

AMC Aspermont Dividend Stock Basket

Product update as of October 31, 2018

NAV per share (September 30, 2018): EUR 139.42 monthly performance: -6.18% YTD: -3.54%.

Performance in 2013: +9.18%, performance in 2014: +10.52%, performance in 2015: +8.19%, performance in 2016: 2.29%, performance in 2017: 8.03%

Last month NAV per share (September 30, 2018): EUR 148.60

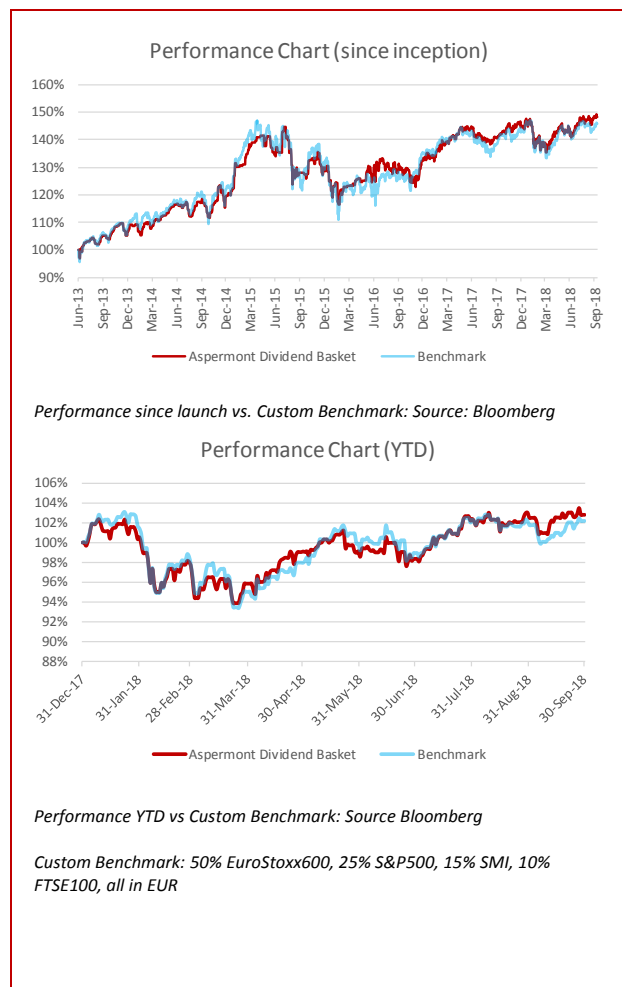
The Aspermont Dividend Stock Basket

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

The Aspermont Dividend Stock Basket was caught in the middle of a market wide correction and performed -6.18% in October, better than Germany's Dax that was down -6.53%; the S&P that was down -6.94%, but beat by the Eurostoxx 50 that was down -8.43%. The other major markets also down with Switzerland -3.96% and the UK -7.18%. Our portfolio is currently composed of 19 positions with three covered call options. The basket is fully invested with a cash quota of 0.3%. 53% of the assets are in EUR; 15% in CHF; 2.5% in GBP; and 29% in USD. In terms of sector allocations, industrials remains the biggest with 35% (transportation 14%, aerospace 13%, engineering & construction 8%), followed by financials 15% (insurance 6.5%, private equity 8.5%), energy 13%; IT 6%; consumer staples 5% while consumer discretionary at 2%. – Market volatility was generally low limiting the covered call options. The biggest position (Deutsche Post, 9.5% allocation) contributed -0.86% while the biggest sector (industrials 35% allocation) contributed -1.66% to the portfolio with the financial sector (15% allocation) contributed -0.64% to this month's performance. As the dollar's strength increased, the currency contributions was +0.4% in October.

While most of the market corrected, there were also some stocks that resisted the sell-off and ended the month on a positive note. Sanofi (1.1% allocation, 2.98% performance) jumped after its Q3 earnings release that demonstrated to analysts that the company has entered a period of sustainable growth after continuous diabetes headwinds are countered with new drugs in their lineup. In the US, Next Era Energy (3.5% allocation, 2.92% performance) reported Q3 earnings where they demonstrated their growth as they racked in earnings of \$1.039 billion compared to \$875 million in the same quarter last year and added a record renewables origination backlog of 2'100 megawatts. One of our larger investments is our exposure to SwissRe (6.45% allocation, 0.40% performance) that kept positive in October. The weakest performer was UPM Kymmene that corrected some 20% (5% allocation at that time) until they released their Q3 numbers when we increased the allocation by 2% to 7% (stock performed +2.78% since then) as we believe the sell-off was overdone and that the steady demand in packaging will keep prices stable and profit the stock and its stock price. Another weak performer was Lockheed Martin (allocation increased from 7.7% to 8.7% in October) as the stock was hit hard due to political uncertainties in regards to jet deliveries to Saudi Arabia, but has rebounded by almost 5% in the last two days leading up to the end of the month.



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Returns

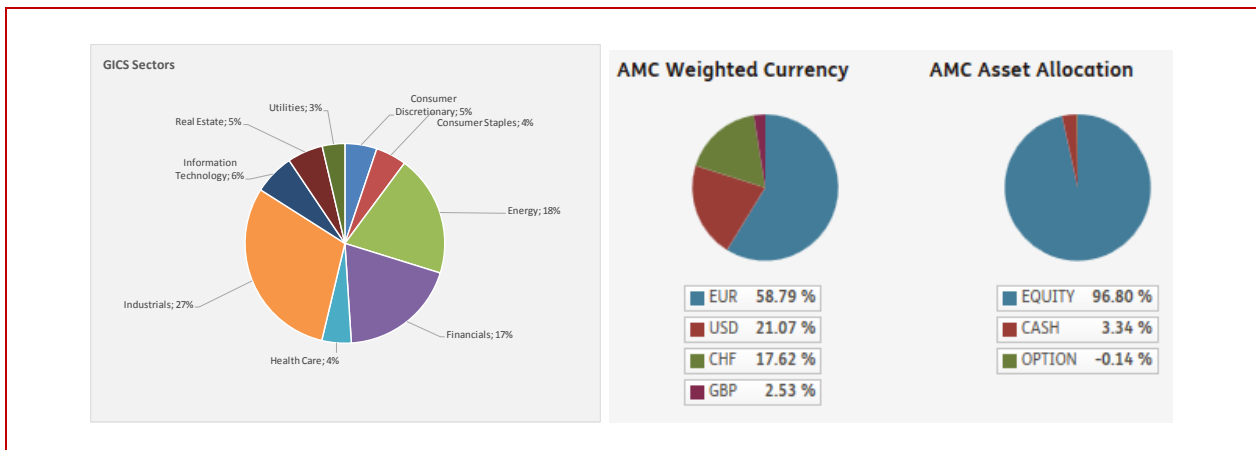
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013						-0.45%	3.76%	-1.26%	3.13%	2.37%	1.85%	-0.45%	9.18%
2014	-2.29%	3.09%	0.73%	1.53%	2.66%	0.43%	-1.12%	1.13%	0.95%	-0.60%	6.09%	-2.26%	10.52%
2015	7.71%	0.77%	5.42%	2.75%	-1.34%	-4.10%	3.76%	-8.30%	-0.70%	3.59%	1.96%	-3.47%	8.19%
2016	-4.97%	-1.93%	1.56%	1.94%	2.69%	1.36%	0.22%	-1.65%	0.46%	-1.04%	-1.31%	5.31%	2.29%
2017	-0.31%	2.65%	2.99%	0.94%	1.65%	-2.27%	-1.10%	0.06%	1.39%	2.23%	0.23%	-0.56%	8.03%
2018	0.53%	-2.94%	-1.78%	3.40%	-0.54%	-0.22%	4.12%	0.10%	0.30%	-6.18%			-3.54%

Figures & Ratios

Performance	AMC ASCAP	Benchmark	High/Low	AMC ASCAP	Benchmark
1 month	-6.18%	-4.56%	52-week High	149.60	147.17
3 month	-5.80%	-4.70%	52-week Low	135.68	133.30
1 year	-3.87%	-2.85%	Lifetime High	149.60	147.17
Since Launch	39.14%	39.21%	Lifetime Low	97.10	95.57
Year-to-date	-3.54%	-2.48%			

Risk	AMC ASCAP	Benchmark	Ratios	AMC ASCAP	Benchmark
Volatility (annualized)	9.18%	11.35%	Sharpe	0.69	0.56
Maximum Drawdown	-19.52%	-24.55%			

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



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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