Yield Enhancement Strategy Using S&P Index Options

Monthly Net Realized Return

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-0.06%</td>
<td>0.13%</td>
<td>0.42%</td>
<td>1.11%</td>
<td>0.43%</td>
<td>-0.37%</td>
<td>0.51%</td>
<td>1.32%</td>
<td>1.67%</td>
<td>0.93%</td>
<td>0.02%</td>
<td>6.39%</td>
<td>0.42%</td>
</tr>
<tr>
<td>2017</td>
<td>0.36%</td>
<td>0.17%</td>
<td>0.31%</td>
<td>1.01%</td>
<td>0.76%</td>
<td>0.06%</td>
<td>0.44%</td>
<td>0.96%</td>
<td>0.05%</td>
<td>-0.47%</td>
<td>0.64%</td>
<td>0.07%</td>
<td>4.43%</td>
</tr>
<tr>
<td>2018</td>
<td>-1.44%</td>
<td>-2.15%</td>
<td>-1.08%</td>
<td>-0.34%</td>
<td>-2.96%</td>
<td>-0.97%</td>
<td>0.02%</td>
<td>0.64</td>
<td>-0.03%</td>
<td>77.78%</td>
<td>0.02%</td>
<td>0.55%</td>
<td>-3.39%</td>
</tr>
</tbody>
</table>

Monthly Net Marginal Return

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.35%</td>
<td>-0.03%</td>
<td>0.35%</td>
<td>1.49%</td>
<td>0.04%</td>
<td>-0.68%</td>
<td>0.88%</td>
<td>1.44%</td>
<td>1.75%</td>
<td>0.81%</td>
<td>-0.32%</td>
<td>6.22%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2017</td>
<td>0.72%</td>
<td>-0.64%</td>
<td>1.10%</td>
<td>1.14%</td>
<td>0.55%</td>
<td>0.29%</td>
<td>0.14%</td>
<td>0.93%</td>
<td>-0.03%</td>
<td>-0.93%</td>
<td>-0.16%</td>
<td>-0.23%</td>
<td>2.89%</td>
</tr>
<tr>
<td>2018</td>
<td>-0.42%</td>
<td>-2.96%</td>
<td>-1.85%</td>
<td>1.85%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Strategy Description

The Yield Enhancement Strategy is an investment strategy that can be utilized within the Portfolio Management Program (PMP) to seek to generate returns through the strategic sale and purchase of SPX index option spreads. YES returns are incremental to the underlying asset returns and offer clients a way to potentially generate additional cash flow from lower yielding assets.

- Accomplished by selling short term out-of-the-money European style puts and calls on the S&P 500 Index. To help mitigate downside and upside market exposure short term below-market puts and above-market calls options are purchased with the same duration as the puts and calls sold. • The YES Strategy does not employ a static model. The YES Strategy is actively managed. Specifically, positions may be adjusted, at our discretion, for various reasons which may include seeking to generate income, or provide additional protection. Positions may be adjusted depending on a variety of factors including, but not limited to changes in the price of the S&P 500 index, option implied volatility, time, and changes in interest rates. • The strategy may also engage in other option strategies, including long calls, long puts, call spreads, put spreads and combinations of options with limited risk. While these strategies may add an element of directionality to the portfolio, the maximum loss is defined and limited to the premium paid. • Seeks to provide an additional source of income to portfolios when markets are flat, trending higher or trending lower.

Returns and Statistics

Cumulative and Monthly Returns

<table>
<thead>
<tr>
<th>Date</th>
<th>Cumulative Returns</th>
<th>Annualized Returns Since Inception</th>
<th>YTD Return</th>
<th>Trailing Twelve Months’ Return</th>
<th>Trailing Twelve Months’ Std. Dev.</th>
<th>Average Monthly Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 2016</td>
<td>5.64%</td>
<td>2.47%</td>
<td>-4.92%</td>
<td>-2.52%</td>
<td>3.12%</td>
<td>0.21%</td>
</tr>
<tr>
<td>Mar 2016</td>
<td>5.57%</td>
<td>2.44%</td>
<td>0.35%</td>
<td>1.10%</td>
<td>4.16%</td>
<td>0.21%</td>
</tr>
</tbody>
</table>
| Apr 2016 | 2.44% | 1.49% | 0.35% | 1.14% | 0.05% | 0.64%
| May 2016 | 0.55% | 0.04% | 0.35% | 0.55% | 0.04% | 0.49%
| Jun 2016 | 0.29% | -0.68% | 1.49% | 0.29% | 0.14% | 0.07%
| Jul 2016 | 0.93% | -0.88% | 0.04% | 0.93% | 0.14% | 0.88%
| Aug 2016 | -0.03% | 1.44% | -0.68% | -0.03% | 1.44% | 1.75%
| Sep 2016 | -0.93% | 0.81% | 0.88% | -0.93% | 0.81% | 1.75%
| Oct 2016 | -0.16% | 1.44% | 0.81% | -0.16% | 0.81% | 1.75%
| Nov 2016 | -0.23% | 0.00% | 1.44% | -0.23% | 0.00% | 1.75%
| Dec 2016 | 2.89% | 0.81% | 1.75% | 2.89% | 1.75% | 6.22%
| YTD 2016 | 3.64% | 2.89% | 1.75% | 3.64% | 2.89% | 6.22%

Frequency of Realized Returns

<table>
<thead>
<tr>
<th>Frequency</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Days</td>
<td>&lt; -4%</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>&gt; 8%</td>
</tr>
</tbody>
</table>

Conceptual Illustration of Strategy

The Iron Condor is generally considered a combination of two vertical spreads – a bear call spread and a bull put spread. This strategy has four different options contracts, each with the same expiration date.
compute the average deviation from the average price over the period of time one wishes to measure. While the implied volatility refers to the market's assessment of future volatility, the realized volatility measures what actually return may not be indicative of future rates of return.

The Realized returns are presented in terms of yield and include realized gains/losses. The Marginal Returns are presented in terms of yield and include unrealized and realized gains/losses and unrealized put and call protection.

that month and the next month. If the change occurs on or after the third Friday, it's removed from the composite for that month and the next two months. This is because enough time is needed to implement the strategy, and

construction rules for the addition and removal of accounts applied: If an account is added prior to the third Friday of the month, that account will not be in the composite for that month and the next month, and will join the

Accounts included:

their account and their specific portfolio holdings. Portfolio management is an integrated and dynamic process. Each investor's goals and financial situations differ. A client's investment horizon and tolerance for risk may differ

that last trading day for the constituent securities and will be at risk of being assigned an exercise. The value of every index underlying an option, including the exercise settlement value, is the value of the index as determined by the reporting authority designated by the

An SPX European-style option is one that can only be exercised by its holder during a specified period of time prior to its expiration, and this period may vary with different classes of index options. The writer of a European-style

might view the purchase of an index option as buying a value that changes over time as market sentiment and prices fluctuate.

executions for the same securities as compared to other clients investing in the same PMP strategy. In addition, although we monitor performance dispersion and other characteristics of Accounts participating in PMP, investment

Financial Advisor will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and

Financial Advisors have broad discretion to trade their PMP Advisory Accounts and there can be no assurance that a Financial Advisor can purchase or sell the same securities for all such Accounts at the same time, or that the

Trade Allocation Practices and Conflicts of Interest: Financial Advisors do not aggregate orders across the different strategies they manage. In an effort to reduce market impact and to obtain best execution, your Financial

Disclosure: PMP is a wrap fee advisory program in which our Financial Advisors manage client accounts on a discretionary basis. PMP is designed for clients who (i) want to delegate portfolio management discretion to their Financial Advisor; (ii) are looking to implement a medium to long-term investment strategy; and (iii) prefer the consistency of a fee-based approach.

realization of additional losses • In addition to the iron condor strategy, the other trading strategies may result in realizing additional losses. 

Management, and Gerard Costello - Managing Director Wealth Management. For operational questions please contact Scott Rosenberg at 212-821-7037 (scott.rosenberg@ubs.com).

Strategy managed by Matt Buchsbaum - Managing Director Wealth Management/Portfolio Manager, Scott Rosenberg - Managing Director Wealth Management/Co-Portfolio Manager, Sonia Attkiss - Managing Director Wealth Management, and Gerard Costello - Managing Director Wealth Management. For operational questions please contact Scott Rosenberg at 212-821-7037 (scott.rosenberg@ubs.com).

Considerations and Strategy Definitions: Significant market moves either up or down may result in losses • Selling options involves a high degree of risk and is not suitable for all investors. Suitability requirements include financial

the ability to withstand losses • During periods of high volatility, positions may be adjusted or altered, at our discretion, to seek to provide additional protection or to increase returns. This could potentially result in the reduction of additional losses • In addition to the iron condor strategy, the other trading strategies may result in realizing additional losses.

Arbitrage Ratio: A risk-adjusted performance measure. In other words, the compensation for an extra unit of risk. The greater the Sharpe Ratio, the better the risk-adjusted performance has been.

Jensen’s Alpha: A risk-adjusted measure of performance that indicates how much excess return (in relation to the average expected return from the CAPM), a portfolio has earned, given its beta and the average market return. A positive alpha indicates that the portfolio has earned returns in excess of its intrinsic risk. In other words, it indicates that a portfolio has "beat the market."

Average Loss/ realize losses are not at all

% Months Positive: The number of total months in the strategy divided by the number of months with positive net performance.

Cumulative Realized (Realized): The aggregate amount an investment has gained or lost over time, independent of the period of time involved. Realized cumulative returns only include realized gains and losses.

while the PMP Advisor recommends the YES Strategy. As a result, your Financial Advisor may take actions for your Account that might be different from, and are not necessarily in accordance with, the actions taken in accounts managed by our PMP Advisor.

that last trading day for the constituent securities and will be at risk of being assigned an exercise. The value of every index underlying an option, including the exercise settlement value, is the value of the index as determined by the reporting authority designated by the

Investment suitability: The Financial Advisor recommending the YES Strategy will receive a portion of the advisory fees you pay to UBS F.S. That compensation may be higher than compensation that is received by a strategy manager. Information about strategy performance is independently provided to you. 

Trade allocation practices: Financial Advisors do not aggregate orders across the different strategies they manage. In an effort to reduce market impact and to obtain best execution, your Financial Advisor will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same securities as compared to other clients investing in the same PMP strategy.

Financial Advisors have broad discretion to trade their PMP Advisory Accounts and there can be no assurance that a Financial Advisor can purchase or sell the same securities for all such Accounts at the same time, or that the

Account performance will generally not be comparable to the performance of third party SMA Managers in other Advisory Programs or over traditional commission based brokerage services. The Financial Advisor recommending the YES Strategy will receive a portion of the advisory fees you pay to UBS F.S.