

Essence Family Performance Report

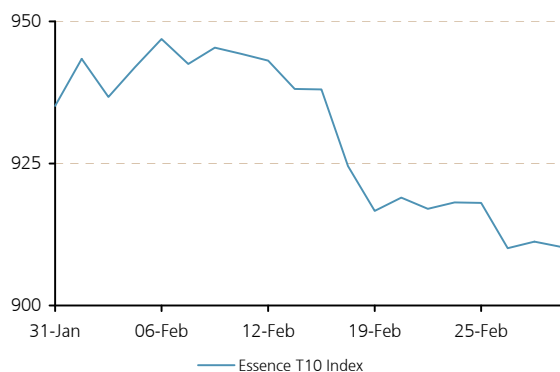
CMCI Essence T10

CMCI Essence T10 Description

The UBS Bloomberg CMCI Essence T10 Index offers a dynamically leveraged exposure to the UBS Bloomberg CMCI Essence, while maintaining volatility at a relatively low level.

Essence T10 Index consists of volatility controlled exposure to the CMCI Essence Index. The control mechanism has been designed to maintain the volatility of the Index around 10%, while having a dynamic leveraged exposure up to 500%.

February 2014 Performance



Daily closing prices of CMCI Essence T10 from 31 January 2014 – 28 February 2014
Source: UBS AG, Bloomberg

Index Performance – Essence T10 ⁽¹⁾

Performance for Feb 14	-2.65%	
Closing price for 31 Jan 14	935.12	
Closing price for 28 Feb 14	910.32	
Performance for 2014 YTD	-6.51%	
(973.72 at the beginning of the year)		
Performance over past 12m	-6.77%	
(976.46 at the end of Feb-2013)		
	Since May 98	Since Live (Jan 09)
Excess Returns p.a.	10.98%	-1.83%
Annualised Volatility	10.20%	9.35%
Sharpe Ratio	1.08	-0.20
Calmar Ratio²	0.46	-0.08
Sortino Ratio³	1.87	-0.33

Notes:

All indices are excess return indices. Performance data through 28 February 2014

1) Data contains back-tested values from May 1998 to Jan 2009 and live thereafter.

2) Calmar Ratio is defined as excess returns divided by maximum drawdown over lifetime.

3) Sortino Ratio is defined as excess returns divided by downside volatility; where downside volatility includes negative and zero return on a given day.

Source: UBS, Bloomberg (Ticker ULTAESEU Index)

See disclosure on the last page of this document for important information regarding back-tested data

Monthly Performance – Essence T10 ⁽¹⁾

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1998					-1.3%	1.1%	3.1%	1.2%	-3.5%	6.0%	7.0%	-2.8%	10.8%
1999	-2.0%	0.7%	-6.5%	-2.8%	5.9%	-0.2%	-4.1%	-2.9%	-0.1%	6.4%	-2.2%	-0.4%	-8.6%
2000	-0.5%	-2.6%	3.3%	0.1%	-1.5%	-4.1%	8.0%	-5.2%	3.9%	-2.2%	-3.4%	-2.1%	-7.1%
2001	5.3%	1.5%	2.1%	0.5%	1.5%	5.2%	-1.4%	1.5%	5.1%	0.2%	3.3%	-0.9%	26.3%
2002	5.3%	-0.5%	-4.9%	0.9%	2.5%	0.3%	-0.6%	1.3%	-4.7%	1.5%	1.0%	-3.7%	-2.3%
2003	-1.3%	-6.9%	7.2%	2.5%	-2.0%	1.3%	0.2%	-1.3%	4.0%	-0.3%	0.8%	0.5%	4.1%
2004	1.4%	-0.0%	1.9%	1.8%	2.4%	6.2%	1.8%	6.4%	-4.2%	6.6%	4.9%	5.0%	39.4%
2005	2.1%	1.2%	6.8%	8.2%	0.6%	4.3%	0.1%	-6.5%	1.5%	3.4%	3.1%	4.6%	32.6%
2006	5.5%	6.3%	1.4%	1.2%	0.7%	2.2%	1.6%	7.8%	2.6%	2.2%	2.5%	4.3%	45.3%
2007	-1.8%	2.6%	1.1%	4.7%	1.7%	1.5%	-3.5%	2.9%	-3.3%	2.5%	6.2%	1.0%	16.1%
2008	3.1%	-0.4%	2.9%	1.4%	6.3%	1.9%	2.2%	2.3%	0.4%	7.1%	4.4%	6.6%	45.2%
2009	3.8%	1.2%	1.1%	-0.2%	-3.8%	-0.0%	0.6%	-0.5%	-0.8%	0.7%	3.5%	-3.6%	1.7%
2010	1.0%	-0.4%	1.6%	5.8%	3.7%	-2.6%	-3.3%	5.6%	-4.3%	-1.4%	-1.7%	-1.9%	1.7%
2011	5.1%	3.4%	-0.2%	2.4%	3.0%	1.6%	0.2%	-1.6%	-0.7%	-3.1%	-1.7%	1.5%	10.0%
2012	0.6%	-3.4%	0.1%	-2.8%	6.2%	-3.9%	-6.0%	-0.5%	0.2%	1.5%	1.1%	-0.5%	-7.6%
2013	-4.0%	0.5%	-0.2%	2.6%	1.1%	-4.5%	-2.5%	-1.6%	2.4%	3.1%	1.7%	-2.2%	-3.8%
2014	-4.0%	-2.7%											-6.5%

Notes:

1) Data contains back-tested values from May 1998 to Jan 2009 and live thereafter.

Monthly performance of CMCI Essence T10 (Excess Return) 22 May 1998 – 28 February 2014

Source: UBS AG, Bloomberg

See disclosure on the last page of this document for important information regarding back-tested data.

China: Tommie Fang
Thomas.Fang@ubs.com
+852 2971 6180

Hong Kong/Taiwan: Cherry Li
Cherry.Li@ubs.com
+852 297 16181

Korea: Chang Sik Cin
Changsik.Cin@ubs.com
+852 927 18642

Japan: Hiro Takaku
Hirofumi.Takaku@ubs.com
+81 35208 7851

Australia: Stuart Trueman
Stuart.Trueman@ubs.com
+61 2 81215760

Switzerland: Peter Guntlin
Peter.Guntlin@ubs.com
+41-44 239 13 35

Germany: Andres Schmitz
Andres.Schmitz@ubs.com
+44 207 568 2030

Scandinavia: Gustav Rosen
Gustav.Rosen@ubs.com
+46 845 37375

South Europe: Sabina Belussi
Sabina.Belussi@ubs.com
+44 20 7568 4742

France, Belux: Johann Rivalland
johann.rivalland@ubs.com
+33 1 4888 3621

United Kingdom / Middle East
Richard.Cassidy@ubs.com
+44 20 7568 2449

Netherlands
Andres.Schmitz@ubs.com
+44 207 568 2030

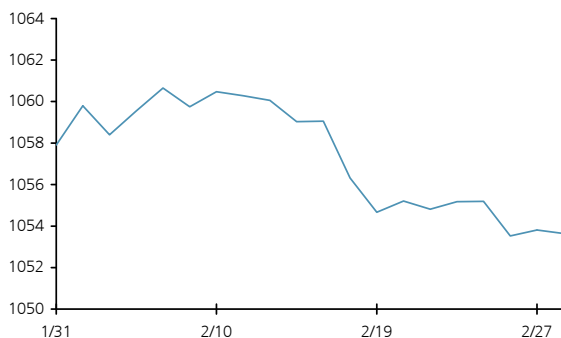
US: John Kowalik
John.Kowalik@ubs.com
+1 212 713 2439

CMCI Essence

CMCI Essence Description

The UBS Bloomberg CMCI Essence (CMLS) is a diversified market neutral commodity strategy. It aims to generate alpha from commodity markets by benefiting from the different investment methodologies of the CMCI and the traditional commodity indices. The long leg of the strategy is the UBS Bloomberg SPGSCI Constant Maturity Light Energy Index (CMSPLE) and the short leg of the strategy is the S&P GSCI Light Energy Index (SPGCLE). CMLS is rebalanced quarterly and is available in USD as well as in EUR, CHF and GBP.

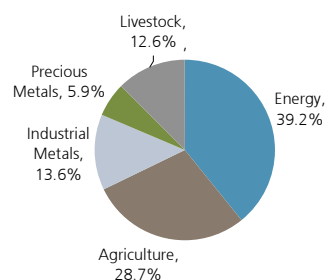
Performance in February 2014



Daily closing prices of CMCI Essence (Excess Return) from 31 January 2014 – 28 February 2014.

Source: UBS AG, Bloomberg

Index Composition – February 2014



Weights as of 28 February 2014

Source: UBS AG

Index Performance ⁽¹⁾

Performance for Feb 14	-0.40%
Closing price for 31 Jan 14	1057.90
Closing price for 28 Feb 14	1053.64
Performance for 2014 YTD (1064.775 at the beginning of the year)	-1.05%
Performance over past 12m (1051.879 at the end of Feb 2013)	+0.17%

	Since Jan 98	Since Live
Excess Returns p.a.	4.75%	1.04%
Annualised Volatility	2.94%	2.26%
Sharpe Ratio	1.61	0.46

Notes:

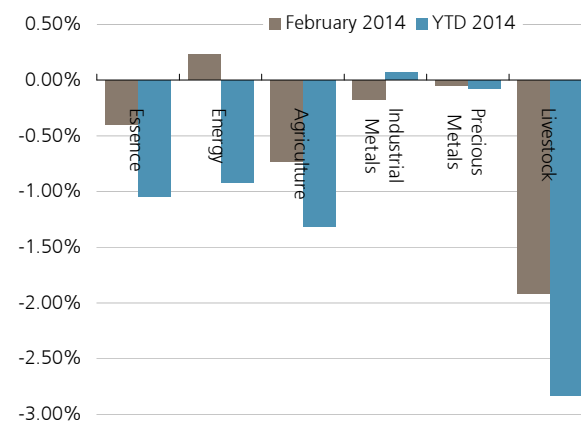
Performance of CMCI Essence (Excess Return) up to 28 February 2014

1) Data contains back-tested values from Jan 1998 to Jan 2009 and live thereafter.

Source: UBS AG, Bloomberg

See disclosure on the last page of this document for important information regarding back-tested data.

Sector Performance – 2014 YTD



Performance of Essence and UBS Bloomberg Constant Maturity sector indices over S&P GSCI sector indices (all Excess Return)

Monthly closing prices 31 December 2013 – 28 February 2014

Source: UBS AG, Bloomberg

China: Tommie Fang
Thomas.Fang@ubs.com
 +852 2971 6180

Hong Kong/Taiwan: Cherry Li
Cherry.Li@ubs.com
 +852 297 16181

Korea: Chang Sik Cin
Changsik.Cin@ubs.com
 +852 927 18642

Japan: Hiro Takaku
Hirofumi.Takaku@ubs.com
 +81 35208 7851

Australia: Stuart Trueman
Stuart.Trueman@ubs.com
 +61 2 81215760

Switzerland: Peter Guntlin
Peter.Guntlin@ubs.com
 +41-44 239 13 35

Germany: Andres Schmitz
Andres.Schmitz@ubs.com
 +44 207 568 2030

Scandinavia: Gustav Rosen
Gustav.Rosen@ubs.com
 +46 845 37375

South Europe: Sabina Belussi
Sabina.Belussi@ubs.com
 +44 20 7568 4742

France, Belux: Johann Rivalland
johann.rivalland@ubs.com
 +33 1 4888 3621

United Kingdom / Middle East
Richard.Cassidy@ubs.com
 +44 20 7568 2449

Netherlands
Andres.Schmitz@ubs.com
 +44 207 568 2030

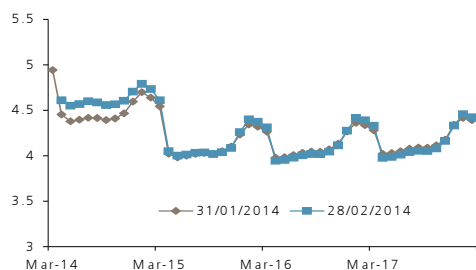
US: John Kowalik
John.Kowalik@ubs.com
 +1 212 713 2439

Individual Component Performance – February 2014

Commodity	CMCI	GSCI	Outperformance	Weight	Estimated Contribution	Individual Commodity Essence Contributions Estimates
WTI Crude Oil	5.85%	5.74%	0.11%	13.82%	0.02%	
Brent Crude Oil	3.02%	3.01%	0.01%	12.55%	0.00%	
RBOB Gasoline	5.28%	6.40%	-1.12%	3.33%	-0.04%	
Heating Oil	2.52%	1.92%	0.60%	3.27%	0.02%	
Gasoil	1.48%	1.04%	0.44%	4.45%	0.02%	
Natural Gas	3.00%	-0.38%	3.37%	1.77%	0.06%	
Aluminum	2.10%	2.04%	0.06%	3.89%	0.00%	
Copper	-0.69%	-0.47%	-0.23%	6.50%	-0.01%	
Lead	0.93%	0.70%	0.23%	0.94%	0.00%	
Nickel	5.09%	5.33%	-0.24%	1.05%	0.00%	
Zinc	4.86%	5.73%	-0.86%	1.22%	-0.01%	
Gold	6.55%	6.60%	-0.05%	5.18%	0.00%	
Silver	10.86%	10.89%	-0.03%	0.74%	0.00%	
Chicago Wheat	8.06%	8.42%	-0.36%	5.98%	-0.02%	
Kansas Wheat	10.78%	11.07%	-0.29%	1.45%	0.00%	
Corn	5.10%	5.40%	-0.30%	7.40%	-0.02%	
Soybeans	9.43%	11.38%	-1.95%	6.13%	-0.12%	
Cotton	1.23%	0.86%	0.37%	2.37%	0.01%	
Sugar	10.09%	11.40%	-1.31%	3.09%	-0.04%	
Coffee	40.79%	41.74%	-0.94%	1.63%	-0.02%	
Cocoa	1.32%	0.83%	0.49%	0.63%	0.00%	
Live Cattle	2.11%	3.24%	-1.13%	6.82%	-0.08%	
Feeder Cattle	2.07%	1.64%	0.43%	1.29%	0.01%	
Lean Hogs	8.73%	12.71%	-3.98%	4.49%	-0.18%	

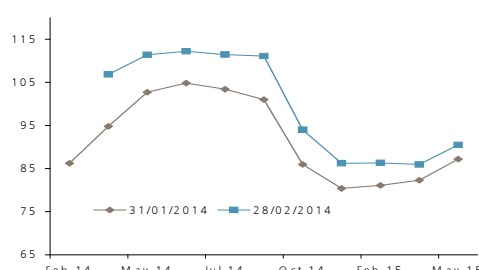
Index performance (all Excess Return) from 31 January 2014 to 28 February 2014. Weights as of 28 February 2014.

Source: UBS AG, Bloomberg

Natural Gas Forward Price Curve


Closing prices of futures on 31 January 2014 and 28 February 2014

Source: UBS AG, Bloomberg

Lean Hogs Forward Price Curve


Closing prices of futures on 31 January 2014 and 28 February 2014

Source: UBS AG, Bloomberg

- CMCI Essence was down in February 2014, -0.40%.
- As a whole, the **Energy** sector was the best performing sector in February 2014. The best contributor to essence was **Natural Gas**.
- On the other hand, **Livestock** was the weakest performing sector in February 2014, with **Lean Hogs** being the worst performer in the essence.

Monthly Performance – Essence ⁽¹⁾

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1998		1.0%	-0.3%	0.7%	0.5%	0.4%	0.9%	0.4%	-0.6%	1.3%	1.8%	-0.6%	5.6%
1999	-0.4%	0.3%	-1.2%	-0.4%	1.3%	0.1%	-0.7%	-0.6%	0.1%	1.6%	-0.5%	0.0%	-0.6%
2000	0.0%	-0.6%	1.1%	0.1%	-0.5%	-1.1%	2.4%	-1.5%	1.2%	-0.5%	-1.0%	-0.9%	-1.3%
2001	3.0%	1.0%	1.2%	0.2%	0.5%	1.3%	-0.2%	0.4%	1.4%	0.3%	1.2%	0.0%	10.8%
2002	1.5%	0.0%	-0.9%	0.1%	0.8%	0.2%	-0.1%	0.5%	-1.2%	0.5%	0.4%	-0.6%	1.1%
2003	-0.4%	-3.1%	4.8%	1.7%	-1.1%	0.7%	0.1%	-0.2%	1.1%	0.0%	0.3%	0.4%	4.3%
2004	0.7%	0.1%	0.8%	0.7%	0.7%	1.7%	0.6%	1.8%	-0.6%	1.3%	1.4%	1.5%	11.3%
2005	0.7%	0.4%	1.8%	2.3%	0.3%	1.3%	0.1%	-1.8%	0.9%	1.9%	1.4%	1.7%	11.7%
2006	2.0%	2.3%	0.4%	0.4%	0.3%	0.7%	0.6%	1.8%	0.8%	0.7%	0.8%	1.3%	12.9%
2007	-0.4%	0.9%	0.4%	1.1%	0.6%	0.4%	-0.6%	0.7%	-0.6%	0.5%	1.7%	0.4%	5.1%
2008	1.0%	0.0%	0.9%	0.4%	1.4%	0.6%	0.6%	0.6%	0.2%	1.5%	1.2%	1.8%	10.6%
2009	1.4%	0.6%	0.6%	0.0%	-1.6%	0.1%	0.4%	0.0%	0.0%	0.3%	0.9%	-0.6%	2.2%
2010	0.3%	0.0%	0.4%	1.3%	0.9%	-0.5%	-0.5%	1.2%	-0.8%	-0.2%	-0.2%	-0.3%	1.7%
2011	1.1%	0.7%	0.1%	0.6%	0.7%	0.4%	0.2%	-0.2%	0.0%	-0.5%	-0.2%	0.4%	3.3%
2012	0.2%	-0.6%	0.1%	-0.4%	1.3%	-0.8%	-1.0%	0.0%	0.2%	0.5%	0.3%	0.0%	-0.1%
2013	-0.7%	0.2%	0.1%	0.6%	0.3%	-0.8%	-0.3%	-0.3%	0.7%	0.8%	0.4%	-0.3%	0.7%
2014		-0.6%	-0.4%										-1.0%

Notes:

1) Data contains back-tested values from Jan 1998 to Jan 2009 and live thereafter.

Monthly performance of CMCI Essence (Excess Return) 30 January 1998 – 28 February 2014

Source: UBS AG, Bloomberg

See disclosure on the last page of this document for important information regarding back-tested data.

China: Tommie Fang
Thomas.Fang@ubs.com
 +852 2971 6180

Hong Kong/Taiwan: Cherry Li
Cherry.Li@ubs.com
 +852 297 16181

Korea: Chang Sik Cin
Changsik.Cin@ubs.com
 +852 927 18642

Japan: Hiro Takaku
Hirofumi.Takaku@ubs.com
 +81 35208 7851

Australia: Stuart Trueman
Stuart.Trueman@ubs.com
 +61 2 81215760

Switzerland: Peter Guntlin
Peter.Guntlin@ubs.com
 +41-44 239 13 35

Germany: Andres Schmitz
Andres.Schmitz@ubs.com
 +44 207 568 2030

Scandinavia: Gustav Rosen
Gustav.Rosen@ubs.com
 +46 845 37375

South Europe: Sabina Belussi
Sabina.Belussi@ubs.com
 +44 20 7568 4742

France, Belux: Johann Rivalland
johann.rivalland@ubs.com
 +33 1 4888 3621

United Kingdom / Middle East
Richard.Cassidy@ubs.com
 +44 20 7568 2449

Netherlands
Andres.Schmitz@ubs.com
 +44 207 568 2030

US: John Kowalik
John.Kowalik@ubs.com
 +1 212 713 2439

Disclaimer: please refer to www.ubs.com/cmci.

Issued by UBS AG and/or affiliates to institutional investors; not for private persons. This is a product of a sales or trading desk and not the Research Dept.

This material is for distribution only under such circumstances as may be permitted by applicable law. It has no regard to the specific investment objectives, financial situation or particular needs of any recipient. It is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the materials. It should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this material are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS as a result of using different assumptions and criteria. UBS is under no obligation to update or keep current the information contained herein. UBS, its directors, officers and employees' or clients may have or have had interests or long or short positions in the securities or other financial instruments referred to herein and may at any time make purchases and/or sales in them as principal or agent. UBS may act or have acted as market-maker in the securities or other financial instruments discussed in this material. Furthermore, UBS may have or have had a relationship with or may provide or has provided investment banking, capital markets and/or other financial services to the relevant companies. Neither UBS nor any of its affiliates, nor any of UBS' or any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this material.

Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this presentation. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisers to the extent you deem necessary to make your own investment, hedging and trading decisions. Any transaction between you and UBS will be subject to the detailed provisions of the term sheet, confirmation or electronic matching systems relating to that transaction. Clients wishing to effect transactions should contact their local sales representative. Additional information will be made available upon request

This material contains data derived as a result of back-testing of data and is provided by UBS in good faith using our standard methodology for information of this kind. That methodology relies on proprietary models, empirical data, assumptions and such other information that we believe to be accurate and reasonable. We make, however, no representation as to the accuracy, completeness or appropriateness of such methodology and accept no liability for your use of the Information. Specifically, there is no assurance that other banks or brokers would derive the same results for the back-test period. "Back-tested data", "back-tested values" and "back-testing", as used in this document, refers to simulated performance data created by applying the relevant index's calculation methodology to historical prices of futures contracts that comprise the index. Such simulated performance data that has been produced by the retroactive application of a back-tested methodology, and may reflect a bias towards strategies that have performed well in the past. No future performance of the index can be predicted based on the simulated performance or the historical returns described herein.

Additional information will be made available upon request. UBS assumes sole responsibility for this marketing material, which has not been reviewed by Bloomberg.

Web: www.ubs.com/cmci Bloomberg: CMCN <GO>

China: Tommie Fang
Thomas.Fang@ubs.com
+852 2971 6180

Hong Kong/Taiwan: Cherry Li
Cherry.Li@ubs.com
+852 297 16181

Korea: Chang Sik Cin
Changsik.Cin@ubs.com
+852 927 18642

Japan: Hiro Takaku
Hirofumi.Takaku@ubs.com
+81 35208 7851

Australia: Stuart Trueman
Stuart.Trueman@ubs.com
+61 2 81215760

Switzerland: Peter Guntlin
Peter.Guntlin@ubs.com
+41-44 239 13 35

Germany: Andres Schmitz
Andres.Schmitz@ubs.com
+44 207 568 2030

Scandinavia: Gustav Rosen
Gustav.Rosen@ubs.com
+46 845 37375

South Europe: Sabina Belussi
Sabina.Belussi@ubs.com
+44 20 7568 4742

France, Belux: Johann Rivalland
johann.rivalland@ubs.com
+33 1 4888 3621

United Kingdom / Middle East
Richard.Cassidy@ubs.com
+44 20 7568 2449

Netherlands
Andres.Schmitz@ubs.com
+44 207 568 2030

US: John Kowalik
John.Kowalik@ubs.com
+1 212 713 2439