5-Year	3-Year	1-Year	YTD*
TRA Sustainable Utility Leaders	8.1%	-0.4%	6.1%	-1.5%	6.4%
S&P Utilities	6.2%	-3.8%	4.0%	-2.9%	6.3%
Dow Jones Utility Average	7.7%	-3.2%	4.4%	-2.5%	5.8%
Philadelphia Utility Index	5.9%	-4.3%	3.1%	-4.7%	5.0%

Source: SNL Financial and Target Rock Advisors. 10-Year period = 12/31/02-12/31/12; 5-Year period = 12/31/07-12/31/12; 3-Year period = 12/31/09-12/31/12; 1-Year period = 12/31/11-12/31/12; YTD period as of market close on 8/23/13.

## Performance Price Chart



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## Components

Ticker	Company	Weight	Mkt. Cap. Group	Mkt. Cap. (\$mils)*
DUK	Duke Energy Corporation	9.6%	Large Cap	46,547.6
SO	Southern Company	7.6%	Large Cap	36,642.8
EXC	Exelon Corporation	6.5%	Large Cap	26,313.6
NEE	NextEra Energy, Inc.	5.9%	Large Cap	34,384.9
D	Dominion Resources, Inc.	5.5%	Large Cap	33,444.2
AEP	American Electric Power Company, Inc.	5.0%	Large Cap	20,780.3
PCG	PG&E Corporation	4.8%	Large Cap	18,442.6
PEG	Public Service Enterprise Group Incorporated	4.6%	Large Cap	16,445.4
ED	Consolidated Edison, Inc.	4.5%	Large Cap	16,415.5
SRE	Sempra Energy	4.2%	Large Cap	20,355.6
EIX	Edison International	4.2%	Large Cap	15,049.2
XEL	Xcel Energy Inc.	4.0%	Large Cap	13,782.7
ETR	Entergy Corporation	4.0%	Large Cap	11,292.4
NU	Northeast Utilities	3.9%	Large Cap	12,980.4
WEC	Wisconsin Energy Corporation	3.2%	Mid Cap	9,304.7
PNW	Pinnacle West Capital Corporation	2.9%	Mid Cap	5,979.4
LNT	Alliant Energy Corporation	2.7%	Mid Cap	5,570.5
POM	Pepco Holdings, Inc.	2.7%	Mid Cap	4,708.8
NVE	NV Energy, Inc.	2.6%	Mid Cap	5,590.3
AVA	Avista Corporation	2.4%	Small Cap	1,587.8
IDA	IDACORP, Inc.	2.4%	Mid Cap	2,437.3
ALE	ALLETE, Inc.	2.3%	Small Cap	1,910.5
UNS	UniSource Energy Corporation	2.2%	Small Cap	1,933.1
EE	El Paso Electric Company	2.2%	Small Cap	1,391.6

Source: SNL Financial and Target Rock Advisors. \* as of 8/23/13.

## About Target Rock Advisors, LLC

The indexes discussed in this update are one important component of Target Rock's products and services. Target Rock is dedicated to the rigorous study and implementation of sustainability policies and practices within the utility and financial industries. The Company's mission is to provide data, information, analytical systems and deep sector-specific technical expertise that identifies areas for improved performance and helps utility companies achieve their sustainability objectives with favorable social and economic outcomes. Through its partners and associates, Target Rock has over 250 years of combined experience in sustainability and executive leadership, equities and fixed income analysis, financial management, statistics and econometrics, regulatory policy analysis and management consulting. More information on Target Rock can be found at [www.targetrockadvisors.com](http://www.targetrockadvisors.com).

### RICHARD J. RUDDEN

Co-founder, Managing Partner

Richard has been active in the energy and utilities industry for over thirty years, serving in executive, expert advisory, technical, forensic, financial and management consulting roles.

He has been employed in senior executive and management positions at Con Edison, Stone & Webster (now Shaw) and Black & Veatch. He was also the founder and chair of R. J. Rudden Associates, Inc., an economic and strategy consulting firm, and Managing Partner at R. J. Rudden Financial, LLC, an NASD registered broker-dealer specializing in the energy and utilities sectors.

While at Black & Veatch, Richard was a Senior Vice President and global energy sector lead for the firm's management consulting practice. He was also chair of the company's climate change and sustainability leadership group and founding editor of "Pathfinder," a magazine dedicated to global sustainability issues in the water and energy sectors.

He is an Organizational Sponsor of GRI (Global Reporting Initiative), a member of the Forum for Sustainable and Responsible Investment (US SIF), a signatory to the United Nations Principles for Responsible Investment (UNPRI), and a member of the Edison Electric Institute (EEI). He served on the Board of of the North American Energy Standards Board, and has testified as an expert witness before state, federal and provincial regulatory agencies, as well as in bankruptcy and civil court. He serves as Treasurer, Board member and Executive Committee member at the Cornell Cooperative Extension in Suffolk NY, active in the Marine and environmental programs.

### KYLE P. RUDDEN

Co-founder, Partner

Kyle Rudden is a co-founder of Target Rock Advisors and has almost twenty years of experience in the energy industry with an emphasis on corporate finance and capital markets. His most recent related position before starting Target Rock was as President of R.J. Rudden Financial, LLC, an NASD registered broker-dealer and energy industry advisory boutique.

Before co-founding R.J. Rudden Financial Kyle spent nearly a decade at J.P. Morgan Securities, Inc. as Vice President and head of the firm's U.S. Energy and Utilities Equity Research team covering electric and natural gas utilities, pipelines, independent power, and new energy technologies. While at J.P. Morgan he was named in both Institutional Investor and the Wall Street Journal annual lists of top analysts, and participated in a number of large domestic and international equity and equity derivative underwritings, including initial public offerings, public secondary offerings, and private placements.

Prior to joining J.P. Morgan Kyle was a fixed income securities analyst at Fitch Investors Service (now Fitch Ratings), also covering the U.S. electric and natural gas utility industries. He is an Organization Sponsor representative of GRI (Global Reporting Initiative), a member of the Forum for Sustainable and Responsible Investment (US SIF), a signatory to the United Nations Principles for Responsible Investment (UNPRI), and a member of the Edison Electric Institute (EEI).



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