

Media release

UBS and Bloomberg launch global commodity index family

Commodity index investment now expands beyond short-term futures contracts

Zurich/Basel/New York, 29 January 2007 – UBS AG and Bloomberg L.P. today launched the UBS Bloomberg Constant Maturity Commodity Index ("CMCI") family – a highly innovative concept in commodity index investment. This global index family will not only cover a broad range of commodities, but will also introduce a time dimension by providing access to a range of different investment maturities for each of these commodities. This is combined with a revolutionary calculation methodology. The index family will be published in U.S. dollars and Euros (Bloomberg function CMCN <GO>).

Strong need for a new commodity index concept

Since the early nineties, the primary avenue available for investing in commodities has been via traditional indices. These indices performed well for a period of time, but over the last few years it has become increasingly clear that investors need diversification across maturities as well as across commodities; currently investors are limited to short-dated maturities in the traditional indices. The limitation to short-dated maturities has had several negative repercussions for the investor and more recently has been responsible for a significant deterioration of overall returns.

A simple yet innovative solution to commodity investing

UBS and Bloomberg believe that the solution to many of the recent issues faced by investors lies not in creating increasingly complex vehicles, but in providing greater flexibility and choice. The UBS Bloomberg Constant Maturity Commodity Index allows investors to easily diversify across maturities and commodities and more efficiently adapt their commodity index investment to the current economic environment.

A benchmark of modern commodity investment

The CMCI is designed to be an international benchmark for modern commodity investment. It is composed of a basket of 28 commodity futures with a series of available investment maturities for each individual commodity using a highly innovative calculation methodology. This will allow investors much greater flexibility in their risk profile. The CMCI is weighted to reflect the relative importance of each individual commodity in the index to the world economy – with weights based on a blend of economic indicators (GDP, PPI, and CPI) as well as liquidity and open interest of the underlying futures contracts.

The UBS Bloomberg Constant Maturity Commodity Index (CMCI) provides investors with a new dimension of commodity investment and serves as a basis for a variety of investment products, such as structured products or investment funds.

As of 29 January 2007, the target weightings and available investment maturities for all commodities included in the CMCI are as follows:

		Exchange	Target Weight %	Available Constant Maturities						
				3 months	6 months	1 year	2 years	3 years	4 years	5 years
1/	WTI Crude Oil	NYMEX	8.12%	✓	✓	✓	✓	✓	✓	✓
2/	WTI Crude Oil	ICE	3.44%	✓	✓	✓	✓	✓	✓	✓
3/	Brent Crude Oil	ICE	5.26%	✓	✓	✓	✓	✓	✓	✓
4/	Heating Oil	NYMEX	2.76%	✓	✓	✓	-	-	-	-
5/	Gasoil	ICE	2.99%	✓	✓	✓	-	-	-	-
6/	Gasoline	NYMEX	2.50%	✓	✓	-	-	-	-	-
7/	Natural Gas	NYMEX	7.85%	✓	✓	✓	✓	✓	-	-
8/	Copper	LME	12.27%	✓	✓	✓	✓	✓	✓	-
9/	Zinc	LME	3.05%	✓	✓	✓	-	-	-	-
10/	Aluminium	LME	10.11%	✓	✓	✓	✓	✓	✓	-
11/	Nickel	LME	2.60%	✓	✓	✓	-	-	-	-
12/	Lead	LME	0.83%	✓	✓	✓	-	-	-	-
13/	Gold	COMEX	3.66%	✓	✓	✓	✓	✓	-	-
14/	Silver	COMEX	0.82%	✓	✓	✓	✓	✓	-	-
15/	SRW Wheat	CBOT	2.92%	✓	✓	✓	-	-	-	-
16/	HRW Wheat	KCBOT	1.61%	✓	✓	✓	-	-	-	-
17/	Corn	CBOT	5.23%	✓	✓	✓	-	-	-	-
18/	Soybeans	CBOT	4.63%	✓	✓	✓	-	-	-	-
19/	Soybean Meal	CBOT	1.50%	✓	✓	-	-	-	-	-
20/	Soybean Oil	CBOT	1.25%	✓	✓	-	-	-	-	-
21/	Sugar #11	NYBOT	4.12%	✓	✓	✓	-	-	-	-
22/	Sugar #5	EN	3.11%	✓	✓	-	-	-	-	-
23/	Cocoa	EN	0.83%	✓	✓	✓	-	-	-	-
24/	Coffee Arabica	NYBOT	1.56%	✓	✓	✓	-	-	-	-
25/	Cotton	NYBOT	1.93%	✓	✓	✓	-	-	-	-
26/	Orange Juice	NYBOT	0.72%	✓	-	-	-	-	-	-
27/	Live Cattle	CME	2.76%	✓	✓	-	-	-	-	-
28/	Lean Hogs	CME	1.56%	✓	✓	-	-	-	-	-

For further information about the UBS Bloomberg Constant Maturity Commodity Index please visit www.ubs.com/cmci.

UBS

Contacts:

UBS Media Relations, Zurich
UBS Media Relations, Frankfurt
UBS Media Relations, London
UBS Media Relations, New York
UBS Media Relations, Hong Kong
Bloomberg L.P., New York

Tel. +41-44-234 85 00
Tel. +49-69-1369 83 03
Tel. +44-20-7567 47 14
Tel: +1-212-882 56 91
Tel: +852 2971 8221
Tel. +1-212 617 4273

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