



# UBS Bloomberg SPGSCI Ultra Light Energy Constant Maturity – January 2011

## CMCI with S&P GSCI Ultra Light Energy components and weights

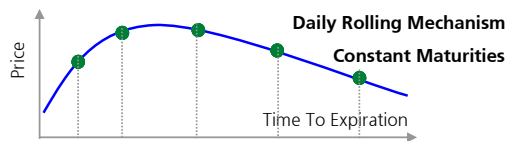
### Brief Description

- 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

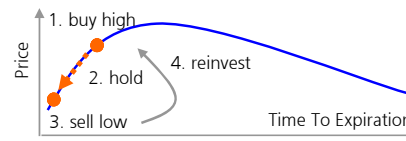
- On average longer dated futures led to better roll yields than short dated ones as further dated contracts tend to be in less contango / more backwardation that front month ones



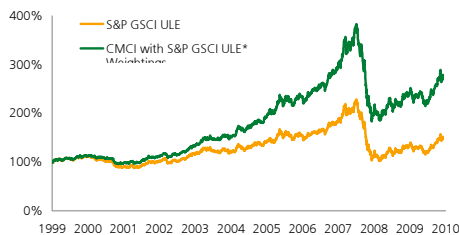
### S&P GSCI

#### Limited to short-dated futures contracts

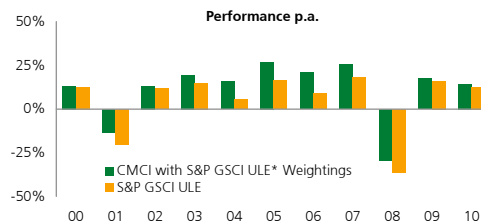
- Historically often pronounced Contango
- On average short dated futures led to worse roll yields than longer dated futures



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



Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 2 December 2000 – 2 December 2010. \*ULEE stands for Ultra Light Energy. Data contains back-tested values from Jan 1998 to Feb 2008 and live thereafter.



Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 2 December 2000 – 2 December 2010. \*ULEE stands for Ultra Light Energy. Data contains back-tested values from Jan 1998 to Feb 2008 and live thereafter.

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 Ultra Light Energy Constant Maturity

## Performance Contribution by Commodity

Sector	Commodity	Weight	Outperformance (unweighted)	Average Outperformance per month
Energy	WTI Crude Oil	10.59%	0.80%	
	Brent Crude Oil	4.35%	0.29%	
	RBOB Gasoline	1.29%	0.32%	
	Heating Oil	1.39%	0.53%	
	Gasoil	1.74%	0.20%	
	Natural Gas	1.03%	2.13%	
Industrial Metals	Aluminum	5.76%	0.26%	
	Copper	9.39%	0.07%	
	Lead	1.13%	0.23%	
	Nickel	1.95%	0.21%	
	Zinc	1.52%	0.24%	
Precious Metals	Gold	7.23%	-0.01%	
	Silver	1.18%	0.22%	
Agriculture	Chicago Wheat	9.42%	0.63%	
	Kansas Wheat*	1.97%	-0.26%	
	Corn	9.96%	0.36%	
	Soybeans	6.19%	0.09%	
	Cotton	4.26%	0.29%	
	Sugar	6.23%	0.39%	
	Coffee	2.21%	0.17%	
	Cocoa**	0.75%	-0.78%	
Livestock	Live Cattle	6.17%	0.33%	
	Feeder Cattle***	1.02%	-0.06%	
	Lean Hogs	3.29%	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 09 December 2010 and may not exactly match those of the actual index

Data contains back-tested values from Jan 1998 to Feb 2008 and live thereafter.

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

Disclaimer: please refer to [www.ubs.com/cmci](http://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.

This material is for distribution only under such circumstances as may be permitted by applicable law. It has no regard to the specific investment objectives, financial situation or particular needs of any recipient. It is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the materials. It should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this material are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS as a result of using different assumptions and criteria. UBS is under no obligation to update or keep current the information contained herein. UBS, its directors, officers and employees' or clients may have or have had interests or long or short positions in the securities or other financial instruments referred to herein and may at any time make purchases and/or sales in them as principal or agent. UBS may act or have acted as market-maker in the securities or other financial instruments discussed in this material. Furthermore, UBS may have or have had a relationship with or may provide or has provided investment banking, capital markets and/or other financial services to the relevant companies. Neither UBS nor any of its affiliates, nor any of UBS' or any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this material.

Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this presentation. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisers to the extent you deem necessary to make your own investment, hedging and trading decisions. Any transaction between you and UBS will be subject to the detailed provisions of the term sheet, confirmation or electronic matching systems relating to that transaction. Clients wishing to effect transactions should contact their local sales representative. Additional information will be made available upon request

If this material contains data derived as a result of 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. We make, however, no representation as to the accuracy, completeness or appropriateness of such methodology and accept no liability for your use of the Information. Specifically, there is no assurance that other banks or brokers would derive the same results for the back-test period. "Back-tested data", "back-tested values" and "back-testing", as used in this document, refers to simulated performance data created by applying the relevant index's calculation methodology to historical prices of futures contracts that comprise the index. Such simulated performance data that has been produced by the retroactive application of a back-tested methodology, and may reflect a bias towards strategies that have performed well in the past. No future performance of the index can be predicted based on the simulated performance or the historical returns described herein.

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

**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