UBS

UBS Manage [CH]

A simplified portfolio, which can make it easier to report tax.

Financial markets offer you long and short-term opportunities to grow your wealth

- We will build a well-diversified, global portfolio across asset classes based on our **long-term view** of financial markets. This helps protect and grow your wealth for generations.
- To help manage your wealth, we have **200 experienced economists and analysts**, complemented by our extensive network of investment partners.
- When we see attractive shorter-term opportunities, **we act** by adjusting your portfolio's asset allocation.

A simplified portfolio

- We use our global network and world-class selection process to choose successful active and passive funds.
- After screening over **75 000 funds, 18 analysts** conduct **hundreds** of in-depth interviews with potential partners **worldwide**.
- To simplify your portfolio's structure, we combine the **25 to 30** chosen managers into **seven to eight** 'building block' funds.

Limited portfolio turnover for easier tax reporting

- As market conditions change, we aim to follow most of our shorter-term 'tactical' trade ideas.
- To reduce direct portfolio turnover, we implement each trade **within our building block funds**, rather than reflecting them directly in your portfolio.
- This may **make it easier to report certain taxes** and might lighten your workload.

Aiming to protect your wealth with alternative investments

- Hedge funds aim to **protect** you from losing a lot of money, especially in unfavorable market conditions. They are designed to **preserve the value** of your wealth.
- They typically perform well in times of **rising interest rates**, thanks partly to having more trading opportunities.
- We use our two **flagship funds** which invest with **40 to 50** leading managers chosen from over **8 000** candidates.
- By choosing the right managers, we can help increase the potential of your returns, reduce risk and lower your expected maximum loss.

Keeping you on track by always monitoring your overall portfolio

- When needed, we change portfolio positions **quickly and efficiently** using cost-efficient passive instruments.
- To make sure your portfolio reflects our latest views of the markets, we **continuously review** the managers.
- To ensure your portfolio still matches your attitude to risk, we may **rebalance it regularly**.

The risks at a glance:
(continued on next page)

- While your portfolio aims to benefit from a broad range of investments, it is subject to changes in the markets.
- **Your portfolio will be fully exposed to ups and downs in the financial markets.**
- When investing longer term, a well-built and diverse portfolio helps smooth out your returns over time.

And the winner is…

UBS is acknowledged as being "World's Best Bank for Wealth Management 2018" and "Best Private Bank for Sustainable and Impact Investing", according to:

EUROMONEY AWARDS FOR EXCELLENCE 2018

PWM The Banker GLOBAL PRIVATE BANKING AWARDS 2018 BEST PRIVATE BANK FOR SUSTAINABLE AND IMPACT INVESTING

At a glance

UBS Manage [CH] could be right for you if:

- you want to closely follow our longer and shorter-term views of financial markets.
- you prefer to have a simple portfolio structure with a limited number of positions and transactions – potentially making it easier to report tax.
- you want to benefit from our expertise sourcing leading fund managers through our extensive global investment partner network.

Follows long-term House View	Follows short-term House view	Large asset allocation shifts	Customization possibilities	Simplified tax reporting	Use of active instruments[1]	Use of passive instruments[1]	Sustainable Focus
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Summary

- **Limited number of funds:** Instead of holding 25 to 30 individual fund positions directly in your portfolio, we use 'building blocks', which combine our chosen fund mangers in seven to eight groups in 'fund of funds' structures. This enables us to implement most of our shorter-term trade ideas within the building block funds.
- **Simplified tax reporting:** Trades within the building blocks may be exempt from reporting for certain tax purposes.
- **Multiple versions:**
  - Reference currencies: CHF, EUR, USD
  - Investment profiles: Income (B), Yield (C), Balanced (D), Growth (E)
  - Minimum investment: CHF 25,000 (or currency equivalent)
- **Customizable:** You can choose for your portfolio to focus on global equities or be biased to equities in your reference currency. You can also choose to exclude hedge funds. If your portfolio has at least CHF 1 million (or currency equivalent), you may tailor your asset allocation.

How it works

- **Looking long and short term:** We agree on your risk profile (based on your attitude to risk) and build your portfolio based on our long-term views of financial markets. As market conditions change frequently, we will adjust your portfolio to reflect most of our updated shorter-term views while adhering to your risk profile.
- **A balanced portfolio:** We generally implement shorter-term portfolio changes using cost-efficient passively managed instruments like exchange-traded funds (ETFs). These complement the allocation to active fund managers, where we expect to generate additional portfolio performance.
- **Carefully chosen investments:** We choose active and passive fund managers from over 75 000 candidates and monitor how they contribute to your portfolio's overall performance.

Key drivers of risk and performance

- **Product specific risk:** Your portfolio will be invested with passive and active fund managers. Passive fund managers track the performance of an underlying benchmark index. As these benchmarks measure the performance of financial markets, the value of your portfolio will rise and fall with those markets. Active fund managers may suffer periods of underperformance relative to the financial markets. While we regularly monitor the risks the underlying fund managers take, there can be no guarantee your portfolio will achieve the expected performance.
- **Your risk profile:** More conservative risk profiles (B and C) will have a lower allocation to equities and a higher allocation to bonds. This results in a lower-risk portfolio with lower expected returns compared to the more growth-oriented risk profiles (D and E) where the opposite is the case. The initial long-term portfolio allocation **contributes most** to your portfolio's future performance and risk.

1. Active instruments are investment funds. Passive instruments are ETFs and index near instruments.

Disclaimers and Risk Information

For illustrative purposes only. Note: If UBS funds and third party funds comparably satisfy selection criteria, preference is given to UBS funds.Please note that described process is indicative only and can be changed by UBS without notice.

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