# UBS Retiree Balanced Index

## Factsheet – August 2024

## Investment Strategy

The UBS Retiree Balanced Index ("**CSEAREB5**" or "**Index**") is a rules-based multi-asset index.

The equity strategy of the Index aims to provide exposure to economic sectors that may benefit from the spending patterns of the aging U.S. population.

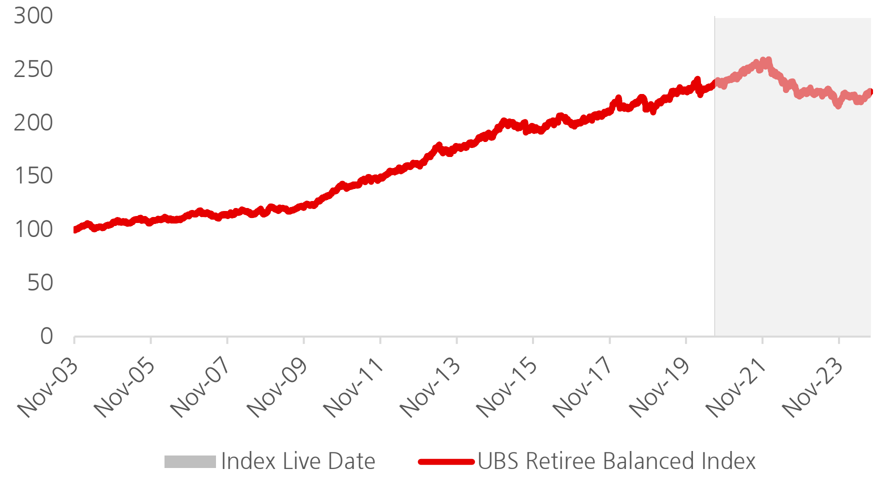
The fixed income strategy attempts to mitigate equity risk and therefore provide more stable returns.

The Index is rebalanced daily to target a volatility of 5%.

## Key Information

| | |
|---|---|
| **Index** | UBS Retiree Balanced Index |
| **Bloomberg Ticker** | CSEAREB5 <Index> |
| **Category** | Dynamic Asset Allocation |
| **Return Type** | Excess Return (it reflects the return of components net of the cost of funding - see information in Source in the footnote) |
| **Currency** | USD |
| **Live Date** | July 30, 2020 |
| **Index Fees** | 0.5% p.a. deducted daily |

## Actual and Simulated Performance of the Index




## Historical Monthly Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2017** | 0.3% | 2.2% | -0.5% | 0.9% | 0.0% | 0.8% | 0.4% | 0.4% | 0.4% | 0.2% | 3.7% | 0.6% | **9.8%** |
| **2018** | 1.5% | -3.3% | 0.2% | -0.5% | 0.8% | 0.9% | 0.9% | 2.0% | -0.7% | -4.1% | 1.7% | -1.5% | **-2.4%** |
| **2019** | 2.6% | 0.0% | 1.7% | 0.4% | -0.7% | 2.6% | 0.2% | 1.5% | -0.3% | -0.1% | 0.4% | 0.7% | **9.2%** |
| **2020** | 0.2% | -1.6% | 0.2% | 0.7% | 0.7% | 0.2% | 1.3% | 0.6% | -0.6% | -1.5% | 2.7% | 0.7% | **3.6%** |
| **2021** | -0.3% | 0.3% | 1.2% | 2.0% | 0.2% | 0.1% | 1.1% | 1.0% | -2.6% | 2.4% | -0.3% | 2.0% | **7.4%** |
| **2022** | -4.1% | -0.8% | -0.7% | -2.3% | -0.2% | -2.1% | 1.9% | -2.1% | -3.1% | 0.3% | 1.3% | -1.2% | **-12.4%** |
| **2023** | 1.8% | -1.8% | 0.7% | 0.3% | -1.5% | 1.5% | 0.5% | -1.5% | -3.0% | -1.7% | 2.8% | 2.3% | **0.2%** |
| **2024** | -1.1% | 0.1% | 0.5% | -3.2% | 0.9% | 0.7% | 2.0% | 0.7% | | | | | **0.7%** |

Source: UBS. Bloomberg. Data collected from November 3, 2003, to August 30, 2024. The UBS Retiree Balanced Index is live since July 30, 2020, any data shown prior to the live date is simulated. Until January 3, 2022, the 3-month USD LIBOR rate was used to calculate the cost of funding, which is deducted from the Index level. Following January 3, 2022, and in connection with the discontinuation of the 3-month USD LIBOR rate which occurred immediately after June 30, 2023, the 3-month USD LIBOR rate was replaced with the Secured Overnight Financing Rate (SOFR) plus a spread that progressed from 0.10% to 0.26% through June 30, 2023. Following July 3, 2023, SOFR was complemented by a spread of 0.26%. Past performance is no indication or guarantee of future performance. The return results provided herein are illustrative only and were derived by means of a retroactive application of a back-casted model designed with the benefit of hindsight. These back-casted, hypothetical, historical annualized Index returns have inherent limitations. No representation is made that in the future the Index will have the returns shown. Alternative modeling techniques or assumptions might produce significantly different results and may prove to be more appropriate. Actual annualized returns may vary materially from this analysis. As well as deducting cost of funding from the Index return, an additional 0.5% p.a. per annum of Index Fees is also deducted on a daily basis from the Index return. The Index could underperform relative to other indices, including equity indices. In addition, the Index is an excess return index: it reflects the return of components net of the cost of funding a hypothetical investment in them.

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**Key considerations related to the Index**

- The Index is rules-based and cannot be invested into directly.
- 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 utilizes components that reference futures contracts. The Index may underperform a similar investment linked to the spot prices or current levels of the underlying assets tracked by the futures contracts included in the Index components.
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- The Index involves risks associated with equity markets, real estate and fixed income investments.
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- 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 0.5% 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 actual realized volatility may be greater or less than the Index's volatility target, which may impact negatively the performance of the Index, and the effect of the volatility-limiting mechanism may be to reduce the performance of the Index in rising markets.
- The Index may have greater than 100% exposure (up to 125%) to the multi-asset allocation 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.
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