



# UBS Bloomberg SPGSCI Reduced Energy Constant Maturity - January 2011

CMCI with S&P GSCI Reduced Energy components and weights

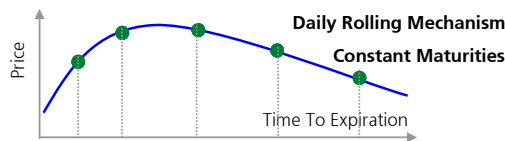
## Brief Description

- The UBS Bloomberg CMCI introduced two unique concepts to commodity index investment – constant maturity and diversification across the commodities futures curve
- The S&P GSCI is a benchmark in the commodity index space with a well established commodity weighting methodology
- The SPGSCI Constant Maturity Index combines features from both indices - the innovative methodology of UBS Bloomberg CMCI and the established weightings of one of the most widely followed commodity indices – the S&P GSCI:
  - Same component, weights and rebalancing methodology as the S&P GSCI Index
  - Extends beyond short-dated futures contracts
  - Uses the CMCI innovative constant maturity methodology
- The constant maturity approach and the diversified exposure across the curve that the CMCI brings lead to lower volatility and mitigation of negative roll yield

## UBS Bloomberg CMCI

### Diversified across entire liquid curve

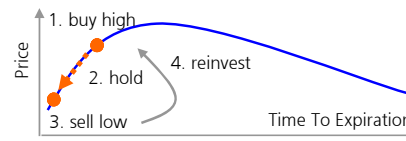
- On average longer dated futures led to better roll yields than short dated ones as further dated contracts tend to be in less contango / more backwardation that front month ones



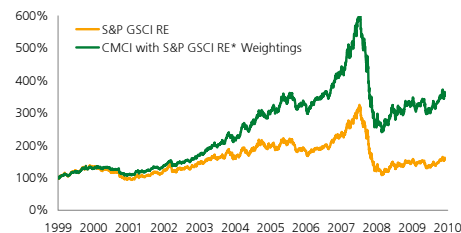
## S&P GSCI

### Limited to short-dated futures contracts

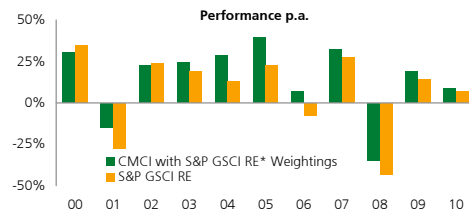
- Historically often pronounced Contango
- On average short dated futures led to worse roll yields than longer dated futures



## Performance Charts: Structural Outperformance of S&P GSCI Constant Maturity



Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 31 December 1999 – 2 December 2010. \* RE stands for Reduced Energy. Data contains back-tested values from Jan 1998 to Feb 2008 and live thereafter.



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US: Jon Fraade  
[jon.fraade@ubs.com](mailto:jon.fraade@ubs.com)

US: John Kowalik  
[john.kowalik@ubs.com](mailto:john.kowalik@ubs.com)

US: Jeff Saxon  
[jeffrey.saxon@ubs.com](mailto:jeffrey.saxon@ubs.com)

US: Andrew White  
[andrew.j.white@ubs.com](mailto:andrew.j.white@ubs.com)

Hong Kong: Katia Demekhina  
[katia.demekhina@ubs.com](mailto:katia.demekhina@ubs.com)  
+852 297 16627

UK: Ted Kuo  
[ted.kuo@ubs.com](mailto:ted.kuo@ubs.com)

+44 2075671860

US: Desk Number  
+1 203 719 8870

# UBS Bloomberg SPGSCI Reduced Energy Constant Maturity

## Performance Contribution by Commodity

Sector	Commodity	Weight	Outperformance (unweighted)	Average Outperformance per month
Energy	WTI Crude Oil	26.44%	0.80%	
	Brent Crude Oil	10.87%	0.29%	
	RBOB Gasoline	3.29%	0.32%	
	Heating Oil	3.47%	0.53%	
	Gasoil	4.29%	0.20%	
	Natural Gas	2.53%	2.13%	
	Industrial Metals	Aluminum	3.63%	0.26%
Copper		5.76%	0.07%	
Lead		0.70%	0.23%	
Nickel		1.23%	0.21%	
Zinc		0.94%	0.24%	
Precious Metals	Gold	4.53%	-0.01%	
	Silver	0.74%	0.22%	
Agriculture	Chicago Wheat	5.62%	0.63%	
	Kansas Wheat*	1.17%	-0.26%	
	Corn	6.06%	0.36%	
	Soybeans	3.87%	0.09%	
	Cotton	2.49%	0.29%	
	Sugar	3.88%	0.39%	
	Coffee	1.38%	0.17%	
	Cocoa**	0.45%	-0.78%	
Livestock	Live Cattle	3.95%	0.33%	
	Feeder Cattle***	0.64%	-0.06%	
	Lean Hogs	2.07%	1.03%	

\*CMCI Kansas Wheat data only available since 29 May 2009. \*\*CMCI Cocoa data only available since 12 September 2008.

\*\*\*CMCI Feeder Cattle data only available since 30 September 2008.

Source: Bloomberg, UBS IB. All indices used are Excess Return. Data period 2 December 2000 – 2 December 2010.

Weights used are as of 02 December 2010 and may not exactly match those of the actual index

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US: Andrew White  
[andrew-j.white@ubs.com](mailto:andrew-j.white@ubs.com)

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Web: [www.ubs.com/cmci](http://www.ubs.com/cmci) Bloomberg: CMCN <GO>

**US: Jon Fraade**  
[jon.fraade@ubs.com](mailto:jon.fraade@ubs.com)

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[john.kowalik@ubs.com](mailto:john.kowalik@ubs.com)

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