The changing face of Emerging Markets

UBS Global Emerging Markets Opportunity Fund

Alexis Freyeisen, CFA
Equity Specialist, Emerging Markets Equities Director

November 2017
<table>
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<td>11</td>
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<td>30</td>
</tr>
</tbody>
</table>
Section 1

The changing face of Emerging Markets
The face of rapid economic change

Shanghai Pudong 1987

Source: theatlantic.com
The face of rapid economic change

Shanghai Pudong today

Source: theatlantic.com
EM more domestically driven

...with bigger emphasis on secular growth sectors

MSCI EM sector weights (in %)

Source: UBS Asset Management, Factset, as of September 29, 2017
EM economies increasingly driven by EM demand

Trade expansion within emerging markets away from developed markets

EM exports to other EM as % of total exports

Source: IMF Direction of Trade Statistics, as of December 31, 2016
The emerging global middle class

...to sustain consumption growth

~90% of the next billion middle class coming from EM/Asia

Every second, 5 people are entering the global middle class

By 2023, China and India alone will have 1.6 billions middle class earners

Note: Existing middle class in 2016. Future middle class estimated by 2023
Source: European Environmental Agency (Kharas, H. 2010. The Emerging Middle Class in Developing Countries, p. 29, OECD Development Centre, Working Paper No. 285. OECD), Brookings Institution, HSBC calculations
Manufacturing sector climbs up the value chain
...in part driven by increasing use of technology

**Share of world high value-added exports**

- **China**
- **Germany**
- **Japan**
- **Korea**
- **US**

**Strong growth in R&D Spending as a % of GDP...**

- **China**
- **Japan**
- **US**
- **UK**
- **Germany**

Source: UN, IMF, Morgan Stanley Research, Data as of 2015

EM are and will be the driver of global growth

EM contribution to global growth has gone from ~50% in 2000 to ~80% today

EM vs DM contribution to global growth

Source: IMF WEO April 2017, Haver, Morgan Stanley Research, estimates per August 2017
…but very under-represented in global indices

EM share of Global GDP (USD) vs weight in MSCI All Country World (ACWI) index

Source: Haver, UBS IB Research, data as of 31 August 2017
Is the EM equity party already over?
EM outperforming DM since bottoming in 2016

Source: UBS Asset Management, Factset, data rebased to 100 on January 1, 2016. Updated per November 8, 2017
The cycle is positive for EM

...typically each cycle lasts 5-7 years

Note: We used the MSCI World as a proxy for DM. For EM, MSCI EM was used from Dec 1987 onward. Prior to this, the EM index was reconstructed using individual EM exchange-level data available at the time.

Source: FactSet, Datastream, Bloomberg, Goldman Sachs Global Investment Research, Data up to 14 September 2017
Earnings recovery is underway

USD earnings per share declined by 35% from 2011 to 2015

Source: UBS Asset Management, Factset consensus estimates per October 6, 2017
Valuations are attractive

Valuations in EM are below average and below DM

Source: FactSet, MSCI. Data up to 31 October 2017
Get active!

2009-16 Relative aggregate net of fees performance, by Morningstar category

Source: Morningstar, UBS Analysis
The Emerging Markets Equity Morningstar category includes 1,656 funds operated by 480 different managers.
Section 3

UBS GEM Opportunity Fund

Morningstar™ rating ¹:

Luxembourg based fund: P & U-X (★★★★★)
Irish based fund P (★★★★) & I-B (★★★★★)

The UBS GEM Opportunity Fund is also known as Emerging Markets Equity HALO (High Alpha Long Term Opportunity). Past performance of investments is not necessarily an indicator of future results.
Why UBS for Emerging Market Equities

Well diversified, high conviction portfolio of best ideas

**PEOPLE**

- 25 experienced investment professionals
- Most members originate from EM/Asia
- Top ranked China capability

**PRODUCT & PROCESS**

- "Boots on the ground" research
- "Time-arbitrage" via intrinsic value calculation
- Quality assessment of companies
- 25-35 "best ideas"

**PERFORMANCE**

- Strong and consistent outperformance\(^1\)
  - >5% over benchmark p.a.
  - A leader amongst peers in risk-adjusted performance

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\(^1\) Since inception: 1 September 2008. Performance is gross of fees relative to the MSCI EM benchmark. Past performance of investments is not necessarily an indicator of future results.
Investment team: stable, experienced and local

**EM Equity Strategy Committee**
- **Geoffrey Wong**
  - PM & Head EM & Asia Pacific Equities
- **Urs Antonioli**
  - PM & Head of EM
- **Gabriel Csendes**
  - PM/Analyst
  - Ex Asia / Financials
- **Projit Chatterjee**
  - Senior Equity Specialist
- **Shou Pin Choo**
  - PM/Analyst
  - Asia/IT
- **Manish Modi**
  - PM
  - Asia ex Japan

**EM industry Analysts**
- **G. Abderhalden**
  - Analyst
  - Consumers / Healthcare
- **Benita Mikolajewicz**
  - Analyst
  - TMT / Insurance
- **Kevin Koh**
  - Analyst
  - Industrials/Healthcare
- **Kelvin Teo**
  - Analyst
  - Financials
- **Princy Singh**
  - Analyst
  - Consumers/IT services
- **Matthew Adams**
  - Analyst
  - Telecoms/Utilities
- **Leslie Chow**
  - Analyst
  - Resources
- **Chee Seng Chan**
  - Analyst
  - Real Estate
- **Zizheng Wang**
  - PM/Analyst
  - China
- **Yu Zhang**
  - Analyst
  - TMT
- **Derrick Sun**
  - Analyst
  - Healthcare
- **Morris Wu**
  - Analyst
  - Consumers
- **Rong Ye**
  - Analyst
  - Industrials/Resources
- **Bin Shi**
  - PM
  - China
- **Raymond Wong**
  - PM/Analyst
  - Asia
- **Derrick Sun**
  - Analyst
  - Healthcare
- **Kelvin Teo**
  - Analyst
  - Financials
- **Zizheng Wang**
  - PM/Analyst
  - China

**China industry Analysts**
- **Alexis Freyeisen**
  - Equity Specialist
- **Vivien Ng**
  - Equity Specialist
- **Denise Cheung**
  - China Specialist

**Regional Strategy PMs**
- **Bin Shi**
  - PM
  - China
- **Raymond Wong**
  - PM/Analyst
  - Asia
- **Derrick Sun**
  - Analyst
  - Healthcare
- **Kelvin Teo**
  - Analyst
  - Financials
- **Zizheng Wang**
  - PM/Analyst
  - China

**Equity Specialists**
- **Alexis Freyeisen**
  - Equity Specialist
- **Vivien Ng**
  - Equity Specialist
- **Denise Cheung**
  - China Specialist

Source: UBS as of September 2017
Boots on the ground research (1/2)

India research trip, February 2017 - Visits to factory, farm, paint dealer....

Source: UBS Asset Management
Boots on the ground research

China research trip, July 2017

Source: UBS Asset Management
Rigorous Quality Assessment helps avoid accidents

Checklist with 30 questions quantifies the quality of a company

- Industry structure & competitive positioning = 10
- Profitability trends and sustainability = 6
- Governance, disclosure, environmental and social practices = 14

Note: For illustrative purposes only. This information should not be considered a recommendation to purchase or sell any security. Source: UBS Asset Management
Top down risk control

Monitoring 20 macro parameters across each EM country

- Macro risk indicators tool to monitor each country's:
  1. Sovereign / Macro risk
  2. Financial system risk
  3. Political & Regulatory risk

- Provides warning flags when these indicators exceed predefined limits, and/or if the country scores poorly in aggregate

Note: For illustrative purposes only. This information should not be considered a recommendation to purchase or sell any security.
Source: UBS Asset Management
Very strong performance since inception

...with similar volatility than the benchmark

**Wealth index (%)**

<table>
<thead>
<tr>
<th></th>
<th>Aug-08</th>
<th>Feb-10</th>
<th>Aug-11</th>
<th>Feb-13</th>
<th>Aug-14</th>
<th>Feb-16</th>
<th>Aug-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>EME HALO</td>
<td>100</td>
<td>150</td>
<td>160</td>
<td>200</td>
<td>250</td>
<td>270</td>
<td>300</td>
</tr>
<tr>
<td>MSCI EM</td>
<td>90</td>
<td>100</td>
<td>110</td>
<td>130</td>
<td>150</td>
<td>160</td>
<td>180</td>
</tr>
</tbody>
</table>

**Standard periods performance (%)**

<table>
<thead>
<tr>
<th></th>
<th>Month</th>
<th>Last Three Months</th>
<th>Year to Date</th>
<th>One Year</th>
<th>Three Years</th>
<th>Five Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite (Gross of Fees)</td>
<td>3.92</td>
<td>6.48</td>
<td>41.91</td>
<td>37.47</td>
<td>13.82</td>
<td>8.57</td>
<td>9.83</td>
</tr>
<tr>
<td>Primary Benchmark</td>
<td>3.51</td>
<td>5.39</td>
<td>32.26</td>
<td>26.45</td>
<td>5.7</td>
<td>4.83</td>
<td>4.19</td>
</tr>
<tr>
<td>Value Added 2</td>
<td>0.41</td>
<td>1.09</td>
<td>9.65</td>
<td>11.01</td>
<td>8.12</td>
<td>3.74</td>
<td>5.64</td>
</tr>
</tbody>
</table>

1 Periods greater than 1 year are annualized. Inception: Aug31, 2008
2 Value added is the arithmetic difference between the composite return and the benchmark return.
3 For periods greater than 1 year, the annualized standard deviation is based on monthly logarithmic returns.

The returns shown above are based on currently available information and are subject to revision.
Past performance is no guarantee of future results. Performance figures are gross of fees. Please see attached disclosure information.

Source: UBS Global Composite System, data to October 31, 2017
Outperformed in all rolling three-year periods

Composite vs. MSCI EM, annualised rolling three-year returns, monthly

The returns shown above are based on currently available information and are subject to revision. Past performance is no guarantee of future results. Performance figures are gross of fees, since inception through October 31, 2017. Please see attached composite disclosure information.
Positioning
As of October 31, 2017

### Sector weights (in %)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Strategy</th>
<th>Benchmark</th>
<th>Relative to Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financials</td>
<td>30.4</td>
<td>23.0</td>
<td>7.4</td>
</tr>
<tr>
<td>Information Technology</td>
<td>34.2</td>
<td>30.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>7.1</td>
<td>6.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Materials</td>
<td>7.4</td>
<td>7.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Energy</td>
<td>7.0</td>
<td>6.9</td>
<td>0.1</td>
</tr>
<tr>
<td>Real Estate</td>
<td>2.6</td>
<td>2.8</td>
<td>-0.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.2</td>
<td>2.5</td>
<td>-0.3</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>7.6</td>
<td>8.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>Health Care</td>
<td>0.0</td>
<td>2.3</td>
<td>-2.3</td>
</tr>
<tr>
<td>Telecommunication Services</td>
<td>0.0</td>
<td>4.9</td>
<td>-4.9</td>
</tr>
<tr>
<td>Industrials</td>
<td>0.0</td>
<td>5.4</td>
<td>-5.4</td>
</tr>
</tbody>
</table>

### Country weights (in %)

<table>
<thead>
<tr>
<th>Country</th>
<th>Strategy</th>
<th>Benchmark</th>
<th>Relative to Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>7.8</td>
<td>3.2</td>
<td>4.6</td>
</tr>
<tr>
<td>India</td>
<td>12.0</td>
<td>8.7</td>
<td>3.2</td>
</tr>
<tr>
<td>Thailand</td>
<td>4.2</td>
<td>2.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3.8</td>
<td>2.2</td>
<td>1.6</td>
</tr>
<tr>
<td>South Africa</td>
<td>7.7</td>
<td>6.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Poland</td>
<td>2.1</td>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Mexico</td>
<td>2.6</td>
<td>3.1</td>
<td>-0.5</td>
</tr>
<tr>
<td>Turkey</td>
<td>0.0</td>
<td>1.1</td>
<td>-1.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>6.0</td>
<td>7.1</td>
<td>-1.1</td>
</tr>
<tr>
<td>Philippines</td>
<td>-0.0</td>
<td>1.1</td>
<td>-1.1</td>
</tr>
<tr>
<td>Korea</td>
<td>14.4</td>
<td>15.7</td>
<td>-1.3</td>
</tr>
<tr>
<td>Chile</td>
<td>0.0</td>
<td>1.3</td>
<td>-1.3</td>
</tr>
<tr>
<td>Taiwan</td>
<td>10.1</td>
<td>11.8</td>
<td>-1.7</td>
</tr>
<tr>
<td>China</td>
<td>27.9</td>
<td>29.7</td>
<td>-1.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.0</td>
<td>2.2</td>
<td>-2.2</td>
</tr>
</tbody>
</table>

Source: UBS Asset Management, Factset

Benchmark listed is for the MSCI Emerging Market Index. The following countries not shown: Colombia, Czech Republic, Egypt, Greece, Hungary, Pakistan, Peru, Qatar, UAE (UW = 3.0%). Cash is 1.5%. Information based on a representative account within the EM Equity HALO composite. Naspers classified as Information Technology (Official MSCI Classification Consumer Discretionary)
Attractive theme: Education

Company: New Oriental Education and Technology (China, Consumer Discretionary)

Rapid growth in China's after-school tutoring market

Rising incomes and abolition of one-child policy

Increasing demand for quality private education services

New Oriental Education: largest and reputed private educational services provider in China

Source: CLSA, iResearch, as of May 2017
This information should not be recommendation to purchase or sell any security.
Attractive theme: Internet and e-commerce

Rising internet penetration and e-commerce in EM

With increasing monetization potential

Naspers offers exposure to internet/e-commerce and media in various EM countries

Majority of value comes from its stake in Tencent, China’s leading instant messaging and gaming platform

Source: Goldman Sachs Research, data as per end of 2016
This information should not be considered as a recommendation to purchase or sell any security.
Attractive theme: Autos

Company: Mahindra & Mahindra (India) , Brilliance China (China)

Low but rising penetration of autos in EM, esp. India and China

Mahindra & Mahindra is a leading vehicle manufacturer in India

Brilliance Automotive is a pure play on China's luxury automobile market (for BMW)

Source: IHS Automotive, HSBC, data as per 2015. Updated October 2016
This information should not be considered as a recommendation to purchase or sell any security.
Section 4

Appendix
Multiple Awards

Geoffrey Wong
Citywire AAA rated

Best EM Fund Manager – Geoffrey Wong
Citywire Awards France & Spain

Best EM Fund Manager – Geoffrey Wong
Citywire Awards Germany

Best EM Fund Manager – Geoffrey Wong
Citywire Asia Awards (Hong Kong & Singapore)

Best in Class – UBS Global Emerging Markets Opportunity Fund
Benchmark Fund of the Year Awards 2017 Singapore

Finalist for EM Fund Manager
Citywire Awards Switzerland, UK, Pan Europe 2017

Finalist for EM Fund Manager of the Year Awards 2017

Note: Past performance is not indicative of future result
1  As of August 2017  2  As of September 2017  3  As of March 2017  4  As of January 2017
Alexis Freyeisen, CFA

Equity Specialist, Global Emerging Markets Equities
Director

Years of investment industry experience: 4
Education: Temple University, BBA; Cefam University, BBA

- Alexis Freyeisen is an Equity Specialist in the Global Emerging Markets and Asia Pacific Equities team, based in Zurich. He is responsible for the marketing and communication of Emerging Markets and Asian equity strategies.

- Prior to taking on his current role in May 2014, Alexis was an associate Equity Specialist in the global capabilities team covering a broad range of active equity strategies.

- Alexis joined UBS in March 2013 in the wealth management division as associate Discretionary Mandate Specialist. His responsibilities included the analysis and communication of all aspects of mandate characteristics to clients.
# Fund characteristics

**UBS Global Emerging Markets Opportunity Fund**

<table>
<thead>
<tr>
<th>Fund name</th>
<th>UBS Global Emerging Markets Opportunity Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund domicile</td>
<td>Ireland</td>
</tr>
<tr>
<td>Portfolio management</td>
<td>UBS Asset Management</td>
</tr>
<tr>
<td>Custodian bank</td>
<td>J.P. Morgan Bank (Ireland) Plc</td>
</tr>
<tr>
<td>Reference index</td>
<td>MSCI Emerging Markets Index (r)</td>
</tr>
<tr>
<td>Fund currency</td>
<td>USD</td>
</tr>
<tr>
<td>Accounting year end</td>
<td>30 September</td>
</tr>
<tr>
<td>Subscriptions / redemptions</td>
<td>daily</td>
</tr>
<tr>
<td>Distribution</td>
<td>reinvestment</td>
</tr>
<tr>
<td>Swing pricing</td>
<td>yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share class*</th>
<th>P (USD)</th>
<th>P (GBP)</th>
<th>P (SGD)</th>
<th>Q (USD)</th>
<th>Q (GBP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities no.</td>
<td>10862161</td>
<td>11768812</td>
<td>10862171</td>
<td>20300178</td>
<td>20300168</td>
</tr>
<tr>
<td>ISIN</td>
<td>IE00B5T8QC31</td>
<td>IE00B3M75S25</td>
<td>IE00B5LN9509</td>
<td>IE00B8FMZ671</td>
<td>IE00B6XT2J88</td>
</tr>
<tr>
<td>Management fee p.a.</td>
<td>1.77%</td>
<td>1.77%</td>
<td>1.77%</td>
<td>0.83%</td>
<td>0.83%</td>
</tr>
<tr>
<td>Total expense ratio (TER)</td>
<td>2.19% p.a. (as at 27.04.2017)</td>
<td>2.19% p.a. (as at 27.04.2017)</td>
<td>2.19% p.a. (as at 27.04.2017)</td>
<td>1.20% p.a. (as at 27.04.2017)</td>
<td>1.20% p.a. (as at 27.04.2017)</td>
</tr>
</tbody>
</table>

* There are different share classes available. Some of them may not be eligible for sale in all jurisdictions or to certain categories of investors. For more details please visit ubs.com/fundgate or contact your UBS client advisor.

**MorningstarTM rating:** Q (★★★★★) and P (★★★★)¹

¹ Morningstar ranking as of September 30, 2017
Past performance of investments is not necessarily an indicator of future results
## Fund characteristics

**UBS Global Emerging Markets Opportunity Fund**

<table>
<thead>
<tr>
<th>Fund name</th>
<th>UBS (Lux) Equity SICAV - Global Emerging Markets Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund domicile</strong></td>
<td>Luxembourg</td>
</tr>
<tr>
<td><strong>Portfolio management</strong></td>
<td>UBS Asset Management</td>
</tr>
<tr>
<td><strong>Custodian bank</strong></td>
<td>UBS Europe SE, Luxembourg Branch</td>
</tr>
<tr>
<td><strong>Reference index</strong></td>
<td>MSCI Emerging Markets Index (r)</td>
</tr>
<tr>
<td><strong>Fund currency</strong></td>
<td>USD</td>
</tr>
<tr>
<td><strong>Accounting year end</strong></td>
<td>31 May</td>
</tr>
<tr>
<td><strong>Subscriptions / redemptions</strong></td>
<td>daily</td>
</tr>
<tr>
<td><strong>Swing pricing</strong></td>
<td>yes</td>
</tr>
<tr>
<td><strong>Share class</strong>*</td>
<td>P – acc (USD)</td>
</tr>
<tr>
<td><strong>Launch date</strong></td>
<td>September 25, 2008**</td>
</tr>
<tr>
<td><strong>Securities no.</strong></td>
<td>3528013</td>
</tr>
<tr>
<td><strong>ISIN</strong></td>
<td>LU0328353924</td>
</tr>
<tr>
<td><strong>Management fee p.a.</strong></td>
<td>1.54%</td>
</tr>
<tr>
<td><strong>Total expense ratio (TER)</strong></td>
<td>2.41% p.a. (as at 27.04.2017)</td>
</tr>
</tbody>
</table>

* There are different share classes available. Some of them may not be eligible for sale in all jurisdictions or to certain categories of investors. For more details please visit ubs.com/fundgate or contact your UBS client advisor.

** Repositioned to current strategy on 1 March 2016. Old sub-fund name was UBS (Lux) Equity SICAV – Emerging Markets growth

### Morningstar™ rating: P (★★★★★)

1. Morningstar ranking as of September 30, 2017
   Past performance of investments is not necessarily an indicator of future results
Emerging Markets Equity HALO Composite

Schedule of composite performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Asset-Weighted Return (%)</th>
<th>Net Asset-Weighted Return (%)</th>
<th>Benchmark Return (%)</th>
<th>Composite 1-Yr Std Dev (%)</th>
<th>Benchmark 1-Yr Std Dev (%)</th>
<th># of Portfolios End of Period</th>
<th>Total Assets (USD million)</th>
<th>Asset Weighted Dispersion (%)</th>
<th>Composite Return @ 8% of Firm Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>-5.19</td>
<td>-9.34</td>
<td>-40.2</td>
<td>NA</td>
<td>NA</td>
<td>1</td>
<td>13</td>
<td>N/A</td>
<td>0.00</td>
</tr>
<tr>
<td>2009</td>
<td>108.5</td>
<td>106.46</td>
<td>78.51</td>
<td>N/A</td>
<td>N/A</td>
<td>1</td>
<td>80</td>
<td>N/A</td>
<td>0.02</td>
</tr>
<tr>
<td>2010</td>
<td>19.79</td>
<td>19.42</td>
<td>18.88</td>
<td>N/A</td>
<td>N/A</td>
<td>3</td>
<td>658</td>
<td>0.20</td>
<td>0.13</td>
</tr>
<tr>
<td>2011</td>
<td>-16.62</td>
<td>-16.59</td>
<td>-18.42</td>
<td>27.16</td>
<td>26.54</td>
<td>3</td>
<td>577</td>
<td>0.55</td>
<td>0.19</td>
</tr>
<tr>
<td>2012</td>
<td>27.10</td>
<td>26.43</td>
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<td>2890</td>
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<tr>
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<td>2707</td>
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* Performance Presented for Sep 2008 through Dec 2016. No statistics are annualized.

** 3 yr crd. deviation are based on the gross returns

1. EM-EHALO - Emerging Markets Equity HALO Composite is a Multi-Asset Composite. It is a composite of high alpha, long only unconstrained accounts with a five to five year time horizon and flexibility to take meaningful positions in attractive price-value Emerging Markets equities. Despite potential near term volatility, the fund will focus on equities which it believes will benefit disproportionately from Emerging Market growth, targeting 4-8% per annum of alpha. Benchmark is MSCI Emerging Markets (net/SG) USD. This composite was created in January 2010.

2. The Firm is defined as all actively and passively managed institutional and retail accounts of UBS Asset Management ("the Firm") throughout the world. The Firm was accepted in January 2002 following the reorganization of the asset management divisions of UBS AG under a single Asset Management Board. The performance record prior to 2002 is that of the local asset management division which managed the composite, and has been prepared in compliance with GIPS from the inception date of this composite. Each of the entities comprising the Firm definition is a member of UBS AG. Policies of sub-portfolios, calculating performance and preparing the compliance statement are based on the Firm definition.

3. Investment returns are time-weighted total returns of return including cash and cash equivalents, income and realised and unrealised gains and losses, and are calculated using WAM/Restrey exchange rates. Until 31/03/09 composite results were based on either monthly or quarterly valuation of individual portfolios. From 01/04/09 there has been monthly revaluation of all portfolios and calculation of composite results. Composite results are weighted by individual portfolio size using start of period market values. Eligible portfolios are added to the composite at the start of the next measurement period following the investment. Intra-month asset classes of main asset portfolios or sub-portfolios forming part of a larger portfolio, the returns for which have been included in another composite, are not included in the above composite. Returns for unified funds are calculated on a mid-to-mid basis except for direct property which is calculated on an NAV-NAV basis. Investment Transactions are accounted for on a trade date basis. Where applicable, returns are shown net of non-recoverable withholding tax. Derivative instruments may be used by unified portfolio management and currency management. Such instruments have not been used in laversguage portfolios included in the above composite.

4. The composite includes only fee-paying discretionary portfolios. Where the ability of the Firm to manage any portfolio against the specified client benchmark has been materially impacted by investment restrictions, the portfolio has been deemed to be non-discretionary.

5. The net of fees are presented both net and gross of fees. Due to the graduated nature of fees, as account size increases, the annual percentage fee may decline. The calculation of net and gross returns as well as the nature of the fee may differ across the regional performance offices. a) Return values are calculated net of fees. The gross returns are calculated based on all fee components excluding transaction costs by adding the daily fee components to the underlying net return. b) The returns of return are presented both net and gross of investment management and custody fees. The portfolio Management Fee agreements do cover the portfolio management fee; bundled fee contracts do cover portfolio management and custody fee. Both fee agreements do not cover transaction costs. c) The rates of return are presented both net and gross of investment management fees. Net of fee performance reflects the deduction of the highest fee charged, as described in Part E of Form ADV. Net of fee returns are calculated by geometrically deducting the decreased annual management fee from each monthly gross return and geometrically linking the monthly returns for each period. d) The performance results are presented gross of management and custodian fees but after all trading expenses. Where a net return is also presented, this is calculated net of management fees and all trading expenses. This composite has a max flat rate of 24-bps p.a. (this represents the highest possible standard fee for this composite) Due to the varying their segmentation the charged fee for this composite can differentiate. The flat fee includes all charges for portfolio management, custody, and other administrative fees.

6. Composite dispersion represents the consistency of the Firm's composite performance results with respect to the individual portfolio returns within the composite. Presented is the asset-weighted dispersion (standard deviation) of the portfolios within the composite. Only portfolios in the composite for each full time period are included in the dispersion calculation and no dispersion is presented for portfolios consisting of only a single portfolio. The 3 year annualized ex-post standard deviations are based on monthly returns, shown starting with the first full 3 year calendar period.

7. A complete list of all firm composite descriptions is available upon request. The composite's past performance is not necessarily an indication of how it will perform in the future. Additional information regarding policies for calculating and reporting returns is available on request.
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