



June 2013

DOW JONES-UBS COMMODITY INDEX

KEY HIGHLIGHTS

S&P Dow Jones Indices' Market Attributes series provides market commentary highlighting developments across various asset classes.

- DJ-UBS Natural Gas, the largest commodity in the index, lost 11.2% for the month and 1% for the year, essentially giving back all the gains it had accrued YTD.
- DJ-UBS Agriculture was adversely affected by the warming weather, down 4.2% MTD and 7.5% YTD.
- DJ-UBS Livestock was up 3.1% for the month, but down 4.4% YTD as lean hogs gained.
- DJ-UBS Nickel declined 7.7% MTD and 20.1% YTD largely due to a decrease in demand from China.
- DJ-UBS Precious Metals was the worst-performing sector, down 12.3% MTD and 29.6% YTD.

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MARKET SNAPSHOT

On June 20th, after the Federal Reserve said it might slow bond purchases this year, all 22 commodities in the DJ-UBS Commodity Index crashed, bringing a 3% decline in the index for the day and a 2% decline MTD. Gold, silver, coffee and nickel entered bear markets. DJ-UBS Agriculture was adversely affected by the warming weather; the index was down 4.2% MTD and 7.5% YTD—more than twice the loss in May.

The declines were driven by the “risk off” environment, with a strengthening dollar making USD-priced commodities expensive to other currencies. Fundamentals like weather, pipeline capacity and uncertainty about Chinese demand also contributed to commodities’ poor performance in June.

SECTOR REVIEW

ENERGY

DJ-UBS Energy lost 2.5% this month, bringing its YTD return into negative territory at -2%. DJ-UBS Natural Gas, the largest commodity in the index (with a weight of 12.6%), lost 11.2% for the month and 1% for the year, essentially giving back all the gains it had accrued for the year. The loss was caused by the rise in inventory as a result of warmer weather.

DJ-UBS Petroleum was up 2.7% for the month, though DJ-UBS Gasoline was down 0.9% MTD and 6.4% YTD. DJ-UBS WTI Crude Oil had the greatest gain, up 4.6% MTD and 2% YTD due to lower stockpiles. DJ-UBS Brent was up 1.8% for the month but remained negative at -4.9% YTD. Interestingly, gains in WTI Crude do not always translate into the same gains in Brent; WTI Crude is able to capture a larger proportion of a price increase because Cushing Oklahoma pipelines allow for more delivery of Crude coming from West Texas.

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GRAINS

DJ-UBS Grains dropped 6.2% for the month and 7.4% YTD as a result of favorable soil conditions and larger-than-expected crop yields. DJ-UBS Corn is down 6.7% for the month and 9.3% YTD. DJ-UBS Kansas Wheat is down 8.7% for the month, and is pushing against entering a bear market for the year, down 19.5%.

SOFTS

DJ-UBS Softs were slightly positive at +0.2% MTD, but remained negative, off 11.4% YTD. DJ-UBS Coffee lost 6.6% for month and 20.1% YTD, weakened by the strong Brazilian supply. Cotton is the strongest performer in the index with DJ-UBS Cotton up 7.8% for the month and 9.9% YTD, driven by stockpiling from China and merchant concerns over potential shortage in U.S. supply.

LIVESTOCK

DJ-UBS Livestock was up 3.1% for the month, but down 4.4% YTD. DJ-UBS Lean Hogs and DJ-UBS Live Cattle were up 5.7% and 1.3% in June respectively. Lean hogs gained on a concern over a pig virus that may further curb production while meat-packers cut slaughter rates to offset tighter-than-expected seasonal hog supplies. The result was reduced flow of pork to end-users at a time when demand heats up for outdoor cookouts.

INDUSTRIAL METALS

DJ-UBS Industrial Metals is down 7.1% for the month and 17.4% YTD. DJ-UBS Nickel declined 7.7% MTD and 20.1% YTD largely due to a decrease in demand from China, which accounts for 65% of total world demand for the base metal. Mounting concerns about Chinese demand also pushed down on the DJ-UBS Aluminum, DJ-UBS Copper and DJ-UBS Zinc, ending the month down 7.7%, 7.6% and 4.3% respectively.

PRECIOUS METALS

DJ-UBS Precious Metals was the worst-performing sector, down 12.3% MTD and 29.6% YTD. DJ-UBS Gold and DJ-UBS Silver are both in bear markets for the year, and are among the commodities that were hit the hardest by the Fed's statements on quantitative easing, losing 6.4% and 8.3% respectively on that day. Aside from the loss in April, silver has not had a month as bad as June since 2011 and gold, since 1981.

PERFORMANCE RECAP

Exhibit 1: Index Performance Sorted by YTD

	Total Return					
	1-Week (%)	MTD (%)	YTD (%)	12-Month (%)	3-Year (%)	5-Year (%)
Dow Jones-UBS Commodity Yen	-0.34	-6.26	2.86	19.56	8.85	-49.73
Dow Jones-UBS Commodity Pound Sterling	-0.77	-4.75	-4.05	-2.41	-2.58	-29.47
Dow Jones-UBS Commodity Euro	-1.17	-5.00	-9.19	-8.74	-7.22	-34.92
Dow Jones-UBS Commodity 3 Month Forward	-2.22	-5.18	-10.29	-4.21	2.36	-38.76
Dow Jones-UBS Roll Select Commodity	-2.10	-4.97	-10.52	-3.45	4.10	-36.92
Dow Jones-UBS Commodity 2-4-6 Forward Blend	-2.15	-5.13	-10.86	-4.23	3.50	-37.72
Dow Jones-UBS Commodity	-2.21	-4.71	-10.47	-4.54	-2.21	-46.29

Source: S&P Dow Jones Indices. Data as of June 30, 2013. Charts and graphs are provided for illustrative purposes only. Indices are unmanaged statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities the index represents. Such costs would lower performance. It is not possible to invest directly in an index. Past performance is not an indication of future results. This table may reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance. *DJ-UBS Dynamic Roll Alpha Light Energy is Excess Return since the market neutrality negates collateral return.

Exhibit 2: DJ-UBS Total Return Group Subindices Performance

Name	1-Week (%)	MTD (%)	YTD (%)	12-Month (%)	3-Year (%)	5-Year (%)
Dow Jones-UBS Agriculture Subindex	-3.37	-4.16	-7.50	-7.20	33.32	-22.43
Dow Jones-UBS Energy Subindex	-1.23	-2.55	-1.98	10.46	-24.94	-78.52
Dow Jones-UBS Grains Subindex	-5.37	-6.13	-7.39	-4.01	49.20	-31.58
Dow Jones-UBS Industrial Metals Subindex	-1.20	-7.11	-17.42	-9.91	-18.09	-40.66
Dow Jones-UBS Livestock Subindex	0.20	3.10	-4.37	-4.78	-4.38	-36.06
Dow Jones-UBS Petroleum Subindex	1.53	2.69	-2.21	17.82	13.14	-60.37
Dow Jones-UBS Precious Metals Subindex	-4.67	-12.27	-29.57	-23.16	-0.66	23.34
Dow Jones-UBS Softs Subindex	0.02	0.17	-11.36	-17.76	2.51	-3.93

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Exhibit 3: DJ-UBS Total Return Single-Commodity Subindices Performance

Index Name	1-Week (%)	MTD (%)	YTD (%)	12-Month (%)	3-Year (%)	5-Year (%)
Dow Jones-UBS Aluminum Subindex	-1.28%	-7.71%	-17.80%	-10.36%	-26.27%	-58.88%
Dow Jones-UBS Brent Crude Subindex	1.17%	1.82%	-4.85%	17.24%	41.16%	-45.71%
Dow Jones-UBS Coffee Subindex	0.92%	-6.63%	-20.59%	-33.43%	-42.31%	-47.70%
Dow Jones-UBS Copper Subindex	-1.37%	-7.56%	-17.48%	-10.07%	-6.45%	-28.72%
Dow Jones-UBS Corn Subindex	-7.56%	-6.70%	-9.30%	-0.07%	88.81%	-37.08%
Dow Jones-UBS Cotton Subindex	-0.74%	7.78%	9.91%	17.76%	43.59%	10.24%
Dow Jones-UBS WTI Crude Oil Subindex	3.00%	4.56%	2.48%	17.65%	-2.39%	-70.46%
Dow Jones-UBS Gas Oil Subindex	2.10%	2.89%	-4.81%	11.21%	33.51%	-49.13%
Dow Jones-UBS Gold Subindex	-5.29%	-12.15%	-27.22%	-21.63%	-3.25%	26.13%
Dow Jones-UBS Heating Oil Subindex	0.59%	2.63%	-5.87%	12.38%	23.75%	-51.38%
Dow Jones-UBS Kansas Wheat Subindex	-6.11%	-8.72%	-19.48%	-14.84%	9.45%	-54.83%
Dow Jones-UBS Lean Hogs Subindex	0.00%	5.66%	-0.41%	-3.39%	-10.17%	-43.38%
Dow Jones-UBS Live Cattle Subindex	0.35%	1.31%	-7.21%	-6.02%	-1.46%	-31.50%
Dow Jones-UBS Natural Gas Subindex	-6.07%	-11.22%	-1.04%	-1.00%	-72.82%	-96.17%
Dow Jones-UBS Nickel Subindex	-2.64%	-7.67%	-20.37%	-16.83%	-35.73%	-42.11%
Dow Jones-UBS Silver Subindex	-2.65%	-12.66%	-35.99%	-26.77%	1.33%	4.74%
Dow Jones-UBS Soybean Meal Subindex	-0.93%	-2.91%	4.18%	8.60%	76.12%	73.42%
Dow Jones-UBS Soybean Oil Subindex	-3.30%	-5.36%	-9.01%	-13.99%	5.87%	-48.03%
Dow Jones-UBS Soybeans Subindex	-1.69%	-3.95%	5.71%	6.37%	64.86%	12.36%
Dow Jones-UBS Sugar Subindex	-0.06%	0.10%	-15.08%	-22.15%	37.61%	23.00%
Dow Jones-UBS Unleaded Gasoline Subindex	-1.03%	-0.91%	-6.37%	24.04%	59.64%	-22.87%
Dow Jones-UBS Wheat Subindex	-6.70%	-7.89%	-17.90%	-17.16%	-7.71%	-66.48%
Dow Jones-UBS Zinc Subindex	0.57%	-4.29%	-13.41%	-2.28%	-12.88%	-24.98%

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PERFORMANCE DISCLOSURES

The inception date for the DJ-UBS 3-Month Forward Index was Jan. 3, 2008, at the market close. All information presented prior to the index inception date is back-tested.

The inception date for the S&P Dynamic Futures Index (DFI) was Feb. 19, 2010, at the market close. All information presented prior to the index inception date is back-tested.

The inception date for the S&P World Commodity Index (WCI) was June 5, 2010, at the market close. All information presented prior to the index inception date is back-tested.

The inception date of the DJ-UBS Dynamic Roll Index was Jan. 27, 2011, at the market close. All information presented prior to the index inception date is back-tested.

The inception date of the DJ-UBS Systematic Global Macro Index was Aug. 9, 2011, at the market close. All information presented prior to the index inception date is back-tested.

The inception date of the DJ-UBS Multiple Contract Index was Jan. 26, 2012, at the market close. All information presented prior to the index inception date is back-tested.

The inception date of the DJ-UBS Dynamic Roll Alpha Light Energy was Nov. 19, 2012, at the market close. All information presented prior to the index inception date is back-tested.

The inception date of the DJ-UBS Soybean Meal was April 5, 2012, at the market close. All information presented prior to the index inception date is back-tested.

Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Complete index methodology details are available at www.spdji.com.

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Another limitation of back-tested hypothetical information is that generally the back-tested calculation is prepared with the benefit of hindsight. Back-tested data reflect the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities (or fixed income, or commodities) markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.

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