

# Dow Jones-UBS Commodity Indexes<sup>SM</sup>

The Dow Jones-UBS Commodity Index<sup>SM</sup> (DJ-UBSCI<sup>SM</sup>) is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The index is composed of futures contracts on physical commodities. As the index has grown in popularity since its introduction in 1998, additional versions and a full complement of subindexes have been introduced. Together, the family offers investors a comprehensive set of tools for measuring the commodity markets.

The DJ-UBSCI<sup>SM</sup> is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual reweightings of the components).

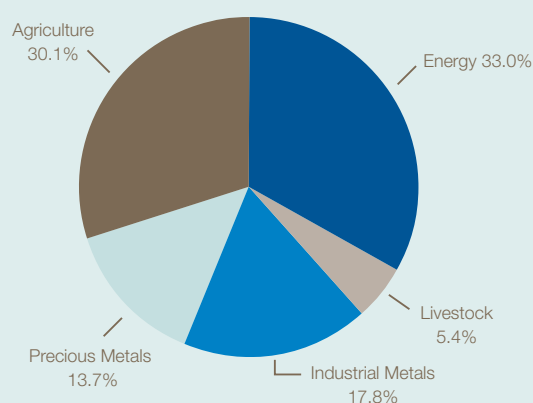
As shown in Figure 1, the index is not highly concentrated in any single commodity type. The weightings for each commodity included in the DJ-UBSCI<sup>SM</sup> are calculated in accordance with rules designed to ensure that the relative proportion of each of the underlying individual commodities reflects its global economic significance and market liquidity. Annual rebalancing and reweighting maintain diversity over time.

The construction and design of the DJ-UBSCI<sup>SM</sup> (e.g., weights of underlying commodities based on market liquidity and global production data) are intended to provide investors with a measure that is highly liquid and scalable. True liquidity is derived from the liquidity of the futures contracts of the underlying components of the index. The commodity futures market is generally well equipped to provide the liquidity demanded by institutional investors.

Commodity futures are claims on actual goods whose prices tend to rise with inflation. Not surprisingly then, an index based on commodity futures can be expected to provide a hedge during periods of rising inflation.

Figure 2 compares the performance of commodity futures, stocks and bonds. As shown, commodity futures have historically performed quite differently from both stocks and bonds. The historical volatility of the DJ-UBSCI<sup>SM</sup> generally falls between the volatilities of stock and bond indexes.

Fig 1. Dow Jones-UBS Commodity Index<sup>SM</sup>



DJ-UBSCI<sup>SM</sup> percentage target weightings as of January 2011. Actual weightings may vary over the course of the year due to market price fluctuations.

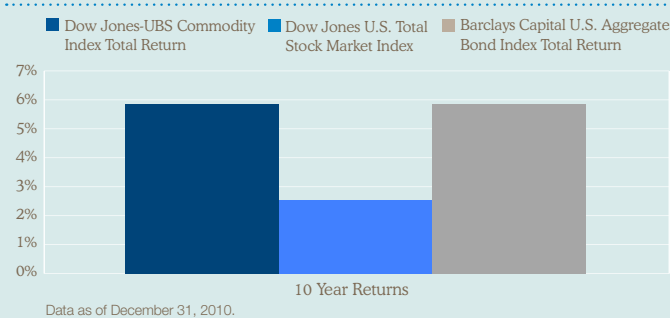
## The Dow Jones-UBS Commodity Index<sup>SM</sup> is designed to provide:

- Weightings that reflect economic significance
- Diversification
- Continuity
- Liquidity

Over the 10-year period ending December 31, 2010, the correlation between the monthly returns of the DJ-UBSCITR<sup>SM</sup> and the returns of the Dow Jones U.S. Total Stock Market Index<sup>SM</sup>\* and Barclays Capital U.S. Aggregate Bond Index were 0.65 and -0.04. These weak correlations imply that an allocation to the DJ-UBSCI<sup>SM</sup> in a diversified equity and bond portfolio may improve the risk and return characteristics of the portfolio.

\*The Dow Jones U.S. Total Stock Market Index<sup>SM</sup> includes all U.S.-traded securities with readily available prices.

Fig 2. Annualized total returns of commodities, stocks and bonds, represented by major market indexes.



## The Dow Jones-UBS Commodity Index<sup>SM</sup> Family

### Dow Jones-UBS Commodity Index<sup>SM</sup> and Dow Jones-UBS Commodity Index Total Return<sup>SM</sup>

The DJ-UBSCI<sup>SM</sup> family includes both the DJ-UBSCI<sup>SM</sup>, which is calculated on an excess return basis, and the DJ-UBSCITR<sup>SM</sup>, a total return index based on the DJ-UBSCI<sup>SM</sup>. The former reflects the return of underlying commodity futures price movements only, while the latter reflects the return on fully collateralized positions in the underlying commodity futures.

### Dow Jones-UBS Commodity Subindexes<sup>SM</sup>

The DJ-UBSCI<sup>SM</sup> family includes nine sector subindexes that group the commodities by type (e.g., the DJ-UBS Grains Subindex<sup>SM</sup> includes Corn, Soybeans and Wheat). Also available are single commodity subindexes on the 19 components currently included in the DJ-UBSCI<sup>SM</sup>, plus Brent crude, cocoa, feeder cattle, gas oil, lead, orange juice, platinum, soybean meal and tin. All DJ-UBSCI Subindexes<sup>SM</sup> are available in excess and total return versions.

### Dow Jones-UBS Commodity Subindexes (Ex Versions)

The DJ-UBSCI<sup>SM</sup> family includes indexes that allow investors to track a diversified basket of commodity futures while excluding single classes of commodities. Currently available are indexes that exclude agriculture and livestock; energy; industrial materials; precious metals; agriculture; livestock; softs; grains; and petroleum.

### Dow Jones-UBS Commodity Spot Indexes<sup>SM</sup>

The Dow Jones-UBS Commodity Spot Indexes<sup>SM</sup> measure price movements of the commodities included in the DJ-UBSCI<sup>SM</sup> and select subindexes. The DJ-UBS Commodity Spot Index<sup>SM</sup> provides a general estimate of trends in commodity prices. It does not account for the effects of rolling futures contracts or the costs associated with actually holding physical commodities, and is thus not replicable with positions in the underlying commodity futures contracts.

### Dow Jones-UBS Commodity Indexes<sup>SM</sup>: Forward Versions

The DJ-UBSCI<sup>SM</sup> family includes 1-, 2-, and 3-Month Forward versions of the DJ-UBSCI<sup>SM</sup> and select subindexes. Composed of longer-dated commodity futures contracts, the forward versions allow investors to measure exposure to different parts of the commodity futures curves.

### Dow Jones-UBS Commodity Indexes<sup>SM</sup>: Foreign Currency Versions

The DJ-UBSCI<sup>SM</sup> and the DJ-UBSCITR<sup>SM</sup> are also available denominated in Australian dollars, euros, pounds sterling, Swiss francs and yen.

### Dow Jones-UBS Commodity Indexes<sup>SM</sup>: Currency Hedged Versions

The currency hedged versions of the Dow Jones-UBS Commodity Index<sup>SM</sup> are designed as benchmarks for non-U.S. investors. The indexes are calculated to reflect the hedging of foreign exchange risk. Currently available are daily and monthly hedged versions for the following currencies: Australian dollar, Canadian dollar, euro, pound sterling, Swiss franc and yen. The indexes are calculated in excess return and total return.

### Dow Jones-UBS Roll Select Commodity Index<sup>SM</sup>

A version of the Dow Jones-UBS Commodity Index<sup>SM</sup> that aims to mitigate the effects of contango on index performance. For each commodity, the index rolls into the futures contract showing the most backwardation or least contango, selecting from those contracts with nine months or fewer until expiration. The index is calculated in price and total return.

# Sector Subindexes

Sector Subindexes		
<b>ENERGY</b>		<b>INDUSTRIAL METALS</b>
Crude Oil Heating Oil Natural Gas Unleaded Gasoline		Aluminum Copper Nickel Zinc
<b>PETROLEUM</b>		<b>PRECIOUS METALS</b>
Crude Oil Heating Oil Unleaded Gasoline		Gold Silver
<b>LIVESTOCK</b>		<b>SOFTS</b>
Lean Hogs Live Cattle		Coffee Cotton Sugar
<b>GRAINS</b>		<b>AGRICULTURE</b>
Corn Soybeans Wheat		Coffee Corn Cotton Soybeans Soybean Oil Sugar Wheat

# Single Commodity Subindexes

Dow Jones-UBS Aluminum Subindex<sup>SM</sup>  
Dow Jones-UBS Brent Crude Subindex<sup>SM\*</sup>  
Dow Jones-UBS Cocoa Subindex<sup>SM\*</sup>  
Dow Jones-UBS Coffee Subindex<sup>SM</sup>  
Dow Jones-UBS Copper Subindex<sup>SM</sup>  
Dow Jones-UBS Corn Subindex<sup>SM</sup>  
Dow Jones-UBS Cotton Subindex<sup>SM</sup>  
Dow Jones-UBS Crude Oil Subindex<sup>SM</sup>  
Dow Jones-UBS Feeder Cattle Subindex<sup>SM\*</sup>  
Dow Jones-UBS Gas Oil Subindex<sup>SM\*</sup>  
Dow Jones-UBS Gold Subindex<sup>SM</sup>  
Dow Jones-UBS Heating Oil Subindex<sup>SM</sup>  
Dow Jones-UBS Lead Subindex<sup>SM\*</sup>  
Dow Jones-UBS Lean Hogs Subindex<sup>SM</sup>

Dow Jones-UBS Live Cattle Subindex<sup>SM</sup>  
Dow Jones-UBS Natural Gas Subindex<sup>SM</sup>  
Dow Jones-UBS Nickel Subindex<sup>SM</sup>  
Dow Jones-UBS Orange Juice Subindex<sup>SM\*</sup>  
Dow Jones-UBS Platinum Subindex<sup>SM\*</sup>  
Dow Jones-UBS Silver Subindex<sup>SM</sup>  
Dow Jones-UBS Soybean Meal Subindex<sup>SM\*</sup>  
Dow Jones-UBS Soybean Oil Subindex<sup>SM</sup>  
Dow Jones-UBS Soybeans Subindex<sup>SM</sup>  
Dow Jones-UBS Sugar Subindex<sup>SM</sup>  
Dow Jones-UBS Tin Subindex<sup>SM\*</sup>  
Dow Jones-UBS Unleaded Gasoline Subindex<sup>SM</sup>  
Dow Jones-UBS Wheat Subindex<sup>SM</sup>  
Dow Jones-UBS Zinc Subindex<sup>SM</sup>

\*Not a direct subset of the Dow Jones-UBS Commodity Index<sup>SM</sup>



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