

GAM Multi-Commodities *Index Certificate* (CHF/ EUR/ USD)



Access to great commodity hedge fund managers

In a word

The GAM Multi-Commodities Index Certificates allow investors to benefit from the expertise of one of the world's largest and most successful fund of hedge funds managers with over \$54 billion of assets under management, \$19 billion of which are held in funds of hedge funds. The Index is composed primarily of commodities-focused, single manager hedge funds around the globe pursuing a variety of different strategies, in order to maximise returns and reduce correlation.

Investment story

The GAM Multi-Commodities Index seeks to return 8-12% per annum net of fees over a full cycle (3-5 years) with volatility of ca. 8%. It aims to achieve this by:

- Exposure to a wide range of specific commodity markets, commodity related themes and natural resources
- Access to some of the best-performing commodity-focused hedge fund managers
- Allocation to trading, arbitrage and equity hedge strategies in order to diversify sources of return and risk

GAM's investment process is defined by rigorous and structured analysis of investment managers to identify those with a strong competitive edge. They conduct detailed ongoing monitoring of both the investment and operational aspects of each manager's business to ensure portfolios maintain exposure to the managers in whom we have the highest levels of conviction.

Benefits of commodities

Secular Bull Market

Commodities are enjoying a secular bull-market, driven by a structural increase in global demand, particularly from China and India.

Talented managers

Some of the most talented and innovative hedge fund managers are focused on discovering new opportunities in the commodity sector.

Low correlation

Commodities have a low correlation with bonds, equities and the US dollar, due to the inflationary effects of rising commodity prices.

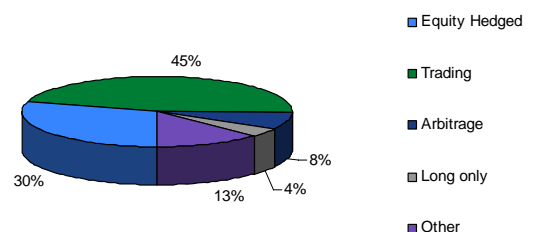
Inflation/Deflation Hedge

History has shown that Commodities have, historically, provided a hedge against rising inflation and gold, in particular, can provide a hedge against deflation.

Product features

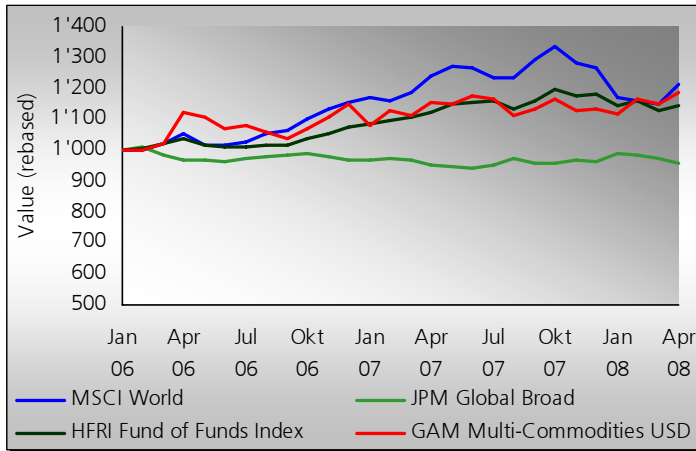
Issuer	UBS AG, London Branch
Lead manager	UBS Limited, London
Underlying security:	GAM Multi-Commodities Index (USD, EUR, CHF)
Monthly subscriptions:	till the 22 nd every month
Issue date:	27 February 2006
Maturity date:	28 March 2011, extendable
Currency:	USD, EUR, CHF
Initial issue price:	USD/EUR/CHF 1'000.—
Sales commission:	Up to 2%
Fees:	1.9175% p.a. management fee 10% p.a. performance fee
Index value:	USD/EUR/CHF 1,000.00
Certification:	Collective bearer certificate
Listing:	Luxembourg (USD,CHF), Frankfurt (EUR)
Liquidity:	Daily bid/ask spread (depending on size and market conditions)
Price information:	Reuters: UBSAIS Bloomberg: UAIS www.ubs.com/keyinvest
Processing:	Euroclear/Clearstream
Securities no.:	USD: 2432434, EUR: 2432426, CHF: 2432440
ISIN:	USD: CH0024324342, EUR: CH0024324268, CHF: CH0024324409
Selling restrictions:	US, US persons, HK, UK, Singapore

Strategy Allocation - April 2008



For marketing purposes of UBS

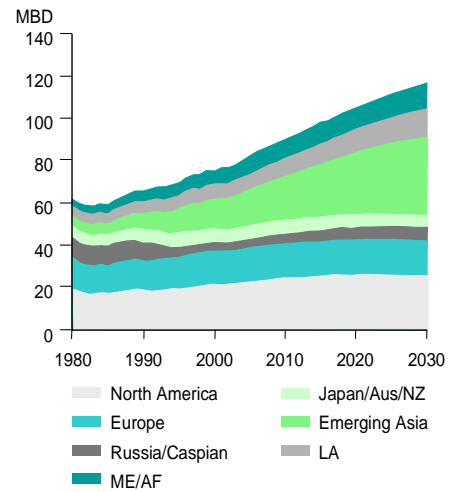
Net performance (USD)



For illustration purposes only; Time period: January 2006 – April 2008
 Source: GAM, HFRI, Bloomberg.
 Assumes an investment of US\$1000 is made at the inception of the fund, net of all fees.
Past performance is no guarantee of future trends or performance.

Oil demand by region

Source: GAM (forecast)



Commodities Bull Market (based on long-term considerations)

Three of the major asset classes within the commodities sector are experiencing a bull market environment. This is primarily due to countries such as China and India developing their industrial base and the population becoming more urban.

Energy

Demand for energy has increased steadily over the past 20 years and projections remain supportive of this trend. The Chinese demand for oil is forecast to be double the current levels of production in Saudi Arabia by 2030. Production capacity increases over the short to medium term are, however, difficult to achieve. The futures and options markets are well-established and there is a large universe of energy company equities, providing opportunities for managers to use a wide variety of trading instruments in this sector.

Precious Metals

Precious metals (gold, silver and platinum) can have a low correlation to other asset classes as the price of gold is normally inversely related to the US dollar. Precious metals may underperform in rising markets but can provide a useful hedge when they are falling. Managers can execute strategies in gold by trading long/short gold stock or bullion trades, pairs trades or relative value trades between the bullion market and gold equities.

Base Metals

Inventory levels tend to drive prices in base metals (copper, aluminium, nickel, lead, tin and zinc) and moves in the US dollar impact demand as these metals are priced in USD. There has been an increased demand for copper in particular from China, India and other markets but supply is limited and inflexible due to mining problems in some of the largest copper deposits and limited capacity left in idle mines. Directional or relative value trades can be placed in the relevant futures markets and base metal equities.

Source: GAM

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