

# UBS Bloomberg DJ-UBS Constant Maturity – January 2011

## CMCI with DJ-UBS 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 DJ-UBS has historically been one of the most widely used commodity indices with a well established commodity weighting methodology
- The DJ-UBS 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 DJ-UBS:
  - Same components\*, weights and rebalancing methodology as the DJ-UBS 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

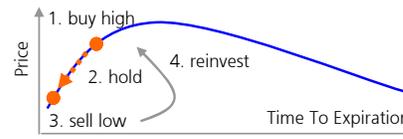
- On average longer dated futures led to better roll yields than short dated ones as further dated contracts tend to be in less contango / more backwardation than front month ones



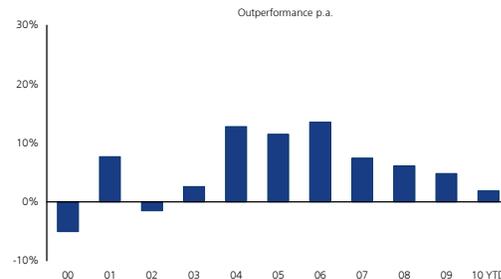
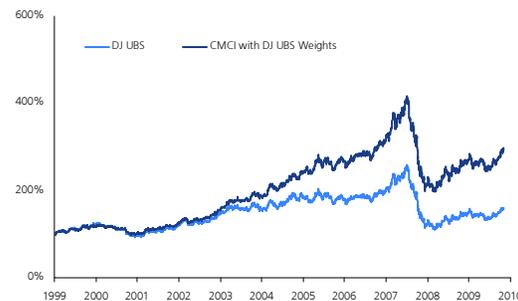
### DJ-UBS

#### 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 DJ-UBS Constant Maturity



Source: UBS AG, Bloomberg. Excess Return indices. Daily closing prices 31 December 1999 – 2 December 2010. Data contains back-tested values from Dec 1999 to Feb 2008 and live thereafter

Source: UBS AG, Bloomberg. Excess Return indices. Yearly closing prices 31 December 1999 – 2 December 2010. Data contains back-tested values from Dec 1999 to Feb 2008 and live thereafter

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## UBS Bloomberg DJ-UBS Constant Maturity

### Performance Contribution by Commodity

Sector	Commodity	Weight	Average Outperformance per month
Energy	WTI Crude Oil	13.2%	0.5%
	RBOB Gasoline	3.4%	0.5%
	Heating Oil	3.5%	0.3%
	Natural Gas	7.6%	1.2%
Industrial Metals	Aluminum	5.1%	0.2%
	Copper	7.7%	0.3%
	Nickel	2.6%	0.2%
	Zinc	2.3%	0.2%
Precious Metals	Gold	9.7%	0.0%
	Silver	4.5%	0.1%
Agriculture	Chicago Wheat	5.5%	0.6%
	Corn	8.2%	0.4%
	Soybeans	8.6%	0.1%
	Soybean Oil	3.4%	0.1%
	Cotton	3.0%	0.3%
	Sugar	2.6%	0.3%
	Coffee	3.2%	0.2%
Livestock	Live Cattle	3.8%	0.3%
	Lean Hogs	2.1%	1.0%

Note: The copper used in the CMCI as well as the DJUBS Constant Maturity is the LME copper while the copper used in the DJUBS Copper Index is the CME Copper DJ-UBS Weights used are as of 2 December 2010. The weights of DJ-UBS Constant Maturity might not be exactly the same as those of DJ-UBS Index. Source: Bloomberg, UBS IB. All indices used are Excess Return. Data period 2 Dec 1999 – 2 December 2010. Data contains back-tested values from Dec 1999 to Feb 2008 and live thereafter

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