

# UBS Bloomberg CMCI

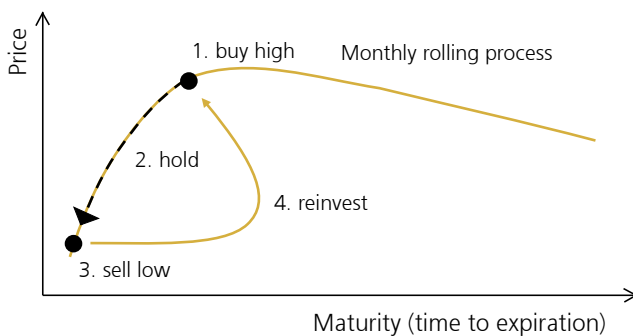
## Summary of **key facts**



The UBS Bloomberg CMCI Index family was developed by UBS in cooperation with Bloomberg to track real performance of commodity prices via futures contracts as closely as possible. The UBS Bloomberg CMCI Index family is the first to use up to five constant maturities, as well as maintaining broadbased diversification across 27 commodity futures contracts.

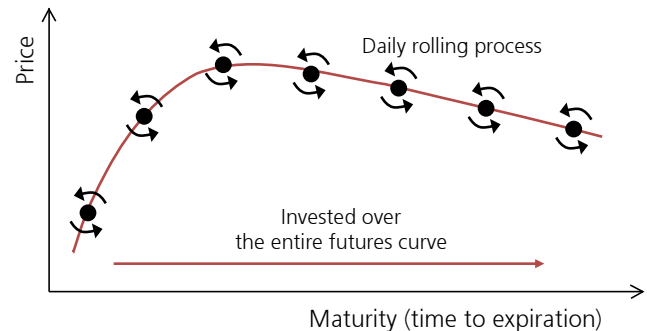
The index thus reflects the complete pricing picture and all market opinions, whilst at the same time reducing negative roll returns. Daily rolling of futures contracts ensures that the average time-to-maturity of the futures contracts tracked in the UBS Bloomberg CMCI index is kept permanently constant, unlike most traditional indices that only roll once a month.

### Traditional commodity indices



Traditional indices are generally invested exclusively in short-term futures contracts. They therefore only consider a small proportion of the commodity market. In a contango situation, as seen in the example graph at the short end of the futures curve, this limited method which excludes futures contracts with longer maturities will inevitably lead to negative roll returns.

### UBS Bloomberg CMCI



By contrast, the UBS Bloomberg CMCI Index exhibits a substantially broader diversification across the available maturities. This allows the commodity market to be tracked more comprehensively. The effects of any negative roll returns at the short end of the futures curve can be reduced (and sometimes even moved into positive territory) by switching to other maturities. We can generalise from this to say that using all futures maturities reduces the direct impact of the short end of the futures curve.

## Weighting procedure for UBS Bloomberg CMCI index family

### Stage 1: Sector weighting

Determining the sector weighting is the first stage in the weighting process. The UBS Bloomberg CMCI Composite Index covers all five sectors: energy, industrial metals, precious metals, agriculture and livestock. At sector level a higher weighting is assigned to economic significance (two thirds) than liquidity (one third).

#### Economic significance of the sector

The sector's economic significance is calculated by adding the relevant commodity sector's share in the consumer price index (CPI) (two thirds) and in the producer price index (PPI)

(one third) and multiplying it by the sector's share of the gross domestic product (GDP) of the USA, EU and Japan.

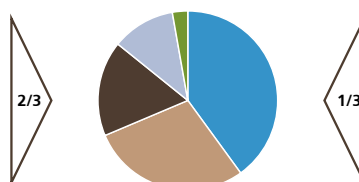
#### Sector liquidity

Sector liquidity is determined based on two futures market indicators reported on the relevant exchanges: open interest and market turnover for the relevant commodity sector, which are each given a 50% weighting. Open interest represents the nominal market value of the open/outstanding futures contracts in the relevant sector. Market turnover reflects the accumulated nominal volumes of futures contracts traded.

### Stage 1: Sector weighting

Sector's economic significance

USA (CPI (2/3) + PPI (1/3)) x GDP weight  
 EU (CPI (2/3) + PPI (1/3)) x GDP weight  
 Japan (CPI (2/3) + PPI (1/3)) x GDP weight



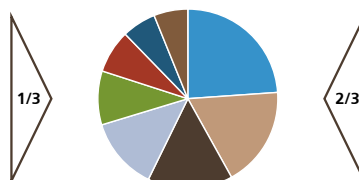
Sector liquidity

Sector open interest 50%  
 Sector turnover 50%

### Stage 2: Component weighting

Economic significance of components

Share of components in the dollar value of global consumption



Component liquidity

Component's share in the sector's open interest 50%  
 Component's share in the sector's turnover 50%

### Stage 2: Component weighting

The second stage of the process involves calculating the share of the individual commodities within their allocated sector through a process of component weighting. This determines for example the share of WTI crude futures in the energy sector. Economic significance and market liquidity are also considered at the component level. However, at this point a higher weighting is assigned to the component liquidity for each commodity (two thirds) than to the economic significance of the sector (one third).

#### Economic significance of components

The component's economic significance is determined by its share in the dollar value of global consumption for each individual commodity within the relevant sector. The greater the relative consumption of a commodity, the greater its share tends to be in the relevant sector.

#### Component liquidity

As at sector level, component liquidity is again determined by two parameters on the futures market: component liquidity is determined by the respective commodity's share in the sector's open interest (half) and the sector's market turnover (half) (see explanation above).

## UBS Bloomberg CMCI index universe

<b>Entire commodity sector</b>	UBS Bloomberg CMCI Composite Index				
<b>Energy &amp; metals</b>	UBS Bloomberg CMCI Energy & Metals Index				
<b>Industry focus</b>	Energy	Industrial metals	Precious metals	Livestock	Agriculture
<b>Single commodity focus</b>	WTI crude oil	Copper	Gold	Live cattle	Wheat
	Brent crude oil	Zinc	Silver	Lean hogs	Milling wheat
	Heating oil	Aluminium	Platinum		Corn
	Gasoil	Nickel			Soybeans
	Gasoline	Lead			Soybean meal
	Natural gas				Soybean oil
					Sugar
				Cocoa	
				Coffee	
				Cotton	
				Rough rice	

# UBS ETCs on CMCI indices

## Daily trading liquidity

	Index	USD			CHF currency hedged			EUR currency hedged		
		SIX Symbol	ISIN	Fee p.a.	SIX Symbol	ISIN	Fee p.a.	SIX Symbol	ISIN	Fee p.a.
Commodity sector	CMCI Composite TR Index	TCMCI	CH0031794263	0.38%	CCMCI	CH0034808169	0.81%	ECMCI	CH0034808136	0.50%
	CMCI Composite 3M TR Index	TCM3M	CH0031794214	0.38%						
	CMCI Composite 6M TR Index	TCM6M	CH0031794206	0.38%						
	CMCI Composite 1Y TR Index	TCM1Y	CH0029777445	0.38%						
<b>Energy</b>										
Energy sector	CMCI Energy TR Index	TENCI	CH0042990041	0.40%	CENCI	CH0042990074	0.84%	EENCI	CH0042990066	0.52%
WTI crude oil	CMCI WTI TR Index	TLCI	CH0033333326	0.30%	CCLCI	CH0037069876	0.72%	ECLCI	CH0037069843	0.42%
	CMCI WTI 3M TR Index	TCL3M	CH0033333342	0.30%						
	CMCI WTI 6M TR Index	TCL6M	CH0033333359	0.30%						
	CMCI WTI 1Y TR Index	TCL1Y	CH0033333367	0.30%						
Brent crude oil	CMCI Brent TR Index	TCOCI	CH0032661685	0.30%	CCOCI	CH0035787859	0.72%	ECOCI	CH0035787909	0.42%
	CMCI Brent 3M TR Index	TCO3M	CH0032661693	0.30%						
	CMCI Brent 6M TR Index	TCO6M	CH0032661701	0.30%						
	CMCI Brent 1Y TR Index	TCO1Y	CH0032661719	0.30%						
Gasoil	CMCI Gasoil TR Index	TQSCI	CH0037787592	0.40%						
Gasoline	CMCI Gasoline TR Index	TXBCI	CH0036834908	0.40%	CXBCI	CH0036834981	0.84%	EXBCI	CH0036834882	0.52%
Heating oil	CMCI Heating Oil TR Index	THOCI	CH0037787600	0.40%						
Natural gas	CMCI Natural Gas TR Index	TNGCI	CH0037787659	0.40%	CNGCI	CH0042990090	0.84%	ENGCI	CH0042990082	0.52%
<b>Industrial metals</b>										
Industrial metals sector	CMCI Industrial Metals TR Index	TIICI	CH0035657417	0.37%	CIMCI	CH0036249024	0.81%	EIMCI	CH0036249016	0.49%
Aluminium	CMCI Aluminium TR Index	TLACI	CH0037787576	0.37%	CLACI	CH0037787899	0.81%	ELACI	CH0039918609	0.49%
Copper	CMCI Copper TR Index	TLPCI	CH0037787584	0.37%	CLPCI	CH0037787907	0.81%	ELPCI	CH0039918591	0.49%
Lead	CMCI Lead TR Index	TLLCI	CH0037787626	0.37%	CLLCI	CH0037787949	0.81%	ELLCI	CH0037787782	0.49%
Nickel	CMCI Nickel TR Index	TLNCI	CH0037787667	0.37%	CLNCI	CH0037787980	0.81%	ELNCI	CH0037787824	0.49%
Zinc	CMCI Zinc TR Index	TLXCI	CH0037787717	0.37%	CLXCI	CH0037788038	0.81%	ELXCI	CH0037787873	0.49%
<b>Precious metals</b>										
Precious metals sector	CMCI Precious Metals TR Index	TPMCI	CH0042990108	0.49%	CPMCI	CH0042990199	0.92%	EPMCI	CH0042990116	0.61%
Gold	CMCI Gold TR Index	TGCCCI	CH0036991427	0.26%	CGCCCI	CH0036249057	0.66%	EGCCCI	CH0036248992	0.38%
Silver	CMCI Silver TR Index	TSICI	CH0036991435	0.37%	CSICI	CH0036249040	0.80%	ESICI	CH0036249008	0.49%
Platinum	CMCI Platinum TR Index	TPLCI	CH0039194219	0.49%	CPLCI	CH0039205601	0.92%	EPLCI	CH0039205627	0.61%
<b>Agriculture</b>										
Agriculture sector	CMCI Agriculture TR Index	TAGCI	CH0033726370	0.47%	CAGCI	CH0035787800	0.84%	EAGCI	CH0035787842	0.55%
	CMCI Agriculture 1 Year TR Index	TAG1Y	CH0110257455	0.60%						
Food	CMCI Food TR Index	TFOCI	CH0038468804	0.55%	CFOCI	CH0038468846	0.92%	EFOCI	CH0038468838	0.63%
Cocoa	CMCI Cocoa TR Index	TQCCI	CH0035657383	0.56%	CQCCI	CH0036985031	0.99%	EQCCI	CH0036985049	0.68%
Coffee	CMCI Coffee TR Index	TKCCI	CH0035657409	0.54%	CKCCI	CH0036985015	0.98%	EKCCI	CH0036985023	0.66%
Corn	CMCI Corn TR Index	TCNCI	CH0034478849	0.47%	CCNCI	CH0036835012	0.91%	ECNCI	CH0036834890	0.59%
Cotton	CMCI Cotton TR Index	TCTCI	CH0035657425	0.46%	CCTCI	CH0036984992	0.90%	ECTCI	CH0036985007	0.58%
Milling wheat	CMCI Milling Wheat TR Index	TCACI	CH0131514173	0.59%	CCACI	CH0131514181	1.01%	ECACI	CH0131514165	0.57%
Soybeans	CMCI Soybeans TR Index	TSYCI	CH0036834866	0.46%	CSYCI	CH0036835038	0.90%	ESYCI	CH0036834924	0.58%
Soybean meal	CMCI Soybean Meal TR Index	TSMCI	CH0037787675	0.53%						
Soybean oil	CMCI Soybean Oil TR Index	TBOCI	CH0037787683	0.53%						
Sugar	CMCI Sugar #11 TR Index	TSBCI	CH0035657391	0.63%	CSBCI	CH0036835046	1.07%	ESBCI	CH0036834940	0.74%
Wheat	CMCI Wheat TR Index	TWWCI	CH0034478864	0.47%	CWWCI	CH0036835020	0.91%	EWWCII	CH0036834965	0.59%
Rough rice	CMCI Rough Rice TR Index	TRRCI	CH0118479614	0.96%	CRRCI	CH0118479630	1.18%	ERRCI	CH0118479622	1.08%
<b>Livestock</b>										
Lean Hogs	CMCI Lean Hogs TR Index	TLHCI	CH0037787634	0.54%	CLHCI	CH0042990223	0.98%	ELHCI	CH0042990215	0.66%
Live cattle	CMCI Live Cattle TR Index	TLCCI	CH0037787642	0.49%	CLCCI	CH0042990264	0.93%	ELCCI	CH0042990231	0.61%
<b>Energy &amp; metals</b>										
	CMCI Energy & Metals TR Index	TEMCI	CH0197973420	0.38%	CEMCI	CH0197973412	0.81%	EEMCI	CH0197973438	0.50%
<b>Benchmark indices</b>										
S&P GSCI with CMCI methodology	S&P GSCI Constant Maturity TR Index	GCMCI	CH0048491788	0.50%						
BCOM with CMCI methodology	BCOM Constant Maturity TR Index	TDJCM	CH0116406890	0.50%	CDJCM	CH0116406916	0.72%	EDJCM	CH0116406908	0.62%
<b>2x leveraged</b>										
	2x Long CMCI WTI Crude Oil ER Index	OIL2L	CH0035730362	0.98%						
	2x Long CMCI Gold ER Index	GLD2L	CH0102709042	0.94%						
	2x Long CMCI Silver ER Index	SIL2L	CH0102709059	1.05%						
	2x Short CMCI WTI Crude Oil ER Index	OIL2S	CH0035730370	0.98%						
	2x Short CMCI Gold ER Index	GLD2S	CH0102725956	0.94%						
	2x Short CMCI Silver ER Index	SIL2S	CH0102725964	1.05%						

You can find more information on the products presented, including opportunities and risks, in the disclaimer at the end of this document as well as in the term sheets and factsheets that can be inspected on the internet using the Valor or ISIN number: [ubs.com/keyinvest](http://ubs.com/keyinvest)

## Key advantages

- UBS ETCs are highly transparent, cost-efficient and provide 1:1 participation in the underlying after deduction of the management fee
- Customers can profit from daily trading liquidity on the stock exchange (SIX Structured Products)
- CMCI indices are diversified across all liquid maturities, making ‘constant maturities’ possible
- CMCI indices are based on an intelligent rolling process that reduces the negative roll effects in a contango situation

### Trading and execution

#### Trading hours for listed products

09:15 – 17:15 CET: Electronic & trading line  
17:15 – 19:00 CET: Trading line

**Trading line: +41-44-239 22 88\***

## Principal risks

- The investor must be prepared to undertake an investment that is exposed to the full downward risk of the underlying instrument
- The investment may be exposed to partial or total losses since the investor is tracking the full performance of the underlying instrument
- Every investor bears the general risk of a deterioration in the issuer’s financial position. In the event of the issuer becoming insolvent the products constitute the issuer’s direct, unhedged and subordinate liabilities

### Trading hours for OTC products

09:15 – 19:00 CET: Trading line

## Execution alternatives

- Risk price: UBS provides an uninterrupted service for bid/ask pricing up to a certain volume on the stock exchange. Risk prices for larger volumes are available on request (via trading line)
- Execution on the NAV: Investors can request execution on a closing daily rate basis from USD 1 million (no spread). Orders must be placed promptly

- ETCs and other commodity products reflect commodity futures markets. Liquidity and tradability are therefore dependent on and determined by commodity futures exchanges. The majority of commodities are traded via US stock exchanges. The liquidity/spreads are therefore highest/narrowest between 16:00 and 17:15 CET. It is best to execute large orders during the opening hours of the relevant stock exchanges

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