

DESCRIPTION

CROSS COMMODITY LONG/SHORT INDEX (ISIN DE000A0YK2A9)

29 January 2013

1. General Description

The Cross Commodity Index (the "**Index**") reflects the performance of an algorithmic trading strategy. This trading strategy is based on the principle of taking long and short positions in single commodity indices (the "**Single Commodity Indices**" / "**SCIs**" and each an "**SCI**"). The Single Commodity Indices are a subset of the Dow Jones-UBS Commodity IndexSM Family. The constituents are determined according to the expected roll yield of the SCIs. The Index is reweighted on a monthly basis.

The Index will be calculated on every Dow Jones-UBS Commodity IndexSM calculation day (the "**Trading Day**") by UniCredit Bank AG, Munich or its legal successor (the "**Index Calculation Agent**") in USD and is based on the latest available index levels of the SCIs. The Index can be retrieved via the financial information service supplied by REUTERS (RIC .CCLS).

The initial value of the Index as of 12/31/2008 is 1,000.

2. Calculation of the Index

The closing price of the Index is determined by the following formula:

$$I(t) = I(T_{last}) \cdot [1 + \text{LongReturn}(T_{last}, t) - \text{ShortReturn}(T_{last}, t)]$$
$$\text{LongReturn}(T_{last}, t) = \frac{1}{2 \cdot \sum_{i=1}^n x_i^L(T_{last})} \left[\sum_{i=1}^n x_i^L(T_{last}) \cdot \left(\frac{\text{SCI}^i(t)}{\text{SCI}^i(T_{last})} - 1 \right) \right]$$
$$\text{ShortReturn}(T_{last}, t) = \frac{1}{2 \cdot \sum_{i=1}^n x_i^S(T_{last})} \left[\sum_{i=1}^n x_i^S(T_{last}) \cdot \left(\frac{\text{SCI}^i(t)}{\text{SCI}^i(T_{last})} - 1 \right) \right]$$

where

$I(t)$ denotes the value of the Index at time t ,

$\text{SCI}^i(t)$ denotes the value of the i -th Single Commodity Index at time t ,

$x_i^L(t)$ is the value of the Investment Flag for Long Positions of the i -th SCI at time t ,

$x_i^S(t)$ is the value of the Investment Flag for Short Positions of the i -th SCI at time t ,

T_{last} is the last Adjustment Day, and

n is the number of SCIs in the Index Universe,

3. Calculation of the Investment Flag

On each Selection Day (defined in Section 6), the Investment Flag for the i -th SCI at time " t " is determined by the Ranking Methodology (as described in Section 4). The main purpose of the Investment Flag is to indicate whether the i -th SCI is currently part of the Index or not.

$$x_i^L(i) = \begin{cases} 1, & \text{if Rank}^L(i) \in \{1, \dots, 5\} \\ 0 & \text{otherwise} \end{cases}$$

where $\text{Rank}^L(i)$ is the Long Rank of the i -th SCI (as defined in Section 4) and

$$x_i^S(i) = \begin{cases} 1, & \text{if Rank}^S(i) \in \{1, \dots, 5\} \\ 0 & \text{otherwise} \end{cases}$$

where $\text{Rank}^S(i)$ is the Short Rank of the i -th SCI (as defined in Section 4).

The new Index composition will be applied immediately after the closing of all Relevant Exchanges (as defined in Section 5) on the associated Adjustment Day.

4. Calculation of the Rankings

The SCIs are ranked according to their term structure. The SCIs that show the most pronounced backwardation get the lowest Long Rank while the SCIs with the strongest contango get the lowest Short Rank (the "**Ranking Methodology**"). As a first step the Expected Roll Yields for every SCI are determined.

Backwardation describes a situation with positive Expected Roll Yields and contango a situation with negative Expected Roll Yields.

The Expected Roll Yield (the "**Expected Roll Yield**") for an individual SCI on the Selection Day is defined as:

$$\text{ERY}_i^{\text{SCI}} = \frac{\text{LeadFuture}_i^{\text{SCI}} - \text{NextFuture}_i^{\text{SCI}}}{\text{NextFuture}_i^{\text{SCI}}}$$

where

$\text{LeadFuture}_i^{\text{SCI}}$ denotes the price of the Eligible Futures Contract on the underlying commodity of the i -th SCI with the shortest time to maturity on the current Selection Day (as determined by the Calculation Agent), and

$\text{NextFuture}_i^{\text{SCI}}$ denotes the price of the Eligible Futures Contract on the underlying commodity of the i -th SCI with the second shortest time to maturity on the current Selection Day (as determined by the Calculation Agent)

The "**Eligible Futures Contracts**" are defined via the Generic Futures Code and the Relevant Exchange in section 5. Illiquid contracts are not considered to be Eligible Futures Contracts.

A SCI has the Long Rank " i " if it shows the i -th highest Expected Roll Yield (the "**Long Rank**") and Short Rank " j " if it shows the j -th lowest Expected Roll Yield (the "**Short Rank**").

If two or more SCIs have the same Expected Roll Yield they all get the lowest reasonable Long Rank and the lowest reasonable Short Rank.

5. The Index Universe

The Index Universe (the "**Index Universe**") consists of the following Single Commodity Indices:

INDEX	Bloomberg ID	Relevant Exchange	Generic Futures Code
DJUBS ALUMINIUM	DJUBSAL Index <go>	LME	LA
DJUBS SILVER	DJUBSSI Index <go>	CMX	SI
DJUBS LEAN HOGS	DJUBSLH Index <go>	CME	LH
DJUBS COFFEE	DJUBSKC Index <go>	ICE	KC
DJUBS SUGAR	DJUBSSB Index <go>	ICE	SB
DJUBS GOLD	DJUBSGC Index <go>	CMX	GC

DJUBS NATURAL GAS	DJUBSNG Index <go>	NYMEX	NG
DJUBS LIVE CATTLE	DJUBSLC Index <go>	NYMEX	LC
DJUBS HEAT OIL	DJUBSHO Index <go>	NYMEX	HO
DJUBS SOYBEAN	DJUBSSY Index <go>	CBT	S
DJUBS CORN	DJUBSCN Index <go>	CBT	C
DJUBS COTTON	DJUBSCT Index <go>	ICE	CT
DJUBS WHEAT	DJUBSWH Index <go>	CBT	W
DJUBS SOYBEAN OIL	DJUBSBO Index <go>	CBT	BO
DJUBS CRUDE OIL	DJUBSCL Index <go>	NYMEX	CL
DJUBS COPPER	DJUBSHG Index <go>	CMX	HG
DJUBS COCOA	DJUBSCC Index <go>	ICE	CC
DJUBS NICKEL	DJUBSNI Index <go>	LME	LN
DJUBS UNLEAD GAS	DJUBSRB Index <go>	NYMEX	XB
DJUBS ZINC	DJUBSZS Index <go>	LME	LX
DJUBS LEAD	DJUBSPB Index <go>	LME	LL
DJUBS PLATINUM	DJUBSPL Index <go>	NYMEX	PL
DJUBS TIN	DJUBSSN Index <go>	LME	LT
DJUBS BRENT CRUDE OIL	DJUBSCO Index <go>	ICE	CO
DJUBS FEEDER CATTLE	DJUBSFC Index <go>	CME	FC
DJUBS GAS OIL	DJUBSGO Index <go>	ICE	QS
DJUBS SOYBEAN MEAL	DJUBSSM Index <go>	CBT	SM
DJUBS ORANGE JUICE	DJUBSOJ Index <go>	ICE	OJ
DJUBS KANSAS WHEAT	DJUBSKW Index <go>	KCB	KW

This Index Universe is valid as of the 29th January 2013. If Dow Jones and/or UBS or its legal successors introduce ("**Dow Jones/UBS**") a new SCI or stop the calculation of an existing SCI, those indices will be added to or deleted from the Universe. If a new SCI does not follow exactly the same calculation methodology as the Dow Jones-UBS Commodity IndexSM they will not become part of the Index Universe.

6. Selection and Adjustment Days

An Adjustment Day (the "**Adjustment Day**") is the last Trading Day of each month on which all necessary Relevant Exchanges are open. An associated Selection Day (the "**Selection Day**") is two Trading Days before an Adjustment Day.

7. Index Reweighting

On each Selection Day the ranking procedure (as described in Section 4) is applied. The Investment Flags are updated on the relevant Adjustment Day (as described in Section 3).

8. Calculation of the Index in the Event of a Market Disruption

A Market Disruption (the "**Market Disruption**") will be deemed to have occurred if for a SCI or a Eligible Futures Contract the quotation is suspended, limited or restricted (as a result of price movements during the trading hours which exceed the limits set by the Relevant Exchange or for any other reasons) on the Relevant Exchange or any relevant market where this specific SCI or a future contract on this specific SCI or a Eligible Futures Contract is listed. A change in the trading days or opening hours of the Relevant Exchanges (Section 5.) will not constitute a Market Disruption.

If for one or more SCIs a Market Disruption occurs the Index Calculation Agent will use the rebalanced price which has been fixed by Dow Jones/UBS for the SCI concerned. As long as the marked disruption persists this price is used to calculate the Index.

If for one or more SCIs a Market Disruption occurs on an Adjustment Day, the Adjustment Day will be postponed to the next trading day on which the Market Disruption ceases to exist and all necessary Relevant Exchanges are open. If on the 5th consecutive Trading Day after the Trading Day, on which the Market Disruption occurred for the first time, the respective SCI is still affected by the Market Disruption, that 5th day will be used as Adjustment Day. In this case the Index Calculation Agent will exclude the affected SCI from the Universe for the Adjustment Day on which the Market Disruption Event is effective.

9. Index Sponsor and Index Calculation Agent

The Index is sponsored by the UniCredit Bank AG, or any legal successor ("**Index Sponsor**"). The Index Sponsor has assigned all rights and duties with regard to the Index Calculation to the Index Calculation Agent. The Index Sponsor is at any time authorized to select a new Index Calculation Agent (the "**New Index Calculation Agent**"), whereas each reference in this description to the Index Calculation Agent will be deemed as a reference to the New Index Calculation Agent.

The Index Calculation Agent will apply the aforementioned method of calculation and the results will be final except for obvious errors. If regulatory, legal, juridical, fiscal or market circumstances (including, but not limited to any trading restrictions in the components of the Universe or any derivatives linked to the Underlying Index) may arise that require a modification of, or change to such methodology, the Index Calculation Agent shall be entitled to make such required modification or change in its reasonable discretion. The Index Calculation Agent will with all due care ensure that the resulting method of calculation of such a modification or change will be consistent with respect to the method defined above, and will be taking into account the economic position of investors in the Index.

When calculating the Index, the Index Calculation Agent has to rely on the statements, confirmations, computations, assurances and other information provided by third parties which cannot be verified. Any inaccuracies contained in this information may have an impact – without any fault of the Index Calculation Agent – on the calculation of the Index. There is no obligation of the Index Calculation Agent to independently verify any information received in relation to the Index and the SCIs.

10. Disclaimer

The Index takes the form solely of a set of records and does not convey any legal or beneficial interest in the Index Components. Any action specified in this description in respect of the Index shall be effected solely by an amendment to such records. Neither the issuer of any financial instruments linked to the Index nor the Index Calculation Agent is obliged to actually invest or hold an interest in the Index Components.

The calculation and composition of the Index will be performed by the Index Calculation Agent with all due care. However, neither the Index Sponsor nor the Index Calculation Agent give any representation or guarantee for the correctness of the calculation and composition or of the other relevant parameters of the Index. Neither the Index Sponsor nor the Index Calculation Agent accepts any liability for any direct or indirect damage which may result from an incorrect calculation or composition of the Index or its other relevant parameters.

These and further Information on this Index will be obtainable at UniCredit Bank AG, Certificates & Structured Securities (MCD1CS), Arabellastraße 12, 81925 Munich, Germany.

Impressum

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