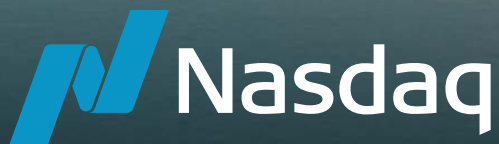


# Nasdaq-100 Engle 10% Index



As of October 31, 2024. Not a solicitation or offer to buy or sell any securities or other financial instruments.  
For Informational Purposes and UBS Marketing Purposes only. Only intended for professional clients of UBS AG and/or any of its affiliates.

# Where innovation meets Nobel Award winning research

## Exposure to the Nasdaq-100 Total Return™ Index with unique intraday mechanism

The Nasdaq-100 Engle 10% Index (the “Index”) uses an innovative forward-looking model developed by UBS in partnership with Dr. Engle to predict volatility and determine allocation to the Nasdaq-100 Total Return Index.

The Nasdaq-100 Engle 10% Index has been live since October 2024.

The Index targets a volatility of 10% intraday seeking to control risk, using a mechanism called “Volatility Control”.

### Key facts

<b>Ticker</b>	UBENGL10
<b>Website</b>	<a href="https://indices.ubs.com/UBENGL10">indices.ubs.com/UBENGL10</a>
<b>Backtest start date</b>	Jan 3, 2001
<b>Live date</b>	Oct 16, 2024
<b>Currency</b>	USD
<b>Asset class</b>	Equity only
<b>Return type</b>	Excess return <sup>1</sup>
<b>Rebalancing</b>	Intraday
<b>Calculation agent</b>	MerQube, Inc
<b>Index sponsor</b>	UBS AG
<b>Index deduction rate<sup>2</sup></b>	0.50% per year



<sup>1</sup>The equity portion of the Index is net of US Federal Funds Effective Rate in order to remove cost of funding.

<sup>2</sup>The UBENGL10 Index level is reduced by an index deduction rate of 0.50% per annum.



UBS worked with Dr. Engle to apply his research in volatility modeling to the Nasdaq-100 Total Return™ Index, creating the Nasdaq-100 Engle 10% Index (**the “Index”**). The Index is designed to give investors exposure to the Nasdaq-100 Total Return™ Index while applying an innovative forward-looking 10% intraday volatility control, seeking to deliver competitive risk-adjusted return.

- Exposure to the Nasdaq-100 Total Return™ Index with an innovative volatility control mechanism, that aims to provide stable and competitive participation rates.
- Intraday volatility forecast mechanism supported by research, aiming to produce a more reactive intraday allocation mechanism that rapidly adapts to changing market conditions.



Nasdaq-100 Total Return™ Exposure



Forward-looking volatility modeling



Partnering with Nobel Award winner

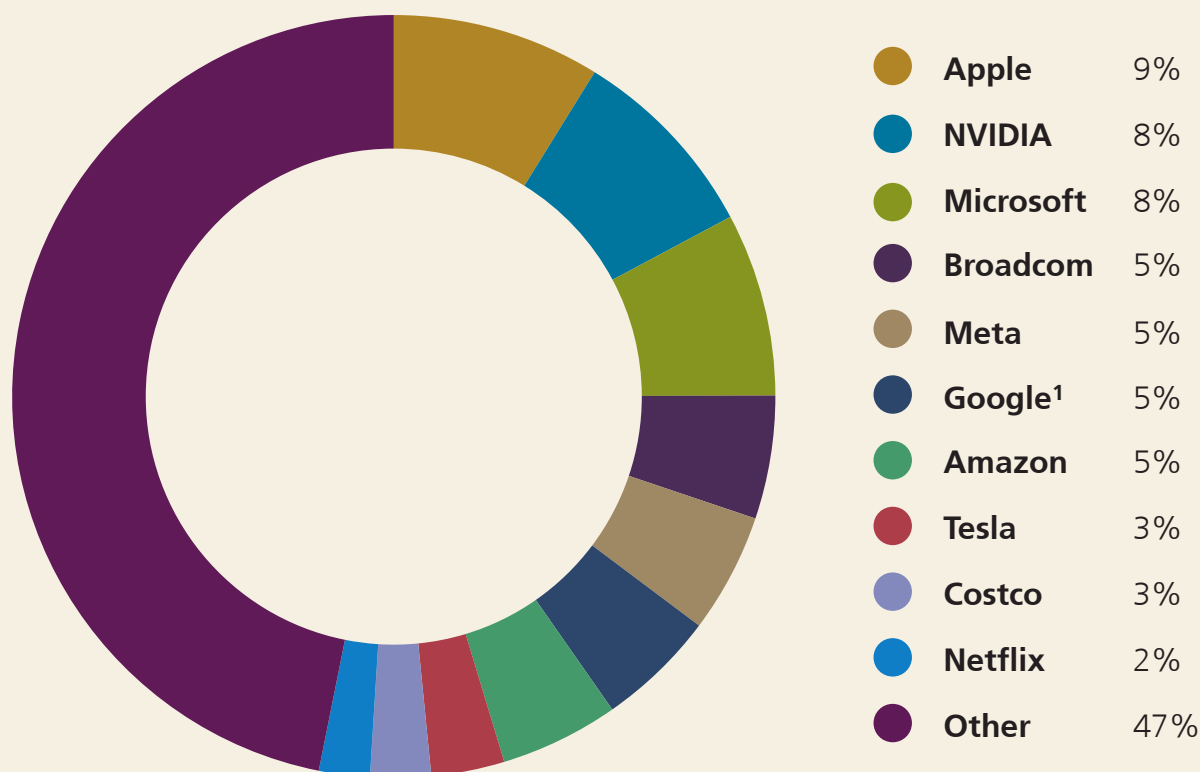


Intraday reactivity

# Nasdaq-100 Total Return™ Exposure

The Nasdaq-100® is one of the world's preeminent large-cap growth indexes.

The companies in the Nasdaq-100® includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market® based on market capitalization. Nasdaq-100 Total Return™ Index is the total return version of Nasdaq-100 Index®, and it is the underlying asset of the Nasdaq-100 Engle 10% Index.



Source: Nasdaq. <https://www.nasdaq.com/solutions/nasdaq-100>, as of October 31, 2024

<sup>1</sup> Includes both Class A and Class C Common Shares

# Partnering with Nobel Award winner

In 2003, Professor Robert F. Engle was awarded the Nobel Award in Economic Sciences for his groundbreaking work in volatility modeling<sup>1</sup>. This work helped establish the foundation for time series analysis and helped systematize the study of volatility in the financial market.

UBS has a long history of partnering with Nobel Award winners through the Nobel Perspectives Initiative.

**“The heart of a good volatility-control mechanism is a good forecast of volatility.”**



**Robert F. Engle, PhD.**  
2003 Nobel Laureate in Economics  
Professor Emeritus of Finance at NYU Stern  
Co-Director, The Volatility and Risk Institute

One of Engle's most important contributions was his discovery of a method for analyzing unpredictable movements in financial market prices. Strong prediction of these volatile movements can potentially help manage risk more effectively.

Engle developed forward-looking statistical models of volatility that captured the tendency of stock prices and other financial variables' movements in various volatility regimes.

<sup>1</sup>Robert F. Engle III was awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 2003. His prize motivation is “for methods of analyzing economic time series with time-varying volatility (ARCH)”. Source: <https://www.nobelprize.org/prizes/economic-sciences/2003/engle/facts/>

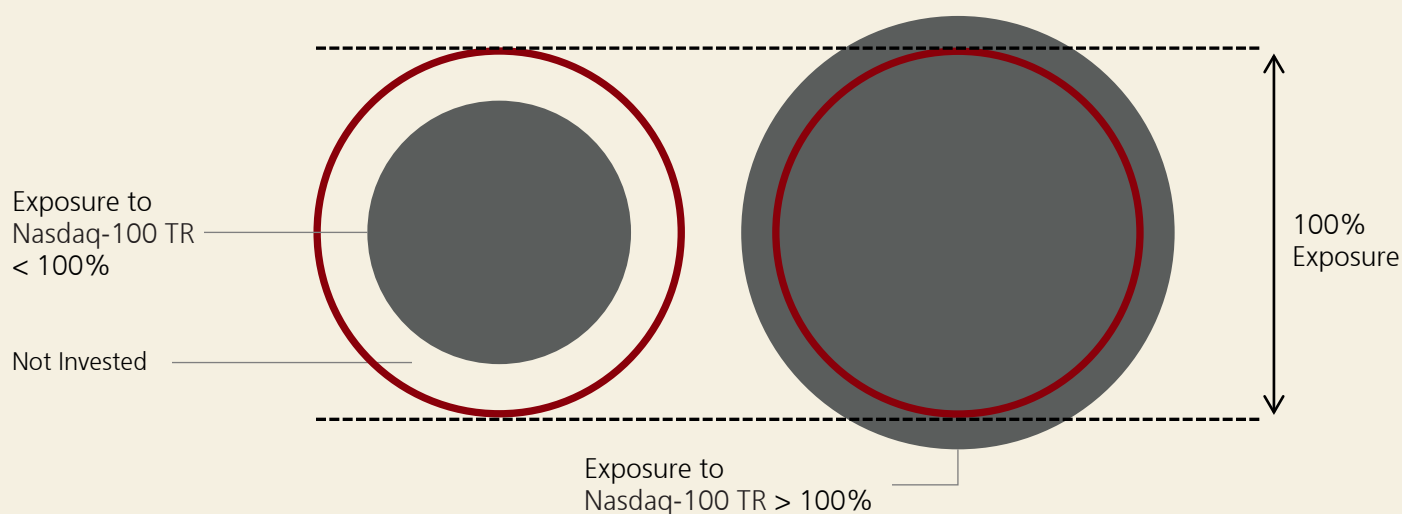
# Forward-looking volatility modeling

The Index targets a 10% annualized volatility.

Unlike many other volatility-controlled indices that rebalance based on backward-looking volatility calculations, the Index uses an innovative forward-looking model that predicts volatility and adjusts allocation to the Nasdaq-100 Total Return™ Index (“Nasdaq-100 TR”) intraday.

**Forecasted Volatility above Volatility Target  
<100% Exposure**

**Forecasted Volatility below Volatility Target  
>100% Exposure, up to a Cap**



*Leverage capped at 150%.  
Graphics for illustrative purposes only.*

When forecasted volatility is higher than 10%, the Index will reduce exposure to the underlying asset, Nasdaq-100 TR, to dampen volatility.

When forecasted volatility is lower than 10%, the Index will allocate more than 100% weight to Nasdaq-100 TR, subject to a maximum exposure of 150% to control leverage.

Source: UBS. 2024.

No assurance can be given that the Index will achieve its target volatility. The actual realized volatility may be greater or less than the Index's volatility target, which may impact negatively the performance of the Index. Past performance is not indicative of future performance.

# Intraday reactivity

**The Index uses an intraday mechanism to react quickly to market conditions throughout the trading hours, which allows it to target volatility more precisely and improve risk-adjusted performance.**

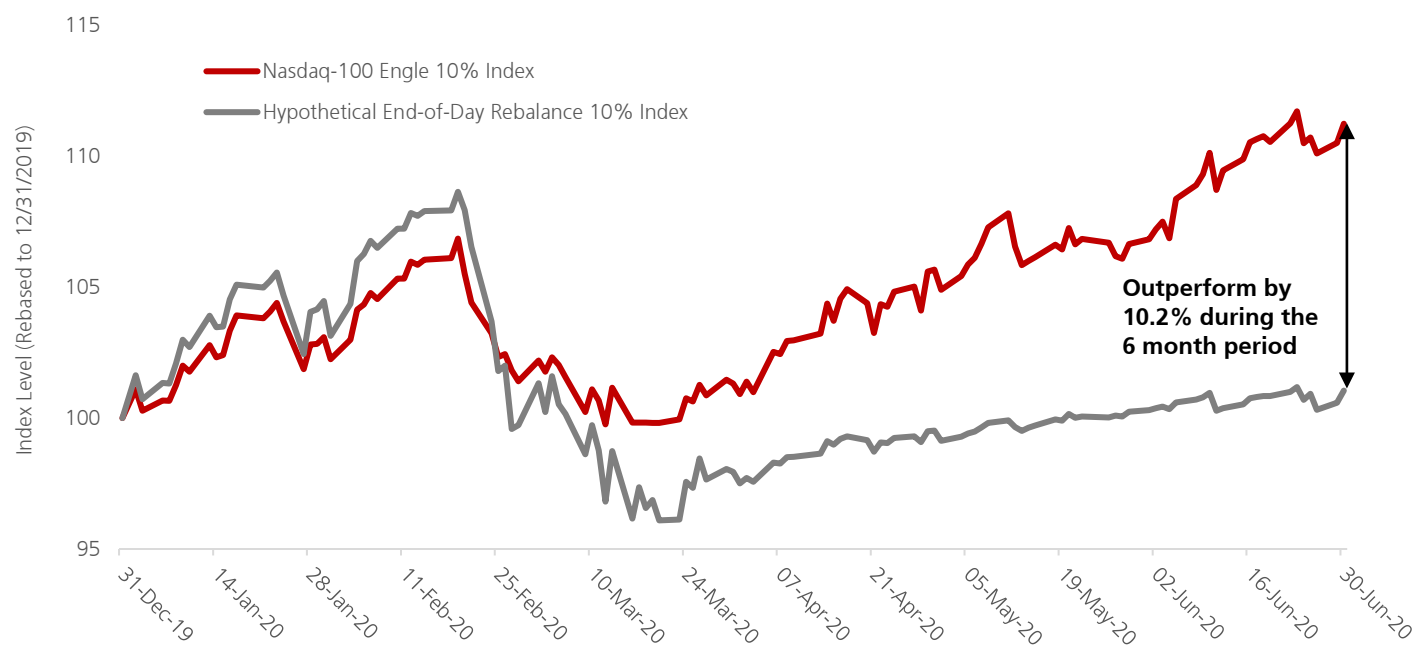
Many of the volatility-controlled indices rebalance daily, often with a two-day lag. The Nasdaq-100 Engle 10% Index observes market data multiple times a day to update the volatility forecast and rebalances intraday, up to 7 times a day.

In addition, the Index can reduce its exposure to the Nasdaq-100 Total Return™ Index when the Nasdaq-100 Total Return™ Index drops more than 1.5% intraday compared to its last closing level.

During the COVID period, Nasdaq-100 Engle 10% Index would have outperformed a hypothetically-constructed index that also targets 10% volatility on Nasdaq-100 Total Return™ Index using an end-of-day rebalancing mechanism with a two-day lag.

## A case study: the benefit of intraday rebalance in action<sup>1</sup>

Backtested Performance Comparison between Nasdaq-100 Engle 10% Index and a Hypothetical End-of-Day Rebalance 10% Index



Source: UBS.

<sup>1</sup>The case study is based on backtested performance. Past performance is not necessarily indicative of future performance. This material contains data derived as a result of back-testing of data and is provided by UBS in good faith using our standard methodology for information of this kind. Both indices have the same assumptions including an index deduction rate of 0.5% per year embedded.

# The partnership

UBS applied Dr. Engle's research to the Nasdaq-100 Total Return™ Index, to create the Nasdaq-100 Engle 10% Index.

## About Nasdaq

- Since the beginning, Nasdaq has had disruption in its DNA. From pioneering the world's first electronic exchange and building innovative indexes to providing industry-leading technology that enables more than 130 markets around the world.
- Today, there are 4,000+ company listings on the Nasdaq exchange.
- Nasdaq-100®: Tracking many of today's biggest innovators, the Nasdaq-100® is more than just a U.S. large cap equity index. It is a leading benchmark of global growth and innovation. The current Nasdaq-100 sector breakdown spans industries from technology to healthcare, and consumer goods and services to industrials and more. These companies continue to drive index performance by placing innovation at the forefront of their business models.
- Please see [nasdaq.com/about](https://nasdaq.com/about) for more information

## About UBS



- For over 160 years, clients have chosen to partner with UBS. They have been drawn by our tradition of client-focused advice and services, and the strength of our capital.
- UBS is one of the most highly rated global financial institutions<sup>2</sup>.
- Clients of our Investment Bank leverage the strength and understanding that UBS has built as one of the world's largest wealth managers<sup>3</sup> and a diversified global asset manager<sup>4</sup>.
- Please see [ubs.com/about](https://ubs.com/about) for more information.

<sup>1</sup> As of 4<sup>th</sup> quarter 2023.

<sup>2</sup> UBS AG long-term credit ratings. S&P rating as of Sep 10, 2024. Moody rating as of May 28, 2024. Fitch rating as of June 21, 2024.

<sup>3</sup> Peer disclosure, by invested assets or closest disclosed proxy, as of 30 June 2023

<sup>4</sup> Third party provider of client analytics for FY22 Wealth Management Competitor Analytics and peer disclosure.



# Selected risk considerations

- The Index is rules-based and cannot be invested into directly. The Index is not guaranteed to succeed at meeting its objectives.
- There is no assurance that the strategy on which the Index is based will be successful in producing positive returns. The Index may not rise in value and may not outperform any alternative portfolio or strategy that tracks the Index components.
- The Index has a limited performance history and may perform in unanticipated ways. Past performance is no indication or guarantee of future performance. No actual investment which allowed tracking of the performance of the Index was possible before October 16, 2024. All Index data prior to that date is based on backtested performance. "Backtested performance" refers to simulated performance data provided as an illustration of how the Index would have performed during the relevant period had the Index administrator been calculating the Index using the current Index methodology. Such simulated performance data has inherent limitations, as the simulated data is produced by the retroactive application of a backtested methodology. Simulated performance data is illustrative only and based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance, and may reflect a bias towards strategies that have performed well in the past. Backtested performance data cannot account for all financial risk that may affect the actual performance of the Index or any financial product that references the Index. Alternative modeling techniques or assumptions might produce significantly different results and may prove to be more appropriate. The actual performance of the Index or any financial products that reference the Index may vary significantly from the backtested performance data.
- The Index involves risks associated with equity markets.
- The Index is an excess return index (it reflects the return of components net of the cost of funding a hypothetical investment in them) and has an additional 0.50% p.a. index calculation fee deducted on a daily basis.
- Although the Index employs a mechanism designed to limit its volatility, no assurance can be given that it will achieve its target. The effect of the volatility-limiting mechanism may be to reduce the performance of the Index in rising markets. The actual realized volatility may be greater or less than the Index's volatility target, which may impact negatively the performance of the Index.
- The Index deducts transaction and replication costs, each calculated and deducted on a daily basis based on predefined rules. The costs cover, among other things, rebalancing and replication. The total amount of transaction and replication costs is not predictable and will depend on a number of factors, including the leverage of the Index, which may be as high as 150%, the performance of the underlying components, and market conditions.
- The Index performance reflects (i) a 0.50% per annum Index fee and (ii) transaction (based on notional positions) and rebalancing (based on turnover) costs at rates that may vary based on the underlying assets at the Index level and also within certain underlying assets. Because certain costs are based on turnover, such costs are not predictable and may increase substantially in the future, especially during periods of market stress. The transaction and rebalancing costs will reduce the potential positive change in the level of the Index and increase the potential negative change in the level of the Index.
- The Index may have greater than 100% exposure (up to 150%) to the underlying asset at any time as a result of the Volatility Control Mechanism, which may exacerbate losses and subsequent deleveraging may increase the time taken to recover from a drawdown event.
- UBS is the Index Sponsor. MerQube, Inc, the calculation agent for all indices administered by MerQube UK Limited (collectively "MerQube") calculates the Nasdaq-100 Engle 10% Index for UBS AG. MerQube administers and oversees the rulebook that governs the operations of the Index. UBS would be expected to hedge any financial instruments and obligations linked to the Index. In such roles, the economic interests of UBS and its affiliates are potentially adverse to the interests of a purchaser of any such instrument or obligation linked to the Index.
- The Index relies on a risk control methodology and could underperform indices that do not have a risk control overlay.
- The intraday rebalancing of the Index can lead to underperformance when markets exhibit non-trending behavior. For example, if equities included in the index experience a sharp decline followed by a sharp recovery within the same day, the intraday drawdown control mechanism may cause the Index to underperform similar indices that do not have such mechanism.
- Financial products linked to the Index will be exposed to the risks of those products.
- Relative strength and trend-following strategies, including the Index, could underperform in mean-reverting markets.
- Disruption events may impact the calculation of the Index.
- Prior to investing in the Index or purchasing any products linked to (or based on) the Index, investors and consumers should seek independent financial, tax, accounting and legal advice.
- Publicly available information on the Index and its methodology is limited.

# Disclaimer

## Attributions and Disclaimers with Respect to UBS

The Nasdaq-100 Engle 10% Index (the "Index") was developed by UBS AG, based in part on the Nasdaq-100 Total Return™ Index, which is owned and has been licensed by Nasdaq, Inc. to UBS AG for use in the Index. The Index applies a volatility control mechanism developed by UBS AG in collaboration with Engle Volatility Consulting LLC ("Engle Consulting"), the research principal of which is Robert F. Engle. UBS AG owns and is the current sponsor of the Index.

The rules of the Index may be amended by MerQube, Inc. (the "Calculation Agent") in consultation with UBS as index sponsor, which may, in turn, consult with Engle Consulting. An amendment to the rules may result from, without limitation, a change to the construction or calculation rules for the Index or from MerQube determining that a change to the rules is required or desirable in order to update them or to address an error, omission or ambiguity. No assurance can be given that any such amendment would not affect parties to this document. Nasdaq may, at its sole discretion, alter the components of the Nasdaq-100 Total Return™ Index and the calculation of the Nasdaq-100 Total Return™ Index. UBS is not responsible or liable for any changes to the Nasdaq-100 Total Return™ Index and is not involved in the calculation, creation, or maintenance of the Nasdaq-100 Total Return™ Index.

While volatility controls may result in less fluctuation in rates of return as compared to indices without volatility controls, they may also reduce the overall rate of return as compared to products not subject to volatility controls.

UBS has no role in the issuance of any insurance product, other than the licensing of the Index and associated marks for use in connection with insurance products and is not a party.

The Index is an excess return index, which means that it reflects the return of components net of the cost of funding a hypothetical investment in them. The Index returns are likely to be negatively affected by such costs of funding. The Index has a 0.5% per annum index calculation fee deducted on a daily basis. The index fee will negatively affect the performance of the Index, offsetting any appreciation of its value, exacerbating any depreciation of its value and causing the level of the Index to decline steadily if its value remains relatively constant.

The end-of-day value of the Index is published subject to the provisions in the rules of the Index. Neither the Index Sponsor, the Calculation Agent or any of its affiliates is obliged to publish any information regarding the Index other than as stipulated in the rules of the Index.

## Back-testing Disclaimer

The Nasdaq-100 Engle 10% Index has a limited performance history. The Index went live on October 16, 2024. All Index data prior to that date is based on hypothetical backtested performance data. The term "backtested performance" refers to simulated performance data provided as an illustration of how the Index would have performed during the relevant period had the Index administrator been calculating the Index using the current Index methodology. Such simulated performance data has inherent limitations, as the simulated data is produced by the retroactive application of a backtested methodology. Simulated performance data is illustrative only and based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance, and may reflect a bias towards strategies that have performed well in the past. Backtested performance data cannot account for all financial risk that may affect the actual performance of the Index or any financial product that references the Index. Alternative modeling techniques or assumptions might produce significantly different results and may prove

to be more appropriate. The actual performance of the Index or any financial products that reference the Index may vary significantly from the backtested performance data.

The data derived as a result of back-testing of data is provided by us in good faith using our standard methodology for information of this kind. That methodology relies on proprietary models, empirical data, assumptions and such other information that we believe to be accurate and reasonable. The current data that we selected for preparation of this material may be substantially different than if the data was selected from a different time period and this may have a substantial impact on the back-testing results. We make no representation as to the accuracy, completeness or appropriateness of such methodology and accept no liability for your use of the information. There is no assurance that other banks or brokers would derive the same results for the back-test period or that such results would have been achieved in practice. Prospective investors should also note that back-testing results may project unrealistic expectations on the performance of the Index or any instrument that references in the Index. Past performance is not necessarily indicative of future results. The back-testing results do not account for the risks involved in investing in any instruments that reference the Index, including but not limited to the credit risk of the issuer of the instrument. These risks may lead to the loss of any investors' investment in the relevant instrument and investors should read the risks stated in the offering documents of the instrument before investing in the instrument. Under no circumstances shall UBS have any liability for a) any loss, damage or other injury in whole or in part caused by, resulting from or relating to, any error (negligent or otherwise) of UBS in connection with the compilation, methodology, interpretation, communication, publication or delivery of this analysis, or b) any direct, indirect, special, consequential, incidental or compensatory damages whatsoever (including, without limitation, lost profits), in either case caused by reliance upon or otherwise resulting from or relating to the use of (including the inability to use) this analysis. This analysis is confidential. UBS specifically prohibits the redistribution or reproduction of this material in whole or in part without the prior written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect. © UBS 2024

Index performance is net of a 0.50% per annum index deduction rate and transaction and rebalancing costs described in the Selected Risk Considerations on page 8. A copy of the Index methodology will be provided upon request.

The Index is the exclusive property of and currently sponsored by UBS AG, London Branch. No legal relationship (whether in contract, tort, or otherwise) exists between any investor buying, selling, entering into or holding products linked to the Index (such products, the "Index Products" and such investors, the "Index Product Investors") and UBS AG, London Branch (in its capacity as owner of the Index the "Index Owner") and the Index Owner owes no duty (whether in contract, tort, or otherwise) to any Index Product Investor. No claims, actions or legal proceedings may therefore be brought against the Index Owner in any manner whatsoever by an Index Product Investor or any person.

The Index is the exclusive property of and currently sponsored by UBS AG, London Branch. No legal relationship (whether in contract, tort, or otherwise) exists between any investor buying, selling, entering into or holding products linked to the Index (such products, the "Index Products" and such investors, the "Index Product Investors") and UBS AG, London Branch (in its capacity as owner of the Index the "Index Owner") and the Index Owner owes no duty (whether in contract, tort, or otherwise) to any Index Product Investor. No claims, actions or legal proceedings may therefore be brought against the Index Owner in any manner whatsoever by an Index Product Investor or any other person.

# Disclaimer

Any Index Products are not in any way sponsored, endorsed or promoted by UBS. UBS has no obligation to take the needs of any person into consideration in composing, determining or calculating the Index (or causing the Index to be calculated). In addition, UBS makes no warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise. In addition, UBS gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

UBS does not warrant or represent or guarantee to any person the accuracy or completeness of the Index and its computation or any information related thereto and makes no warranty or representation or guarantee of any kind whatsoever relating to the Index. The process and basis of computation and compilation of the Index and the related formulae, constituent benchmarks and factors may at any time be changed or altered by the Index Administrator. The Index is subject to the terms set out in the Index Manual, as such Index Manual may be amended from time to time.

No responsibility or liability is accepted by UBS (whether for negligence or otherwise) in respect of the use of and/or reference to the Index by us or any other person in connection with securities, or for any inaccuracies, omissions, mistakes or errors in the computation of the Index (and UBS shall not be obliged to advise any person or any Index Product Investor of any error therein) or for any economic or other loss which may be directly or indirectly sustained by any Index Product Investor or any other persons dealing with securities as a result. Any Index Product Investor or other person dealing with securities does so, therefore, in full knowledge of this disclaimer and can place no reliance whatsoever on UBS.

UBS makes no representation, warranty or guarantee as to the accuracy, completeness or appropriateness of the methodology, nor does it accept any liability for the use of such information. Nothing in this disclaimer shall exclude or limit liability to the extent such exclusion or limitation is not permitted by law or regulations to which UBS is subject.

This material has been issued by UBS AG and/or any of its affiliates ("UBS", "our", "we" and "us"). The Index, or other financial instruments described herein ("Instruments") may not be eligible for sale in all jurisdictions or to certain categories of investors. This material is for distribution only under such circumstances as may be permitted by applicable law, rules and/or regulations. All communications between you and us may be monitored.

Please also see further details as set out under "Country-specific information" below.

## Country-specific information

Except as otherwise specified herein, these materials are distributed to professional clients only, and are not suitable for retail clients. For further important country-specific information, please see the following link: [ubs.com/sales-and-trading-country-information](https://ubs.com/sales-and-trading-country-information).

## Provenance and purpose

This material has been prepared by UBS sales or trading personnel and it is not a product of our UBS Global Research Department and is not intended to recommend, suggest or inform an investment strategy. Opinions expressed may differ from the opinions expressed by our other divisions, including those of the UBS Global Research Department.

## Recipient to exercise own judgment

The information contained herein should not be regarded by recipients as a substitute for the exercise of their own judgment. It has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and does not constitute the provision of investment advice.

Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisers to the extent you deem necessary to make your own investment, hedging and trading decisions.

## Not an offer to transact

This material has been prepared for informational purposes only and is not an offer to buy or sell, or a solicitation of an offer to buy or sell any Instrument or to participate in any particular trading strategy.

This material is not an official confirmation of terms.

Contents of Material This material is prepared from information believed to be reliable, but we make no representations or warranties, express or implied, and owe no duties (including in negligence) as to the accuracy, completeness or reliability of the material, nor is it intended to be a complete statement or summary of the Instruments, markets or developments referred to. The material is subject to change without notice.

We do not undertake any obligation to update this material. Any prices or quotations contained herein are indicative only and are not for valuation purposes. Past performance is not necessarily indicative of future results.

## Statement of Risk

The Instruments are not suitable for all investors, and trading in these Instruments is considered risky and is appropriate only for sophisticated investors and in particular any target market identified herein. These Instruments may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates, foreign exchange rates and other market conditions. Some Instruments may be physically settled or cash settled.

## No Liability

To the fullest extent permitted by law, neither we nor any of our directors, employees or agents is liable for any loss (including indirect, special or consequential losses or damages, even if we have been advised of the possibility of such loss or damage) arising out of any person's use of, or reliance upon, the information contained herein.

## Securities Act

Any Instruments that have not been registered under the United States Securities Act of 1933 may not be offered or sold in the United States except under an exception from the registration requirements of the Securities Act and applicable state securities laws.

## No redistribution or reproduction

We specifically prohibit the redistribution or reproduction of this material in whole or in part without our prior written permission and we accept no liability whatsoever for the actions of third parties in this respect. © UBS 2024. All rights reserved.

# Disclaimer

## Nasdaq Disclaimer

Nasdaq®, Nasdaq-100®, Nasdaq-100 Index®, NDX®, Nasdaq-100 Total Return™, or XNDX™ are trademarks of Nasdaq, Inc. (which with its affiliates is referred to as the "Corporations") and are licensed or sublicensed for use by UBS AG and its sublicensees. Any products that reference the Index (The "Products") have not been passed on by the Corporations as to their legality or suitability. Products(s) are not issued, endorsed, sold, or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO ANY PRODUCT(S).

## Engle Consulting Disclaimer

Engle Consulting is not an investment adviser, does not guarantee the accuracy and completeness of the Index or any product referencing the Index or any data or methodology either included therein or upon which it is based. Neither the Index nor any product referencing the Index is sponsored, endorsed, sold or promoted by Engle Consulting or Robert F. Engle. ENGLE CONSULTING AND ROBERT F. ENGLE DO NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO ANY FINANCIAL INSTITUTION, INVESTOR OF OR COUNTERPARTIES TO THE INDEX OR ANY PRODUCT REFERENCING THE INDEX OR TO ANY MEMBER OF THE PUBLIC REGARDING ANY PRODUCT REFERENCING THE INDEX OR THE ADVISABILITY OF INVESTING IN SECURITIES GENERALLY OR IN THE INDEX OR ANY PRODUCT REFERENCING THE INDEX PARTICULARLY. NEITHER ENGLE CONSULTING NOR ROBERT F. ENGLE OR ANY OF THEIR RESPECTIVE PARTNERS, EMPLOYEES, SUBCONTRACTORS, AGENTS, SUPPLIERS, VENDORS, HEIRS SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "PROTECTED PARTIES") SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS IN THE INDEX OR ANY PRODUCT REFERENCING THE INDEX AND MAKE NO WARRANTIES EXPRESSED OR IMPLIED, AS TO THE PERFORMANCE OR RESULTS EXPERIENCED BY ANY PARTY FROM THE USE OF ANY INFORMATION INCLUDED THEREIN OR UPON WHICH IT IS BASED, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT THERETO, AND SHALL NOT BE LIABLE FOR ANY CLAIMS OR LOSSES OF ANY NATURE IN CONNECTION WITH THE INDEX OR ANY PRODUCT REFERENCING THE INDEX OR THE USE OF SUCH INFORMATION, INCLUDING BUT NOT LIMITED TO, LOST PROFITS OR PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES EVEN IF ENGLE CONSULTING, ROBERT F. ENGLE OR ANY PROTECTED PARTY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## MerQube, Inc.

MerQube, Inc, the calculation agent for all indices administered by MerQube UK Limited (collectively "MerQube") calculates the Nasdaq-100 Engle 10% Index for UBS AG. MerQube does not guarantee the accuracy, timeliness, or completeness of the calculations or any data or information relating to the Index. MerQube makes no warranty, express or implied, as to the Index, or any values or data related thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. To the maximum extent permitted by law, MerQube, its affiliates, and all their respective employees, subcontractors, partners, agents, suppliers, and vendors (collectively, the "protected parties") shall have no liability, contingent or otherwise, for any injury or damages, whether caused by the negligence of a protected party or otherwise, arising in connection with the calculation of the Index or any data or values included therein or in connection therewith and shall not be liable for any losses (including lost profits), punitive, incidental, or consequential damages.

## Additional UBS disclosure in respect of MerQube

Prospective investors in any product linked to any index in respect of which MerQube acts as index administrator and/or calculation agent should be aware that as at the time of issuance, UBS AG and/or its affiliates ("UBS") has made an investment in shares in MerQube and accordingly holds up to 5% of MerQube's share capital. In certain situations, this may create a conflict of interest between UBS and any investors in the product.

## Tax Disclaimer

UBS does not provide any tax advice. Any tax statement herein regarding any US federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding any penalties. Any such statement herein was written to support the marketing or promotion of the transaction(s) or matter(s) to which the statement relates. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. Notwithstanding anything to the contrary herein, each party (and each of their employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of any transaction that may described or included within the information contained herein relating to such U.S. tax treatment and U.S. tax structure. For this purpose, the tax treatment of a transaction is the purported or claimed U.S. federal income tax treatment of the transaction, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of any transaction.

## ERISA

You understand that (i) UBS AG neither has or exercises investment discretion with respect to any assets on behalf of any employee benefit plans or individual retirement accounts (collectively, "Plans") that may be involved with the purchase, holding, or redemption of a security, (ii) UBS is not undertaking to provide impartial investment advice or give advice in a fiduciary capacity on behalf of such Plans within the meaning of the U.S. Department of Labor's final regulation defining "investment advice" for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the Internal Revenue Code of 1986, as amended, (iii) UBS is not a "fiduciary" within the meaning of Section 3(21) of ERISA, and (iv) the information or communication provided herein or otherwise to the Plans or a fiduciary on behalf of any of the Plans is intended to be, and should be construed as, general information, and it does not and will not take into account your legal, regulatory, tax, business, investment, financial, accounting or other needs or priorities with respect to any Plans.