
Center for Due Diligence
Information & Strategic Resources For Retirement Plan Advisors

Commodity Index Supplement

Part I: Commodity Indexes & Benchmarking

“The future belongs to those who adapt, become efficient & manage liability.”

January, 200;

Center for Due Diligence
P.O. Box 8
Western Springs, IL 60558
Phone (630) 662-0284 • Fax (630) 662-0286
E-Mail: CFDD@TheCFDD.com
Web Site: <http://www.TheCFDD.com>

Table of Contents

Introduction	1-2
Evaluating Commodity Indexes	
Overview	3-4
Major Commodity Index Profiles	
Reuters Continuous Commodity Index	5
Standard & Poor’s GSCI	6
Dow Jones-AIG Commodity Index.....	7
DB Liquid Commodity Index.....	8
Major Commodity Index Characteristics	10
Major Commodity Index Weighting	11
Commodity Index Benchmarks	
Commodity & Select Index Returns/Analytics	12
Commodity & Select Index Returns (1999-2008)	13
Commodity Index Returns (1990-2008)	14
Sub-Index & Select Commodity Returns/Analytics	15
Commodity Sub-Index Returns (1990-2008)	16
Commodity Sub-Index Baseline Performance (1997-2008).....	17
Select Commodity Returns (1990-2008).....	18
Select Commodity Baseline Performance (1991-2008).....	19
Long Term Commodity Index Charts	
S&P GSCI	
RJ/CRB	

EVALUATING COMMODITY INDEXES (12/31/08)

INTRODUCTION

After fifteen months of relentless selling, \$30 trillion in worldwide equity losses, including \$1 trillion in DC plan assets, unprecedented correlation and a major liquidity crisis, the golden age of equity investing and leveraged growth has probably peaked.

If managed properly, the current liquidity crisis will heal in time, but not without major adjustments. Adapting to the changing conditions is important because **traditional approaches to valuation, asset allocation, diversification, rebalancing and broad equity indexing could be disappointing** during the adjustment period.

In depth knowledge of ERISA is the cost of entry for today's retirement plan specialists, but nothing will be more important than helping clients survive and earn a reasonable return on their investments. Over time, **advisors that fail to adapt to changing conditions and deliver reasonable returns could become marginalized.**

As structural changes become more recognized, **alternative approaches to asset allocation and asset classes, including commodities, ETFs & other investment vehicles, will play a larger role.**

To reduce volatility, **a growing number of plan sponsors are already questioning their asset allocation and default options.** In addition to retirement income products, some are adding non-traditional asset classes while others are considering tactical asset allocation strategies.

To position for the next investment cycle, advisors should **identify undervalued assets with the potential for recovery** and liquefy those that are not expected to recover on strength. Given the accident prone environment, liquidity, selectivity (including one's approach to broad indexing), risk control and being rewarded for risk will remain essential.

The forced liquidation of all major asset classes generated non-traditional opportunities in real return assets and commodities could be the most attractive of the group. Commodities entail risk, volatility and periods of underperformance. However, when the traditional approach to asset allocation is augmented, **commodities can improve returns and reduce risk.** In addition to low correlations with traditional asset classes and business cycles, individual commodities have low correlation to other commodities. They can also provide event/risk protection.

Unlike the consumer demand required to propel earnings and equities, commodity prices are subject to supply driven constraints. **Agricultural commodities may have already bottomed and stagflation could play a major role in the next investment cycle.**

Real return assets, including commodities, are new to most advisors. To facilitate the educational process, **the CFDD has scheduled a series of informative releases on commodities as an asset class.** Part I focuses on the evaluation of major commodity indexes. To help advisors identify suitable options, subsequent releases will analyze commodity-based investment vehicles, benchmark performance and discuss the outlook for commodity prices.

CFDD Website Commodity Resource Area

The CFDD's website has already been upgraded with **a full menu of futures quotes, charts and technical tools.** To access this area, click on the animated "Quotes & Charts" at <http://www.TheCFDD.com>. This allows advisors to easily monitor the Reuters CCI, the S&P GSCI and the RJ/CRB commodity index futures contracts. To further assist advisors, **the CFDD is developing a website resource area devoted to commodities.** The secure area will only be available to clients and will include hard to find information that includes:

- Profiles Of Major Commodity Indexes
- Expanded Commodity Index Benchmarking & Correlation
- Analysis & Categorization Of Commodity-Based Investment Vehicles
- Select Commodity-Based Investment Vehicle Performance Reporting
- Forward Looking Commodity Price Comments By Major Sector
- Commodity Index Charts

CFDD Advisor Conference Commodity Related Breakout Sessions

Consistent with our expanded role in this area, **we have scheduled a suite of breakout sessions around commodities as an asset class at the CFDD's October 5-7, 2009 Advisor Conference, *Adapt, Survive & Prosper.***

Tom Idzorek (CIO & Director of Product Research for Ibbotson Associates) will discuss *Real Return Assets* and Bob Greer (EVP & Manager of Real Return Products for PIMCO) will discuss *Why Commodities*. The agenda will also include a session on *Commodity-Based Investment Vehicles* (BGI, PIMCO & others) and *Tactical Asset Allocation*.

EVALUATING COMMODITY INDEXES: An Overview

The world of commodity indexes was somewhat limited before 2003, but the number has grown in recent years. Indeed, **more than \$200 billion in institutional funds is now tracking commodity indexes.** The increase in commodity indexes was the result of a growing awareness of the attractive historical return characteristics of the asset class i.e., high returns and low correlations with traditional asset classes, other commodities & business cycles. Event/risk protection, CPI correlation and investment efficiency also played a role.

Unlike the similar characteristics and holdings of stock indexes, **each commodity index uses unique weighting, inclusion criteria and methodology.** As a result, performance, risk and diversification among the major indexes have been less than consistent. The lack of consistency also requires advisors to understand the differentiating characteristics of the various commodity indexes.

Prudence requires one to first identify and evaluate a potential asset class. **The index used to track the asset class, along with the percentage allocation, should be determined before due diligence is performed on the investment vehicles.** Commodity taxation is somewhat complicated and the tax consequences of the allocation to taxable and non-taxable portfolios should also be considered.

- Evaluate The Asset Class
- Identify The Tracking Index
- Assess The Tax Consequences For Taxable & Non-Taxable Portfolios
- Determine The Allocation Amount
- Perform Investment Vehicle Due Diligence

When evaluating commodity indexes, **the number of components, the specific commodities included, the weighting methodology, the rebalancing process and the roll schedule must be analyzed.** It's also important to note that the percentage weighting will fluctuate with market price changes after the rebalancing period.

In addition to the weighting-based risk/diversification variances, transaction costs vary with the number of components and the frequency of rebalancing. Some indexes may also impose a licensing fee.

Indexes are based on a basket of collateralized commodity futures returns. As a result, evaluating the sources of return is important, including the spot return, roll return and collateralized yield. When weighting is subjective, **backfilled history should be viewed with caution.**

Roll returns, collateralized yields and historic performance are important components of index evaluation. However, consistent excess returns provided by backwardation are unlikely and yields are currently at historic lows. Allocations to commodities and other real return assets could be rewarding, but focusing on historic returns (spot & excess) may not be particularly meaningful, an observation often ignored by institutional researchers. Given that commodities are not buy and hold type investments, **the price level of the index components, along with forward-looking expectations, are far more important than historic returns.**

Commodity indexes are available from a variety of sources, including:

- S&P
- Dow Jones
- Reuters/Jefferies
- CRB
- Deutsche Bank
- Rogers International
- Morningstar
- Lehman Brothers
- Merrill Lynch
- UBS Bloomberg
- Diapason
- Deutsche Borse
- CYD

The CFDD's multi-component commodity analysis will focus on broad and more targeted indexes that are traded on futures exchanges and/or tracked by passive investment vehicles. Additionally, we will concentrate on cost effective, liquid, transparent, index tracking investment vehicles with reasonable minimums. Commodities and ETFs have not yet penetrated the world of retirement plans, but **more than 80 ETFs and 60 ETNs are already tracking commodities with vastly different strategies.**

We are not advocates of managed futures accounts. However, under the right circumstances, i.e., when prices are low and forward looking conditions are positive, self-directed futures accounts can offer attractive risk/reward opportunities. Futures are highly leveraged investment vehicles and entail unique risks. Given their extreme volatility, **the price levels at the point of entry have a dramatic impact on the risk/reward parameters of any investment in futures.**

Few advisors realize it, but futures and options can be traded in IRA and IRA Rollover Accounts when a self-directed account is opened with an IRA custodian, like Millennium Trust, that accommodates non-traditional assets. For more information on self-directed IRA flexibility, contact Aaron Futures & Options at (800) 611 6974.

CCI:IND (Bloomberg)

Reuters Continuous Commodity Index (Old CRB)

The Reuters Continuous Commodity Index (CCI), formerly the CRB, was one of the first and best known commodity indexes. The CCI is also **among the broadest commodity indexes** and it currently tracks **17** commodity futures in a publicly traded index.

Like the GSCI, the CCI trades as a futures contract. The GSCI trades on the IOM, but the CCI trades on the ICE Exchange under the “CI” symbol. The CCI is also less tracked by institutional funds than other commodity indexes. To the best of our knowledge, the GreenHaven Continuous Commodity Index Fund (GCC) ETF is the only ETF or ETN currently tracking the CCI.

Developed in **1957**, the **equally weighted and daily balanced** index was redesigned and rebranded as the Reuters/Jeffries CRB Index in 2005. However, the prior version of the index, the 1995-2005 ninth revision, is still available as the CCI. Again, the ninth revision Reuters CCI and the tenth revision Reuters/Jeffries CRB are different indexes.

The original CRB Index, now the CCI, was one of the most often cited indicators of overall commodity price movements. Initially, it was heavily weighted towards agricultural commodities, but has been redesigned nine times and is now more representative of a broader range of commodities, including energy.

Currently, the CCI is calculated to produce an unweighted geometric mean of the individual commodity price relatives, i.e., a ratio of the current price to the 1967 base year average.

Regardless of the changes, the ninth revision still has **the lowest energy, highest precious metals and highest agriculture weightings, including softs, of all the major indexes**. The major sector weightings as of 9/30/08 include: **29% softs, 18% precious metals, 18% grains, 18% energy, 12% livestock and 6% industrial metals**.

The 17 commodity futures currently included in the equally weighted, i.e., 5.9% per commodity, CCI are: Cocoa, Sugar, Coffee, Cotton, OJ, Platinum, Gold, Silver, Corn, Wheat, Soybeans, Natural Gas, Heating Oil, Crude, Cattle, Hogs and Copper.

For more information on the Reuters Continuous Commodity Index, go to:
<http://www.crbtrader.com/crbindex/>

SPGSCI:IND (Bloomberg)

Standard & Poor's GSCI

The S&P GSCI is a **somewhat diversified benchmark** commodity index that currently tracks **24** commodity futures in an accessible and publicly traded index.

Like the CCI, the GSCI trades as a futures contract, but the volume and open interest are limited on both indexes. The GSCI trades on the IOM Exchange under the "GI" symbol while the CCI trades on the ICE Exchange under the "CI" symbol. The RJ/CRB is also available as a futures contract on the ICE Exchange under the "CR" symbol, but it rarely trades. The iShares S&P GSCI Commodity Indexed Trust (GSG) ETF and the iPath S&P GSCI Total Return Index (GSP) ETN also track the index.

The GSCI dates back to **1991**, but Standard & Poor's, a division of The McGraw Hill Companies, acquired the Goldman Sachs GSCI in 2007. Over \$200 billion in institutional funds is now tracking commodity indexes, including ETFs and ETNs, but mostly over-the-counter derivatives. **The GSCI and the DJ-AIG are probably the most commonly tracked commodity indexes.** Like Dow Jones, Standard & Poors offers sub-indexes, including forward indexes and non-U.S. dollar versions.

As noted, the **production weighted** GSCI is comprised of physical commodities that are the subject of liquid futures contracts. The weight of each commodity is determined by average production during the previous five years. In addition to the production criteria, contract volume and weight requirements also apply.

The GSCI is far more **dominated by the energy sector** than other major commodity indexes. The major sector weightings as of 9/30/08 include: **76% energy, 11% grains, 6% industrial metals, 3% softs, 3% livestock and 2% precious metals.**

The 24 commodity futures in the index, including the 10 most heavily weighted, as of 9/30/08 were:

WTI Crude (40.5%), Brent Crude (14.5%), Natural Gas (5.8%), Heating Oil (5.4%), Gasoline (5.4%), Gasoil (4.4%), Wheat (3.3%), Kansas Wheat, Corn (3.3%), Soybeans, Copper (2.7%), Aluminum (2.3%), Nickel, Zinc, Lead, Cotton, Cocoa, Coffee, Sugar, Live Hogs, Live Cattle, Feeder Cattle, Silver and Gold.

For more information on the S&P GSCI Commodity Index, call (212) 438-2046, e mail index_services@standardandpoors.com or go to: www.indices.standardandpoors.com.

DJAIG:IND (Bloomberg)

Dow Jones-AIG Commodity Index

The Dow Jones-AIG Commodity Index (DJAIG) is a **broadly diversified benchmark** commodity index that currently tracks **19** commodity futures through a singular and convenient measure.

Unlike the GSCI and the CCI, the DJAIG does not trade on a futures exchange, but sizable institutional assets track the index, including the iPath Dow Jones-AIG Commodity Index Total Return (DJP) ETN and the ProShares Ultra DJ-AIG Commodity (UCD) ETF.

The **liquidity and production driven** index has grown in popularity since its introduction in **1998**. To ensure diversification, **no single commodity may be more than 15% or less than 2% of the index. Sectors are also limited to 33% annually.**

Like most commodity indexes, the DJAIG is available on an excess return and total return basis. The excess return reflects the underlying commodity price movements only while the total return index reflects the theoretical returns on the collateralized futures positions. Sub-commodity indexes are also available, including forward indexes and non-U.S. dollar versions.

The index is composed of futures contracts on physical commodities traded on U.S. exchanges, with the exception of the LME traded aluminum, nickel and zinc. When determining the components, the index relies on economic significance, diversification, continuity and liquidity. The construction percentages are determined by relative liquidity, production percentages and a commodity index multiplier.

Unlike equities, commodity futures specify a certain date for delivery of the underlying physical commodity. To avoid the delivery process and maintain a long futures position, the nearby contracts must be sold before delivery while simultaneously purchasing deferred contracts, a process known as “rolling” the futures position. As a result, the DJAIG is known as a “rolling” index.

Like the CCI, the DJAIG is broadly diversified and is **not energy heavy**. The major sector weightings as of 9/30/08 include: **35% energy, 19% grains, 18% industrial metals, 10% precious metals, 9% softs and 9% livestock.**

The 19 commodity futures in the index, including the 10 most heavily weighted, as of 9/30/08 were: WTI Crude Oil (14.6%), Natural Gas (12.1%), Heating Oil (4.5%), Unleaded Gasoline, Soybeans (6.7%), Corn (6.2%), Wheat, Soybean Oil, Aluminum (7.3%), Copper (6.8%), Nickel, Zinc, Gold (7.9%), Silver, Sugar (4.0%), Coffee, Cotton, Cattle (5.4%) and Hogs.

The Dow Jones-AIG **Agricultural** Index (DJAIGAG) is a sub-index of the AIG Commodity Index. The weightings in the agricultural index as of 9/30/08 were: Soybeans (24%), Corn (20%), Wheat (13%), Sugar (15%), Coffee (12%), Soybean Oil (8%) and Cotton (8%)

For more information on the Dow Jones Commodity Index call (203) 563-1960, e mail djindexsupport@dowjones.com or visit <http://www.djindexes.com>.

DBLCIX:IND (Bloomberg)

Deutsche Bank Liquid Commodity Index

The DB Liquid Commodity Index (DBLCIX) is a **representative commodity index** that tracks six commodity futures contracts, the lowest number of the major commodity indexes.

Unlike the GSCI and the CCI, but like the DJAIG, the DBLCIX does not trade on a futures exchange, but the Invesco PowerShares DB Commodity Index Tracking Fund (DBC) ETF tracks the optimum yield version of the index. In addition to the broad indexes, the optimum yield strategy has also been teamed with 24 other individual commodities, including non-U.S. dollar versions.

The optimum yield version of the index seeks to minimize the effects of negative roll yield that can be experienced by conventional commodity indexes. By using new contracts that generate the highest implied roll yield, the negative effects of rolling futures contracts when a market is in contango (deferred contracts are trading at a premium) are minimized and the positive effects of rolling contracts when a market is in backwardation (deferred contracts are trading at a discount) are maximized.

The **rules based** index was developed in **2003**. The index is based on constant weightings for each of the six commodities that reflect world production and inventory. The index is rebalanced annually and, while most of the futures contracts are rolled annually, the energy contracts are rolled monthly.

The DBLCIX has **the second highest energy sector weighting** of the major commodity indexes. The major sector weightings as of 9/30/08 include **55% energy, 23% grains, 13% industrial metals and 10% precious metals**.

The six commodity futures in the index as of 9/30/08 were: Light Sweet Crude (35.0%), Heavy Oil (20.0%), Aluminum (12.5%), Corn (11.3%), Wheat (11.3%) and Gold (11.3%)

The DB Liquid Commodity **Agriculture** Index (DBAGIX) is a sub-index of the DB Commodity Index. The weightings in the agriculture index as of 9/30/08 were Corn (25%), Wheat (25%), Soybeans (25%) and Sugar (25%) The DB Agriculture Index is tracked by the Invesco PowerShares DB Agriculture Fund (DBA) ETF. The “DBC” and “DBA” ETFs contain in excess of \$2 billion.

For more information on the Deutsche Bank Liquid Commodity Index call (212) 250-8998, email Index-help@db.com or visit <https://index.db.com>.

©Copyright 2008. All rights reserved. Center for Due Diligence. This release is published exclusively for the trade as general information and should not be viewed as a recommendation to buy or sell securities, other investments or to adopt any investment strategy. This material should also not be viewed as a forecast as CFDD opinions are influenced by marketplace dynamics and subject to change. The CFDD is not a law, advisory or investment firm. We do not give legal, tax, investment or any other type of advice. The CFDD does not warrant and is not responsible for the accuracy of content, errors or omissions. All investments involve risk. Reliance upon information in this material is at the sole discretion of the reader. The CFDD is an information & strategic resources firm serving retirement plan advisors. The CFDD also hosts the industry's largest conference for retirement plan advisors. The CFDD's October 5-7, 2009 Advisor Conference, *Adapt, Survive & Prosper* will be held at the Fairmont Scottsdale Resort in Scottsdale, Arizona. For more information about our publications, conferences and advertising opportunities, contact: CFDD, PO Box 8, Western Springs, IL 60558. We can be reached by phone at (630) 662-0284, by fax at (630) 662-0286 and by e mail at CFDD@TheCFDD.com. You may also visit our website for more information at: <http://www.thecfdd.com>.

MAJOR COMMODITY INDEX CHARACTERISTICS

(09/30/08)

Index Name	Live Date	Historic Date	Components	Weighting Methodology	Rebalancing	Roll Schedule	Defining Characteristics	Date/Research Availability
CCI*	1995	1957	17	Equal Weighting	Daily	6xs Per Year 2nd Friday of Jan, Feb, Apr, Jun, Aug & Nov	The First & Broadest of The Commodity Indexes Balanced Daily Equal Weighting Energy & Industrial Metals Light	Limited
RJ/CRB**	2005	1994	19	Fixed Target Four Tiers: Oil, Economic, Liquidity & Diversification	Monthly	Monthly 1st -4th	Fixed Weighting Tiers Rebalanced Monthly	Limited
S&P GSCI ***	1991	1970	24	World Production Average Production in Previous 5 Years	Generally Annually By Committee	Monthly 5th-9th	Industry Benchmark Energy Heavy	Good
DJ-AIG	1998	1991	19	Primarily Liquidity (2/3) Secondarily Dollar-Adjusted Production (1/3)	Annually By Committee	6xs Per Year 5th-9th	Industry Benchmark Diversification Rules No Single Commodity Group > 33% or < 2% Individual Commodities Limited to 15%	Good
DB Commodity	2003	1988	6	Fixed Target Production & Inventory	Annually	Monthly For Energy Annually For Non-Energy	Lowest # of Commodities Roll Methodology	Good

* Tracks the 1995-2005 "ninth" revision of the original CRB as it existed prior to the 2005 RJ/CRB rebranding.

** Tracks the rebranded and significantly altered 2005 "tenth" revision of the original CRB.

***Formally known as the Goldman Sachs commodity index.

Sources: Reuters Jefferies, CRB, Standard & Poor's, Dow Jones, Deutsche Bank, GreenHaven.

MAJOR COMMODITY INDEX WEIGHTING (09/30/08)

Index Name	Energy	Grains	Industrial Metals	Precious Metals	Softs	Livestock
CCI*	18%	18%	6%	18%	29%	12%
RJ/CRB**	39%	13%	13%	7%	21%	7%
S&P GSCI ***	76%	11%	6%	2%	3%	3%
DJ-AIG	35%	19%	18%	10%	9%	9%
DB Commodity	55%	22%	13%	10%	0%	0%

* Tracks the 1995-2005 "ninth" revision of the original CRB as it existed prior to the 2005 RJ/CRB rebranding.

** Tracks the rebranded and significantly altered 2005 "tenth" revision of the original CRB.

***Formally known as the Goldman Sachs commodity index.

Sources: Reuters Jefferies, CRB, Standard & Poor's, Dow Jones, Deutsche Bank, GreenHaven.

COMMODITY & SELECT INDEX RETURNS/ANALYTICS

Table I

(% Total Return)

COMMODITY INDEXES	2004	2005	2006	2007	2008	12/31/08				Std Dev	Sharpe
						3 Yr	5 Yr	10 Yr	15 Yr		
Reuters Continuous Commodity Index (1)	12.5	19.8	10.7	17.2	-28.6		4.5	4.7			
Standard & Poor's GSCI (2)	17.3	25.6	-15.1	32.7	-46.5	-15.5	-2.4	7.4	4.4	30.2	-0.5
Dow Jones-AIG Commodity Index (3)	9.2	21.4	2.1	16.2	-35.7	-8.6	0.2	7.6	6.1	22.8	-0.4
Dow Jones-AIG Agriculture Index (4)	-12.9	1.1	14.3	29.9	-27.5	2.5	-1.1	-1.9			
Deutsche Bank Liquid Commodity Index (5)	38.3	32.0	17.0	32.6	-30.9	2.3	14.4	17.9			
Deutsche Bank Liquid Commodity Ag Index (6)	-0.9	14.1	15.8	31.3	-18.8	7.3	6.9	3.6			
Reuters/Jefferies CRB Index (7)		-16.9	-7.4	16.8	-36.0						
GOLD & OIL											
London PM Gold Fix (8)	4.6	17.8	23.2	31.9	4.3	18.8				21.3	0.8
W. Texas Intermediate Crude (9)	34.3	37.8	4.4	47.9	-55.5						
U.S. EQUITY, REAL ESTATE & BONDS											
S&P 500	10.9	4.9	15.8	5.5	-37.0	-8.4	-2.2	-1.4	6.5	15.3	-0.7
DJ Wilshire REIT	33.2	13.8	36.0	-17.6	-39.2	-12.0	0.7	7.6	8.2	31.2	-0.4
Barclays U.S. Aggregate	4.3	2.4	4.3	7.0	5.2	5.5	4.7	5.6	6.2	4.0	0.4
Barclays U.S. Treasury TIPs	8.5	2.8	0.4	11.6	-2.4	3.1	4.1	6.8		8.0	-0.1
INTERNATIONAL EQUITIES											
MSCI World Ex US	20.4	14.5	25.7	12.4	-43.6	-7.3	1.9	1.2	3.8	19.7	-0.5
MSCI EM GR USD	26.0	34.5	32.6	39.8	-53.2	-4.6	8.0	9.3	2.7	29.1	-0.1
MSCI Brazil	30.5	50.0	40.5	75.4	-57.6	1.4	15.4	11.5	9.0	40.0	0.2
BSE SENSEX India	13.1	42.3	46.7	47.2	-52.5	0.9	10.6	12.2	7.3	30.1	-0.1
FTSE/Xinhua China 25 Index	2.4	15.1	84.4	56.0	-49.4	16.6					

Sources: Reuters Jefferies, CRB, Standard & Poor's, Dow Jones, Deutsche Bank, GreenHaven, Kitco, EIA, Morningstar & BGI.

(1) Reuters Continuous Commodity Index (Old CRB). Bloomberg Index Symbol: CCI:IND. *ICE Futures Exchange Symbol: CI*. ETFs & ETNs tracking the Index: GCC. (2) Standard & Poor's GSCI. Bloomberg Index Symbol: SPGSCI:IND. *IOM Futures Exchange Symbol: GI*. ETFs & ETNs tracking the Index: GSP* & GSG. (3) Dow Jones-AIG Commodity Index. Bloomberg Index Symbol: DJAIG:IND. ETFs & ETNs tracking the Index: DJP* & UCD. (4) Dow Jones-AIG Agriculture Index. Bloomberg Index Symbol: DJAIGAG:IND. ETFs & ETNs tracking the Index: JJA*. (5) Deutsche Bank Liquid Commodity Index. Bloomberg Index Symbol: DBLCIX:IND. ETFs & ETNs tracking the Index: DBC. (6) Deutsche Bank Liquid Commodity Agriculture Index. Bloomberg Index Symbol: DBAGIX:IND. ETFs & ETNs tracking the Index: DBA. (7) Reuters/Jefferies CRB Index. Bloomberg Index Symbol: CRY:IND. *ICE Futures Exchange Symbol: CR*. (8) Gold price changes reflect the London PM year-end fix change from the prior year-end London PM fix. **The year-ending London PM gold fix of \$870 was 4.3% higher from the prior year, but the 2008 peak (3/17/08 @ \$1,024) to trough (10/24/08 @ \$693) decline was 32.3%.** (9) Crude price changes reflect the December West Texas Intermediate spot average change from the prior years December average. **The December monthly average for WTI crude was 55.5% below the prior year, but the 2008 peak (7/3/08 @ \$145.3) to trough (12/23/08 @ \$30.3) decline in WTI Crude was 79.2%.** *Exchange Traded Note.

COMMODITY & SELECT INDEX RETURNS

(1999-2008)

Table II

(% Total Return)

COMMODITY INDEXES	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Reuters Continuous Commodity Index (1)	2.1	14.2	-17.2	18.4	11.3	12.5	19.8	10.7	17.2	-28.6
Standard & Poor's GSCI (2)	40.9	49.7	-31.9	32.1	20.7	17.3	25.6	-15.1	32.7	-46.5
Dow Jones-AIG Commodity Index (3)	24.4	31.8	-19.5	25.9	23.9	9.2	21.4	2.1	16.2	-35.7
Dow Jones-AIG Agriculture Index (4)	-20.5	-2.6	-17.3	19.1	13.9	-12.9	1.1	14.3	29.9	-27.5
Deutsche Bank Liquid Commodity Index (5)	44.0	25.5	-7.9	25.6	26.9	38.3	32.0	17.0	32.6	-30.9
Deutsche Bank Liquid Commodity Ag Index (6)	-15.6	12.4	-17.8	12.2	16.7	-0.9	14.1	15.8	31.3	-18.8
Reuters/Jefferies CRB Index (7)							16.9	-7.4	16.8	-36.0
GOLD & OIL										
London PM Gold Fix (8)	0.1	-5.4	0.1	25.6	19.9	4.6	17.8	23.2	31.9	4.3
W. Texas Intermediate Crude (9)	131.0	8.8	-22.0	52.9	8.8	34.3	37.8	4.4	47.9	-55.5
U.S. EQUITY, REAL ESTATE & BONDS										
S&P 500	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0
DJ Wilshire REIT	-2.6	31.0	12.4	3.6	36.2	33.2	13.8	36.0	-17.6	-39.2
Barclays U.S. Aggregate	-0.8	11.6	8.4	10.3	4.1	4.3	2.4	4.3	7.0	5.2
Barclays U.S. Treasury TIPS	2.4	13.2	7.9	16.6	8.4	8.5	2.8	0.4	11.6	-2.4
INTERNATIONAL EQUITIES										
MSCI World Ex US	28.0	-13.4	-21.4	-15.8	39.4	20.4	14.5	25.7	12.4	-43.6
MSCI EM GR USD	66.6	-30.7	-2.4	-6.0	56.3	26.0	34.5	32.6	39.8	-53.2
MSCI Brazil	61.6	-14.2	-21.8	-33.8	102.9	30.5	50.0	40.5	75.4	-57.6
BSE SENSEX India	63.8	-20.7	-17.9	3.5	72.9	13.1	42.3	46.7	47.2	-52.5
FTSE/Xinhua China 25 Index					101.1	2.4	15.1	84.4	56.0	-49.4

Sources: Reuters Jefferies, CRB, Standard & Poor's, Dow Jones, Deutsche Bank, GreenHaven, Kitco, EIA, Morningstar & BGI.

(1) Reuters Continuous Commodity Index (Old CRB). Bloomberg Index Symbol: CCI:IND. *ICE Futures Exchange Symbol: CI*. ETFs & ETNs tracking the Index: GCC. (2) Standard & Poor's GSCI. Bloomberg Index Symbol: SPGSCI:IND. *IOM Futures Exchange Symbol: GI*. ETFs & ETNs tracking the Index: GSP* & GSG. (3) Dow Jones-AIG Commodity Index. Bloomberg Index Symbol: DJAIG:IND. ETFs & ETNs tracking the Index: DJP* & UCD. (4) Dow Jones-AIG Agriculture Index. Bloomberg Index Symbol: DJAIGAG:IND. ETFs & ETNs tracking the Index: JJA*. (5) Deutsche Bank Liquid Commodity Index. Bloomberg Index Symbol: DBLCIX:IND. ETFs & ETNs tracking the Index: DBC. (6) Deutsche Bank Liquid Commodity Agriculture Index. Bloomberg Index Symbol: DBAGIX:IND. ETFs & ETNs tracking the Index: DBA. (7) Reuters/Jefferies CRB Index. Bloomberg Index Symbol: CRY:IND. *ICE Futures Exchange Symbol: CR*. (8) Gold price changes reflect the London PM year-end fix change from the prior year-end London PM fix. **The year-ending London PM gold fix of \$870 was 4.3% higher from the prior year, but the 2008 peak (3/17/08 @ \$1,024) to trough (10/24/08 @ \$693) decline was 32.3%.** (9) Crude price changes reflect the December West Texas Intermediate spot average change from the prior years December average. **The December monthly average for WTI crude was 55.5% below the prior year, but the 2008 peak (7/3/08 @ \$145.3) to trough (12/23/08 @ \$30.3) decline in WTI Crude was 79.2%.** *Exchange Traded Note.

COMMODITY INDEX RETURNS
(1990-2008)
Table III
 (% Total Return)

YEAR	CCI (1)	S&P GSCI (2)	DJ AIG (3)	DJ AIG-Ag (4)	DB Commodity (5)	DB Agriculture (6)	RJ/CRB (7)
1985							
6							
7							
8							
9							
1990	-3.2				15.2	-8.8	
1	-6.5	**	-5.8		37.1	14.4	
2	-2.6		3.7		8.3	-3.2	
3	11.6	-12.3	-1.1	18.3	-7.8	18.8	
4	4.6	5.3	16.6	8.3	13.8	4.7	
1995	** 8.8	20.3	15.2	24.0	21.4	28.2	
6	12.0	33.9	23.2	2.1	44.3	2.6	
7	4.4	-14.1	-3.4	16.1	-12.5	5.5	
8	-20.5	-35.8	** -27.0	-20.4	-27.4	-25.2	
9	2.1	40.9	24.4	-20.5	44.0	-15.6	
2000	14.2	49.7	31.8	-2.6	25.5	12.4	
1	-17.2	-31.9	-19.5	-17.3	-7.9	-17.8	
2	18.4	32.1	25.9	19.1	25.6	12.2	
3	11.3	20.7	23.9	13.9	** 26.9	16.7	
4	12.5	17.3	9.2	-12.9	38.3	-0.9	
2005	19.8	25.6	21.4	1.1	32.0	14.1	** 16.9
6	10.7	-15.1	2.1	14.3	17.0	15.8	-7.4
7	17.2	32.7	16.2	29.9	32.6	31.3	16.8
8	-28.6	-46.5	-35.7	-27.5	-30.9	-18.8	-36.0

**Live Date/Current Methodology: CCI (1995). S&P GSCI (1991). DJ-AIG (1998). DB Commodity (2003). RJ/CRB (2005).

Sources: Reuters Jefferies, CRB, Standard & Poor's, Dow Jones, Deutsche Bank, GreenHaven, Kitco, EIA, Morningstar & BGI.

(1) Reuters Continuous Commodity Index (Old CRB). Bloomberg Index Symbol: CCI:IND. ICE Futures Exchange Symbol: CI. ETFs & ETNs tracking the Index: GCC. (2) Standard & Poor's GSCI. Bloomberg Index Symbol: SPGSCI:IND. IOM Futures Exchange Symbol: GI. ETFs & ETNs tracking the Index: GSP* & GSG. (3) Dow Jones-AIG Commodity Index. Bloomberg Index Symbol: DJAIG:IND. ETFs & ETNs tracking the Index: DJP* & UCD. (4) Dow Jones-AIG Agriculture Index. Bloomberg Index Symbol: DJAIGAG:IND. ETFs & ETNs tracking the Index: JJA*. (5) Deutsche Bank Liquid Commodity Index. Bloomberg Index Symbol: DBLCIX:IND. ETFs & ETNs tracking the Index: DBC. (6) Deutsche Bank Liquid Commodity Agriculture Index. Bloomberg Index Symbol: DBAGIX:IND. ETFs & ETNs tracking the Index: DBA. (7) Reuters/Jefferies CRB Index. Bloomberg Index Symbol: CRY:IND. ICE Futures Exchange Symbol: CR. (8) Gold price changes reflect the London PM year-end fix change from the prior year-end London PM fix. (9) Crude price changes reflect the December West Texas Intermediate spot average change from the prior years December average.

*Exchange Traded Note.

SUB-INDEX & SELECT COMMODITY RETURNS/ANALYTICS**Table IV**

(% Total Return)

COMMODITY INDEXES	2004	2005	2006	2007	2008	12/31/08				Std Dev	Sharpe
						3 Yr	5 Yr	10 Yr	15 Yr		
Dow Jones-AIG Commodity Index	9.2	21.4	2.1	16.2	-35.7	-8.6	0.2	7.6	6.1	22.8	-0.4
Dow Jones-AIG Agriculture Index	-12.9	1.1	14.3	29.9	-27.5	2.5	-1.1	-1.9			
Standard & Poor's GSCI	17.3	25.6	-15.1	32.7	-46.5	-15.5	-2.4	7.4	4.4	30.2	-0.5
S & P 500	10.9	4.9	15.8	5.5	-37.0	-8.4	-2.2	-1.4	6.5	15.3	-0.7
COMMODITY SUB-INDEXES											
Energy	19.1	42.2	-41.4	20.7	-48.1						
Grains	-23.7	-3.3	23.6	42.1	-27.4						
Industrial Metals	25.3	33.5	72.4	-9.9	-49.0						
Livestock	27.1	-0.3	-6.1	-10.7	-29.5						
Precious Metals	7.4	20.4	27.2	26.0	-5.5						
Softs	2.5	10.6	-12.0	-3.5	-29.5						
SELECT COMMODITIES											
Corn											
Cocoa	-1.3	-11.1	-2.3	14.7	25.1						
Coffee	33.5	-11.7	1.0	-6.4	-30.5						
Cotton	-44.1	-1.5	-18.6	-2.4	-43.6						
Soybeans											
Sugar	22.4	44.5	-29.0	-14.7	-11.1						
Wheat											

Sources: Standard & Poor's, Dow Jones & Morningstar.

COMMODITY SUB-INDEX RETURNS
(1990-2008)
Table V
 (% Total Return)

YEAR	S&P 500	DJ-AIG Agriculture*	Energy	Grains	Industrial Metals	Livestock	Precious Metals	Softs
1985								
6								
7								
8								
9								
1990	-3.1							
1	30.5							
2	7.6							
3	10.1	18.3						
4	1.3	8.3						
1995	37.6	24.0						
6	23.0	2.1						
7	33.4	16.1	-22.6	9.2	-1.8	-5.8	-7.4	33.2
8	28.6	-20.4	-46.1	-22.6	-18.9	-28.6	-3.4	-18.4
9	21.0	-20.5	81.7	-19.2	36.6	14.6	3.6	-19.6
2000	-9.1	-2.6	120.4	-1.6	-2.7	8.5	-7.8	-2.6
1	-11.9	-17.3	-37.1	-17.9	-18.7	-0.6	1.2	-18.8
2	-22.1	19.1	55.1	17.0	2.9	-11.4	18.9	20.7
3	28.7	13.9	31.7	21.7	43.5	-3.9	20.3	-3.2
4	10.9	-12.9	19.1	-23.7	25.3	27.1	7.4	2.5
2005	4.9	1.1	42.2	-3.3	33.5	-0.3	20.4	10.6
6	15.8	14.3	-41.4	23.6	72.4	-6.1	27.2	-12.0
7	5.5	29.9	20.7	42.1	-9.9	-10.7	26.0	-3.5
8	-37.0	-27.5	-48.1	-27.4	-49.0	-29.5	-5.5	-29.5
Top 1/3			6/12	6/12	6/12	3/12	5/12	3/12
Bottom 1/3			4/12	5/12	5/12	8/12	2/12	8/12

Sources: Morningstar and Dow Jones.

* Dow Jones-AIG Agriculture Index. Bloomberg Index Symbol: DJAIGAG:IND. ETFs & ETNs tracking the Index: JJA**. Index includes soybeans (24%), corn (20%), wheat (13%), sugar (15%), coffee (12%), soybean oil (8%) and cotton (8%). Weightings as of 9/30/08.

** Exchange Traded Note.

COMMODITY SUB-INDEX BASELINE PERFORMANCE

(1997-2008)

Table VI

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
					Energy 55.1%	Industrial Metals 43.5%	Livestock 27.1%	Energy 42.2%			
		Energy 81.7%			Softs 20.7%	Energy 31.7%	Industrial Metals 25.3%	Industrial Metals 33.5%	Industrial Metals 72.4%	Grains 42.1%	
S&P 500 33.4%		Industrial Metals 36.6%			(1) Agriculture 19.1%	S&P 500 28.7%	Energy 19.1%	Precious Metals 20.4%	Precious Metals 27.1%	(1) Agriculture 29.9%	
Softs 33.2%		S&P 500 21.0%			Precious Metals 18.9%	Grains 21.7%	S&P 500 10.9%	Softs 10.6%	Grains 23.6%	Precious Metals 26.0%	
(1) Agriculture 16.1%		Livestock 14.6%	Energy 120.4%		Grains 17.0%	Precious Metals 20.3%	Precious Metals 7.4%	S&P 500 4.9%	S&P 500 15.8%	Energy 20.7%	
Grains 9.2%	S&P 500 28.6%	Precious Metals 3.6%	Livestock 8.5%	Precious Metals 1.2%	Industrial Metals 2.9%	(1) Agriculture 13.9%	Softs 2.5%	(1) Agriculture 1.1%	(1) Agriculture 14.3%	S&P 500 5.5%	
Industrial Metals -1.8%	Precious Metals -3.4%	Grains -19.2%	Grains -1.6%	Livestock -0.6%	Livestock -11.4%	Softs -3.2%	(1) Agriculture -12.9%	Livestock -0.3%	Livestock -6.1%	Softs -3.5%	Precious Metals -5.5%
Livestock -5.8%	Softs -18.4%	Softs -19.6%	(1) Agriculture -2.6%	S&P 500 -11.9%	S&P 500 -22.1%	Livestock -3.9%	Grains -23.7%	Grains -3.3%	Softs -12.0%	Industrial Metals -9.9%	Grains -27.4%
Precious Metals -7.4%	Industrial Metals -18.9%	(1) Agriculture -20.5%	Softs -2.6%	(1) Agriculture -17.3%					Energy -41.4%	Livestock -10.7%	(1) Agriculture -27.5%
Energy 22.6%	(1) Agriculture -20.4%		Industrial Metals -2.7%	Grains -17.9%							Softs -29.5%
	Grains -22.6%		Precious Metals -7.8%	Industrial Metals -18.7%							Livestock -29.5%
	Livestock -28.6%		S&P 500 -9.1%	Softs -18.8%							S&P 500 -37.0%
	Energy -46.1%			Energy -37.1%							Energy -48.1%
											Industrial Metals -49.0%

0%

0%

Sources: Morningstar and Dow Jones. (1) Dow Jones-AIG Agriculture Index. Bloomberg Index Symbol: DJAIGAG:IND. ETFs & ETNs tracking the Index: JJA**. Index includes soybeans (24%), corn (20%), wheat (13%), sugar (15%), coffee (12%), soybean oil (8%) and cotton (8%). Weightings as of 9/30/08. ** Exchange Traded Note.

SELECT COMMODITY RETURNS
(1990-2008)
Table VII
 (% Total Return)

YEAR	S&P 500	DJ-AIG Agriculture*	Soybeans	Corn	Wheat	Softs	Cotton	Coffee	Sugar	Cocoa
1985										
6										
7										
8										
9										
1990										
1	30.5	-2.8				-10.3	-11.1	-25.5	10.5	-10.3
2	7.6	11.6				-14.7	-9.8	-17.8	5.6	-40.3
3	10.1	14.8				-2.7	9.8	-24.6	7.6	0.1
4	1.3	3.7				48.3	35.7	117.7	30.6	-3.0
1995	37.6	17.2				-6.7	34.5	-43.8	2.6	-12.0
6	23.0	-3.0				-12.9	-9.0	50.7	13.7	-2.6
7	33.4	10.3				26.5	-19.2	114.9	9.6	34.2
8	28.6	-24.2				-22.3	-14.2	-15.7	-39.5	-24.0
9	21.0	-24.2				-23.3	-20.8	-3.4	-24.1	-48.2
2000	-9.1	-8.2				-8.3	3.1	-58.1	63.3	-26.7
1	-11.9	-19.1				-11.6	-60.3	-35.5	-18.2	66.4
2	-22.1	16.8				18.7	38.8	-18.6	32.5	57.5
3	28.7	12.7				-4.2	18.7	-13.0	-20.6	-16.8
4	10.9	-14.0				0.1	-44.1	33.5	22.4	-1.3
2005	4.9	-2.1				7.1	-1.5	-11.7	44.5	-11.1
6	15.8	8.9				-16.1	-18.6	1.0	-29.0	-2.3
7	5.5	24.1				-7.7	-2.4	-6.4	-14.7	14.7
8	-37.0	-28.5				-29.5	-43.6	-30.5	-11.1	25.1
Years +	14/18	9/18				6/18	6/18	5/18	11/18	5/18
Years -	4/18	9/18				12/18	12/18	13/18	7/18	12/18
Years +	6/10	4/10				3/10	3/10	2/10	4/10	4/10
Years -	4/10	6/10				7/10	7/10	8/10	6/10	6/10
Years +	4/5	2/5				2/5	0/5	2/5	2/5	2/5
Years -	1/5	3/5				3/5	5/5	3/5	3/5	3/5

Sources: Morningstar and Dow Jones. *Dow Jones-AIG Agriculture Index. Bloomberg Index Symbol: DJAIGAG:IND. ETFs & ETNs tracking the Index: JJA**. Index includes soybeans (24%), corn (20%), wheat (13%), sugar (15%), coffee (12%), soybean oil (8%) and cotton (8%). Weightings as of 9/30/08. **Exchange Traded Note.

SELECT COMMODITY BASELINE PERFORMANCE
(1991-2008)
Table VIII

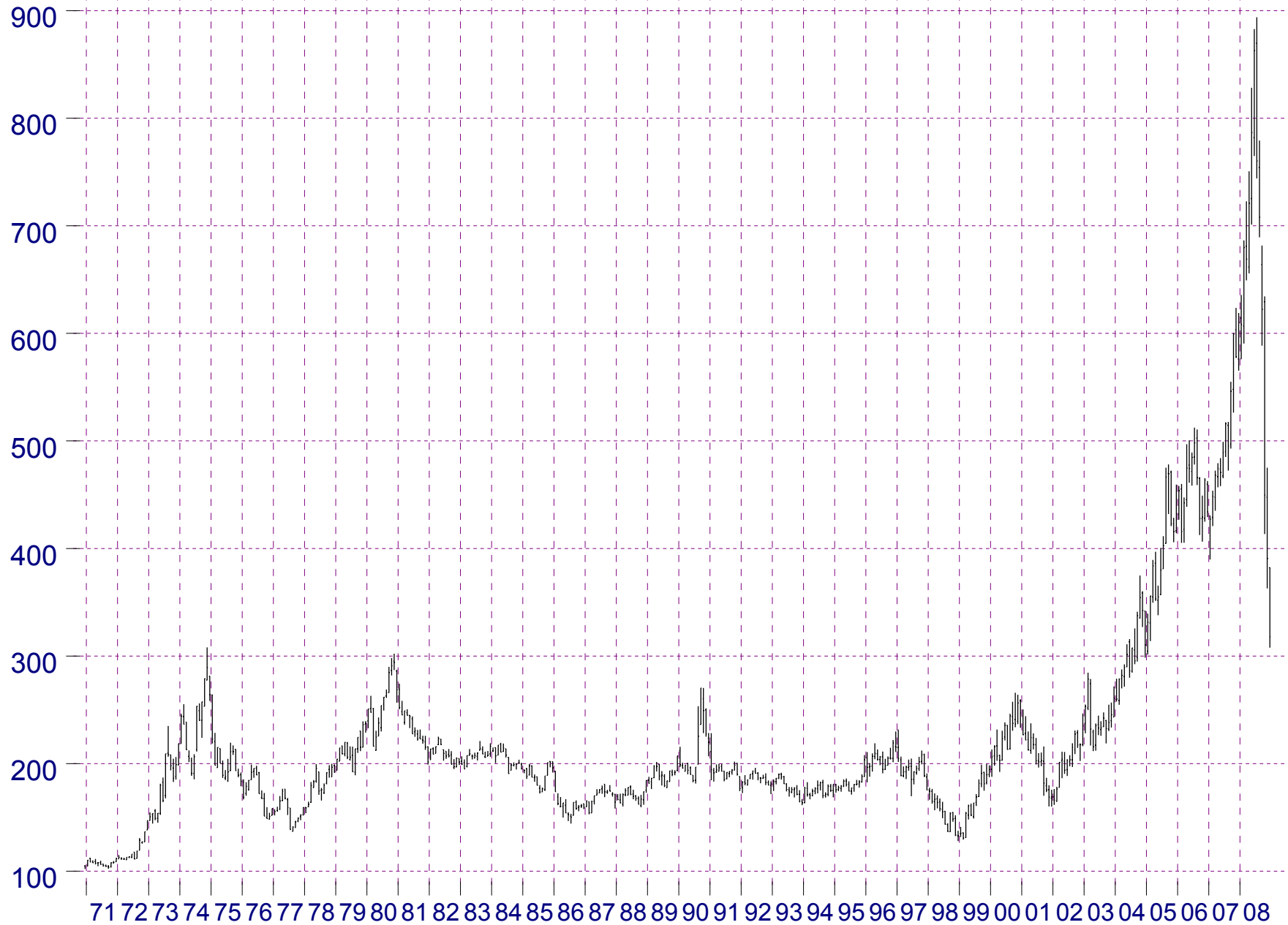
1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
			Coffee 117.7%			Coffee 114.9%											
		(1) Agriculture 14.8%	Softs 48.3%			Cocoa 34.2%					Cocoa 57.5%						
		S&P 500 10.1%	Cotton 35.7%	S&P 500 37.6%		S&P 500 33.4%					Cotton 38.8%		Coffee 33.5%				
	(1) Agriculture 11.6%	Cotton 9.8%	Sugar 30.6%	Cotton 34.5%	Coffee 50.7%	Softs 26.5%					Sugar 32.5%	S&P 500 28.7%	Sugar 22.4%	Sugar 44.5%	S&P 500 15.8%	(1) Agriculture 24.1%	
S&P 500 30.5%	S&P 500 7.6%	Sugar 7.6%	(1) Agriculture 3.7%	(1) Agriculture 17.2%	S&P 500 23.0%	(1) Agriculture 10.3%			Sugar 63.3%		Softs 18.7%	Cotton 18.7%	S&P 500 10.9%	Softs 7.1%	(1) Agriculture 8.9%	Cocoa 14.7%	
Sugar 10.5%	Sugar 5.6%	Cocoa 0.1%	S&P 500 1.3%	Sugar 2.6%	Sugar 13.7%	Sugar 9.6%	S&P 500 28.6%	S&P 500 21.0%	Cotton 3.1%	Cocoa 66.4%	(1) Agriculture 16.8%	(1) Agriculture 12.7%	Softs 0.1%	S&P 500 4.9%	Coffee 1.0%	S&P 500 5.5%	Cocoa 25.1%
(1) Agriculture -2.8%	Cotton -9.8%	Softs -2.7%	Cocoa -3.0%	Softs -6.7%	Cocoa -2.6%	Cotton -19.2%	Cotton -14.2%	Coffee -3.4%	(1) Agriculture -8.2%	Softs -11.6%	Coffee -18.6%	Softs -4.2%	Cocoa -1.3%	Cotton -1.5%	Cocoa -2.3%	Cotton -2.4%	Sugar -11.1%
Softs -10.3%	Softs -14.7%	Coffee -24.6%		Cocoa -12.0%	(1) Agriculture -3.0%		Coffee -15.7%	Cotton -20.8%	Softs -8.3%	S&P 500 -11.9%	S&P 500 -22.1%	Coffee -13.0%	(1) Agriculture -14.0%	(1) Agriculture -2.1%	Softs -16.1%	Coffee -6.4%	(1) Agriculture -28.5%
Cocoa -10.3%	Coffee -17.8%			Coffee -43.8%	Cotton -9.0%		Softs -22.3%	Softs -23.3%	S&P 500 -9.1%	Sugar -18.2%		Cocoa -16.8%	Cotton -44.1%	Cocoa -11.1%	Cotton -18.6%	Softs -7.7%	Softs -29.5%
Cotton -11.1%	Cocoa -40.3%				Softs -12.9%		Cocoa -24.0%	Sugar -24.1%	Cocoa -26.7%	(1) Agriculture -19.1%		Sugar -20.6%		Coffee -11.7%	Sugar -29.0%	Sugar -14.7%	Coffee -30.5%
Coffee -25.5%							(1) Agriculture -24.2%	(1) Agriculture -24.2%	Coffee -58.1%	Coffee -35.5%							S&P 500 -37.0%
							Sugar -39.5%	Cocoa -48.2%		Cotton -60.3%							Cotton -43.6%

0%

0%

Sources: Morningstar and Dow Jones. (1) Dow Jones-AIG Agriculture Index. Bloomberg Index Symbol: DJAIGAG:IND. ETFs & ETNs tracking the Index: JJA**. Index includes soybeans (24%), corn (20%), wheat (13%), sugar (15%), coffee (12%), soybean oil (8%) and cotton (8%). Weightings as of 9/30/08. ** Exchange Traded Note.

S&P GSCI



Reuters CCI



STOCKM.INI

Monthly