AMC Aspermont Dividend Stock Basket

Product update as of October 31, 2016

NAV per share (October 31, 2016): EUR 128.73 monthly performance: -1.04%, YTD: -1.58%
Performance in 2013: +9.18%, Performance in 2014: +10.52%, Performance in 2015: +8.19%
Last month NAV per share (September 30, 2016): EUR 130.08.

The Aspermont Dividend Stock Basket

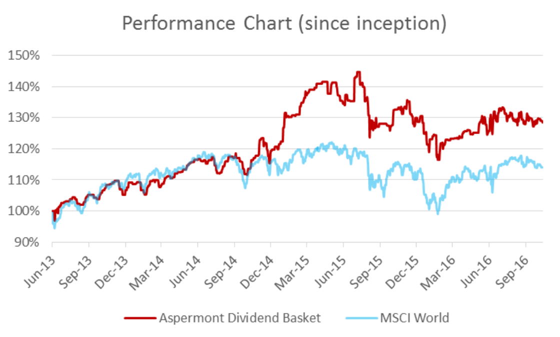
The Actively Managed (Strategy) Certificate (AMC) linked to the Aspermont Capital Dividend Stock Basket provides investors access to a broadly diversified portfolio of around 30 attractive value stocks. We particularly seek out companies with stable or growing dividends and payout ratios, driven by healthy balance sheet structures and sustainable revenue and earnings growth. While screening for such quantitative elements as margin growth, free cash flow and debt-to-equity ratios, qualitative aspects like management performance and corporate strategy are also included in our selection process. A minimum of 80% of the portfolio will be invested in large cap names with market capitalizations of over EUR 10 billion.

Manager's Comment

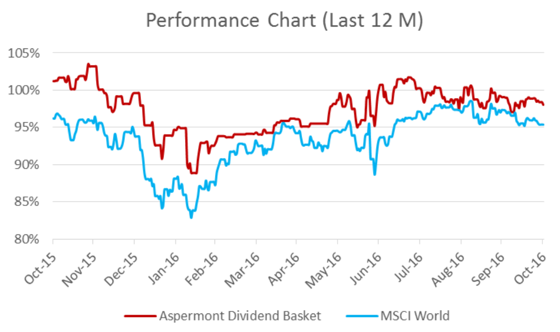
In October the Aspermont Dividend Stock Basket was down -1.04%, the MSCI World Index (MXWO) lost -2.01% (in USD) and the STOXX Global Select Dividend 100 Index (SDGR) gained +0.21% (in EUR).

Global equity markets were mixed in the month of October. The more volatile markets such as Spain and Italy, outperformed the safe haven markets such as Switzerland and the US. The biggest disconnect was the UK that contributed almost -1% in negative performance while the index was up slightly for the month. This effect has only partially to do with the stock selection in the UK, but more with the GBP losing further grounds against the EUR (-3.45% in October) as the weakening continued. The two strongest markets in October were Italy and Spain, although the exposure is small at a combined 6%, Repsol was one of the top five positive contributors in the basket. The dividend basket's US exposure on the other hand contributed +0.42%, limiting the negative performance of the other markets. The best stock, Altria contributed most of the performance with its +4.57% market return after beating Q3 earnings, 4.7% weight and the stronger USD (+2.36%), followed by Porsche (+8.12%, 3.9% weight, beat earnings estimates for Q3), Swiss Re (+4.85%, 4.8% weight; as analysts increase their estimates and hurricane Matthew weakened earlier than first estimated), Repsol (+5.71%, 4.2% weight; as they demonstrated much improved refining margins compared to last year) and Partners Group (+2.24%, 6.3% weight, continue on their growth path), to name the top five in order of contribution. On the losers of the month, in order of contribution were led by British American Tobacco (-4.84%, 3.9% weight, as they offered $47bln to buy the rest of Reynolds to create the world's biggest tobacco company), Essilor (-10.80%,3.2% weight; corrected after having just missed 3Q sales targets due to weak North America sales), Unilever (-7.05%, 4.7% weight; went ex-div in October), Anheuser Busch (-10.33%, 3.4% weight, 3Q results missed estimates on a very weak Brazil as they downgraded their 2016 guidance) and Nestle (-6.27%, 4.9% weight; reported lower sales than estimated for Q3). Although the markets are in the pre US election phase, there has not been a noticeable pickup in volatility.

During October, the portfolio stayed on the conservative side and no changes were made except for the rolling of selected options. The conservative stance was rewarded with a less negative performance, compared to the MSCI world that lost -2.01%.



Performance since launch vs. MSCI World (rebased)
Source: Bloomberg



AMC current year performance vs. MSCI World (rebased)
Source: Bloomberg

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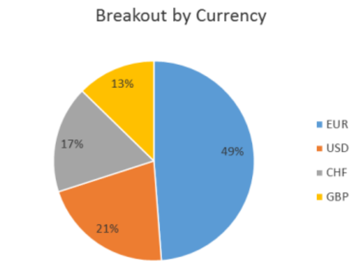
Returns

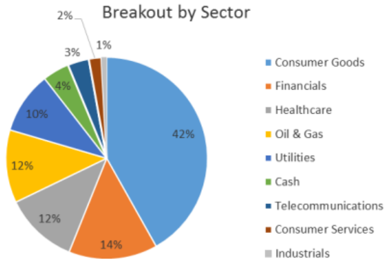
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013						-0.45%	3.76%	-1.26%	3.13%	2.37%	1.85%	-0.45%	**9.18%**
2014	-2.29%	3.09%	0.73%	1.53%	2.66%	0.43%	-1.12%	1.13%	0.95%	-0.60%	6.09%	-2.26%	**10.52%**
2015	7.71%	0.77%	5.42%	2.75%	-1.34%	-4.10%	3.76%	-8.30%	-0.70%	3.59%	1.96%	-3.47%	**8.19%**
2016	-4.97%	-1.93%	1.56%	1.94%	2.69%	1.36%	0.22%	-1.65%	0.46%	1.04%			**-1.58%**

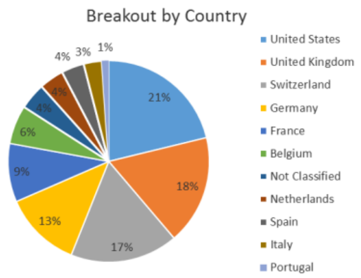
Figures & Ratios

Performance	**AMC ASCAP**	**MSCI World**	**High/Low**	**AMC ASCAP**	**MSCI World**
1 month	-1.04%	-2.01%	52-week High	135.90	1'747.47
3 month	-2.00%	2.28%	52-week Low	116.70	1'468.90
1 year	-3.14%	-0.87%	Lifetime High	145.00	1'810.84
Since Launch	28.47%	14.65%	Lifetime Low	97.10	1'400.98
Year-to-date	-1.58%	1.69%			
Risk	**AMC ASCAP**	**MSCI World**	**Ratios**	**AMC ASCAP**	**MSCI World**
Volatility (annualized)	9.74%	9.78%	Sharpe	0.79	0.42
Maximum Drawdown	-19.52%	-18.88%			

Note: Benchmark lifetime values are relevant for the same time series as that of the Dividend Basket







Source: UBS, Aspermont

Certificate Terms

Issuer: UBS AG
Advisor: Aspermont Capital AG
ISIN: CH0215884732
Profile: Tracker-Certificate (SVSP-Code: 1300)
Launch date: June 2013

Currency: EUR
Denomination: EUR 100 per Unit
Maturity: June 12, 2018 (option to extend)
Listing: SIX Swiss Exchange (SIX Structured)

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