

Multi Asset Investing with UBS ETFs

UBS Global Asset Management is the first European provider offering an ETF linked to a **Risk Parity Strategy – the Multi Asset Portfolio (MAP)**. This ETF aims to deliver sustained performance with limited volatility and downside risk by providing simultaneous exposures to:

Equities	Fixed Income	Commodities	Cash
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Key features of the Multi Asset Portfolio UBS ETF at a glance:

- The Multi Asset Portfolio (MAP) strategy is designed for investors looking for stable performance in varying market scenarios and high liquidity with limited volatility and drawdowns.
- The strategy operates according to simple principles:
 - Invests in liquid market instruments across four asset classes,
 - Risk parity: diversify risk, not capital,
 - Reduction of risk assets exposure during risk-off periods.
- The MAP strategy uses multiple indicators to monitor daily market conditions in order to seek to control drawdowns, which are significantly lower than for a comparable balanced portfolio.
- The UBS ETF MAP 7 targets an annualized volatility of approx. 7%. The ETF will adapt its exposure according to the MAP Strategy in order to achieve this target when the volatility is 1% higher or lower than the target. In periods of high volatility, exposure at risk is decreased and a portion is placed into cash. In contrast, in periods of low volatility, risky exposure to the MAP strategy is increased up to a maximum exposure of 200%, as seen in the chart to the right showing "Volatility Control Mechanism".
- Available in currency-hedged SC

Multi Asset Portfolio – facts and figures

The UBS ETF MAP 7 aims to deliver consistent results through different market cycles while maximizing risk adjusted returns in a volatility-controlled strategy:

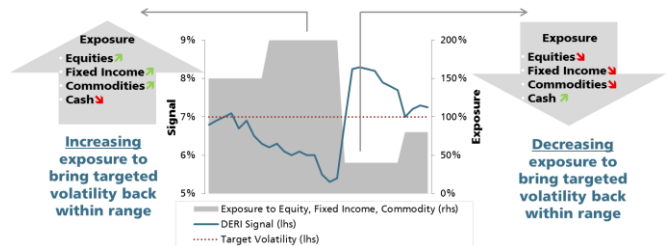
Feature	Description
Exposure Diversification	Multiple asset classes to harvest return in different markets: <ul style="list-style-type: none"> Equities for rising economic growth, Bonds for falling economic growth and falling inflation, Commodities for rising Inflation, Cash for highly volatile markets.
Weighting portfolio by risk	Balancing risks to reduce drawdown and tail risk: <ul style="list-style-type: none"> Risk of the portfolio equally allocated to the different asset classes to limit drawdowns caused by overexposure to the tail risk of any single investment, Benefits from a constant diversification in the portfolio.
Market sentiment enhancement	Varying allocation to enhance risk adjusted returns: <ul style="list-style-type: none"> Risk parameters and resulting allocation adapted to changes in market sentiment, Allocation to equity and commodities can be reduced to zero during periods of extreme market sentiment in favour of safety of cash.
Risk control	Controlling volatility and exposure: <ul style="list-style-type: none"> Exposure to the portfolio determined daily so as to control volatility, Target volatility of 7% to keep a reduced allocation in volatile times and leveraged during calm.

Multi Asset allocation

Asset classes that offer risk diversification and harvest returns in different markets:	Underlying	Weight Cap
<ul style="list-style-type: none"> Equities for rising economic growth Reflects the net total return performance of two major developed equity markets through their benchmark indices EURO STOXX 50 and S&P 500. 	S&P 500 EURO STOXX 50	40%
<ul style="list-style-type: none"> Bonds for falling economic growth and falling inflation Reflects the performance of a rolling investment into US Treasury Notes and German Government bond futures with 5Y and 10Y maturities. 	5 Y US Treasury 10 Y US Treasury 5 Y German Govern. 10 Y German Govern.	80%
<ul style="list-style-type: none"> Commodities for rising inflation Exposure to a diversified commodity index with a constant maturity approach which aims to minimise negative roll yields and associated costs 	UBS Bloomberg CMCI Commodities Index	35%
<ul style="list-style-type: none"> Cash for protection Returning USD overnight interest rates 	Cash	none

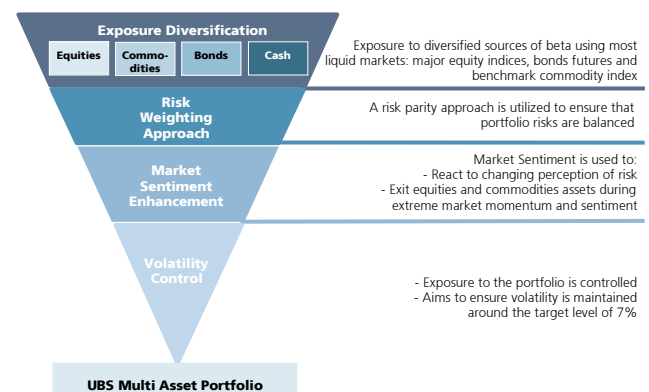
Source: UBS Global Asset Management. For illustration purposes only.

Volatility Control Mechanism



Source: UBS Global Asset Management. For illustration purposes only.

UBS Multi Asset Portfolio Strategy



Source: UBS Global Asset Management. For illustration purposes only

Multi Asset Investing with UBS ETFs

UBS ETF (IE) MAP Balanced 7 SF UCITS ETF

Benefit from the **advantages** of a diversified rules based multi asset portfolio and the **experience** of an established asset manager in the area of passive investments:

- The UBS MAP ETF aims to achieve constant investment success in all market conditions through an ongoing rules-based investment process. The selection of asset classes enables the strategy to harvest returns in the following scenarios: rising economic growth, falling economic growth and falling inflation, and rising inflation.
- The MAP Strategy has been designed to track the performance of a diversified portfolio across Equities, Bonds, Commodities and Cash through different market cycles and volatility regimes.
- The allocation process is based on a risk parity approach which diversifies the portfolio across asset classes based on their risk contributions.
- The volatility of the fund is maintained around 7% using a volatility control mechanism to mitigate drawdown risk.
- Counterparty risk associated with OTC derivatives is fully mitigated through the over-collateralization of the exposure under the relevant swap with G10 government bonds and supranationals.
- Collateral is held in a segregated account in the name of the ETF (transfer of title).
- Market makers ensure continuous on-exchange liquidity of the UBS ETF MAP 7.

UBS ETFs – Fund details

Fund name	TER	AuM	Base Ccy.	Replication	Domicile	Incept. date	ISIN	WKN
UBS ETF (IE) MAP Balanced 7 SF UCITS ETF (USD) A-acc	0.75%	83	USD	Synthetically	Ireland	20.06.2013	IE00B95FFX04	A1KBRN
UBS ETF (IE) MAP Balanced 7 SF UCITS ETF (EUR) A-acc	0.75%		EUR	Synthetically	Ireland	05.02.2015	IE00BTFR5140	A12HUZ

Source: UBS Global Asset Management, data as of February 2015. AuM in EUR, million

Current fund performance data and further product information are available at www.ubs.com/etf.

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Risk disclaimer

This UBS Exchange Traded Fund invests in equities and may therefore be subject to high fluctuations in value. For this reason, an investment horizon of at least five years and corresponding risk tolerance and capacity are required. All investments are subject to market fluctuations. Every fund has specific risks, which can significantly increase under unusual market conditions. As a result, the net asset value of the funds' assets is directly dependent on the performance of the underlying index. Losses that could be avoided via active management will not be offset.

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