UBS Global Multi Asset Engle 8% Index



UBS



Multi asset portfolio meets Nobel Prize winning research

The UBS Global Multi Asset Engle 8% Index is designed to provide dynamic exposure to global equities, global bonds and gold.

This systematic index dynamically adjusts asset allocation, providing diversified exposure across multiple asset classes. It uses a forward-looking, risk-sensitive rebalancing model developed by UBS in partnership Dr. Robert Engle.

Key facts

Ticker	UBENGMA8
Website	indices.ubs.com/UBENGMA8
Backtest start date	September 02, 2008
Live date	December 16, 2025
Currency	USD
Asset class	Multi-asset
Return type	Excess return
Rebalancing	Daily
Calculation agent	MerQube, Inc
Index sponsor	UBS AG
Index fee	0.00% per year

Built in risk management

The Index targets a volatility of 8% using a mechanism called **"Volatility control."**

Partnering with Nobel Prize winner

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

He developed forward-looking statistical models of volatility that capture the tendency of stock prices and other financial variables' movements in various regimes. Strong prediction of these movements can potentially help manage risk more effectively.



> "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

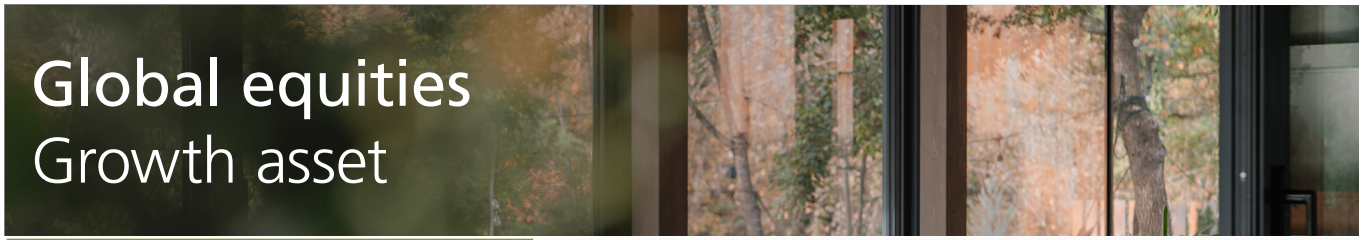


UBS has a long history of partnering with Nobel Award winners through the Nobel Perspectives Initiative.

[1]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

The right balance

The Index invests in three asset classes to balance growth and provide diversification.



Global equities
Growth asset

US Equity futures	UBS US Equity Engle 10% Index
European Equity futures	UBS Europe Equity Engle 10% Index
Japanese Equity futures	UBS Japan Equity Engle 10% Index



Global bonds
Defensive asset

US bond futures	UBS 10Y US Treasuries Bond Index
European bond futures	UBS 10Y German Bond Index
Japanese bond futures	UBS 10Y Japan Bond Index



Gold
Diversifying asset

CME gold futures	UBS Gold Engle 10% Index

Index construction

Total risk target = 8%

1 Fixed risk exposure

The Index construction starts with a **fixed risk exposure** across three asset classes:

Global equities	60%
Global bonds	30%
Gold	10%

Risk exposures are then rebalanced monthly.

2 Target allocation

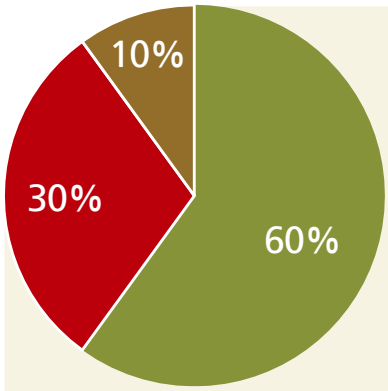
A dollar "target allocation" is calculated for each asset class based on the risk exposure contribution prescribed in Step 1. Target allocation depends on the asset risk level and cross-correlation between assets.

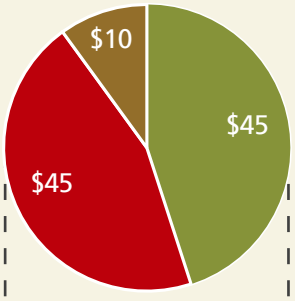
3 Final portfolio allocation

The Index then uses Dr. Engle's model to forecast volatility and correlation, adjusting allocation as market conditions change.

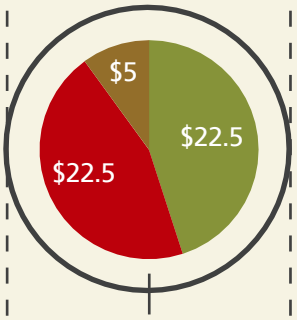
During high volatility periods, final portfolio allocation is reduced, while during low volatility periods allocation is increased, up to $300.

The Index aims to keep final portfolio allocation within 8% risk target.

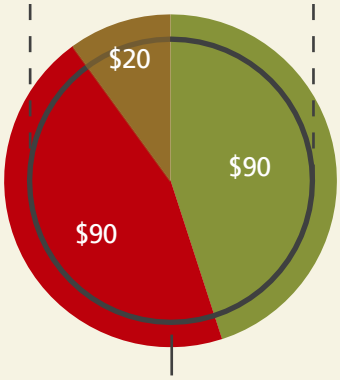




Target allocation per asset class



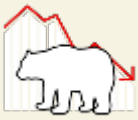
Under allocation



Over allocation

Example

$100 allocation



High volatility at 16%
Final portfolio allocation is reduced to $50

8% / 16% x $100 = $50



Low volatility at 4%
Final portfolio allocation is increased to $200

8% / 4% x $100 = $200

For illustrative purposes

Built in risk management and low volatility

Unlike many volatility-controlled indices that rebalance based on backward-looking volatility calculations, the index uses an innovative forward-looking model that predicts volatility for global equities and gold.

On the portfolio level, the Index uses a correlation forecasting model to adjusts allocation to global equity futures, global bond futures and gold futures.

The Index targets a risk level of 8% annualized volatility



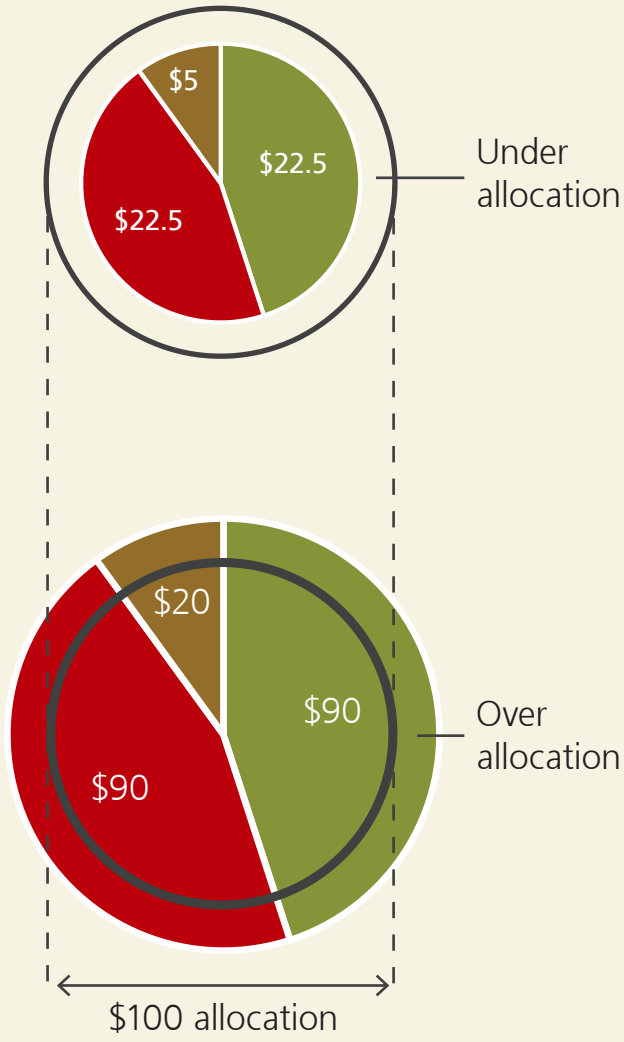
Bear market
High volatility

If forecasted volatility is higher than 8%, the Index will **reduce the final portfolio allocation** to less than $100 to dampen volatility.



Bull market
Low volatility

If forecasted volatility is lower than 8%, the Index will **increase the final portfolio allocation** to more than $100, up to $300.



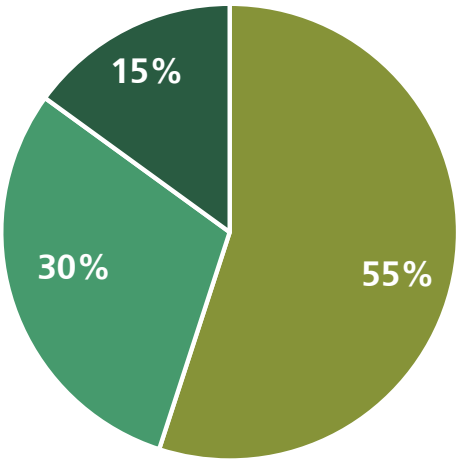
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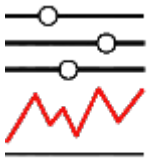


Global equities
Growth asset

The global equities allocation leverages three of the world's most established markets, providing exposure to the US, European, and Japanese equity futures through:

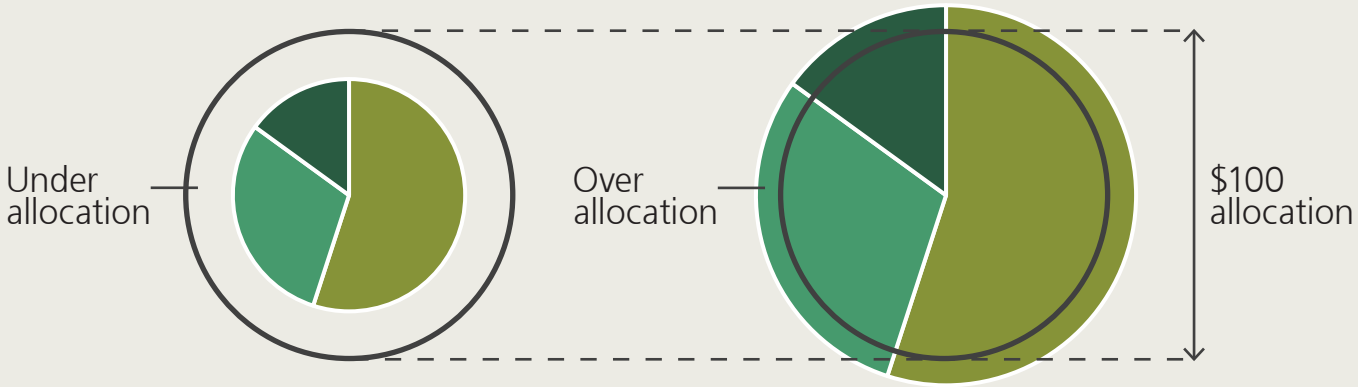
55%	UBS US Equity Engle 10% Index	US Equity futures
30%	UBS Europe Equity Engle 10% Index	European Equity futures
15%	UBS Japan Equity Engle 10% Index	Japanese Equity futures





Engle volatility control

The global equities allocation can be adjusted up and down intraday to maintain a 10% risk level. An embedded intraday momentum feature responds to sharp sell-offs and decreases allocation in periods of negative market conditions.



Risk level above 10% or market sell-off
Target allocation will be less than $100

Risk level below 10%
Target allocation will be more than $100 and up to $150

For illustrative purposes



Global bonds
Defensive asset

The global bonds allocation provides exposure to the US, European, and Japanese bond futures using:

UBS 10Y US Treasuries Bond Index	US bond futures
UBS 10Y German Bond Index	European bond futures
UBS 10Y Japan Bond Index	Japanese bond futures

Allocation follows a factor-based approach using Trend, Carry and Value to compute weights, ensuring that each region contributes according to the strength of their respective factor, driven by interest rate dynamics.

1 Calculate the 3 bond factors:

Trend signal measures asset momentum
Interest rates tend to exhibit trending behavior; the stronger the trend, the greater the strength of the trend factor.

Carry signal measures the yield generated from holding an asset, minus the cost of holding such asset
The steeper the curve, the greater the expected carry return, and the greater the strength of the signal.

Value signal measures the price of the asset relative to its fundamental value
The stronger the value, the greater the strength of the value factor.

Daily factor analysis

US	Europe	Japan

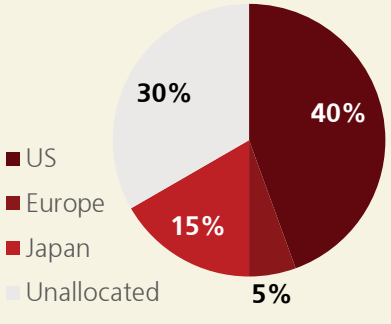
These three individual factors are monitored daily for each region and the combinations of these factors determine whether the strategy should allocate exposure to the Bond futures for that region.

2 **Aggregate each regional Bond factor** and calculate an allocation exposure per Bond futures market.

Exposure cap

0-150%	0-100%	0-150%

3 **Each exposure is prorated** to the inverse of the 1 year realized volatility of each Bond future, to ensure that the weight of each Bond future is commensurate to its risk as represented by its volatility.



For illustrative purposes



Gold
Diversifying asset

The gold allocation provides exposure to the gold futures using:

UBS Gold Engle 10% Index

Engle volatility control

Gold allocation can be adjusted up and down intraday to maintain a 10% risk level.



Risk level above 10%
Target allocation will be less than $100

Risk level below 10%
Target allocation will be $100

For illustrative purposes



Key index highlights

Diversified global multi asset exposure

The Index provides diversification across asset classes and across the globe without having to time the market.

Built in risk management and low volatility

Intraday observation and rebalancing enable the Index to react quickly to changing market conditions.

Innovative research in index construction

The Index utilizes innovative volatility forecasting models, powered by Dr. Engle's Nobel Prize winning research.



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