

## *Guru-Index*

### Investing like the pros.



#### UBS Open End PERLES on the Solactive Guru Total Return Index

##### I. Guru – Investing like the pros

The Solactive Guru Total Return Index reflects the development of the top equity holdings of selected Hedge Funds and investment companies which principally invest in equities and follow a Buy-and-Hold strategy. While applying this strategy, good market knowledge and detailed analysis could make the difference between success and failure. For this reason, investment decisions of established hedge fund managers may be a valuable source of knowledge. The concept of the Solactive Guru Total Return Index is to tap into this knowledge.

##### II. Cost efficient access to hedge fund expertise

Hedge funds use significant resources for the search of attractive investment opportunities. That is why their investment decisions are often the result of a costly and time-consuming process. Hedge funds usually demand high fees from their investors to finance these expenses. It is not unusual that a volume based yearly management fee of 2% and a performance fee of 20% are charged.

The index provider Solactive uses a publicly accessible document for the determination of the components of the Solactive Guru Total Return Index, which every investment company in the U.S. that surpasses a certain amount of assets under management has to disclose. Since this document shows the top positions of every hedge fund, the Open End PERLES on the Solactive Guru Total Return Index allows investors to participate one to one in these top equity positions. A management fee of 1.20% p.a. applies.

##### III. Why do U.S. investment companies and institutional investors have to disclose their positions?

The U.S. federal agency Securities and Exchange Commission (SEC) demands a minimum of transparency from every institutional investor with 100 million USD or more invested in U.S. equities. It includes a quarterly disclosure of every position held via the Form 13F. The name of this document comes from paragraph 13 (f) of the Securities Exchange Act, which demands the corresponding disclosure obligation since 1975. These companies are therefore obliged to disclose their equity positions within 45 days after the end of the quarter and to publish them on the SEC website.

#### SSPA product type

Tracker certificates (1300)

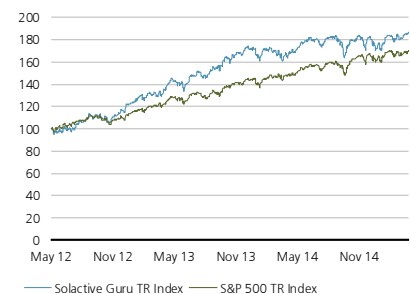
#### Currency: Valor / SIX Symbol

CHF: 25642236 / GURUCH

USD: 25642235 / GURUUS

[www.ubs.com/guru](http://www.ubs.com/guru)

#### Solactive Guru TR Index vs. S&P 500 Index



As of: April 23, 2015, Source: Bloomberg

Past performance is not indicative of future performance.

#### Investor profile

Solutions for investors with experience in stock market topics and structured products and with a medium to increased risk tolerance who would like to participate in the performance of the equities included in the index at little capital and administrative expense.

For other products and information on opportunities and risks visit:

[www.ubs.com/keyinvest](http://www.ubs.com/keyinvest)

#### IV. The product solution

The UBS Open End PERLES on the Solactive Guru Total Return Index track the performance of the underlying index, which reinvests any net dividends from index members after deducting the management fee of 1.20 percent without limited maturity.

	CHF-Tranche	USD-Tranche
<b>Issuer</b>	UBS AG, London Branch	UBS AG, London Branch
<b>SSPA product type</b>	Tracker certificates (1300)	Tracker certificates (1300)
<b>Conversion ratio</b>	1:1	1:1
<b>Management fee</b>	1.20% p.a.	1.20% p.a.
<b>Expiry</b>	Open End	Open End
<b>Underlying (Currency)</b>	Solactive Guru Total Return Index (USD)	Solactive Guru Total Return Index (USD)
<b>Issue price</b>	CHF 165.73	USD 174.74
<b>Listing date</b>	05. November 2014	05. November 2014
<b>ISIN / SIX Symbol</b>	CH0256422368 / GURUCH	CH0256422350 / GURUUS

#### V. Smart index concept

The Solactive Guru Total Return Index was created by the index provider Solactive AG. The index calculation started at 100 index points on 25 May 2012. The Solactive Guru Total Return Index is calculated as a performance index. This means that possible net dividends of the index members are reinvested in the index. The index is denominated in US-Dollars.

An adjustment of the index components takes place after the disclosure of the "13F" documents once in a quarter to capture changing hedge fund positions. In such a case, the index members are equally weighted. However, before the top holding of each investment management company is included in the Solactive Guru Total Return Index, the hedge fund is selected earlier in a multi stage process. This includes e.g. eliminating hedge funds with high turnover from the hedge fund pool. In such a way, the main focus of the index is on investment companies with a long term investment horizon and an investment style which can be described as "value-oriented". In this regard it should be pointed out that the "13F" filings used to select the stocks in the index are filed by each hedge fund approximately 45 days after the end of each calendar quarter. Therefore a given hedge fund may have already sold its position by the time of the "13F" filing and the rebalancing of the index.



#### VI. Opportunities

- Investing like the pros, as the index components are chosen according to the published top holdings of carefully selected and well-established investment companies.
- Transparent and smart index concept, which uses the SEC disclosure obligation for investment companies with investments of 100 million USD or more in U.S. equities.
- Investments focus on U.S. equities.
- Diversification across the top holdings of selected Hedge Funds with quarterly rebalancing and equal weighting of the index members.
- Tradable every trading day under normal trading conditions.
- No fixed term restriction.

## VII. Risks

- No capital protection: investors run the risk of losing their investment if the price of the underlying index worsens.
- At the time of publication of the top holdings the actual portfolio of the investment companies might already have changed. It is thus possible that an adjustment in the Solactive Guru Total Return Index varies from the actual portfolio holdings of the selected investment companies.
- Investors bear the issuer risk and could lose their investment if the issuer files for bankruptcy.
- The issuer intends to ensure liquidity in normal market phases on trading days. However, investors should realize that they may not be able to buy / sell the product at any point in time.
- As the stocks included in the index may be listed in different currencies and the product does not have any currency hedges, the investor may also be exposed to an exchange rate risk, which may adversely affect the value of the product.
- The issuer has the right to terminate the product if certain conditions are met. See the termsheet for details.

## VIII. Members of the Solactive Guru Total Return Index

Company	Weighting	Company	Weighting	Company	Weighting
Apple Inc	2.32%	Enterprise Products Partners L	2.28%	Pandora Media Inc	2.74%
Actavis plc	2.41%	Facebook Inc	2.56%	Radware Ltd	2.75%
American International Group I	2.40%	FleetCor Technologies Inc	2.40%	RR Donnelley & Sons Co	2.54%
Akamai Technologies Inc	2.51%	FMC Corp	2.11%	Shire PLC	2.47%
Ally Financial Inc	2.21%	General Motors Co	2.33%	Spirit AeroSystems Holdings In	2.41%
American Tower Corp	2.32%	Houghton Mifflin Harcourt Co	2.83%	Thermo Fisher Scientific Inc	2.37%
America Movil SAB de CV	2.31%	JPMorgan Chase & Co	2.47%	Voya Financial Inc	2.29%
Baidu Inc	2.39%	Liberty Global PLC	2.24%	Williams Cos Inc/The	2.53%
Bank of New York Mellon Corp/T	2.52%	LinkedIn Corp	2.26%		
Citigroup Inc	2.39%	MasterCard Inc	2.42%		
Crown Castle International Cor	2.28%	Moody's Corp	2.53%		
CDW Corp/DE	2.38%	Mondelez International Inc	2.33%		
Celanese Corp	2.63%	Michaels Cos Inc/The	2.33%		
Canadian Pacific Railway Ltd	2.35%	Motorola Solutions Inc	2.08%		
Darling Ingredients Inc	1.85%	Micron Technology Inc	2.14%		
DR Horton Inc	2.31%	NIKE Inc	2.48%		
Dunkin' Brands Group Inc	2.37%	Owens-Illinois Inc	2.13%		

As of: April 23, 2015, Source: Solactive (the current index composition and weighting is published daily on [www.solactive.com](http://www.solactive.com))

## IX. Contact

**UBS AG**  
P.O. Box, 8098 Zurich  
E-mail: keyinvest@ubs.com

**Hotline:** .....+41-44-239 76 76\*  
Institutional Clients: .....+41-44-239 14 66\*  
Intermediaries: .....+41-44-239 77 60\*  
Wealth Management Clients:.....+41-44-239 68 00\*

\* Please note that calls to numbers marked with \* may be recorded. When you call these numbers, we assume that you consent to this business practice.

### Disclaimer

This material has been prepared by UBS AG or one of its affiliates ("UBS"). This material is only intended for the distribution permitted under the applicable law. It has not been prepared for the needs of a specific recipient. It is only published for information purposes and does not constitute an offer or an invitation to purchase or sell securities or associated financial instruments ("Instruments"). UBS accepts no liability (either expressly or tacitly) for the completeness or reliability of the information contained in this document ("information") except for the information on UBS AG and its affiliates. The information should not be regarded by the recipients as a substitute for their own judgment. All the opinions contained herein may change without prior notice and contradict the opinions of other business areas of UBS due to the application of different assumptions and criteria. UBS is not obliged to keep the information up to date. UBS, its executives, employees or clients may have or have had a participation in the instruments and may conclude transactions with them at any time. UBS may maintain or have maintained a relationship with the entities specified in this information. Neither UBS nor its affiliated companies, executives or employees are liable for losses resulting from the use of this information.

This document is not a basis for the conclusion of transactions. The detailed conditions of the termsheet and the confirmation and electronic adjustment systems relating to this transaction apply to all transactions between you and UBS. Clients who want to conclude transactions should contact the local sales employee responsible for them.

For instruments admitted to trading on a regulated EU market: UBS AG, its affiliates or subsidiaries may trade with respect to the instrument as a market maker or liquidity provider (according to the interpretation of these terms in the United Kingdom).

UBS may at any time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, foreign exchange, financial instruments or other assets underlying the product described in this document (the "Product"). UBS may render investment banking or other services for the companies listed in this document and/or employ persons who act as members of the board of directors at the said companies. The hedging and/or trading transactions of UBS in connection with the product may have an impact on the price of the underlying asset and on the likelihood that a relevant threshold value will be exceeded. UBS has set up guidelines and procedures which are designed to minimize the risk of its executives and employees being influenced by conflicts of duty and interest or the unauthorized disclosure or provision of confidential information.

Under certain conditions UBS will sell the product to dealers or other financial institutions at a discount on the issue price or refund them a portion of the issue price for its own account. Further information is available on request.

Structured products are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of a transaction) based upon your own judgment and advice from those advisors you consider necessary. Save as otherwise expressly agreed, UBS is not acting as your financial advisor or fiduciary in any transaction.

Unless otherwise stipulated in this document, (i) this document is merely intended for information purposes and should not be construed as an offer, personal recommendation or invitation to purchase the product or regarded as investment advisory services and (ii) the conditions for any investment in the product are based solely on the detailed provisions, including the information about the risks, contained in the information memorandum, the prospectus or in any other of the issuer's documents connected with the issue of the product.

UBS gives no assurance or guarantee with regard to any information contained herein from an independent source. This publication may not be copied or reproduced without UBS's prior written permission.

No steps have or will be taken in any jurisdiction with regard to the admissibility of the public subscription offer for the product, unless expressly pointed out in the issuer's documents. The product may only be sold taking into account all the applicable sales restrictions of the respective jurisdiction.

© UBS 2015. All rights reserved. UBS prohibits the forwarding of this information without the approval of UBS.

