

UBS (CH) Property Fund – Swiss Commercial “Swissreal”

Simplified prospectus

Contractually based investment fund under Swiss law (Category “Real Estate Funds”)

Fund management company: UBS Fund Management (Switzerland) AG
Custodian bank: UBS Switzerland AG

This simplified prospectus contains a summary of the key information about the real estate fund. The detailed prospectus including the fund contract governs the legal and economic aspects definitively. These include such aspects as the rights of investors, the duties and obligations of the fund management company and the custodian bank and the investment policy of the real estate fund. Investors are advised to consult the detailed prospectus. The annual and semi-annual reports provide information about the capital account and income statement. These documents are available free of charge from the fund management company, the custodian bank and all distributors.

Investment information

Investment objective

The investment objective of the real estate fund is principally to maintain its long-term value and to make appropriate income distributions.

Investment strategy (Investment policy)

UBS (CH) Property Fund – Swiss Commercial “Swissreal” invests primarily in commercial-use properties throughout Switzerland predominantly and in other investments as permitted under the fund contract.

This real estate fund cannot engage in securities lending.

No derivative financial instruments are used.

Currency of account: Swiss franc (CHF)

Risk profile of the real estate fund

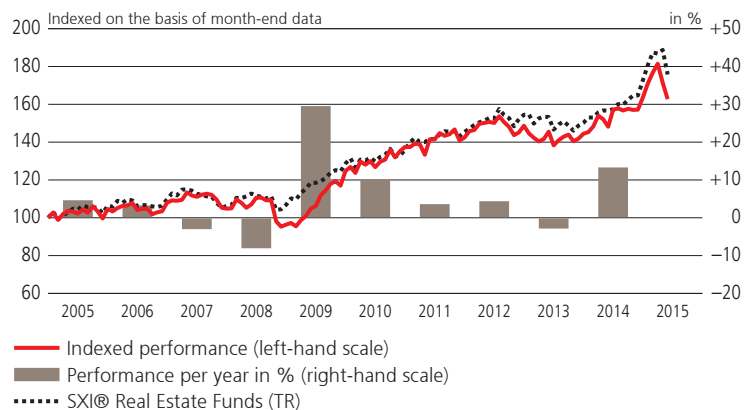
The main risks of the real estate fund are its sensitivity to economic developments, changes in the Swiss real estate market, limited liquidity, interest-rate developments, environmental risks, competition and pricing.

The value of the investments can go down as well as up and investors may not recoup their original investment.

The detailed prospectus contains more specific information about the risks noted here.

Performance

Performance (basis CHF, net of fees)¹



in %	2011	2012	2013	2014	2015 YTD ²	May 2015	5 years	Ø p.a. 5 years
Fund (CHF)	3.60	4.39	-2.86	13.31	-0.56	-5.07	25.27	4.61
Ref. Index ³	6.83	6.27	-2.77	14.99	1.78	-6.88	33.43	5.94

¹ The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

² YTD: year-to-date (since beginning of the year)

³ Benchmark in currency of share class (without costs)

Past performance provides no indication of the future performance of the fund units. This depends on market developments and how successfully the asset manager implements the investment policy.

Profile of the typical investor

This real estate fund is appropriate for investors with a long-term horizon who are focused on income and have moderate risk tolerance. The primary objective is to maintain the value of the units and to provide partial protection against inflation.

Distributions

The net income of the real estate fund will be distributed free of charge to the investors annually within four months of the close of the financial year in the accounting currency Swiss franc (CHF) (see Tax aspects (real estate fund)).

As a rule, capital gains are not distributed but are retained in the real estate fund for reinvestment.

Unit classes

This real estate fund is not subdivided into unit classes.

Economic Information

Remuneration and incidental costs

Remuneration and incidental costs	2012 ¹	2013 ²	2014 ³
Remuneration and incidental costs incurred directly by the investor when subscribing to and redeeming units			
Issuing commission max.	5%	5%	5%
Redemption commission max.	2%	2%	2%
Remuneration and incidental costs charged to the fund's assets			
Incidental costs charged to the fund's assets			
– Surcharge on net asset value max.	5%	5%	5%
– Deduction from net asset value max.	5%	5%	5%
Remuneration and incidental costs charged to the fund's assets on an ongoing basis			
Flat fee charged by fund management company p.Q.	0.225%	0.225%	0.225%
Total expense ratio (TER)	0.88%		
(TER _{REF}) – GAV*		0.89%	0.85%
(TER _{REF}) – NAV*		1.23%	1.14%

¹ For the financial year 1 January 2012 to 31 December 2012

² For the financial year 1 January 2013 to 31 December 2013

³ For the financial year 1 January 2014 to 31 December 2014

* From the 2013 financial year, the operating expense ratio of the fund is also calculated on the basis of the net fund assets (NAV; Net Asset Value). The operating expense ratio of the fund was previously calculated exclusively on the basis of the gross net assets (GAV; Gross Asset Value).

The fund management company and its agents do not pay retrocessions to third parties as compensation for the distribution activities in respect of real estate fund units in or from Switzerland. The fund management company and its agents may, upon request, pay discounts directly to investors as part of distribution in or from Switzerland. Discounts may serve to reduce fees or costs charged to the respective investors.

Commission sharing agreements and soft commissions

The fund management company has not concluded any commission sharing agreements.

The fund management has not concluded any soft commission agreements.

Tax aspects (real estate fund)

The real estate fund has no legal personality and is subject to Swiss law. It is subject to neither income tax nor capital gains tax.

Real estate funds with direct property holdings are an exception to this rule. The income from direct property holdings is liable to direct federal tax with respect to the fund itself; consequently unitholders are tax-exempt in this regard. Capital gains from direct property holdings are also only taxable with respect to the real estate fund.

The fund management company shall apply for a refund of all Swiss federal withholding tax levied on the real estate fund's domestic income on behalf of the fund.

The tax information stated above is based on the current legal situation and practice. This tax information is expressly subject to changes in legislation, jurisdiction and ordinances and the practices of tax authorities.

Tax aspects (investors with tax domicile in Switzerland)

Income distributions made by the real estate fund to investors domiciled in Switzerland are subject to Swiss federal withholding tax (tax at source) at a rate of 35%. Income or capital gains that are generated via property owned directly and distributed via a separate coupon or listed separately in the statement sent to the investor are not subject to withholding tax, nor are capital gains resulting from the sale of participating interests and other assets. Investors domiciled in Switzerland may reclaim Swiss withholding tax by declaring it in their tax returns, or by submitting a separate application for a refund.

Tax aspects (investors with tax domicile abroad)

Income distributions made by the real estate fund to investors domiciled outside Switzerland are subject to Swiss federal withholding tax (tax at source) at a rate of 35%. Income or capital gains that are generated via property owned directly and distributed via a separate coupon or listed separately in the statement sent to the investor are not subject to withholding tax, nor are capital gains resulting from the sale of participating interests and other assets.

Investors domiciled abroad are able to reclaim withholding tax, if applicable, under the terms of double taxation agreements (DTA) with Switzerland.

The real estate fund has the following tax status:

Compensatory withholding tax

This real estate fund is not transparent with respect to compensatory withholding tax in the United Kingdom, i.e. the compensatory withholding tax deducted is not based on the real estate fund's concrete tax factors (fund reporting), but is calculated using an alternative method.

This real estate fund is transparent for the final withholding tax in Austria, i.e. the levying of the final withholding tax is based on the specific tax factors of the real estate fund (fund reporting).

At the specific request of the person affected, the paying agent may accept a voluntary disclosure to the tax authorities in the country of domicile in place of the compensatory withholding tax.

Other tax implications for investors who hold, buy or sell fund units are defined by the tax laws and regulations in the investor's country of domicile.

EU savings tax

Income distributions and/or interest income realised on sale or redemption are not subject to European savings tax in Switzerland.

FATCA

The real estate fund has been registered as a Registered Deemed-Compliant Financial Institution under a Model 2 inter-governmental agreement (IGA) in accordance with Sections 1471 – 1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act (FATCA) and associated decrees).

Issue and redemption of real estate fund units

Publication of prices

Net asset values are published for each day units are issued or redeemed. They can be viewed at any time at Swiss Fund Data AG (www.swissfunddata.ch) and are updated annually after presentation of the audited closing statement for the year.

Other information is published by Swiss Fund Data AG (www.swissfunddata.ch).

Type and manner of acquiring and redeeming units

Units may be issued at any time. They may only be issued via tranches. The fund management company shall determine the planned number of new units to be issued, the subscription ratio for existing investors, the issuing terms for the subscription right and the other terms in a separate issuing prospectus.

Investors may redeem their units at the end of a financial year, subject to 12 months' notice. Under certain conditions, the fund management company may repay the proceeds from units redeemed during a financial year ahead of schedule. If investors wish to have early redemption, they must provide written notice to this effect. Ordinary and early unit redemptions are made within three months of the close of the financial year.

The net asset value of the real estate fund is calculated at the market value at the end of the financial year and each time units are issued.

The fund management company ensures the regular trading of the real estate fund units on SIX Swiss Exchange.

Brief description of the investment fund

Inception date of fund	1969 under Swiss law
Financial year	1 January to 31 December
Securities no.	1 442 088
ISIN	CH0014420886
Listing	on SIX Swiss Exchange
Promoter	UBS AG, UBS Global Asset Management, Zurich and Basel
Fund management company	UBS Fund Management (Switzerland) AG, Basel
Delegation of other duties	Property administration and technical maintenance Wincasa AG, Winterthur Livit AG, Zurich Bilfinger Real Estate AG, Wallisellen Privera AG, Bern Immooveris Properties AG, Bern de Rham & Cie S.A., Lausanne
Custodian bank	UBS Switzerland AG, Zurich
Auditors	Ernst & Young AG, Basel
Supervisory authority	Swiss Financial Market Supervisory Authority FINMA, Berne

Contacts

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