

FREQUENTLY ASKED QUESTIONS

The Bloomberg Commodity
Index Family Transition



GENERAL



1. What is changing?

As part of an expanded strategic partnership with UBS, Bloomberg is managing the calculation and administration of the Dow Jones-UBS Commodity Index family, a leading commodity benchmark. The Dow Jones-UBS Commodity Index family, owned by UBS and previously operated under a joint marketing arrangement with S&P Dow Jones Indices, has been rebranded as the "Bloomberg Commodity Index Family" as of July 1, 2014 and Bloomberg has replaced Dow Jones as the index administrator. Bloomberg is responsible for the Methodology, calculation, distribution, and licensing of the benchmark. The rebranded Bloomberg Commodity Index family will be marketed in conjunction with the UBS Bloomberg CMCI Index family.

2. What is the rationale for this change?

Since 2007, Bloomberg and UBS have collaborated on the UBS Bloomberg CMCI, a leading second generation commodity benchmark. Bloomberg and UBS are expanding their collaboration to include a leading first generation commodities benchmark, previously known as the Dow Jones-UBS Commodity Index family. This offers several benefits:

- Bloomberg will now offer the market choices in commodity benchmarks: a full suite of leading first generation and second generation commodity indexes. First generation commodity indexes typically offer exposure to liquid futures contracts located at the front end of the term structure and result in positive roll yields when the market is in backwardation whereas second generation commodity indexes offer exposure to the entire curve thereby mitigating the effect of negative roll yields when the market is in contango.
- There is an expectation of increased competition among commodity indexes, especially first generation benchmarks.
- The Bloomberg Commodity Index family will be Bloomberg-governed, whereas previously it was jointly governed by UBS and S&P Dow Jones.

3. What is the Dow Jones-UBS Commodity Index that is being rebranded as the Bloomberg Commodity Index?

The Bloomberg Commodity Index (previously known as the Dow Jones-UBS Commodity Index), is a broadly diversified index that tracks the commodities markets through commodity futures contracts. Since its launch in 1998, it has emerged as a leading benchmark of commodity markets. The headline index belongs to the class of first generation benchmarks because it offers passive exposure to the most liquid, front part of the futures curve. By capping exposure to sectors, the index avoids concentration to the energy sector and concomitant risk associated with other first generation indexes.

In addition to the headline Bloomberg Commodity Index, the partnership between Bloomberg and UBS also includes the following families:

- Benchmark: Both Excess and Total Return versions of the headline index are calculated in 6 currencies (AUD, EUR, CHF, JPY, GBP, SGD)
- Subindexes: These represent the major sectors of the headline index: agriculture (including grains and softs), energy (including petroleum and natural gas), industrial metals, livestock, and precious metals. Single commodity subsectors of the headline index as well as subsectors that are not part of the headline index such as cocoa, feeder cattle, gasoil, Minnesota wheat, lead, OJ, platinum, and tin are included here.



- **Ex Subindexes:** These are subindexes of the headline index which exclude major commodity sectors.
- **Forwards:** These include 1 month to 6 month headline and select subsector indices which measure exposure to different parts of the futures curve.
- **Roll Select:** These include a headline and select subsector of indices that roll into future contracts showing the backwardation or least amount of contango, selecting from those eligible contracts with 9 months or fewer until expiration.
- **Currency Hedged:** Hedging is calculated daily and monthly in 11 currencies (AUD, CAD, CHF, EUR, GBP, HKD, JPY, NZD, PLN, SEK, SGD)

4. What is the UBS Bloomberg CMCI?

The UBS Bloomberg Constant Maturity Commodity Index (CMCI) offers exposure to the commodities markets through futures contracts that span the full spectrum of contracts available in the futures curve. It is known as a second generation index because it offers exposure to the entire curve, rather than a single point on the curve – typically the front month – offered by first generation indexes. This enables CMCI to offer time diversification and smooths out the effects of contango and backwardation.

The CMCI index family is also comprises of a comprehensive set of subindexes measuring individual commodities, as well as commodity sectors such as agriculture, energy and metals.

5. Who will be responsible for governance of the Bloomberg Commodity Index family?

From July 1, 2014, Bloomberg Indexes will be solely responsible for all index governance, including the Methodology, calculation, and licensing. UBS will maintain its ownership, but will have no role in governance or calculation of the indexes.

6. Will funds benchmarked to the Bloomberg Commodity Index family be required to change benchmarks?

No. From a performance reporting perspective, index history remains the same and index membership will continue to be based the inclusion rules outlined in the Methodology, which Bloomberg anticipates will not be altered. Rules and calendar schedules for rolling and rebalancing are also expected to remain the same. After the transition period is complete, on July 1, 2014, index names in fund documents should reference the new index names (i.e with “Dow Jones-UBS” replaced by “Bloomberg”).

7. Will there be a transition period?

Yes. The transition period will last until June 30, 2014. Following the transition period, on July 1, 2014, Bloomberg assumed management of the Bloomberg Commodity Index family. At the end of the transition period the index names and tickers will be changed to reflect this change in index management. At the end of the transition period all clients will be accessing data through new Bloomberg FTP sites as legacy FTP sites will be retired. The joint marketing arrangement between UBS and S&P Dow Jones concluded on June 30, 2014. Please contact Bloomberg Indexes at commodities@bloombergindexes.com to receive updates on the Bloomberg Commodity Index family or check www.bloombergindexes.com for updated information.



8. What are the new names and tickers of the Bloomberg Commodity Index family benchmarks?

Effective July 1, 2014, the names of the indexes will remain the same, except that the “Dow Jones-UBS” brand will be replaced by “Bloomberg”. The tickers will also be updated to reflect the change in management; as an example, the broad commodity index ticker will change from “DJUBS” to “BCOM”. Please see the mapping file posted to www.bloombergindexes.com for all new index tickers. The new names for headline indexes are mapped below in their hierarchy. On July 1, 2014, all indexes in this family were rebranded in the Bloomberg Professional service to use the new tickers. Please contact commodities@bloombergindexes.com with questions about new index names.

Bloomberg Commodity Index	
Bloomberg Agriculture Index	Bloomberg Coffee Index
	Bloomberg Corn Index
	Bloomberg Cotton Index
	Bloomberg Kansas City Wheat Index
	Bloomberg Soybean Meal Index
	Bloomberg Soybean Oil Index
	Bloomberg Soybeans Index
	Bloomberg Sugar Index
	Bloomberg Wheat Index
Bloomberg Livestock Index	Bloomberg Lean Hogs Index
	Bloomberg Live Cattle Index
Bloomberg Energy Index	Bloomberg Brent Crude Index
	Bloomberg Heating Oil Index
	Bloomberg Natural Gas Index
	Bloomberg Unleaded Gasoline Index
	Bloomberg WTI Crude Oil Index
Bloomberg Industrial Metals Index	Bloomberg Aluminum Index
	Bloomberg Copper Index
	Bloomberg Nickel Index
	Bloomberg Zinc Index
Bloomberg Precious Metals Index	Bloomberg Gold Index
	Bloomberg Silver Index



METHODOLOGY



9. Will the Methodology change?

Bloomberg is not making any material alteration to the Methodology of the Bloomberg Commodity Index family. An updated version of the index methodology is available at www.bloombergindexes.com.

The index membership is based on inclusion criteria and a roll and rebalancing schedule which has not been altered. Starting on July 1, 2014 the indexes will use BFIX London 4pm FX rates. Currency and currency hedged indexes on July 1st will use June 30th & July 1st BFIX rates for index calculations. Any future changes to the Methodology made in response to changing market conditions will be announced in advance of their effective dates and the latest version of the Methodology will be available at www.bloombergindexes.com.

10. Will the index composition change?

There were no changes to index composition in connection with this transition; however, the indexes will follow the Methodology and will be adjusted accordingly. The indexes will continue to be rebalanced following the frequency outlined in the Methodology (currently, most are annual with the exception of a few subindexes which are rebalanced quarterly or monthly) and are expected to follow the same rebalancing rules that have been used in the past.

11. How will I get the information needed for rebalancing?

The rebalancing rules will be posted on <http://www.bloombergindexes.com> along with rebalancing results. The Bloomberg Professional service will also display constituent level details and index levels for licensed clients.

INDEX DATA & LICENSING



12. How can I continue to access these indexes?

Following the transition, the Bloomberg Professional service will continue to carry real time index levels. End-of-day index levels for headline indexes will also be available at <http://www.bloombergindexes.com>.

Starting July 1, 2014, Bloomberg will distribute end-of-day files with official index levels to licensed clients via FTP. There are no changes to file structures. Bloomberg is committed to ensuring a smooth transition for all existing clients and broad distribution of the indexes across multiple platforms. Please contact Bloomberg Indexes at commodities@bloombergindexes.com to receive a license to use the official index values.



13. What changes are in the Bloomberg FTP files?

File formats will be maintained before and after July 1, 2014. The following are the only changes expected in the files:

- Bloomberg names and tickers replace existing names and tickers
- Commodity contract symbols and overnight rate codes conform to Bloomberg tickers (mapping below)
- Ring Values are no longer calculated and the column is filled in with a value of zero (“0”)
- The XDA file only contains currencies used in the calculation of the Bloomberg Commodity Currency Indexes
- Currency rates in all files are Bloomberg’s BFIX London 16:00 FX rates.

Files for the Bloomberg Commodity Index will be delivered to client FTP sites daily between 4:15 and 4:45 PM EST with the exception of the ROLL SELECT LEAD CONTRACTS files which is delivered monthly on the 4th business day of the month (also between 4:15 and 4:45 PM EST).

A list of file types is provided here:

- CIR: Commodity Index Report
- CCR: Commodity Constituent Report
- XDA: BFIX FX Rates
- FDA: BFIX FX Rates and Overnight Rates
- IDA: Bloomberg Commodity 2-4-6 Index Level File
- HDA: Hedged Index Level Files

Mapping of SYMBOL field in CCR, FDA and Change Files

Pre-7/1/14 SYMBOL	Bloomberg SYMBOL	Notes
C	C	* note space after 1-character symbol
LCO	CO	
MAL	LA	
MNI	LN	
MZN	LX	
RB	XB	
S	S	* note space after 1-character symbol
W	W	* note space after 1-character symbol
MPB	LL	
MSN	LT	
LGO	QS	
OJ	JO	

Mapping of Rate_Code field in FDA Files

Pre-7/1/14 Rate_Code	Bloomberg Rate_Code
AUCASH=RBAA	RBACOR Index
CORRA=	CAONREPO Index
CHFTOIS=	TOISTOIS Index
EONIA=	EONIA Index
SONIAOSR=	SONIO/N Index
JPONMU=RR	MUTKCALM Index

**14. How does Bloomberg notify clients about market disruptions or important index announcements?**

Bloomberg will publish index notifications to www.bloombergindexes.com and INDEX<GO> on the Bloomberg Professional service. If you are a Bloomberg Commodity Index licenced client who would like to receive email alerts, please contact us at commodities@bloombergindexes.com.

15. I issue products linked to the index. How does this affect me?

In order to issue products linked to this index family you must be licensed to do so. Bloomberg is committed to working closely with issuers of OTC and exchange traded products linked to these indexes. Please contact us at commodities@bloombergindexes.com if you issue products linked to these indexes or if you plan to in the future.

16. Will index tickers change?

Effective end of day, June 30, 2014 new tickers have been assigned to all indexes that comprise the Bloomberg Commodity Index family, replacing the old Dow Jones-UBS index tickers. The old tickers are valid until June 30, 2014; beginning July 1, 2014, all index history will be maintained on the new Bloomberg tickers. As an example, the broad commodity index ticker will change from "DJUBS" to "BCOM". Please see the mapping file posted to www.bloombergindexes.com/DJUBS-transition for the new tickers of all the indexes.

17. I have a bespoke mandate. Can I customize the indexes?

Bloomberg Indexes has a flexible index calculation platform that allows customization for bespoke investment mandates. These include alternative weighting or capping schemes, currency hedge overlays, sector-based or thematic exposures and enhanced beta strategies. Please contact us at commodities@bloombergindexes.com if you want to discuss custom index solutions.



For additional information and licensing opportunities, please contact: **+1 212 617 5020**

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