

## Chapter 29

### CBOT<sup>®</sup> Dow Jones-UBS Excess Return Commodity Index<sup>SM1</sup> Futures

#### **29100. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading of Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> futures (hereafter also referred to as "DJ-UBS ER<sup>SM</sup>") The procedures for trading, clearing, delivery and settlement of this contract and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

#### **29101. CONTRACT SPECIFICATIONS**

The contract grade shall be the final settlement price (as described in Rule 29104.) of the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> on final settlement day (as described in Rule 29105.).

#### **29102. TRADING SPECIFICATIONS**

Trading in Dow Jones-UBS Excess Return Commodity Index futures is regularly conducted in four months - March, June, September and December. The first four quarterly contracts and the next four December contracts shall be listed, such that at any time there will be five December expiries and the nearest March, June and September expirations. Notwithstanding the foregoing, the number of months open for trading at a given time shall be determined by the Exchange.

##### **29102.A. Trading Schedule**

The hours for trading of Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> futures shall be determined by the Exchange. Trading in an expiring contract shall cease at 1:30 p.m. Chicago time (2:30 p.m. Eastern time) on the last day of trading

The market shall be opened and closed for all months simultaneously.

##### **29102.B. Trading Unit**

The unit of trading shall be \$100.00 times the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> futures price which corresponds to each futures contract.

The Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> is a liquidity and world production, dollar-weighted, arithmetic average of prices of up to 19 exchange-traded physical commodity futures contracts which satisfy specified criteria. The futures price index is calculated as the fair value of the basket of futures contracts in the DJ-UBS ER<sup>SM</sup> for a specific contract month. The futures price index is identical to the calculation of the weighted average value (WAV1) of the lead futures in the DJ-UBS ER<sup>SM</sup> divided by four (4) and rounded to one decimal place. The futures price index incorporates no rolling forward of futures contracts and is quoted only until the expiration of the corresponding DJ-UBS ER<sup>SM</sup> futures contract. For any January contract, the futures price index shall be determined using the prior year's DJ-UBS ER<sup>SM</sup> specifications. February through December contracts shall use the current year's DJ-UBS ER<sup>SM</sup> specifications.

##### **29102.C. Price Increments**

The price of the CBOT Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> futures shall be quoted in points. One point equals \$100.00. The minimum price fluctuation shall be 0.1 (1/10) points per contract (\$10.00 per contract). Contracts shall not be made on any other price basis.

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<sup>1</sup> "Dow Jones<sup>SM</sup>", "UBS<sup>®</sup>", "Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup>", and "DJ-UBS ER<sup>SM</sup>", are service marks of Dow Jones & Company, Inc. and/or UBS Securities LLC, as the case may be, and have been licensed for use for certain purposes by the CBOT. CBOT's DJ-UBS ER contracts based on the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup>, are not sponsored, endorsed, sold or promoted by Dow Jones, UBS Securities LLC or any of their respective subsidiaries or affiliates, and none of Dow Jones, UBS Securities LLC, or any of their respective subsidiaries or affiliates, makes any representation regarding the advisability of trading in such products.

**27102.D. Price Limits**

There are no price limits for CBOT Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> futures.

**29102.E. Reserved**

**29102.F. Termination of Trading**

The last day of trading in DJ-UBS ER<sup>SM</sup> futures shall be the third Wednesday of the contract month, or if the Dow Jones-UBS Excess Return Commodity Index is not published for that day, the first preceding business day for which the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> was published.

After trading in contracts for future delivery in the current delivery month has ceased, outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 29103.

**29103. DELIVERY ON FUTURES CONTRACTS**

Delivery against the CBOT Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> futures contracts must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 29105.) and shall be accomplished by cash settlement as hereinafter provided.

Clearing members holding open positions in a CBOT Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> futures contract at the time of termination of trading shall make payment to and receive payment through the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 29104.).

**29104. FINAL SETTLEMENT PRICE**

The final settlement price shall be based on a special quotation of the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> which corresponds to the expiring contract as of the close of business on the final settlement day (as described in Rule 29105.). This special quotation will consist of the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> which corresponds to the expiring contract calculated using the settlement prices of the component futures on final settlement day, except as noted below.

If an exchange that lists a component or components of the commodity index is not open on the final settlement day because of a scheduled closing, then the contribution to the final settlement price for the affected component or components shall be based on the settlement quotation of the first preceding trading day.

“Market Disruption Event” (“MDE”) shall mean: (a) the termination or suspension of, or material limitation or disruption in the trading of, any futures contract used in the calculation of the DJ-UBS ER<sup>SM</sup> on that day, including if due to the closing of an exchange prior to the regularly scheduled closing time of an exchange; (b) the settlement price of any such contract reflects the maximum permitted price change from the previous day’s settlement price; or (c) the failure of an exchange to publish official Settlement Prices for any such contract. If an MDE occurs on the expiration date, the DJ-UBS ER contract will settle based on a special value calculated using all component futures prices as of the expiration date that were not subject to an MDE and, for any futures contracts which were subject to an MDE, using the next available futures settlement price for which an MDE is no longer in effect, with a delay limited to 10 business days from the original expiration date. If, on the 10<sup>th</sup> business day, an MDE is still in effect for the affected contracts, then UBS Securities LLC and the Chicago Board of Trade will agree upon an appropriate estimated futures price or prices to be used to calculate the final adjusted settlement value of the DJ-UBS ER.

**29105. FINAL SETTLEMENT DAY**

The final settlement day shall be defined as the third Wednesday of the contract month, or if the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> is not published for that day, the first preceding business day for which the Dow Jones-UBS Excess Return Commodity Index<sup>SM</sup> was published.

**29106. PAYMENT OF DAILY INTEREST RATE PASS THROUGH**

The Daily Interest Rate Pass Through of the DJ-UBS ER<sup>SM</sup> future must be paid on a daily basis in full by each long Clearing Member to the Clearing House and received by each short. On

every business day, the holder of a long position in the DJ-UBS ER<sup>sm</sup> futures contract is charged one day's worth of an annual fee of 40 basis points. For every calendar day, the long position holder will be charged an embedded fee calculated using the following formula:

$[\text{Number of Contracts}] \times \$100 \times [\text{DJ-UBS ER}^{\text{sm}} \text{ futures Settlement Price}] \times [0.0040/365] \times \text{Days}$

where "Days" is calculated as the number of calendar days from the current DJ-UBS ER<sup>sm</sup> trading date to the next DJ-UBS ER<sup>sm</sup> trading date.

There is no embedded fee charged to the short position holder.