



San Juan, Puerto Rico

FOR IMMEDIATE RELEASE**Puerto Rico AAA Portfolio Bond Fund II, Inc. - Distribution/dividend information**

Puerto Rico AAA Portfolio Bond Fund II, Inc., a closed-end management investment company registered as an investment company under the Puerto Rico Investment Companies Act, today announced that the Fund's Board of Directors has declared a dividend from net investment income of \$0.04708 (\$0.04393 exempt and \$0.00315 taxable) per share of common stock. The dividend was paid on September 12, 2016 to common shareholders of record as of August 31, 2016.

On October 1, 2013, UBS Asset Managers of Puerto Rico (a division of UBS Trust Company of Puerto Rico), implemented a partial waiver of its investment advisory and administration fees, reducing its investment advisory fees to 0.40% and administration fee to 0.10%, both based on average weekly gross assets. Effective September 1, 2015, UBS Asset Managers of Puerto Rico will scale back this partial waiver. Accordingly, investment advisory and administration fees were reinstated to 0.50% and 0.15%, respectively, both based on the Fund's average weekly gross assets.

Under normal circumstances, the Fund is required to invest at least 67% of its total assets in securities issued by Puerto Rico issuers. The Fund has obtained a waiver from the Office of the Commissioner of Financial Institutions (the "OCFI") with respect to this 67% Puerto Rico-issued assets requirement, through January 31, 2017 (which waiver may be extended by the OCFI). Shares of common stock of the Fund may only be offered to individuals who have their principal residence, or to business organizations that have their principal office and place of business, in Puerto Rico.

SHARE REPURCHASE PROGRAM. On August 27, 2015, the Board of Directors approved an extension of the Fund's existing share repurchase program for the acquisition of up to 60% of the Fund's issued Shares. The Repurchase Program is intended to enhance shareholder value by providing additional liquidity to Fund shareholders. Only record owners may tender their Shares for repurchase. Beneficial owners must contact their respective broker-dealers to indicate their interest in participating in any future open-market repurchase of Shares. As of August 31, 2016 the Fund has repurchased 3,563,722 Shares of common stock in the open market, which represent 48.07% of the aggregate number of Shares issued by the Fund (net of Shares acquired for dividend reinvestment purposes and which remain outstanding).

Portfolio statistics (% of total portfolio assets) as of August 31, 2016¹:

Portfolio Summary		Characteristics	
Total Assets	\$94.81 million	PR Assets	29.44%
Outstanding Shares	4,769,077	US Assets	<u>70.56%</u>
Net Asset Value	\$10.99	Total ⁴	100.00%
Leverage ²	44.31%	<u>Capital Gains distributed</u>	
Initial Public Offering Price (2005)	\$10.00	2009	\$0.19246
August 2016 Dividend	\$0.04708	2011	<u>\$0.29000</u>
Initial Public Offering Yield ³	5.65%	Cumulative to date	\$0.48246
Avg. Last 12-Month Dividend	\$0.04720		

Contact

UBS Asset Managers of Puerto Rico
(787)773-3888

¹ The Fund's portfolio is actively managed and its composition will vary over time.

² As a percentage of total assets.

³ The IPO yield is calculated by multiplying the current month's distribution by twelve and dividing by the weighted average of the initial offering price of \$10.00 in 2005 and the secondary offering price of \$9.72 in 2008, would be 5.72%. Prices and yields may vary. Past performance is no guarantee of future results.

⁴ For details of US and PR assets please refer to holdings report posted in: www.ubs.com/prfunds