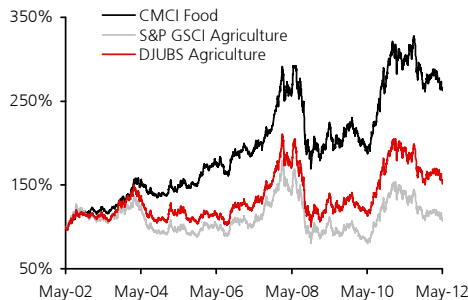




UBS Bloomberg CMCI Food Index

State-of-the-Art Agriculture Benchmark

Historical Performance as of May 2012



Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 31/5/2002 - 31/5/2012. CMCI data contains back-tested values from Nov 2000 to Jan 2007 and live thereafter.

Higher risk-adjusted returns

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

	CMCI Food	S&P GSCI Agriculture	DJUBS Agriculture
Performance p.a.	10.1%	0.7%	4.2%
Volatility p.a.	17.2%	22.5%	20.8%
Sharpe Ratio	0.42	-0.10	0.06

Source: UBS AG, Bloomberg. Total Return indices. Daily closing prices 31/5/2002 - 31/5/2012. CMCI data prior to Jan 2007 is back-tested and live thereafter. Performance and volatility are calculated based on Total return indices, while Sharpe ratio on Excess return

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.

CMCI Characteristics

A benchmark for modern commodity investing, reflecting the real nature of commodity markets

- Flexible** - 27 components, 5 maturities
- Diversification** across commodities, futures tenors and roll dates
- Enhanced roll performance** both in Contango and Backwardation

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.

Rising feed costs, resulting from the pressure on grains due to increased food and biofuel demand, are going to increase the livestock prices.

Product Range

Beta and Alpha Strategies

Exchange Traded Commodities (ETC)

- Transparent and cost efficient open ended 1:1 tracking of entire CMCI family

Over the Counter (OTC) and Structured Products

- Products in all categories (Protection, Optimization, Performance and Leverage)

UCITS III Compliant Fund, ETF



UBS Bloomberg CMCI Food Index

Overview

Sector Benchmark Indices

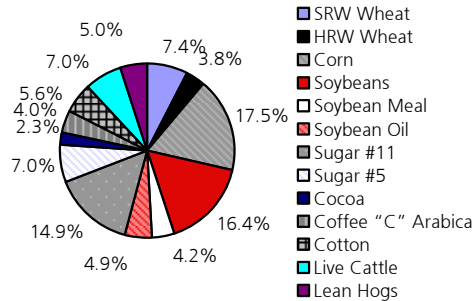
- Diversified across all commodities and tenors of the agriculture sector

Single Commodity Benchmark Indices

- All tenors of one commodity

“Vertical” and “Bullet” Indices (See below)

Sector Weighting

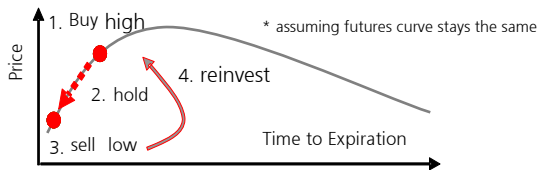


Source: UBS IB, Composition correct as for H1 2012

Traditional Commodity Indices

Limit investors to short-dated futures contracts

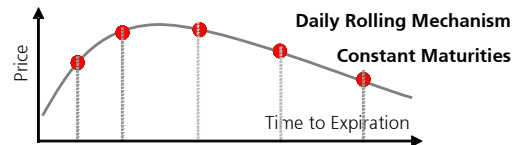
- An upward sloping forward curve (“contango”) such as below puts investors in the costly position of “buying high, selling low” each time a future is rolled*.



UBS Bloomberg CMCI

Expands commodity investment beyond short-dated futures contracts

- Gives access to various constant maturities. In doing so, it can reduce roll losses (or even generate roll gains) and may diminish volatility found in traditional indices



The UBS Bloomberg CMCI Universe - Food

Sector	Weight	Avg Tenor	Commodity	Code	Overall Weight		Average Tenor					
					Weight	in Sector	3M	6M	1Y	2Y	3Y	
Food	32.6%	5.06	SRW Wheat	W_	2.42%	7.43%	5.56	✓	✓	✓		
			HRW Wheat	KW	1.23%	3.77%	5.56	✓	✓	✓		
			Corn	C_	5.70%	17.50%	5.74	✓	✓	✓		
			Soybeans	S_	5.36%	16.43%	5.25	✓	✓	✓		
			Soybean Meal	SM	1.36%	4.16%	4.11	✓	✓			
			Soybean Oil	BO	1.61%	4.95%	4.05	✓	✓			
			Sugar #11	SB	4.86%	14.92%	5.99	✓	✓	✓		
			Sugar #5	QW	2.28%	7.01%	4.15	✓	✓			
			Cocoa	QC	0.74%	2.26%	4.22	✓	✓			
			Coffee "C" Arabica	KC	1.30%	3.97%	5.02	✓	✓	✓		
			Cotton	CT	1.82%	5.57%	4.20	✓	✓			
			Live Cattle	LC	2.28%	7.00%	4.07	✓	✓			
			Lean Hogs	LH	1.64%	5.02%	4.06	✓	✓			

Source: UBS IB, Composition correct as for H1 2012



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