

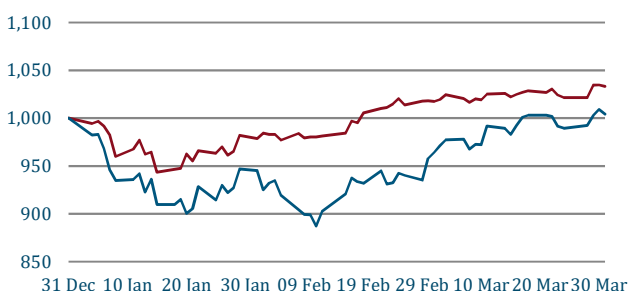
Enhanced Permanent Portfolio Strategy Certificates

March 2016

Key figures

NAV in USD	965.01
Performance month	1.51%
Performance since inception	-3.50%

Performance development year-to-date



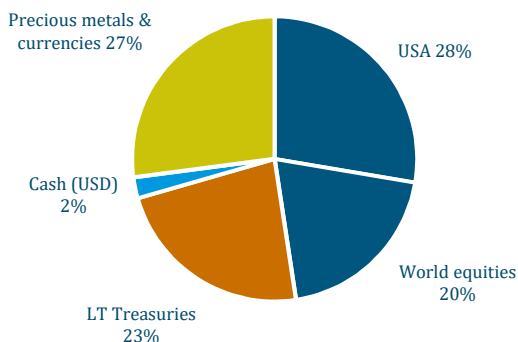
Market comment

In March, risk assets with a few exceptions have recovered strongly, led by US equity markets. The FED signal that rates will not rise as previously forecast sparked a rally in Treasuries, while sinking the dollar. Gold overall was slightly negative, given back gains from earlier in the month gradually.

The EPP Strategy was up 1.51% in March, bringing the YTD return to 3.32%. Equities did contribute 3.01%, of which the US strategy contributed 2.33% and world equities 0.68%. Treasuries were negative at -0.30%. The gold vs. currencies strategy contributed -0.97%, largely due losses in currencies.

Going into April, the models slightly increased the equity allocation at the expense mainly of gold. Within equities, the US strategy rebalanced and received a slightly higher allocation. The European sector rotation strategy was added to world equities in April, allocating defensively to the food & beverage sector. Defensive allocations to Treasuries and gold/currencies remain part of the diversified portfolio.

Portfolio allocation (month-end)



Portfolio guidelines

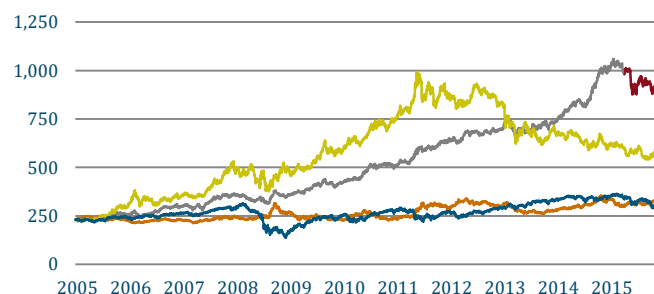
- Basket volatility is targeted at 12%
- Monthly rebalancing
- Allocation to individual sub-strategies limited to 40%
- Liquid & global exchange traded products and cash

Long term strategy performance

Statistics¹

	EPPS	World equities	Treasuries	Gold
Month reported	1.51 %	7.39 %	-0.28 %	-0.84 %
Year-to-date	3.32 %	0.43 %	8.32 %	15.95 %
Last 12 months	-3.64 %	-6.60 %	-0.06 %	3.50 %
Last 60 months	88.41 %	15.92 %	41.77 %	-15.89 %
Annualized return	14.13 %	3.17 %	3.56 %	9.74 %
Annualised StDev	12.33 %	20.85 %	14.48 %	20.04 %
Sharpe ratio	1.12	0.25	0.31	0.56
Max. drawdown	-17.12 %	-56.28 %	-28.46 %	-45.56 %
Correlation		0.22	0.32	0.39

Performance index



Investment strategy

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.

Product terms and conditions

Product type	Tracker certificates on the Enhanced Permanent Portfolio Strategy Basket
Issuer / rating	UBS AG, Zurich / S&P A, Moody's A2, Fitch A
Calculation agent	UBS AG, London Branch
Portfolio advisor	Rational Invest AG, Zurich
Security numbers	ISIN CH0284316327/ Valor 28431632
Denomination	USD 1'000 / 1 Unit
Launch date	1 July 2015
Maturity date	15 July 2022 (extendable)
Secondary market	Issuer facilitates a daily secondary market. Trading hours from 09:15 - 17:15 p.m. (CET)
Valuation	Daily NAV calculated & published
Management fees	2% p.a. (accrued daily)
Public Offering	Switzerland
Currency hedging	Foreign currency exposure is not hedged to USD

¹Performance is based on daily backtesting from April 1, 2005 to June 30, 2015 (in grey) and realized performance of the Enhanced Permanent Portfolio Strategy Certificates (in USD) thereafter (in red). Backtested returns have been adjusted by 4% per annum to account for fees and trading costs, realized performance is net of all fees and costs. Reference asset classes: World Equities (iShares MSCI ACWI (ACWI) ETF), Treasuries (iShares Trust - 20+ Year Treasury Bond ETF (TLT)), Gold (SPDR Gold Trust (GLD)); Source: Rational Invest, UBS AG, Bloomberg