



August 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.

- Except for DJ-UBS Softs, all the sectors posted gains for the month, with the DJ-UBS CI coming in at 3.4%.
- The DJ-UBS Precious Metals was the best performing sector in August, up 9.3%.
- DJ-UBS Energy was the second-best performing sector, up 3.1% with petroleum up 3.5%.
- DJ-UBS Grains rose 2.9% in August, driven by weather conditions and fundamentals, while the DJ-UBS Softs declined 3.3% due to ample crop supplies.

MARKET SNAPSHOT

DJ-UBS CI gained 3.4% in August, but remains off 6.2% YTD. DJ-UBS Energy, which makes up about 38% of the index, rose 3.1%. DJ-UBS Softs finished last, down 3.3%.

Commodities were driven by a host of factors in August, including political unrest and supply and demand fluctuations in a risk on–risk off environment.

Commodity market bulls waiting for the active Atlantic hurricane season predicted by U.S. forecasters have been disappointed by the dearth of activity, with August being hurricane-free for the first time since 2002.

SECTOR REVIEW

ENERGY

The DJ-UBS Energy gained 3.1% this month, bringing its YTD return to 5.3%. The DJ-UBS Petroleum was up 3.5% MTD.

DJ-UBS Gasoline is up 0.8%--considerably lower than where it was a year ago, when it was up 13.6% due to refinery shutdowns, Hurricane Isaac (which hit the coast of the Gulf of Mexico), and heightened fears of gasoline shortages. The Energy Information Administration (EIA) projects that the national average 2013 price for a regular gallon of gasoline will be below the average 2012 price and expects an even lower 2014 annual price. The EIA also reported a slightly larger-than-expected supply increase of 67 billion cubic feet for natural gas for the week ended Aug. 23. DJ-UBS Natural Gas was up 2.2% for the month.

That said, all the commodities in this subindex rose due to concerns about the security of oil supplies across the Middle East, which pumps a third of the world's oil. DJ-UBS Brent Crude and DJ-UBS WTI Crude were the best performing commodities in the index, up 5.7% and 3.7% respectively. Regional oil fundamentals continue to drive the difference between U.S. and overseas oil prices.

GRAINS

DJ-UBS Grains gained 2.9% in August, primarily driven by soybeans' increases. Soybean meal and soybeans were the greatest contributors, up 16% and 12.5% respectively.

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Wheat and corn detracted from index returns. Corn declined 1.2% and Chicago wheat and Kansas wheat decreased 3.6% and 1.4% respectively.

Soybeans' upturn was primarily due to dry weather conditions in the Midwest, but expectations remain cautious over uncertainty about Chinese demand.

Corn gained no support from the hot climate, as weather conditions influence the performance of this commodity minimally, and lost due to unimpressive ethanol production numbers. Wheat and corn were both hindered by a positive harvest outlook and overseas buyers turning to other countries for their import needs.

SOFTS

DJ-UBS Softs was down 3.3% MTD and 14.2% YTD. All commodities in the subindex—coffee, cotton and sugar—were down 4%, 2%% and 3.7% respectively.

Coffee is the worst performing commodity YTD, down 24.9%. Despite an outbreak of a leaf-rust fungus in Central America causing crop damage, some areas in Brazil, Colombia and Vietnam are having record harvests. In the case of cotton, high stockpiles and competition from rival fibers are dragging down the returns.

LIVESTOCK

The DJ-UBS Livestock gained 2.6%. DJ-UBS Lean Hogs and the DJ-UBS Live Cattle were up 5.2% and 1.2% respectively. The drought coupled with the summer grilling season continued to drive the shortage of meat. In addition, like precious metals, livestock is sometimes turned to as a safe haven during periods of war due to the relative solidity of demand.

INDUSTRIAL METALS

DJ-UBS Industrial Metals is up 1.7% MTD and down 15.2% YTD. Copper and zinc were up 3.4% and 2.8% respectively. Aluminum and nickel were down 0.3% and 0.7% respectively.

Copper, like other commodities, benefited from the weak dollar in August. Another factor was the rising demand from China mainly due to using the metal as collateral to raise cash. Using copper-backed financing is a cheaper and more accessible alternative to bank borrowing. As a general trend, however, rising concerns over the Fed scaling back stimulus is affecting global demand and putting pressure on the sector as a whole.

PRECIOUS METALS

DJ-UBS Precious Metals rose 9.3% MTD and declined 18.7% YTD. Gold yielded a positive return of 6.3% MTD and silver rallied, closing the month up 19.5%.

Gold benefited from political tensions in the Middle East, which translated into rising oil prices and inflationary concerns. The white metal benefited from strong performance in China's manufacturing sector as well as a rise in demand; demand from India is high due to high taxes and import restrictions on gold

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 Euro	1.86%	4.13%	-6.18%	-14.69%	-4.81%	-22.74%
Dow Jones-UBS Commodity 3 Month Forward	0.05%	3.42%	-5.75%	-8.91%	3.75%	-21.57%
Dow Jones-UBS Commodity	0.20%	3.40%	-6.16%	-10.00%	-1.07%	-30.81%
Dow Jones-UBS Roll Select Commodity	0.17%	3.23%	-6.53%	-8.87%	4.52%	-20.12%
Dow Jones-UBS Commodity Yen	-0.16%	3.15%	6.48%	12.42%	14.58%	-37.44%
Dow Jones-UBS Commodity 2-4-6 Forward Blend	0.06%	3.14%	-6.81%	-9.27%	4.17%	-20.62%
Dow Jones-UBS Commodity Pound Sterling	1.01%	1.34%	-1.40%	-8.00%	-1.03%	-18.41%

Source: S&P Dow Jones Indices. Data as of Aug. 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	MTD (%)	YTD (%)	12-Month (%)	3-Year (%)	5-Year (%)
Dow Jones-UBS Precious Metals	9.33%	-18.68%	-18.20%	14.46%	66.35%
Dow Jones-UBS Petroleum	3.48%	9.39%	7.17%	34.19%	-45.85%
Dow Jones-UBS Energy	3.10%	5.32%	3.77%	-10.60%	-68.42%
Dow Jones-UBS Grains	2.92%	-8.72%	-23.98%	18.87%	-16.38%
Dow Jones-UBS Livestock	2.59%	-3.49%	-0.75%	-7.02%	-31.99%
Dow Jones-UBS Agriculture	2.37%	-8.12%	-21.66%	11.25%	-8.46%
Dow Jones-UBS Industrial Metals	1.74%	-15.21%	-8.78%	-20.74%	-30.87%
Dow Jones-UBS Softs	-3.33%	-14.22%	-20.43%	-11.69%	-0.79%

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

Index Name	MTD (%)	YTD (%)	12-Month (%)	3-Year (%)	5-Year (%)
Dow Jones-UBS Aluminum	-0.26	-17.45	-10.37	-26.50	-51.98
Dow Jones-UBS Brent Crude	5.65	6.26	5.97	61.65	-25.37
Dow Jones-UBS Coffee	-4.02	-24.92	-36.12	-48.98	-46.94
Dow Jones-UBS Copper	3.44	-12.93	-8.00	-10.53	-14.38
Dow Jones-UBS Corn	-1.20	-18.28	-29.67	36.86	-23.00
Dow Jones-UBS Cotton	-1.98	9.24	5.72	29.50	27.41
Dow Jones-UBS WTI Crude Oil	3.69	15.73	9.95	16.08	-59.47
Dow Jones-UBS Gas Oil	5.75	5.13	1.66	55.17	-30.41
Dow Jones-UBS Gold	6.33	-17.10	-16.25	10.47	61.40
Dow Jones-UBS Heating Oil	2.23	2.67	0.34	44.47	-33.39
Dow Jones-UBS Kansas Wheat	-1.35	-18.75	-27.56	-23.74	-47.51
Dow Jones-UBS Lean Hogs	5.16	1.49	10.76	-6.15	-41.41
Dow Jones-UBS Live Cattle	1.06	-6.79	-6.86	-8.27	-25.81
Dow Jones-UBS Natural Gas	2.16	-2.10	-1.04	-67.03	-93.69
Dow Jones-UBS Nickel	-0.72	-20.13	-15.11	-36.67	-37.17
Dow Jones-UBS Silver	19.49	-22.89	-23.61	20.13	63.97
Dow Jones-UBS Soybean Meal	16.02	18.03	-5.59	78.65	124.16
Dow Jones-UBS Soybean Oil	3.73	-10.68	-23.72	-3.10	-36.79
Dow Jones-UBS Soybeans	12.54	14.63	-8.22	60.54	43.07
Dow Jones-UBS Sugar	-3.71	-17.98	-21.86	6.11	18.24
Dow Jones-UBS Unleaded Gasoline	0.79	4.79	8.10	92.76	4.37
Dow Jones-UBS Wheat	-3.55	-20.03	-32.19	-38.06	-61.81
Dow Jones-UBS Zinc	2.81	-12.35	-2.56	-20.16	-18.99

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The DJ-UBS Dynamic Roll Index was launched on Jan. 27, 2011. All information presented prior to the Launch Date is back-tested.

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The DJ-UBS Dynamic Roll Alpha Light Energy was launched Nov. 19, 2012. All information presented prior to the Launch Date is back-tested.

The DJ-UBS Soybean Meal was launched on April 5, 2012. All information presented prior to the Launch Date is back-tested.

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