

Subscription period: 22 June to 30 June 2015  
 Pricing Date: 1 July 2015  
 Payment/Issue Date: 8 July 2015

## Strategy Certificates

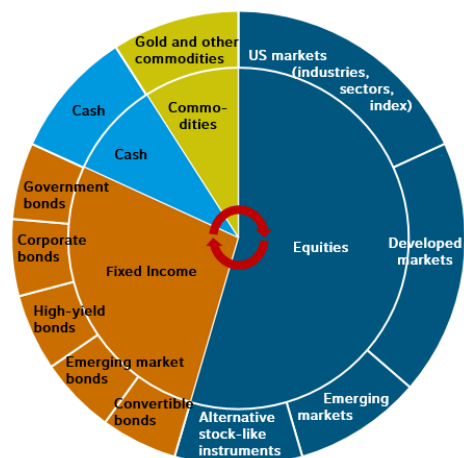
### Linked to the Enhanced Permanent Portfolio Strategy Basket Issued by UBS AG

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorization of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, Investors in this Product are not eligible for the specific investor protection under the CISA. Moreover, Investors in this Product bear the issuer risk.

#### Strategy description

The investment process of the Enhanced Permanent Portfolio Strategy (“EPPS”) is based on the innovative investment research of Rational Invest AG. The basic concept on which the strategy is based is the Permanent Portfolio of Harry Browne, amongst the most well-known investment strategies worldwide. The strategy pursues a quantitative, rule-based investment process that adaptively allocates between stocks, bonds, commodities and cash instruments on a monthly basis to achieve a robust risk/return profile. Each of the asset classes is optimized individually applying a range of proprietary trading and allocation rules. Cross-correlations of instruments and asset classes are accounted for to achieve a significantly lower overall portfolio volatility. Amongst the methodologies applied are various ranking and rotation algorithms across sectors, industries, markets and asset classes globally. The methodologies deployed have been thoroughly tested across a broad set of economic conditions. The strategy is designed as a diversified all-weather multi-asset strategy generating robust performance while mitigating downside risk during severe market crashes.

#### The Enhanced Permanent Portfolio Strategy



#### Allocation July 2015

<b>Equities</b>	<b>60%</b>
Developed markets countries	40%
Hong Kong	16%
Spain	8%
Singapore	16%
Emerging markets countries	0%
USA	10%
Equity volatility	10%
<b>Fixed income</b>	<b>10%</b>
<b>Cash</b>	<b>10%</b>
<b>Commodities</b>	<b>20%</b>

#### Investment universe

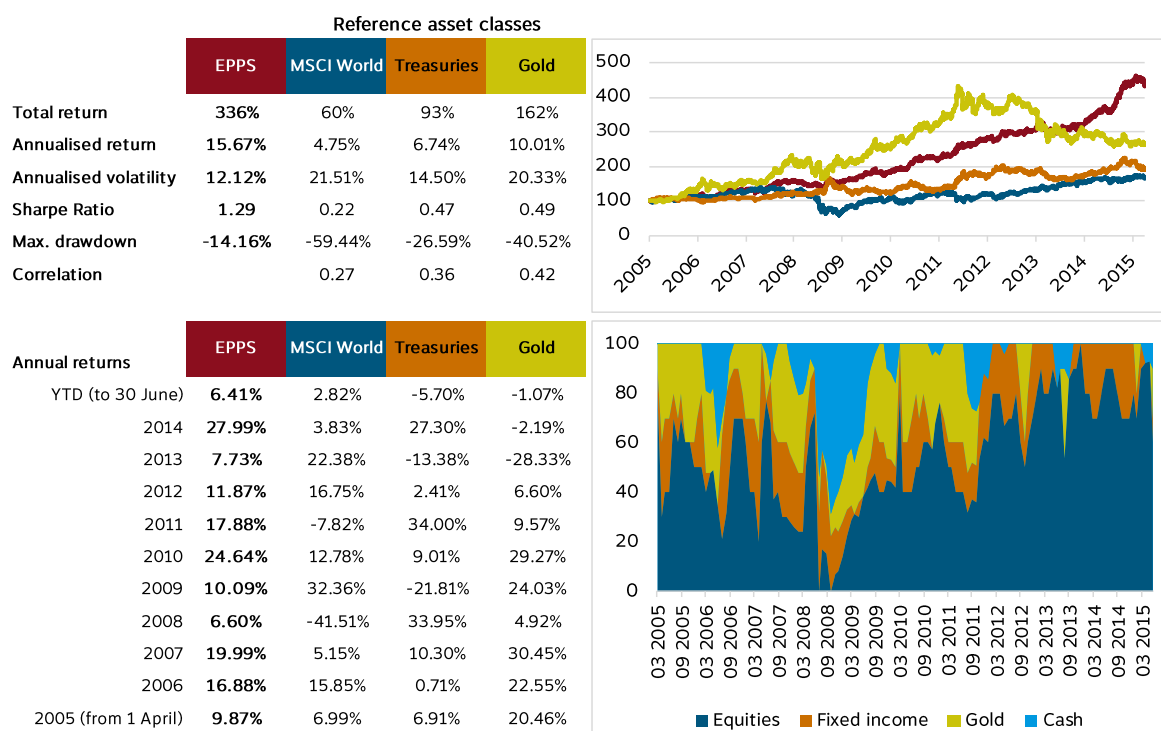
- Exchange traded products worldwide (incl. ETFs, ETTs, ETNs, ETCs)
- Use of leveraged or inverse instruments is permitted
- Cash

#### Investment restrictions / guidelines

- No leverage or outright shorting
- Basket volatility is targeted at 12%
- Monthly rebalancing
- Volatility strategy limited to 10% of basket
- Individual strategies limited to 40%

#### Rational Invest AG

## Backtested historical performance of the EPPS Basket



Source: Rational Invest, Bloomberg; backtesting period 1 April 2005 – 30 June 2015, monthly rebalancing; see notes on backtesting as well as disclaimer at the end of this document.

### Key facts

<b>Name</b>	Strategy Certificates linked to the Enhanced Permanent Portfolio Strategy Basket
<b>Issuer / Rating</b>	UBS AG, Zurich / A2 (Moody's) / A (S&P) / A (Fitch)
<b>Calculation Agent</b>	UBS AG, London Branch
<b>Reference Portfolio Advisor</b>	Rational Invest AG, Zurich
<b>Product Profile</b>	Tracker Certificates (SVSP-Code:1300)
<b>Security Numbers</b>	Valor <b>28431632</b> / ISIN <b>CH0284316327</b>
<b>Currency</b>	<b>USD</b>
<b>Issue Price / Denomination</b>	USD 1000 / 1 Unit
<b>Maturity</b>	7 years (with possible extension)
<b>Launch Date</b>	22 June 2015
<b>Subscription Period</b>	Until 30 June 2015, 15:00 CET
<b>Pricing Date</b>	1 July 2015
<b>Issue/Payment Date</b>	8 July 2015
<b>Trading / Secondary Market</b>	Daily, UBS facilitates a daily secondary market with trading hours from 09.15 a.m. - 05.15 p.m. (Zurich time)
<b>Fees</b>	Portfolio Advisor: 1.50% p.a. (accrued daily) Issuer: 0.5% p.a. (accrued daily) Rebalancing fees (charged by calculation agent): 0.1% on notional rebalanced, above USD 15 Mio. 0.05%
<b>Public Offering</b>	Switzerland
<b>Currency Hedging</b>	The Certificates and the majority of portfolio instruments are denominated in USD. Investors, whose home currency is not USD, are therefore advised to consider hedging the USD exposure against their home currency.

**Backtesting**

All information presented prior to the launch date is backtested. Backtested performance is not actual performance, but is hypothetical. The backtest calculations are based on the same methodology used when product is launched. Prospective application of the methodology used to manage the basket may not result in performance commensurate with the backtest returns shown. The backtest period does not necessarily correspond to the entire available history of the basket or any individual instrument. Another limitation of using backtested information is that the calculations are generally prepared with the benefit of hindsight. Backtested information reflects the application of the Enhanced Permanent Portfolio Strategy in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities (e.g. dividends and withholding taxes) and fixed income markets in general which cannot be, and have not been accounted for in the preparation of the product information set forth, all of which can affect actual performance. The backtested returns have been adjusted by 4% per annum to account for fees and trading costs.

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