

UBS Bloomberg CMCI Precious Metals Index

State-of-the-Art Commodity Benchmark

The UBS Bloomberg CMCI Index family was developed to track real performance of commodity prices and is the first to use up to five constant maturities as well as maintaining broad-based diversification across 29 commodity futures contracts. The index reflects the complete pricing picture and all market opinions while, at the same time, reducing negative roll returns. Daily rolling of futures contracts ensures that the average time-to-maturity in the UBS Bloomberg CMCI Index is kept permanently constant, unlike most traditional indices, which only roll once a month.

Historical Performance



Historically higher risk-adjusted returns compared with first-generation indices:

- Higher performance and lower volatility
- Performed equally well during times of backwardation

CMCI Characteristics

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

- Flexible - 29 components, 5 maturities
- Diversification across commodities, futures tenors and roll dates
- Enhanced roll performance both in contango and backwardation

Growth Drivers - Demand

Precious metals behave more like financial assets than commodities.

- For commodities such as gold and silver, storage and trade are the dominant functions affecting global supply and demand as consumption does not necessarily result in "physical destruction" of the commodity.
- For such commodities, consumption occurs principally through a transaction process without considerably reducing, at any time, the quantity of the commodity available.

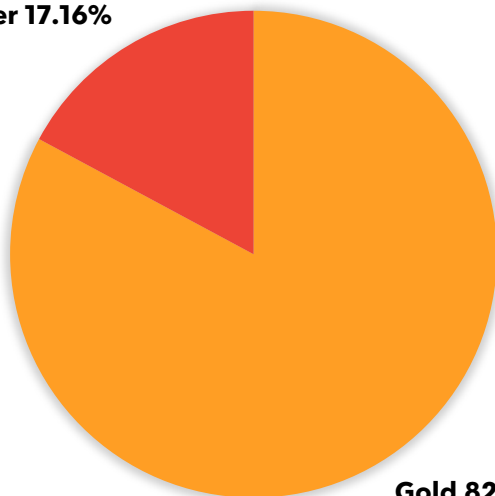
Gold & Silver Observations

Gold - U.S. dollar weakness contributes to gold price strength.

Silver - A higher beta version of gold, typically outperforming the yellow metal during periods of gold and silver strength, but falling more rapidly than gold in times of weakness.

Precious Metals Weightings

Silver 17.16%



Gold 82.84%

Traditional Commodity Indices

Limit investors to short-dated futures contracts

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

*Assuming futures curve stays the same

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.

UBS Bloomberg CMCI Membership - Precious Metals

COMMODITY	CODE	CMPRTR INDEX WEIGHT	CMCITR INDEX WEIGHT	3M	6M	1Y	2Y	3Y
Gold	GC	82.84%	4.77%	✓	✓	✓		
Silver	SI	17.16%	0.99%	✓	✓	✓		

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