



What Makes a Superior Benchmark?

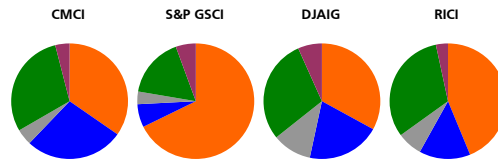
Systematic Approach To Commodity Investments

What Does a Benchmark Have To Satisfy?

	Representative	Investable	Transparent	Neutral Position
Traditional Index S&P GSCI, DJUBS, RICI	Unlikely only front month contracts	Yes	Yes	Formerly no alternative existed
Second Generation Index UBS Bloomberg CMCI	Yes covers every liquid part on curve	Yes	Yes	Yes closer to "Neutral"

Index Weightings

Sector	CMCI	S&P GSCI	DJUBS	RICI
Energy	34.81%	67.83%	33.0%	44.0%
Ind Metals	27.06%	6.24%	20.33%	14.0%
Prec Metals	4.68%	3.58%	10.75%	7.0%
Agriculture	29.55%	16.72%	29.23%	31.7%
Livestock	3.9%	5.64%	6.68%	3.3%

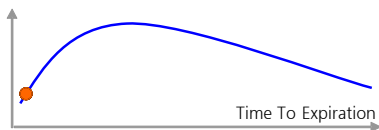


- **Diversified:** CMCI and DJUBS
- **High energy exposure:** S&P GSCI, RICI

Index Methodology

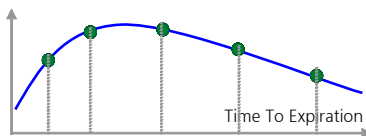
Traditional Indices (S&P GSCI, DJUBS, RICI)

- No diversification across futures tenors
- Often significant roll losses



UBS Bloomberg CMCI

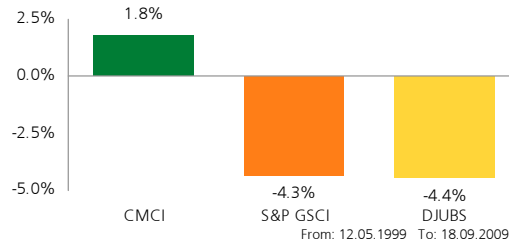
- Broad diversification across futures tenors
- Mitigates roll losses in contangoed markets



Influence On Performance

- Traditional indices **tend to underperform their price indices by historically up to 10% p.a.** (price indices are not investable)
- **CMCI tends to outperform its price index**
- Longer dated futures contracts usually **less volatile** than front month contracts

Average Roll & Collateral Performance vs. Price Return Indices



Disclaimer: please refer to www.ubs.com/cmci. Issued by UBS AG and/or affiliates to institutional investors, not for private persons. This is a product of a sales or trading desk and not the Research Dept. UBS may trade as principal in instruments identified herein and may accumulate/ have accumulated a long or short position in instruments or derivatives thereof. UBS has policies designed to negate conflicts of interest. It is not an official confirmation of terms and is not a recommendation, offer or solicitation to buy or sell. It contains data derived from back-testing of data and is provided by UBS in good faith using our standard methodology for information of this kind. That methodology relies on proprietary models, empirical data, assumptions and such other information that we believe to be accurate and reasonable. However, no representation as to the accuracy, completeness or appropriateness is given and we accept no liability for your use of the information. There is no assurance that other parties would derive the same results for the back-test period and you should be aware that past performance is not necessarily illustrative of future performance. Additional information will be made available upon request. UBS assumes sole responsibility for this marketing material, which has not been reviewed by Bloomberg.

Web: www.ubs.com/cmci

Bloomberg: [CMCN <GO>](#)

Switzerland: Fabian Schleder
fabian.schleder@ubs.com
+41-44 239 77 40

Germany: Lars Reichel
lars.reichel@ubs.com
+49 69 1369 7325

Scandinavia: Klas Hellmann
klas.hellmann@ubs.com
+46 845 37391

South Europe: Sabina Belussi
sabina.belussi@ubs.com
+44 20 7568 4742

France, Benelux: Thierry Leflon
thierry.leflon@ubs.com
+33 1 4888 3039

US: Nelson Louie
nelson.louie@ubs.com
+1 203 719 3904

Japan: Hirofumi Takaku
hirofumi.takaku@ubs.com
+81 35208 7851

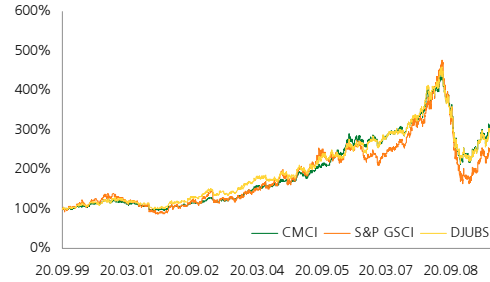
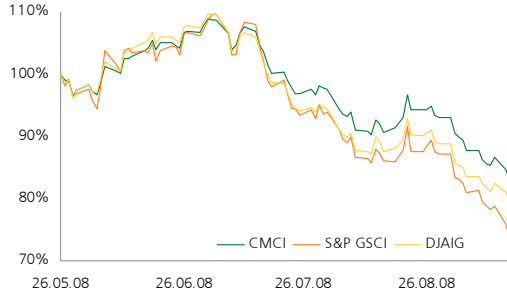
Asia: Tommie Fang
tomas.fang@ubs.com
+852 297 16182

What Makes a Superior Benchmark?

Although Index Weightings Have an Impact in the Short Run...

IMPORTANT: For this purpose non-investable price indices are used.

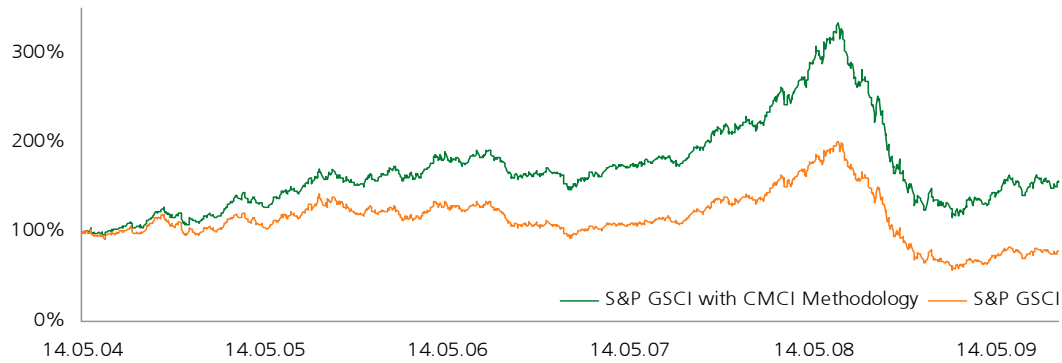
This permits comparison of index weighting influence without impact of index methodologies.



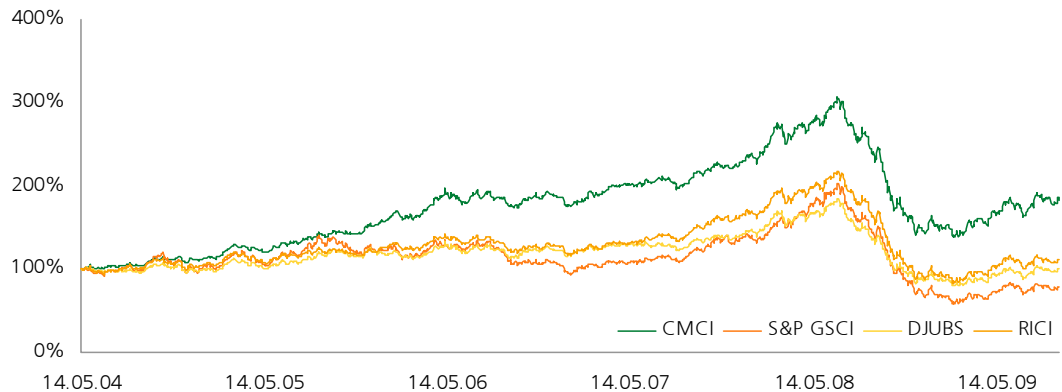
- **Short term: High timing sensitivity**
- **17.1% p.a.** difference between best and worst price index (Example)

- **Long term: Low timing sensitivity**
- **0.2% p.a.** difference between best and worst price index

... it's Methodology that Matters in the Longer Run



Comparison Of Benchmark Indices (Total Return)



Disclaimer: please refer to www.ubs.com/cmci. Issued by UBS AG and/or affiliates to institutional investors, not for private persons. This is a product of a sales or trading desk and not the Research Dept. UBS may trade as principal in instruments identified herein and may accumulate/ have accumulated a long or short position in instruments or derivatives thereof. UBS has policies designed to negate conflicts of interest. It is not an official confirmation of terms and is not a recommendation, offer or solicitation to buy or sell. It contains data derived from back-testing of data and is provided by UBS in good faith using our standard methodology for information of this kind. That methodology relies on proprietary models, empirical data, assumptions and such other information that we believe to be accurate and reasonable. However, no representation as to the accuracy, completeness or appropriateness is given and we accept no liability for your use of the information. There is no assurance that other parties would derive the same results for the back-test period and you should be aware that past performance is not necessarily illustrative of future performance. Additional information will be made available upon request. UBS assumes sole responsibility for this marketing material, which has not been reviewed by Bloomberg.

Web: www.ubs.com/cmci

Bloomberg: [CMCN <GO>](#)

Switzerland: Fabian Schlederer
fabian.schlederer@ubs.com
 +41-44 239 77 40

Germany: Lars Reichel
lars.reichel@ubs.com
 +49 69 1369 7325

Scandinavia: Klas Hellmann
klas.hellmann@ubs.com
 +46 845 37391

South Europe: Sabina Belussi
sabina.belussi@ubs.com
 +44 20 7568 4742

France, Benelux: Thierry Leflon
thierry.leflon@ubs.com
 +33 1 4888 3039

US: Nelson Louie
nelson.louie@ubs.com
 +1 203 719 3904

Japan: Hirofumi Takaku
hirofumi.takaku@ubs.com
 +81 35208 7851

Asia: Tommie Fang
tomas.fang@ubs.com
 +852 297 16182