

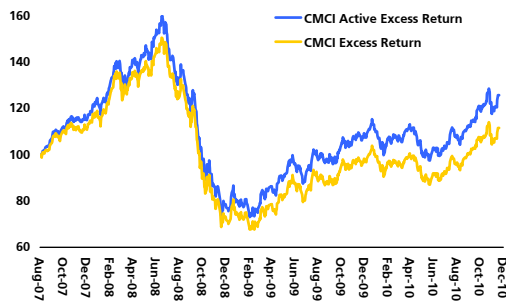


UBS Bloomberg CMCI Active (January 2011)

Benefit from UBS Research expertise

Historical Performance

Outperforming the CMCI Benchmark Index



Outperformance CMCI Active Vs CMCI

| | 2007 | 2008 | 2009 | 2010 |
|-----|-------|--------|--------|--------|
| Jan | | 0.26% | -0.19% | -0.24% |
| Feb | | -0.91% | 0.39% | 0.21% |
| Mar | | -0.59% | 1.86% | 1.50% |
| Apr | | 1.62% | 0.72% | -0.64% |
| May | | 0.91% | -0.65% | 0.13% |
| Jun | | 0.42% | -0.91% | 0.13% |
| Jul | | -0.01% | 0.17% | 0.16% |
| Aug | | -0.37% | 0.89% | -0.01% |
| Sep | 0.24% | 0.87% | -0.21% | -0.39% |
| Oct | 0.65% | 0.36% | 0.08% | 1.16% |
| Nov | 1.76% | -0.12% | 0.59% | -0.10% |
| Dec | 0.00% | 1.33% | -0.23% | -0.03% |

Source: UBS AG, Bloomberg – Excess Return indices, daily closing return data, 17 August 2007 to 06 December 2010. Data contains back-tested values up to April 2008 and live thereafter.

UBS Bloomberg CMCI Active

CMCI Active is a flexible, forward looking index designed to respond quickly to changes in the market

- Same calculation methodology and commodity components as the CMCI Benchmark Index
- **Diversification** across commodities (27 components), futures tenors (5 maturities) and roll dates
- **Constant Maturity** approach delivers enhanced roll performance both in Contango and Backwardation
- Index weights are adjusted every month to reflect changes in the market and UBS Research views
- CMCI Active stays within UCITS guidelines for commodity selection and sector allocation*

* UCITS status is currently with the regulator for approval

The Benefits of Active Management

A unique commodity instrument which offers all the benefits of a CMCI with a flexible and sustainable form of performance enhancement

- Individual commodities display cyclical, seasonality and relative performance
- These patterns, ignored by passive investors, may present out-performance opportunities
- Algorithmic solutions are often based on historical data and could become outdated
- For sustainable out-performance, expert research management is likely to be more robust and flexible than pre-defined algorithms

Capturing Performance

UBS Research Analysts modify index weightings in response to developments in the markets:

- **Sector management** – research analysts may vary exposure by commodity sub-sector. As a result, CMCI Active may be overweight or underweight relative to the CMCI Benchmark in a particular sector.
- **Component management** – research analysts are able to adjust exposure to any commodity within the CMCI Benchmark Index above or below the Benchmark weightings.
- **Tenor management** – research analysts may vary index components' allocation across the forward curve.

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UBS Research – ARM Commodity Model

Index weightings are based on a monthly report released by UBS Investment Research detailing any changes in analyst weight allocations and providing a tailored market commentary.



- CMCI Active performance is founded on the **views of UBS research** analysts and strategists and is tightly monitored
- Exact index weightings are available to all investors making it a fully **transparent** index solution

CMCI Active Weighting Mechanism – Hypothetical example ⁽¹⁾

| Sector Adjustment | Commodity | Code | Component Adjustment | Benchmark Weights | Active Weights | Tenor Adjustment | | | | | | | | | |
|--|--------------------|-------|----------------------|-------------------|----------------|------------------|------|--------|------|--------|------|--------|------|--------|------|
| | | | | | | 3M | | 6M | | 1Y | | 2Y | | 3Y | |
| | | | | | | Active | Rel. | Active | Rel. | Active | Rel. | Active | Rel. | Active | Rel. |
| Energy -5% Under eight | WTI Crude Oil | CL | 1.00% | 8.80% | 8.51% | 57% | 5% | 4% | -10% | 15% | - | 11% | - | 14% | 5% |
| | WTI Crude Oil | WTCL | 2.00% | 3.80% | 5.25% | 54% | 5% | 5% | -10% | 16% | - | 12% | - | 13% | 5% |
| | Brent Crude Oil | LCO | 2.00% | 6.29% | 7.37% | 58% | 5% | 5% | -10% | 14% | - | 11% | - | 12% | 5% |
| | Heating oil | HO | -2.00% | 2.94% | 0.51% | 61% | - | 20% | - | 18% | - | - | - | - | - |
| | Gasoil | LGO | -2.00% | 3.47% | 0.96% | 51% | - | 25% | - | 24% | - | - | - | - | - |
| | RBOB Gasoline | RB | 0.00% | 3.58% | 3.06% | 75% | - | 25% | - | - | - | - | - | - | - |
| | Natural Gas | NG | -1.00% | 5.29% | 3.51% | 49% | - | 17% | - | 16% | - | 10% | - | 8% | - |
| Metals 0% Neutral | LME Copper | MCU | 0.00% | 9.31% | 9.31% | 23% | - | 21% | - | 23% | - | 20% | - | 14% | - |
| | High Grade Copper | HG | 0.00% | 3.19% | 3.19% | 75% | - | 25% | - | - | - | - | - | - | |
| | LME Zinc | MZN | 0.00% | 2.64% | 2.64% | 42% | - | 28% | - | 30% | - | - | - | - | |
| | LME Aluminium | MAL | -2.00% | 8.12% | 6.12% | 30% | - | 22% | - | 21% | - | 16% | - | 12% | |
| | LME Nickel | MNI | 0.00% | 2.62% | 2.62% | 50% | - | 25% | - | 25% | - | - | - | - | |
| | LME Lead | MPB | 0.00% | 1.25% | 1.25% | 48% | - | 25% | - | 26% | - | - | - | - | |
| | Gold | GC | 1.00% | 4.89% | 5.89% | 50% | -10% | 26% | 10% | 13% | - | 11% | - | - | |
| | Silver | SI | 1.00% | 0.61% | 1.61% | 49% | -10% | 26% | 10% | 14% | - | 10% | - | - | |
| Agricultural / Livestock 5% Overweight | SRW Wheat | W | 0.00% | 3.27% | 3.76% | 72% | 10% | 23% | - | 6% | -10% | - | - | - | |
| | Corn | C | 2.00% | 4.99% | 7.74% | 64% | 10% | 27% | - | 9% | -10% | - | - | - | |
| | Soybeans | S | 0.00% | 5.89% | 6.78% | 66% | 10% | 27% | - | 6% | -10% | - | - | - | |
| | Soybean Meal | SM | 0.00% | 1.50% | 1.73% | 70% | - | 30% | - | - | - | - | - | - | |
| | Soybean Oil | BO | 0.00% | 2.23% | 2.56% | 71% | - | 29% | - | - | - | - | - | - | |
| | Sugar #11 | SB | -2.00% | 5.85% | 4.74% | 39% | -20% | 2% | -20% | 59% | 40% | - | - | - | |
| | Sugar #5 | LSU | 0.00% | 1.93% | 2.22% | 69% | - | 31% | - | - | - | - | - | - | |
| | Cocoa | LCC | 0.00% | 0.92% | 1.06% | 67% | - | 33% | - | - | - | - | - | - | |
| | Coffee 'C' Arabica | KC | 0.00% | 1.26% | 1.45% | 60% | - | 25% | - | 15% | - | - | - | - | |
| | Cotton | CT | 0.00% | 1.37% | 1.58% | 60% | - | 40% | - | - | - | - | - | - | |
| | Live Cattle | LC | 0.00% | 2.34% | 2.70% | 27% | -40% | 73% | 40% | - | - | - | - | - | |
| Lean Hogs | LH | 0.00% | 1.62% | 1.86% | 27% | -40% | 73% | 40% | - | - | - | - | - | | |

Notes:
 1) Active Weights displayed are based on a purely hypothetical example for illustrative purposes.
 Source: UBS AG – Benchmark Weights reflect H1 2011 Target Weights.

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