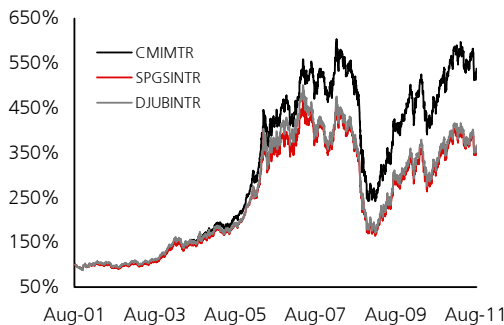




UBS Bloomberg CMCI Industrial Metals Index

State-of-the-Art Industrial Metals Benchmark

Historical Performance as of August 2011



Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 31/8/2001 - 31/8/2011. CMCI data contains back-tested values from Nov 2000 to Jan 2007 and live thereafter. CMIMTR (UBS Bloomberg CMCI Industrial Metal Index), SPGSINTR (S&P GSCI Industrial Metal Index), DJUBINTR(DJ-UBS Industrial Metal Index)

Higher risk-adjusted returns

- Higher performance and lower volatility
- Performed equally well during times of backwardation

	CMIMTR	SPGSINTR	DJUBINTR
Performance p.a.	18.5%	13.9%	14.0%
Volatility p.a.	24.1%	25.7%	25.8%
Sharpe Ratio	0.64	0.42	0.43

Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 31/8/2001 - 31/8/2011. CMCI data prior to Jan 2007 is back-tested and live thereafter. Performance and volatility calculated based on Total Return indices, while Sharpe Ratio on Excess return

Growth Drivers - Demand

Global trends, including industrial growth, rising GDP trade expansion as well as globalization push up demand for Industrial Metals of all kinds.

- Main positive driver** – The emerging market, especially China has still a growing demand for any kind of industrial metal.
- Limiting factors** – The financial crisis had a negative effect on commodity prices. As recovery in the markets begins, commodities are expected to follow.

CMCI Characteristics

A benchmark for modern commodity investing, reflecting the real nature of commodity markets

- Flexible** - 27 components, 5 maturities
- Diversification** across commodities, futures tenors and roll dates
- Enhanced roll performance** both in Contango and Backwardation

Growth Drivers – Supply

Supply - low inventories combined with production problems tend to flow straight through into higher prices

- Global inventories** remain low and there is not an adequate cushion against supply shocks
- Increased labour unrest in the mining industry
- Copper** remains the most affected metal by both actual and threatened strikes
- Other issues include **Power costs, regulations about pollution and trade tariffs**

Product Range

Beta and Alpha Strategies

Exchange Traded Commodities (ETC)

- Transparent and cost efficient open ended 1:1 tracking of entire CMCI family

Over the Counter (OTC) and Structured Products

- Products in all categories (Protection, Optimization, Performance and Leverage)

UCITS III Compliant Fund, ETF

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UBS Bloomberg CMCI Industrial Metals Index

Overview

Sector Benchmark Indices

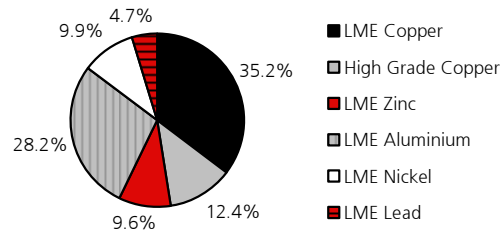
- Diversified across all commodities and tenors of the industrial metals sector

Single Commodity Benchmark Indices

- All tenors of one commodity

“Vertical” and “Bullet” Indices (See below)

Sector Weighting

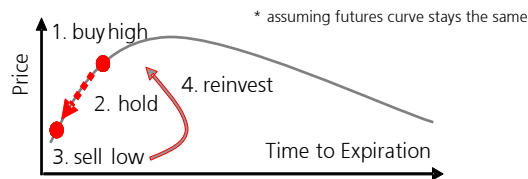


Source: UBS IB, Composition correct as for H2 2011

Traditional Commodity Indices

Limit investors to short-dated futures contracts

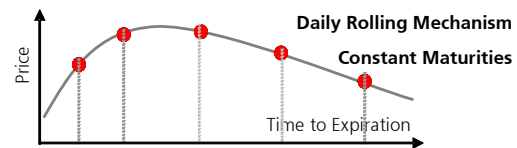
- An upward sloping forward curve (“contango”) such as below puts investors in the costly position of “buying high, selling low” each time a future is rolled*.



UBS Bloomberg CMCI

Expands commodity investment beyond short-dated futures contracts

- Gives access to various constant maturities. In doing so, it can reduce roll losses (or even generate roll gains) and may diminish volatility found in traditional indices



The UBS Bloomberg CMCI Universe – Industrial Metals

Sector	Weight	Avg Tenor	Commodity	Code	Overall Weight	Weight in Sector	Average Tenor					
								3M	6M	1Y	2Y	3Y
Industrial Metals	26.5%	10.59	LME Copper	LP	9.30%	35.16%	14.38	✓	✓	✓	✓	✓
			High Grade Copper	HG	3.28%	12.39%	3.74	✓	✓			
			LME Zinc	LX	2.55%	9.65%	6.52	✓	✓	✓		
			LME Aluminium	LA	7.45%	28.18%	12.62	✓	✓	✓	✓	✓
			LME Nickel	LN	2.63%	9.94%	6.01	✓	✓	✓		
			LME Lead	LL	1.24%	4.69%	6.13	✓	✓	✓		

Source: UBS IB, Composition correct as for H2 2011

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