

# UBS Bloomberg CMCI Agriculture Index

## *State-of-the-Art Agriculture Benchmark*

### Growth Drivers - Demand

Global trends, including population growth, rising GDP trade expansion as well as globalization push up demand for agricultural commodities of all kinds.

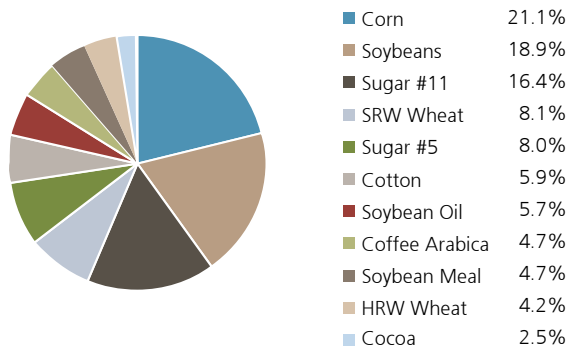
- **Main driver** – The rising ethanol industry pushed the demand for Soya, Corn and Sugar. Furthermore, China's need for agricultural commodities is still growing.
- **Limiting factors** – The financial crisis had a negative effect on commodity prices. As recovery in the markets begins, commodities are expected to follow. With a revolutionary new calculation methodology, the CMCI potentially offers lower volatility and better performance than traditional indices

### Growth Drivers - Supply

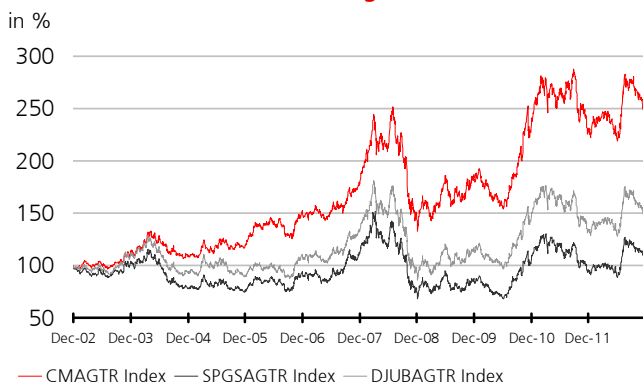
Agricultural supply depends to a large extent on the US production. As a result, US weather conditions and farmers' subsidies will be crucial in determining supply in the agricultural sector.

Further factors impacting global output of agricultural commodities are falling arable availability, rising costs (including fuel and fertilizers) and changing climate patterns.

### Current Weights



### Historical Performance as of August 2012



Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 30/11/2002 - 30/11/2012. CMCI data contains back-tested values from Nov 2000 to Jan 2007 and live thereafter. CMAGTR (UBS-Bloomberg CMCI Agriculture Index), SPGSAGTR (S&P GSCI Agriculture Index), DJUBAGTR (DJ-UBS Agriculture Index)

### Higher risk-adjusted returns

- Higher performance and lower volatility
- Outperforms in contango environment and performed equally well in backwardation

	CMAGTR	SPGSAGTR	DJUBAGTR
<b>Performance</b>	9.85%	1.14%	4.32%
<b>Volatility p.a.</b>	19.35%	23.22%	21.53%
<b>Sharpe Ratio</b>	0.51	0.05	0.20

Source: Based on daily closing prices 30.11.2002 - 30.11.2012. Performance and volatility are based on Total Return, Sharpe Ratio on Excess Return Indices. Past performance does not indicate future results.  
 Source: Bloomberg, UBS AG

## The UBS Bloomberg CMCI Universe – Agriculture

Sector	Weight	Average Tenor	Commodity	Overall Weight	Weight in Sector	Av. Tenor (months)	Weights of Constant Maturities per Commodity				
							3M	6M	1Y	2Y	3Y
Agriculture	28.4%	5.21	SRW Wheat	2.33%	8.21%	5.60	50.84%	30.39%	18.77%	-	-
			KCBOT HRW Wheat	1.20%	4.24%	4.21	59.56%	40.44%	0.00%	-	-
			Corn	6.06%	21.32%	5.74	48.33%	31.81%	19.86%	-	-
			Soybeans	5.37%	18.88%	5.42	53.30%	29.63%	17.06%	-	-
			Soybean Meal	1.33%	4.68%	4.09	63.73%	36.27%	0.00%	-	-
			Soybean Oil	1.63%	5.75%	4.07	64.27%	35.73%	0.00%	-	-
			Sugar #11	4.62%	16.24%	6.09	41.77%	35.90%	22.33%	-	-
			Sugar #5	2.23%	7.86%	4.12	62.57%	37.43%	0.00%	-	-
			Cocoa	0.69%	2.41%	4.25	58.49%	41.51%	0.00%	-	-
			Coffee "C" Arabica	1.32%	4.64%	5.08	57.96%	28.41%	13.63%	-	-
			Cotton	1.64%	5.77%	4.30	56.74%	43.26%	0.00%	-	-

Source: UBS IB, Composition correct as for H2 2012

## Contact Information

### UBS AG

P.O. Box, 8098 Zurich  
 Email: [keyinvest@ubs.com](mailto:keyinvest@ubs.com)  
[www.ubs.com/keyinvest](http://www.ubs.com/keyinvest)

### Hotline:

Institutional Clients:  
 Intermediaries:  
 Wealth Management Clients:

**+41 44 239 76 76**

+41 44 239 77 40

+41 44 239 77 60

+41 44 239 68 00

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