[7.00-8.50]% p.a. USD Reverse Convertible
Linked to UBS CIO AI 1.5% AR USD-Hedged Index

Yield Enhancement

Issued by UBS AG, Zurich and Basel, Switzerland, acting through its Jersey Branch

Cash or physical settled
(physical settlement is available only if no Index Switch Event has occurred)
SSPA Product Type: Reverse Convertible (1220)
Valor: 154441029 / ISIN: CH1544410298 / WKN: UP3K46

Public Offer | **Indicative Final Terms**

The Product does not represent a participation in any of the collective investment schemes pursuant to article 7 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA. Moreover, investors in this Product bear the issuer risk. Furthermore, this Product does not benefit from any depositor protection under article 37a of the Swiss Federal Act on Banks and Savings Banks (Banking Act) or other forms of deposit insurance under any other law as might be applicable to this Product.

This Product is linked to a dynamic index, which intends to track, subject to compliance with a set of index universe and index component requirements, stocks recommended by the Chief Investment Office of UBS Wealth Management ("UBS CIO") in their preference list "Transformational Innovation Opportunities (TRIO): AI" ("UBS CIO List"), which is updated from time to time. The index is calculated daily as a net total return index denominated in USD and foreign currency exposures are systematically partially hedged through the use of FX forward contracts. The index is net of a 1.50% p.a. adjustment factor charged on the index level and net of transaction costs of 0.10% for stocks (levied on any rebalanced amounts) and of 0.01% for FX forwards (charged monthly on the index level). Termination or withdrawal of the UBS CIO List will result in (1) an Index Switch Event, i.e., the index will no longer be dynamically linked to any UBS CIO updates (regardless of whether or not a successor list is announced by UBS CIO), but will continue to be reset quarterly based on the static list of stocks in the CIO List upon its termination or withdrawal, and (2) investors will receive a cash amount on the maturity date, instead of delivery of the Physical Delivery Asset in accordance with the provisions herein.

Information on Underlying

Underlying	Reference Level	Strike Level
UBS CIO AI 1.5% AR USD-Hedged Index Bloomberg: UCAI15AH / ISIN: DE000SL0S0G0 / Valor: 154134864 / RIC: .UCAI15AH For more details, please see the Index Description below.	[1,159.96] (indicative) (Official closing price of the Underlying on the Fixing Date)	[1,043.964] (indicative) (90% of the Reference Level)

Physical Delivery Asset
Participation Certificate linked to a UBS CIO AI Equity Preference Portfolio (USD) ISIN: CH1398161757 / WKN: US77UM / Valor: 139816175 Further information on the Physical Delivery Asset can be found on https://www.ubs.com/keyinvest or https://www.ubs.com/quotes by entering the ISIN code CH1398161757.

Product Details

Security Numbers	Valor: 154441029 / ISIN: CH1544410298 / WKN: UP3K46
Denomination / Nominal Amount	USD 5,000
Issue Price	100% (percentage quotation) of the Nominal Amount
Calculation Amount	USD 5,000
Redemption Currency	USD
Quoting Type	Secondary market prices are quoted in percentage and dirty; accrued Coupon Amount is included in the price.

UBS

Dates

Launch Date	20 March 2026
Subscription Period	20 March 2026 - 09 April 2026 (15:00 CEST)
Fixing Date	10 April 2026
Initial Payment Date (Issue Date)	17 April 2026
Last Trading Date	09 April 2027
Expiration Date (Expiry)	12 April 2027 (subject to market disruption event provisions)
Maturity Date	19 April 2027 (subject to market disruption event provisions)

Coupon

Coupon Amount	[7.00-8.50]% p.a. per Calculation Amount, payable on the respective Coupon Payment Date.
Day Count Convention	30/360
Coupon Period	The Coupon Period will be the period from the Coupon Accrual Start Date(i) (including) to the Coupon Accrual End Date(i) (excluding).

Coupon Accrual Start Dates / Coupon Accrual End Dates

	Coupon Accrual Start $Date_{(i)}$	Coupon Accrual End $Date_{(i)}$
i=1	17 April 2026	17 July 2026
i=2	17 July 2026	17 October 2026
i=3	17 October 2026	17 January 2027
i=4	17 January 2027	17 April 2027

Coupon Entitlement	The investor is only entitled to receive the Coupon Amount on the relevant Coupon Payment Date in relation to the preceding Coupon Period, if the investor purchased the Securities on any day up to and including the relevant Record Date. If the Securities are purchased after the relevant Record Date, the investor will not be entitled to payment of the Coupon Amount on the relevant Coupon Payment Date in relation to the preceding Coupon Period.
Record Date	The Record Date means the day 3 Banking Days before the relevant Coupon Payment $Date_{(i)}$.
Coupon Payment	The investor is entitled to receive the payment of the Coupon Amount in the Redemption Currency on the relevant Coupon Payment $Date_{(i)}$ in relation to the preceding Coupon Period.

Coupon Payment Dates

	Coupon Payment $Date_{(i)}$
i=1	17 July 2026
i=2	19 October 2026
i=3	19 January 2027
i=4	19 April 2027

(subject to market disruption event provisions)

Redemption

The investor is entitled to receive from the Issuer an amount in the Redemption Currency on the Maturity Date, according to the following scenarios:

Scenario 1	If the Expiration Price is **equal to or higher** than the Strike Level, the Redemption Amount per Product shall be the Calculation Amount.

UBS

Scenario 2	If the Expiration Price is **lower** than the Strike Level, the investor will receive the Expiration Value.
Expiration Value	Subject to the occurrence of an Index Switch Event (as defined below), the number of units per Denomination of the Physical Delivery Asset calculated by the Calculation Agent in accordance with the following formula: $$\frac{\text{Calculation Amount} \times \left(\frac{\text{Expiration Price}}{\text{Strike Level}}\right)}{\text{Physical Delivery Asset Expiration Price}}$$ The sum of all fractional entitlements to the Physical Delivery Asset, per Calculation Amount, will be paid in cash, based on the Physical Delivery Asset Expiration Price. If an Index Switch Event has occurred or the Physical Delivery Asset expired or has been terminated, the Expiration Value will be calculated by the Calculation Agent in accordance with the following formula and paid in cash $$\text{Calculation Amount} \times \left(\frac{\text{Expiration Price}}{\text{Strike Level}}\right)$$
Physical Delivery Asset Expiration Price	The net asset value as per end of day on the Expiration Date of the Product, which corresponds to the Reference Portfolio Level on that day as defined in the terms and conditions of the Physical Delivery Asset, which can be found on www.ubs.com/keyinvest or www.ubs.com/quotes by entering the ISIN code CH1398161757.
Expiration Price	The Reference Price of the Underlying on the Expiration Date.
Reference Price	Specified Price per unit of the Underlying, quoted in the relevant Currency, and published by the Index Administrator. Underlying: UBS CIO AI 1.5% AR USD-Hedged Index (Bloomberg Ticker: UCAI15AH) Specified Price: official closing price Index Administrator: Solactive AG Currency: USD

General Information

Issuer	UBS AG, Zurich and Basel, Switzerland, acting through its Jersey Branch
Issuer Rating	Aa2 Moody's / A+ S&P / A+ Fitch
Issuer Supervisory Authority	Swiss Financial Market Supervisory Authority (FINMA). London Branch additionally Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). Jersey Branch additionally Jersey Financial Services Commission (JFSC).
Lead Manager	UBS AG, Zurich (UBS Investment Bank)
Calculation Agent	UBS AG, London Branch
Paying Agent	UBS Switzerland AG
Listing	None
Secondary Market	The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and/or offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Daily price indications will be available on LSEG/Bloomberg, SIX Financial Information and www.ubs.com/keyinvest.
Trading Hours	09:15 - 17:15 (CET)
Banking Days	New York
Banking Day Convention	Where any date is used in conjunction with the term "Banking Day Convention", an adjustment will be made if that date would otherwise fall on a day that is not a Banking Day, so that the date will be the first following day that is a Banking Day. Investors shall not be entitled to further interest or other payments in respect of such delay.
Underlying Calculation Date	Means each day, on which the Index Administrator determines, calculates and publishes the official price of the Underlying in accordance with the relevant rules and the following exchanges are all open for trading:

	• The NASDAQ Stock Market • The Stock Exchange of Hong Kong Limited • KOREA EXCHANGE (STOCK MARKET)
Minimum Investment	USD 5,000 (subject to Selling Restrictions)
Minimum Trading Lot	USD 5,000
Status	Unsecured / Unsubordinated
Clearing System	SIX SIS, Euroclear, Clearstream (registered as intermediated securities with SIX SIS AG, in Switzerland)
Form of Deed	Uncertificated Securities
Governing Law / Jurisdiction	Swiss / Zurich
Product / Security	One Reverse Convertible is equivalent to one (1) "Product" / "Security". "Products" / "Securities", wherever used herein shall be construed to mean integral multiples of the same, subject to the Issue Size.
Adjustments	The terms of the Product may be subject to adjustments during its lifetime. Detailed information on such adjustments is to be found in the Indicative Product Documentation. For clients outside of the United Kingdom, any changes with regard to the terms of this Product shall be published at www.ubs.com/keyinvest.
Public Offering	Switzerland
Fees and expenses charged to investors during the term of the Product	None
Material Changes	Apart from what has been published in the Indicative Product Documentation (including any documents incorporated by reference therein), there has been no material change in the Issuer's financial or trading position since the end of its last year-end or quarterly financial report.
Responsibility	UBS AG, having its registered head offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, accepts responsibility for the information contained in these Indicative Final Terms and declares that, to its knowledge, the information contained in these Indicative Final Terms is accurate and does not omit any material circumstances.
Distribution Fees	[1.00]% of the Denomination, included in the Issue Price

Index Description

Index Administrator	Solactive AG
Index Owner	UBS AG, London Branch
Investment Objective	The UBS CIO AI 1.5% AR USD-Hedged Index tracks the performance of the UBS CIO AI 1.5% USD Index AR (the "**Underlying Index**" or "**Base Index**") and hedges the currency exposure to a local currency on a one-month basis via FX forward contracts, for which 0.01% is charged monthly on index level (in accordance with the Index methodology). The investment objective of the Base Index is to track, subject to compliance with a set of index universe and index component requirements (as set out in the Base Index methodology), the performance of global developed and emerging market stocks from companies across the three artificial intelligence (AI) layers, "enabling", "intelligence", and "application", as recommended by the Chief Investment Office of UBS Wealth Management ("**UBS CIO**"), in their preference list "Transformational Innovation Opportunities (TRIO): AI" ("**UBS CIO List**"), which is updated from time to time. Each time the UBS CIO List is updated, the stocks are screened for their eligibility (including, for example, minimum liquidity and tradability requirements) and the remaining eligible stocks are weighted based on the weight information provided in the UBS CIO List, as further described in the Index methodology for the Base Index. The Base Index is notionally linked to single stocks on a long-only basis. It may from time to time include a residual allocation to a synthetic cash component accruing at the United States SOFR Secured Overnight Financing Rate. The Base Index is calculated daily as a net total return Index (i.e. dividends will be reinvested back into the Base Index net of withholding tax) denominated in USD and is net of a 1.50% p.a. adjustment factor and net of transaction costs of 0.10% for stocks (levied on any rebalanced amounts). More detailed information, including any relevant risks in connection with an investment linked to the Index (and the Base Index), can be found in the documents Index Description

	& Risk Disclosure in relation to the Index and the Base Index, which are annexed to this document (see Annex 1 and Annex 2). The full set of rules of the UBS CIO AI 1.5% AR USD-Hedged Index and of the Base Index can be found in the index methodologies which are published by the Index Administrator on: www.solactive.com/index/DE000SL0S0G0/ and www.solactive.com/index/DE000SL0S0F2/. The disruption policy of the Index Administrator is currently published on: www.solactive.com/documents/disruption-policy/. Potential investors are advised to read the index methodologies for the Index and the Base Index and the disruption policy of the Index Administrator together with the Product Documentation before investing in the Products.
Index Switch Event	Should, at any time following the launch of the Index, the UBS CIO List be terminated or withdrawn by UBS CIO (regardless of whether or not a successor list has been announced by UBS CIO), the Index will no longer be dynamically linked to any UBS CIO updates, but will continue to be reset quarterly based on the static list of stocks in the CIO List upon its termination or withdrawal, applying the same eligibility screening and weighting mechanism as set out in the Index methodology, including partially FX-hedging via monthly rolling FX Forwards.

Significant Risks for Investors

Investors in this Product should be experienced investors and familiar with both derivative products and the financial markets. Potential investors should understand the risks associated with an investment in the Product and shall only reach an investment decision after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Product in the light of their own particular financial, fiscal and other circumstances (ii) the information set out in this document and (iii) the Underlying(s).

In addition to the market risk with regard to the development of the Underlying, each investor bears the general risk that the financial situation of the Issuer could deteriorate ("**Issuer Risk**"). The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank pari passu with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The general assessment of the Issuer's creditworthiness may affect the value of the Product. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's. The Issuer Rating indicated in this document reflects the situation at the time of issuance and may be subject to change. The actual Issuer Rating at any given time can be seen on the Issuer's website (www.ubs.com) under "Investor Relations".

In addition to the risk factors below, further risk factors are set out in the UBS Swiss Base Prospectus for the Issuance of Securities.

Product Specific Risks

Loss Potential	Investors may lose some or all of the investment as they are fully exposed to an unfavourable performance of the Underlying.
Capital Protection (at Expiry)	None
Risk Potential in comparison to a direct investment in the Underlying	The Strike Level limits the risk exposure compared to a direct investment. However, once the Underlying closes below the Strike Level, the risk potential is similar as with a direct investment in the Underlying.
Issuer Call right	None
Stop Loss Event	None
Exposure to the performance of the Underlying(s)	Investors in these Products should be familiar with the behaviour of the Underlying(s) and thoroughly understand how the performance of such Underlying(s) may affect payments (or any other benefits to be received) under, or the market value of, the Products. The past performance of the Underlying(s) is not indicative of future performance. The market value of a Product may be adversely affected by postponement or alternative provisions for the valuation of the level or the Underlying(s). There are significant risks in purchasing Products that are linked to one or more emerging market Underlying(s).
Role of UBS CIO	UBS CIO publishes the UBS CIO List independently from the existence of this Product. The publication of the UBS CIO List, as amended from time to time by UBS CIO, formally constitutes research material and shall not constitute any form of a recommendation or investment advice for investors on behalf of the Index Administrator, Index Owner, UBS CIO or the Issuer or any of their affiliates. UBS CIO assumes no responsibility or liability for the performance of the Index and the Product.

	Furthermore, investors should be aware that UBS CIO may stop publishing the UBS CIO List in its sole and absolute discretion complying with the rules of being an independent research provider and has no duty to provide a reason for the discontinuance of the publication of the UBS CIO List. In certain cases, UBS CIO may recommend or appoint a successor list to the UBS CIO List. Investors should be aware that, in such a case, the index will not refer to such a successor list but will remain static (see Index Switch Event).
Index Switch Event	If at any time following the launch of the Index, the UBS CIO List will be terminated or withdrawn by UBS CIO (regardless of whether or not a successor list has been announced by UBS CIO), the Index will no longer be dynamically linked to any UBS CIO, but will continue to be reset quarterly based on the static list of stocks in the CIO List upon its termination or withdrawal, applying the same eligibility screening and weighting mechanism as set out in the Index methodology, including partially FX-hedging via monthly rolling FX Forwards. Therefore, investors should note that the Index respectively the Base Index will no longer be based on any UBS CIO list (even if UBS CIO were to announce a successor list) and that the Index respectively the Base Index following such switch might over- or underperform any then prevailing UBS CIO (successor) list, if any, benchmark equity index or other comparable reference asset. Investors should also note that following an Index Switch Event the Product will change from physical settlement of the Physical Delivery Asset to cash settlement and if the Underlying closes below the Strike Level investors may realise an immediate loss on their investment.
The Index may not exactly be mirroring the UBS CIO List	Investors should be aware that the Index respectively the Base Index may not exactly be mirroring the UBS CIO List. Investors should note that the Index Administrator updates the Index respectively the Base Index only upon receipt of an updated UBS CIO List. Therefore, investors should be aware that no Index respectively Base Index rebalancing will be triggered in the absence or impairment of the data feed to the Index Administrator including where the UBS CIO List would otherwise be available outside of the agreed electronic data feed. Furthermore, in certain circumstances and in accordance with the Index methodologies, if the UBS CIO changes the UBS CIO List, the Index Administrator will make one or more corresponding adjustments to the Index respectively the Base Index composition, but such adjustments may not be identical to the changes to the UBS CIO List (e.g., due to application of liquidity screening, market capitalization screening, restriction rules, all as set out in the index methodology).
Unpredictable market value of the Products	The market value of, and expected return on, Products may be influenced by a number of factors, some or all of which may be unpredictable (and which may offset or magnify each other), such as (i) supply and demand for Products, (ii) the value and volatility of the Underlying(s), (iii) economic, financial, political and regulatory or judicial events that affect the Issuer, the Underlying(s) or financial markets generally, (iv) interest and yield rates in the market generally, (v) the time remaining until the Maturity Date, (vi) if applicable, the difference between the level of the Underlying(s) and the relevant threshold, (vii) the Issuer's creditworthiness and (viii) dividend payments on the Underlying(s), if any.
No recourse to Underlying(s)	The investors' only recourse in respect of the Product is to the Issuer. The Products do not represent a claim against the Underlying(s) or its components and investors will not have any right of recourse to such Underlying(s) (or components or components thereof) or to any other assets. An investment in the Product does not result in any voting rights in respect of, or receive distributions on, the Underlying (or components or components thereof).
Extraordinary termination risk	The Product contains terms and conditions that allow the Issuer to terminate and redeem the Product prior to the Maturity Date. Examples of extraordinary termination events may include the discontinuation of the determination/publication of the price of the Underlying(s), the occurrence of a hedging disruption or a change in law. In case of such extraordinary termination, the Issuer shall pay to the investors an extraordinary termination amount as determined by the Calculation Agent which is usually equivalent to the market value of the Product. Potential investors should note that the extraordinary termination amount may deviate from and may be considerably below the amount which would be payable pursuant to the final redemption provisions on the Maturity Date. Investors are not entitled to request any further payments on the Product after the termination date. For a detailed description of such events and their effects please refer to the Product Documentation.
Adjustment risk	Potential investors should be aware that it cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlying(s) which can lead to changes to the Underlying(s) or its concept (e.g. corporate events of a company whose shares constitute an Underlying, market disruption events or

	other circumstances affecting normal activities). In the case of the occurrence of such events or measures, the Issuer and/or the Calculation Agent are entitled to effect adjustments according to the Indicative Product Documentation. Such adjustments might have a negative impact on the value of the Product.
Illiquidity risk in secondary market	The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and/or offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price. Potential investors should note that prices quoted typically include a spread and therefore may deviate from the market value of the Product. In special market situations, where the Issuer is completely unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices in the secondary market may be temporarily expanded, in order to limit the economic risks of the Issuer. Hence, investors might sell at a price considerably lower than the actual price of the Product at the time of its sale. By selling the Product in the secondary market investors may receive less than the capital invested. In case of a secondary market transaction, there is a possibility that costs, including taxes, related to or in connection with the Product may arise for investors that are not paid by the Issuer or imposed by the Issuer.
Market Disruption risk	Investors are exposed to market disruption events (such as trading disruption, exchange disruption and early closure of the relevant exchange), which could have an impact on the redemption amount through delay in payment, change in value or suspension of trading in the Product in the secondary market. For a detailed description of such events and their effects please refer to the Indicative Product Documentation.
Effects of structuring and product management	When the Product is issued or sold, several types of incidental costs, fees, commissions and a profit are included in the purchase price of the Product. Such incidental costs and fees may include (i) issuance and securitisation costs; (ii) hedging costs and brokerage fees incurred by the Issuer in connection with the issuance of the Product; (iii) a profit priced into the Issue Price for the benefit of the Issuer; (iv) commissions paid internally from one department to another department (e.g. sales department) of the Issuer; (v) distribution fees to intermediaries, brokers or other distributors and financial advisors; (vi) other costs incurred by the Issuer in connection with the issuance of the Product (including, without limitation, costs for external legal and tax advice). Such costs reduce the value of the Product in the sense that a potential bid price will exclude such costs and therefore is likely to be lower than the Issue Price or the price at which the Product was offered.
Withholding tax	Investors in this Product should note that any payment under this Product may be subject to withholding tax (such as, inter alia, Swiss Withholding Tax, and/or withholding related to FATCA or 871(m) of the US Tax Code). **Any payments due under this Product are net of such tax.** Please refer to the Indicative Product Documentation for detailed information. If the Issuer is required to withhold any amount pursuant to Section 871(m) or FATCA of the U.S. Tax Code, the Issuer will not be required to pay additional amounts with respect to the amount so withheld.
Tax Treatment for dividend payments on index components	Each investor should note that since this Product references an Index, then regardless of whether any such Index is a net price return, a price return or a total return index, the payments made by the Issuer under the Product will reflect the gross dividend payments paid by the issuers of the securities comprising the relevant Index less applicable withholding tax amounts in respect of such gross dividends. In the case of U.S. source dividends, these withholding tax amounts will be paid by or on behalf of the Issuer to the U.S. Internal Revenue Service in accordance with the U.S. withholding tax rules under Section 871(m).

Product Documentation

This document ("**Indicative Final Terms**") contains the non-binding indicative final terms for the Product. The Indicative Final Terms contain indicative terms and conditions subject to change. The Final Terms will be made available on the Issue Date.

The Indicative Final Terms together with the 'UBS Swiss Base Prospectus for the Issuance of Securities', stipulated in English and as amended from time to time, ("**Base Prospectus**") shall form the non-binding and indicative documentation for this Product ("**Indicative Product Documentation**"), and accordingly the Indicative Final Terms should always be read together with the Base Prospectus and any supplements thereto. Definitions used in the Indicative Final Terms, but not defined herein shall have the meaning given to them in the Base Prospectus.

The Indicative Product Documentation can be obtained free of charge from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com). In addition, for clients outside of the United Kingdom, the Indicative Product Documentation is available at www.ubs.com/keyinvest. Notices in connection with this Product shall be validly given by publication as described in the Base Prospectus. Furthermore, for clients outside of the United Kingdom, any changes with regard to the terms of this Product shall be published at www.ubs.com/keyinvest.

Upon the replacement of the Base Prospectus by a successor version of the Base Prospectus the Indicative Final Terms are to be read together with the latest valid successor version of the Base Prospectus (each, a "**Successor Base Prospectus**") which has succeeded either (i) the Base Prospectus, or (ii) if one or more Successor Base Prospectuses to the Base Prospectus have already been published, the most recently published Successor Base Prospectus, and the term "Indicative Product Documentation" shall be interpreted accordingly.

The Issuer consents to the use of the Base Prospectus (including any Successor Base Prospectus) together with the relevant Indicative Final Terms in connection with a public offer of the Products by any financial intermediary that is authorised to make such offers.

Index Disclaimer

Solactive Disclaimer

The financial instrument is not sponsored, promoted, sold or supported in any other manner by Solactive AG (the "Index Administrator") nor does the Index Administrator offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by the Index Administrator. The Index Administrator uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, the Index Administrator has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the financial instrument. Neither publication of the Index by the Index Administrator nor the licensing of the Index or Index trade mark for the purpose of use in connection with the financial instrument constitutes a recommendation by the Index Administrator to invest capital in said financial instrument nor does it in any way represent an assurance or opinion of the Index Administrator with regard to any investment in this financial instrument.

UBS Index Disclaimer

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.

The Index Owner makes no representation, warranty or guarantee whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figures or levels at which the Index stands at any particular day or otherwise. In addition, the Index Owner 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.

The Index Owner 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 the Index Owner (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 the Index Owner 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 the Index Owner.

The Index Owner 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 the Index Owner is subject.

The mark and name of the Index is proprietary to UBS.

UBS CIO AI 1.5% AR USD-Hedged Index is a trademark of UBS AG.

Selling Restrictions

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.

The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. A non-exhaustive list of additional sales and offering restrictions are available in the Product Documentation/Base Prospectus. Distributors and/or investors should seek specific advice before buying and on-selling this Product.

European Economic Area - In relation to each Member State of the European Economic Area (each, a "**Member State**"), an offer of the Products to the public in a Member State may only be made in accordance with the following exemptions as set out in the Regulation (EU) 2017/1129 (as may be amended or replaced from time to time) (the "**Prospectus Regulation**"):

(a) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) Fewer than 150 offerees: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation);

(c) An offer of Products addressed to investors who acquire Products for a total consideration of at least EUR 100,000 per investor, for each separate offer; and/or

(d) Other exempt offers: at any time in any other circumstances falling within Article 1 (4) of the Prospectus Regulation,

provided that no such offer of Products referred to in (a) to (d) above shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "offer of Securities to the public" in relation to any Products in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to purchase or subscribe the Products.

Hong Kong

Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Products which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.

People's Republic of China

The Product may not be sold to any Domestic Investor.

"Domestic Investor" means the following:

(a) PRC citizens resident in the People's Republic of China (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) (the "PRC") or an individual that possess PRC ID documents;

(b) holders of a joint account if one of the holders is considered as captured in sub-paragraph (a) above;

(c) PRC citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan; and

(d) Legal persons (corporate or unincorporated entities) registered in the PRC,

provided that:

(x) "PRC citizens" do not include persons who are permanent residents of Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan or any individual who holds permits for proceeding to Hong Kong Special Administrative Region, Macau Special Administrative Region or who has obtained an identity document as proof of permanent residence in a country or region outside PRC.

(y) "Legal persons registered in the PRC" excludes any branch or subsidiary of a corporate or unincorporated entity registered in PRC which branch or subsidiary is lawfully registered in Hong Kong or overseas.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Products may not be circulated or distributed, nor may the Products be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified and/or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Products are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Products pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Pursuant to section 309B(1)(c) of the SFA, the Issuer hereby notifies the relevant persons (as defined in the SFA) that the Products are classified as "*capital markets products other than prescribed capital markets products*" (as defined in the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018) and "*Specified Investment Products*" (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

An offer of the Products to the public in the United Kingdom may only be made :

(a) to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom;

(c) any other circumstances falling within Part 1 of Schedule 1 to the POATRs,

For the purposes of the forgoing provisions, the expression an "offer of Products to the public" in relation to any Products means the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to buy or subscribe for the Products and the expression "POATRs" means the Public Offers and Admissions to Trading Regulations 2024.

U.S.A.

The Products have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, United States persons, as defined in the clause (ii) in the below paragraph. Unless otherwise defined herein, terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Upon the purchase of the Product, each investor or holder of the Product is deemed to represent to the Issuer that: i) it understands that the Products have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons; ii) it is not a "United States person," as that term is defined under section 7701(a)(30) of the United States Internal Revenue Code of 1986; and iii) it, or any subsequent purchaser or transferee of the Products, will not reoffer, resell or pledge, the Products or otherwise transfer any interest therein to a United States person, as defined in clause (ii) above. For the purposes of this clause (ii) a United States person shall include pass-thru entities with at least one owner that meets the definition of United States person under section 7701(a)(30) of the United States Internal Revenue Code of 1986.

Jersey

No offer for subscription, sale or exchange of this Product may be circulated or made to any person in Jersey.

Kingdom of Bahrain

In relation to investors in the Kingdom of Bahrain, Products issued in connection with the Product Documentation and related offering documents must be in registered form and must only be marketed to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the "CBB") in the Kingdom of Bahrain where such investors make a minimum investment of at least US$ 100,000, or any equivalent amount in other currency or such other amount as the CBB may determine.

The Product Documentation does not constitute an offer of Products in the Kingdom of Bahrain in terms of Article 81 of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). The Product Documentation and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Products may be offered, sold or made the subject of an invitation for subscription or purchase nor will the Product Documentation or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than as marketing to accredited investors for an offer outside Bahrain.

The CBB has not reviewed, approved or registered the Product Documentation or related offering documents and it has not in any way considered the merits of the Products to be marketed for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in the Product Documentation and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of the Product Documentation.

No offer of Products will be made to the public in the Kingdom of Bahrain and the Product Documentation must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

Each Manager has represented and agreed, and each further distributor appointed will be required to represent and agree, that it has not offered or sold, and will not offer or sell any Products except as marketing to persons in Bahrain who are "accredited investors" for an offer outside Bahrain. For this purpose, an accredited investor means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of 1,000,000 U.S. Dollars or more, excluding that person's principal place of residence;

(b) a company, a partnership, a trust or other commercial undertaking, which has financial assets available for investment of not less than 1,000,000 U.S. Dollars; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

ANNEX TO THE INDICATIVE FINAL TERMS: ISSUE SPECIFIC SUMMARY

This summary is an introduction to the Indicative Final Terms (the "**Indicative Final Terms**") relating to the [7.00-8.50]% p.a. USD Reverse Convertible (the "**Securities**") described in the Indicative Final Terms and the latest valid version of the UBS Swiss Base Prospectus for the Issuance of Securities approved by the SIX Exchange Regulation Ltd. (the "**Base Prospectus**", the Indicative Final Terms together with the Base Prospectus, including all documents incorporated by reference into the Base Prospectus, the "**Indicative Product Documentation**") and contains all the information required to be included in a summary for this type of product and issuer (the "**Summary**").

This Summary should be read together with the Indicative Product Documentation. Any decision to invest in the Securities should be based on consideration of the Indicative Product Documentation as a whole by the investor, and not on the Summary alone. In particular, each investor should consider the risk factors described in the Indicative Product Documentation.

THE ISSUER CAN ONLY BE HELD LIABLE FOR THE CONTENT OF THE SUMMARY IF THE SUMMARY IS MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THE INDICATIVE PRODUCT DOCUMENTATION.

Information on the Securities
Name of the Securities: [7.00-8.50]% p.a. USD Reverse Convertible linked to UBS CIO AI 1.5% AR USD-Hedged Index

UBS

SSPA/EUSIPA Product Type: Reverse Convertible (1220)
Security identification number(s) of the Securities: ISIN: CH1544410298 WKN: UP3K46 Valor: 154441029
Issuer: UBS AG, Zurich and Basel, Switzerland, acting through its Jersey Branch
Issue Date: 17 April 2026
Maturity Date: 19 April 2027
Settlement Currency: USD
Settlement: Cash or physical (physical settlement is available only if no Index Switch Event has occurred)
Information on the Offer and Admission to Trading
Subscription Period: 20 March 2026 - 09 April 2026 (15:00 CEST)
Issue Price: 100% (percentage quotation)
Calculation Amount: USD 5,000 per Product
Public Offering: Switzerland
Admission to trading on a regulated market or other equivalent markets: None
Applicable selling restrictions: European Economic Area; Hong Kong; People's Republic of China; Singapore; UK; USA; Jersey; Kingdom of Bahrain For detailed information see section "Selling Restrictions" in the Indicative Final Terms.

ANNEX 1

INDEX DESCRIPTION & RISK DISCLOSURE

OF THE

UBS CIO AI 1.5% AR USD-HEDGED INDEX

(ISIN: DE000SL0S0G0)

Introduction

This following index description (the "**Index Description**") describes and summarizes the scope, methodology, governance, and key parameters of the UBS CIO AI 1.5% AR USD-Hedged Index (the "**Index**").

The composition, calculation and maintenance of the Index are described in more detail in the Index guideline (the "**Index Guideline**") and the Index Guideline and the policies and methodology documents referenced in this Index Description and the Index Guideline contain the underlying principles and rules regarding the structure and operation of the Index.

Consequently, this Index Description should be read in conjunction with the Index Guideline and the policies and methodology documents referenced therein. Capitalised terms used, but not otherwise defined in this Index Description shall have the meanings given to them in the Index Guideline and the policies and methodology documents referenced therein.

A copy of the Index Guideline and the policies and methodology documents referenced therein, which form part of this Index Description are available upon request from UBS AG (UBS Investment Bank), Europastrasse 1, 8152 Zürich, Switzerland in its role as Index sponsor (the "**Index Sponsor**") and are also published on the Index Administrator's website: https://www.solactive.com. Publication of the Index and the Index Guideline and the policies and methodology documents referenced therein does not constitute an investment recommendation or assurance regarding future index levels or results or a possible investment in a financial instrument based on this Index.

It should be noted that an index committee established by the Index Administrator and its subsidiaries (the "**Index Committee**") is responsible for decisions regarding any amendments to the rules of the Index.

Section 1. Index Specifications

1. Scope of the Index

The Index tracks the performance of the UBS CIO AI 1.5% USD Index AR (the "**Underlying Index**") and hedges the currency exposure to a local currency on a one-month basis via FX forward contracts.

The Index is denominated in USD and is net of hedge costs charged upon each monthly rebalancing as described herein.

The Index is calculated, administered and published by Solactive AG assuming the role as administrator of the Index (the "**Index Administrator**") in accordance with the underlying principles and rules described in the Index Guideline and the policies and methodology documents referenced therein.

2. Identifiers and Publication

The Index is published on the Index Administrator's website: https://www.solactive.com/index/DE000SL0S0G0/ and is also available via the price marketing services of Boerse Stuttgart GmbH.

Index Name	ISIN	Valor	Currency	RIC	BBG ticker
UBS CIO AI 1.5% AR USD-Hedged Index	DE000SL0S0G0	154134864	USD	.UCAI15AH	UCAI15AH

3. Prices and Calculation Frequency

The initial level of the Index on 20 January 2025 (the "**Start Date**") is set to be USD 1,000. Following the Start Date, the level of the Index is calculated on an intraday basis on each weekday from Monday to Friday (each a **"Calculation Day"**) from 1:00 a.m. to 10:50 p.m. CET in accordance with the underlying principles and rules described in the Index Guideline.

Section 2. Index Selection

1. Selection of the Index Currency Components

The Index Administrator determines the currency universe ("**Index Currency Universe**"), being the universe of all currencies in which the components of the Underlying Index are listed on the day on which the Underlying Index was last calculated immediately preceding the relevant Index Rebalance Day (each an "**Selection Day**").

All currencies included in the Index Currency Universe on the Index Selection Day shall automatically constitute the currency components ("**Index Currency Component(s)**"), and each Index Currency Component shall be assigned a weight.

2. Weighting of the Index Currency Components

The weight of each Index Currency Component is assigned according to the aggregated weights of all the components of the Underlying Index quoted in the respective currency at the close of business on the Index Selection Day.

Section 3. Rebalance

The Index is rebalanced on the 20th calendar day of each month (if on such day the London Stock Exchange is not open for general business, the next following day on which the London Stock Exchange is open for general business) (each an "**Rebalance Day**").

In order to reflect the new selection of the Index Currency Component(s) determined on the Selection Day the Index is adjusted on the Rebalance Day after close of business.

The level of the Index is net of a hedge cost of 0.01% charged on the level of the Index upon each monthly rebalancing.

Section 4. Calculation of the Index

1. Index Formula

The Index is calculated in accordance with the Index Administrator's methodology for currency hedge standard indices, which is based on the use of foreign exchange forward contracts. The methodology, including the assumptions, rules and calculation procedures applicable to the Index, is fully and exclusively set out in the Index Guideline.

2. Recalculations

The Index Administrator makes the greatest possible efforts to accurately calculate and maintain its Index. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. The Index Administrator endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Index Administrator Correction Policy ("**Solactive Correction Policy**"), which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/correction-policy/.

Section 5. Miscellaneous

1. Discretion of the Index Administrator

Any discretion which may need to be exercised in relation to the determination of the Index in accordance with the Index Guideline and the policies and methodology documents referenced therein shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

2. Methodology Review

The methodology of the Index is in accordance with the Index Guideline subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the Index, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/methodology-policy/. Such change in the methodology will be announced on the Index Administrator's website under the section "Announcements", which is available at https://www.solactive.com/news/announcements/. The date of the last amendment of this Index is contained in the Index Guideline.

3. Changes in Calculation Method

The application by the Index Administrator of the method described in this Index Description and the Index Guideline respectively is final and binding. The Index Administrator shall apply the method described above for the composition and calculation of the Index. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The Index Administrator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Administrator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the Index Administrator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

4. Termination of the Index

The Index Administrator makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, the Index Administrator follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 4.2 "Methodology Review") in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the Index may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

The Index Administrator has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/termination-policy/.

5. Index Committee

The Index Committee, composed of staff from the Index Administrator and its subsidiaries, is responsible for decisions regarding any amendments to the rules of the Index. Any such amendment, which may result in an amendment of the Index Guideline, must be submitted to the Index Committee for prior approval and will be made in compliance with the Methodology Policy, which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/methodology-policy/.

Section 6. Risk Factors

The material risks associated with an investment in financial instruments based on this Index (the "**Index Products**"). Investors in Index Products should note that these do not purport to be a complete explanation of all the risks associated with an investment in Index Products on this Index. Prior to entering into a transaction, each investor should perform their own independent analysis of the risks associated with the Index and whether the investment is suitable for him/her in light of his/her experience, objectives, financial position and other relevant circumstances. Investors may also wish to consult with their own legal, regulatory, tax, financial and/or accounting advisors as necessary.

Neither this Index Description nor the Index Guideline and the policies and methodology documents referenced therein are, or do it purport to be, investment advice. The Index Sponsor and the Index Administrator are not acting as investment advisors or providing advice of any nature and does not assume any fiduciary obligation to any investors investing in Index Products. Prospective investors should carefully consider whether the Index Products are suited to their particular circumstances.

Index Products may not be a suitable investment for all investors
Each prospective investor in any Index Product must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should: (a) have sufficient knowledge and experience to evaluate the Index Products, the merits and risks of investing in the Index Products and the information contained or incorporated by reference in the product documentation; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant product and the impact the Index Products will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Index Products, including where the settlement currency is different from the prospective investor's currency or may be payable in one or more currencies; (d) understand thoroughly the terms of the Index Products and be familiar with any relevant assets, indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Partial FX hedge

UBS

The currency hedge provided by the Index will not be adjusted in-between the monthly FX rebalancings. Not for example due to the performance of any stocks or corporate actions or due to the occurrence of rebalancing's as a result of an updated CIO List. Therefore, the investor is still exposed to the corresponding residual currency exchange risks.

Potential losses from rebalancing costs

The hedge costs associated with rebalancing may have an adverse impact on the performance of the Index.

In addition to the risk factors described above, prospective investors should refer to the risk factors set out in the Index Description of the Underlying Index, which form an integral part of the overall risk disclosure and are necessary for a complete and informed assessment of the risks associated with the Index.

ANNEX 2

INDEX DESCRIPTION & RISK DISCLOSURE

OF THE

UBS CIO AI 1.5% USD INDEX AR

(ISIN: DE000SL0S0F2)

Introduction

This following index description (the "**Index Description**") describes and summarizes the scope, methodology, governance, and key parameters of the UBS CIO AI 1.5% USD Index AR (the "**Index**") as part of the UBS CIO Equity Preference Index Family.

The composition, calculation and maintenance of the UBS CIO Equity Preference Index Family are described in more detail in the Index guideline (the "**Index Guideline**") and the Index Guideline and the policies and methodology documents referenced in this Index Description and the Index Guideline contain the underlying principles and rules regarding the structure and operation of the Index.

Consequently, this Index Description should be read in conjunction with the Index Guideline and the policies and methodology documents referenced therein. Capitalised terms used, but not otherwise defined in this Index Description shall have the meanings given to them in the Index Guideline and the policies and methodology documents referenced therein.

A copy of the Index Guideline and the policies and methodology documents referenced therein, which form part of this Index Description are available upon request from UBS AG (UBS Investment Bank), Europastrasse 1, 8152 Zürich, Switzerland in its role as Index sponsor (the "**Index Sponsor**") and are also published on the Index Administrator's website: https://www.solactive.com. Publication of the Index and the Index Guideline and the policies and methodology documents referenced therein does not constitute an investment recommendation or assurance regarding future index levels or results or a possible investment in a financial instrument based on this Index.

It should be noted that an index committee established by the Index Administrator and its subsidiaries (the "**Index Committee**") is responsible for decisions regarding any amendments to the rules of the Index.

Section 1. Index Specifications

1. Scope of the Index

The USD-denominated Index intends to replicate, subject to compliance with a set of index universe and index component requirements, securities included by the Chief Investment Office of UBS Wealth Management ("**UBS**

CIO") in its preference list "Transformational Innovation Opportunities (TRIO): AI" ("**CIO List**"), as updated from time to time by UBS CIO (the "**CIO Target List**").

The Index may be exposed to developed and emerging market equities. It is calculated daily as a net total return index denominated in USD and is net of an adjustment factor and rebalance fees as described herein.

The Index is calculated, administered and published by Solactive AG assuming the role as administrator of the Index (the "**Index Administrator**") in accordance with the underlying principles and rules described in the Index Guideline and the policies and methodology documents referenced therein.

2. Identifiers and Publication

The Index is published on the Index Administrator's website: https://www.solactive.com/index/DE000SL0S0F2/ and is also available via the price marketing services of Boerse Stuttgart GmbH.

Index Name	ISIN	Valor	Currency	Type	RIC	BBG ticker
UBS CIO AI 1.5% USD Index AR	DE000SL0S0F2	Not applicable	USD	AR*	.UCAI15A	Not applicable

*AR means that the index is calculated as adjusted return index.

3. Prices and Calculation Frequency

The initial level of the Index on 10 January 2025 (the "**Start Date**") is set to be USD 1,000. Following the Start Date, the level of the Index is calculated on an intraday basis on each weekday from Monday to Friday (each a **"Calculation Day"**) from 1:00 a.m. to 10:50 p.m. CET in accordance with the underlying principles and rules described in the Index Guideline and the policies and methodology documents referenced therein based on the most recent published prices at which the Index Components (as defined below) are traded on Exchanges on which the Index Components are listed (each such most recent published price at which the Index Component was traded on the respective Exchange on a Trading Day a "**Trading Price**"). Trading Prices of Index Components not listed in the Index Currency are converted using the current Intercontinental Exchange ("**ICE**") spot foreign exchange rate. Should there be no current Trading Price for an Index Component, the later of: (i) the most recent Closing Price; or (ii) the last available Trading Price for the preceding Trading Day is used in the calculation.

In addition to the intraday calculation a closing level of the Index for each Calculation Day is also calculated. This closing level is based on the Closing Prices for the Index Components on the respective Exchanges on which the Index Components are listed. The Closing Prices of Index Components not listed in the Index Currency are converted using the 04:00 p.m. London time rates provided by WM/ Refinitiv (the "WM/ Refinitiv Rate"). If there is no 04:00 p.m. London time WM/ Refinitiv Rate for the relevant Calculation Day, the last available 04:00 p.m. London time WM/ Refinitiv Rate will be used for the closing level calculation.

Section 2. Index Selection

1. Index Selection

On each Selection Day the Index Administrator shall in accordance with the Index Guideline and the policies and methodology documents referenced therein revise the composition of the Index.

In a first step, the Index Administrator determines all those financial instruments which fulfill certain Index Universe Requirements and will constitute a starting pool from which the components of the Index will be selected (the "**Index Universe"**). Based on this Index Universe, the new composition of the Index will be determined by applying a set of selection rules. In a final step, each Index Component will be assigned a weight.

In the context of the Index Selection, "**Selection Day"** is any weekday (Monday to Friday) on which the stocks and weights as well as the Sub-List (if any) specified in the relevant CIO Target List (the "**CIO Target Portfolio**") differs from the CIO Target Portfolio of the immediately preceding Selection Day.

In the event that an updated CIO Target Portfolio is received by the Index Administrator after 5:30 pm London time (the official release time of CIO Target Portfolio by UBS CIO is before 4:00 London time), the Selection Day shall be the immediately following weekday, and such update shall be deemed to apply accordingly.

In the event of an impairment in the provision of the CIO Target Portfolio, the CIO Target Portfolio shall be deemed unchanged and such day shall not be considered a Selection Day.

In the event that the CIO Target Portfolio is terminated or withdrawn by UBS CIO (regardless of whether a successor CIO list has been announced by UBS CIO), the Selection Day will be the 15th calendar day of each March, June, September and December (if such day is not a Business Day, the immediately following Business Day) following the termination or withdrawal of the CIO Target Portfolio by UBS CIO.

2. Index Universe Requirements

The Index Universe is comprised of the financial instruments derived from the CIO Target Portfolio (subject to CIO List withdrawal or termination as described below) and which are covered within the broad equity universe of the Index Administrator.

The determination of the Index Universe is in accordance with the Index Guideline fully rule-based and the Index Administrator cannot make any discretionary decisions.

3. Selection of the Index Components

Each Selection Day, the Index Administrator shall in accordance with the Index Guideline and the policies and methodology documents referenced therein determine the eligible components of the Index. A security included in the Index Universe is considered eligible and shall be included in the Index only if it passes a set of filters (the "**Index Component Requirements**"). Each such eligible security reflected in the Index is referred to as an "**Index Component"**. The Index Component Requirements include:

- Listing Replacements:
  - If a security is listed in India, Vietnam, Saudi Arabia or Brazil the local listing is replaced with its corresponding American Depositary Receipt ("**ADR**") or Global Depositary Receipt ("**GDR"**) where available. If no ADR or GDR exists, the security is excluded.
  - If the security is listed in Thailand, the local listing is replaced with its Non-Voting Depository Receipt ("**NVDR"**) where available. If no NVDR exists, the security is excluded.
  - For China A-shares, if the security is not available via Stock Connect, it is replaced with the corresponding ADR or GDR where available. If no ADR or GDR exists, the security is excluded. China ChiNext and STAR Board securities are never eligible and are always excluded even if available on Stock Connect.
- Liquidity Screening and Market Capitalization Screening:
  - Liquidity screening requires a 30-day average daily value traded of USD 20 million for new securities added to the composition of the Index and USD 18 million for existing components.
  - Free-float market capitalization must be at least USD 2 billion.
- Restrictions Rule:
  - A security appearing on the Restricted Securities List is excluded.

4. Weighting of the Index Components

On each Selection Day each Index Component is in accordance with the Index Guideline and the policies and methodology documents referenced therein assigned an initial weight according to the weights provided within the CIO Target Portfolio using one of the following scenarios:

1. If the CIO Target Portfolio provides explicit stock-level weights, those weights are used as the initial weights. If any stock is excluded during the previous steps, the initial weights of all other Index Components are rescaled to a total of 100%.

2. If no stock-level weights but rather weights for certain sub-groups of stocks are provided in the CIO Target Portfolio (each sub-group a "**Sub-List**"), those Sub-List weights are applied and within each Sub-List the initial weights will be distributed equally among the eligible stocks. If a Sub-List becomes empty after the selection steps, its weight is redistributed proportionally across the remaining Sub-Lists. If no Sub-List weights are provided, each Sub-List receives an equal total weight.

3. If no stock-level weights and no Sub-List weights are provided, all eligible securities are weighted equally.

Subsequent constraints include caps on South Korea and Taiwan local listing exposure (10% each), an emerging markets-currency securities exposure cap of 20%, and a single-security cap of 30%, with excess weight redistributed proportionally. Any residual weight after applying constraints is assigned to a synthetic cash position, which accrues at the SOFR rate.

CIO List Withdrawal

If the CIO Target List is terminated or withdrawn (regardless of whether or not a successor CIO list has been announced by UBS CIO), the Index shall in accordance with the Index Guideline become a static basket as the Index Universe will, for each Selection Day after such termination or withdrawal, be based on the last CIO Target Portfolio published at the time of its termination or withdrawal and the Selection Day will follow a fixed quarterly schedule.

Section 3. Rebalance

The Index is in accordance with the Index Guideline and the policies and methodology documents referenced therein generally adjusted two Business Days after the Selection Day ("**Rebalance Day**") after close of business to reflect the new selection of the Index Components determined on the Selection Day. If such day is not a Trading Day for all the securities removed from, retained in or added to the Index, the Rebalance Day will be the next following Trading Day on which all such securities can be removed from, retained in or added to the Index.

The Rebalance Day may be postponed to ensure that, due to the dynamic trading calendars used to determine a Rebalance Day, an older CIO Target Portfolio may not overwrite a more recent CIO Target Portfolio and, if two or more Selection Days map to the same Rebalance Day, the composition from the most recent Selection Day will become effective all in accordance with the Index Administrator methodology for equity index ("**Solactive Equity Index Methodology**"), which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/equity-index-methodology/.

On each Rebalance Day, a transaction fee of 0.10% is deduced from the level of the Index charged on the total absolute change in weights of the components.

The Index is also net of an adjustment factor of 1.5% p.a. deducted from the Index level on a pro-rata daily basis.

Section 4. Calculation of the Index

1. **Index Formula**

The Index calculation is in accordance with the Index Guideline performed according to the Index Administrator’s Solactive Equity Index Methodology. The standard index formula stipulates that the level of the Index changes based on the change of the prices of its Index Components taking into account their weight in the Index and any currency conversion in case the price of an Index Component is quoted in a currency other than the Index Currency.

Any dividends or other distributions are reinvested back into the Index Component paying the dividend or other distribution at the opening of the effective date (the so called ex-date) of the payment of such dividend or other distribution and net of applicable withholding taxes.

A more detailed description of the mechanics of the index calculation formula (including the deduction of the adjustment factor) can be found in the Solactive Equity Index Methodology.

2. Adjustments

Under certain circumstances and as described in the Index Guideline and the policies and methodology documents referenced therein, an adjustment of the Index may be necessary between two regular Rebalance Days. Such adjustment has to be made if a corporate action in relation of an Index Component occurs. Such adjustment may have to be done in relation to an Index Component and/or may also affect the number of Index Components and/or the weighting of certain Index Component and will be made in compliance with the Solactive Equity Index Methodology.

The Index Administrator will announce the Index adjustment giving a notice period of at least two Trading Days (with respect to the affected Index Component) on the Index Administrator website under the section "News" /. The Index adjustments will be implemented on the effective day specified in the respective notice.

3. Corporate Actions

As part of the Index maintenance the Index Administrator will in accordance with the Index Guideline and the policies and methodology documents referenced therein consider various events – also referred to as corporate actions – which result in an adjustment to the Index between two regular Rebalance Days. Such events have a material impact on the price, weighting or overall integrity of Index Components. Therefore, they need to be accounted for in the calculation of the Index. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the Index coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the Index to account for corporate actions will be made in compliance with the Solactive Equity Index Methodology. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the Index variables.

While the Index Administrator aims at creating and maintaining its methodology for treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Solactive Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the Index over time.

The Index Administrator considers following, but not conclusive, list of corporate actions as relevant for Index maintenance:

- Cash Distributions (e.g. payment of a dividend)
- Stock distributions (e.g. payment of a dividend in form of additional shares)
- Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- Share splits (company's present shares are divided and therefore multiplied by a given factor)
- Reverse splits (company's present shares are effectively merged)
- Capital increases (such as issuing additional shares)
- Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)

UBS

- Delistings (company's shares are no longer publicly traded at a stock exchange)
- Nationalization of a company (effective control of a legal entity is taken over by a state)
- Insolvency.

4. Recalculations

The Index Administrator makes the greatest possible efforts to accurately calculate and maintain its Index. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. The Index Administrator endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Index Administrator Correction Policy ("**Solactive Correction Policy**"), which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/correction-policy/.

5. Market Disruption

In periods of market stress the Index Administrator shall in accordance with the Index Guideline and the policies and methodology documents referenced therein calculate its Index following predefined and exhaustive arrangements of the Index Administrator policy for corrections ("**Solactive Disruption Policy**") which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/disruption-policy/.

Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more Index Components. The determination of the Index may be limited or impaired at times of illiquid or fragmented markets and market stress.

Section 5. Miscellaneous

6. Discretion of the Index Administrator

Any discretion which may need to be exercised in relation to the determination of the Index in accordance with the Index Guideline and the policies and methodology documents referenced therein shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

7. Methodology Review

The methodology of the Index is in accordance with the Index Guideline subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the Index, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/methodology-policy/.

Such change in the methodology will be announced on the Index Administrator's website under the section "News", which is available at https://www.solactive.com/news/announcements/. The date of the last amendment of this Index is contained in the Index Guideline.

8. Changes in Calculation Method

The application by the Index Administrator of the method described in this Index Description and the Index Guideline respectively is final and binding. The Index Administrator shall apply the method described above for the composition and calculation of the Index. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The Index Administrator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Administrator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the Index Administrator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

UBS

9. Termination of the Index

The Index Administrator makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, the Index Administrator follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 4.2 "Methodology Review") in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the Index may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

The Index Administrator has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/termination-policy/.

10. Index Committee

The Index Committee, composed of staff from the Index Administrator and its subsidiaries, is responsible for decisions regarding any amendments to the rules of the Index. Any such amendment, which may result in an amendment of the Index Guideline, must be submitted to the Index Committee for prior approval and will be made in compliance with the Methodology Policy, which forms part of this Index Description and is available on the Index Administrator's website: https://www.solactive.com/documents/methodology-policy/.

Section 6. Risk Factors

Below are the material risks associated with an investment in financial instruments based on this Index (the "**Index Products**"). Investors in Index Products should note that these do not purport to be a complete explanation of all the risks associated with an investment in Index Products on this Index. Prior to entering into a transaction, each investor should perform their own independent analysis of the risks associated with the Index and whether the investment is suitable for him/her in light of his/her experience, objectives, financial position and other relevant circumstances. Investors may also wish to consult with their own legal, regulatory, tax, financial and/or accounting advisors as necessary.

Neither this Index Description nor the Index Guideline and the policies and methodology documents referenced therein are, or do it purport to be, investment advice. The Index Sponsor and the Index Administrator are not acting as investment advisors or providing advice of any nature and does not assume any fiduciary obligation to any investors investing in Index Products. Prospective investors should carefully consider whether the Index Products are suited to their particular circumstances.

Index Products may not be a suitable investment for all investors

Each prospective investor in any Index Product must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should: (a) have sufficient knowledge and experience to evaluate the Index Products, the merits and risks of investing in the Index Products and the information contained or incorporated by reference in the product documentation; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant product and the impact the Index Products will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Index Products, including where the settlement currency is different from the prospective investor's currency or may be payable in one or more currencies; (d) understand thoroughly the terms of the Index Products and be familiar with any relevant assets, indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Rules-Based Index

The Index operates on the basis of pre-determined rules described in the Index Description and the Index Guideline and the policies and methodology documents referenced therein. Accordingly, potential investors in Index Products should determine whether those rules as described and summarised in this Index Description and the Index Guideline and the policies and methodology documents referenced therein are appropriate in light of their individual circumstances and investment objectives. No assurance can be given that the algorithm on which the Index is based will be successful or that the Index will outperform any alternative algorithm that might be employed.

The Index is not actively managed

The Index operates in accordance with a pre-determined methodology and formulae as further described in the Index Description and the Index Guideline and the policies and methodology documents referenced therein, and the Index Administrator might exercise discretion in relation to the determination of the Index in accordance with the Index Description and the Index Guideline and the policies and methodology documents referenced therein. The Index Administrator as the administrator of the Index is not acting as an investment adviser or performing a discretionary management role with respect to the Index and, as a result, has no fiduciary duty to any person in respect of the Index.

Historical or hypothetical performance of the Index is not an indication of future performance

The historical or hypothetical performance of the Index should not be taken as an indication of the future performance of the Index. The level of the Index may fluctuate significantly. It is impossible to predict whether the level, value or price of the Index will fall or rise during the term of your investment. Past performance is not a guarantee or an indication of future returns.

No operating history

The Index has no operating history with no proven track record in achieving the stated investment objective. No assurance can be given that the allocation will perform in line with market benchmark, and the Index could underperform market benchmark and/or decline, which may have a negative impact on the price of any Index Product.

No assurance of performance

No assurance can be provided that any strategy on which an Index is based will be successful or that the Index will outperform any alternative strategy that might be used in respect of the same or similar investment objectives.

Notional exposure; Investors in Index Products have no rights in the Index Components

The Index is purely synthetic. The exposure to each Index Component is purely notional and will exist only in the records held by the Index Administrator. Investing in Index Products will not make any investor in the Index Product a holders of the security or securities comprising the Index Components. Investor in the Index Product will not have any voting rights, any right to receive dividends or other distributions, or any other rights with respect to any property or securities of any issuer or with respect to any security or securities reflected in the Index.

Publication of the Index

The Index level, in respect of an Calculation Day, is scheduled to be published on the immediately following Calculation Day. In certain circumstances such publication may be delayed and any such delay may have a negative impact on the price of any Index Product.

Limited information basis regarding Index Components

Information regarding the Index Components may not be publicly available for investors in the Index Products or only available to a certain extent. The relevant Index Components will not be held by the Index Administrator for the benefit of the investors in the Index Products, and investors in the Index Products will not obtain any ownership or direct information rights with respect to any Index Component to which the securities are related. Therefore, investors may have no or only limited access to detailed information regarding the relevant Index Components, in particular on its current price or value, on its past and future performance and on its volatility.

In contrast, the Index Administrator may have access to information which is not publicly available and may thereby generate an information advantage. The Index Administrator does not undertake to make this information available to investors in the Index Products. In addition, any publicly available information may be published with delay and may not have been published or published in full at the time the investors seeks the information or at the time the any amounts payable will be determined by reference to the Index Level. Such lack of information or delayed information may have an adverse effect on the level of the Index and may have a negative impact on the price of any Index Product.

Risks associated with stocks

(i) Factors affecting the performance of the stocks may adversely affect the value of the Index

The performance of stocks is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. Any negative performance of the stocks will negatively affect the performance of an Index and may have a negative impact on the price of any Index Product.

(ii) Actions by the issuer of a stock may adversely affect the Index

The issuer of a stock will have no involvement in the Index and will have no obligation to any purchaser of investment products linked to the Index. The issuer of a stock may take any actions in respect of such stock without regard to the interests of the purchasers of investment products linked to the Index, and any of these actions could adversely affect the value of the Index. Purchasers of investment products linked to the Index will not have any voting rights in respect of a stock as a result of owning an Index linked product.

(iii) Withholding tax

In respect of any investments linked to the Index, investors should note that the rate of withholding tax applied to any dividends in respect of an Index Component may not be the same as the rate that would be applied on dividends received by the investor in respect of any direct holdings of the Index Component.

Emerging markets risks

The Index includes exposure to emerging markets. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development state or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, regulatory/legal risk and trade settlement, processing and clearing risks as further described below. Investors should note that the risk of occurrence and the severity of the consequences of such risks may be greater than they would otherwise be in relation to more developed countries.

(i) Event Risk:

On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of securities in, or which relate to, that country. Furthermore, the performance of Index Components can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which such Index Component is issued or traded. Any negative performance of the Index Components due to such events will negatively affect the performance of the Index and may have a negative impact on the price of any Index Product.

(ii) Political Risk:

Many emerging markets countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leaves them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic, or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all political reforms, a backlash against foreign investment, and possibly even a turn away from a market-oriented economy. For investors, the results may include confiscatory taxation, exchange controls, compulsory re-acquisition, nationalisation or expropriation of foreign-owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the performance of an Index linked to such countries and may have a negative impact on the price of any Index Product.

(iii) Economic Risk:

The economies of emerging markets countries are by their nature in early or intermediate stages of economic development, and therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trades and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign investors. Furthermore, many emerging markets countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well-regulated. All of the above factors, among others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of an Index Component linked to a particular market and may have a negative impact on the price of any Index Product.

(iv) Credit Risk:

Emerging markets sovereign and corporate debt tends to be riskier than sovereign and corporate debt in established markets. Issuers and obligors of debt in these countries are more likely to be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to go into default. The sovereign debt of some countries is currently in technical default and there are no guarantees that such debt will eventually be restructured allowing for a more liquid market in that debt. The measure of a company's or government's ability to repay its debt affects not only the market for that particular debt, but also the market for all securities related to that company or country. Additionally, evaluating credit risk for foreign bonds involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Many debt securities are simply unrated and may already be in default or considered distressed. There is often less publicly available business and financial information about foreign issuers than those in developed countries. Furthermore, foreign companies are often not subject to uniform accounting, auditing and financial reporting standards. Also, some emerging markets countries may have accounting standards that bear little or no resemblance to, or may not even be reconcilable with, U.S. generally accepted accounting principles.

(v) Currency Risk:

The Index Component may be denominated in a currency other than the Index Currency. The weakening of a country's currency relative to the Index Currency will negatively affect the value (in the Index Currency) of an instrument denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. It is important to note that some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

(vi) Market Risk:

The emerging equity and debt markets of many emerging markets countries, like their economies, are in the early stages of development. These financial markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. It is important, therefore, to be familiar with secondary market trading in emerging markets securities and the terminology and conventions applicable to transactions in these markets. Price volatility in many of these markets can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These markets also might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. It may be difficult to employ certain risk management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

UBS

(vii) Regulatory/Legal Risk:

In emerging market countries there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many countries have mature legal systems comparable to those of more developed countries, while others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

(viii) Trade Settlement, Processing and Clearing:

Many emerging markets have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safekeeping of securities. Custodians can include domestic and foreign custodian banks and depositaries, among others. The registration, recordkeeping and transfer of securities may be carried out manually, which may cause delays in the recording of ownership. Where applicable, Credit Suisse will settle trades in emerging markets securities in accordance with the currency market practice developed for such transactions by the Emerging Markets Traders Association. Otherwise, the transaction may be settled in accordance with the practice and procedure (to the extent applicable) of the relevant market. There are times when settlement dates are extended and during the interim the market price of any Index Component and in turn the value of the Index, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, investors may be subject to operational risks in the event that investors do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which investors may be subject by virtue of their activities with respect to emerging market securities.

Currency Risk of the Index

Investors may be exposed to currency risks because (i) an Index Component underlying investments may be denominated or priced in currencies other than the Index Currency, or (ii) the Index and/or such Index Component may be denominated in currencies other than the currency of the country in which the investor in an Index Product is resident. The Index levels may therefore increase or decrease as a result of fluctuations in those currencies. Any decrease may have a negative impact on the price of any Index Product.

Adverse effect of the adjustment factor and rebalancing costs on the Index

The Index Level is also net of an adjustment factor of 1.5% p.a. deducted from the Index level on a pro-rata daily basis. There will be a transaction fee of 0.10% on rebalanced amounts in respect of each Rebalancing Date. Prospective investors should understand that such fees, costs and the adjustment factor will reduce the Index Level and may have a negative impact on the price of any Index Product.

The composition of the Index may not exactly be mirroring the CIO List

The Index may not exactly be mirroring the CIO List. The Index Administrator updates the Index only after an CIO List has been received by the Index Administrator that differs from the last received list. No Selection Day and consequently no rebalancing is triggered in the event of an impairment in the provision of the CIO List to the Index Administrator (including where the UBS CIO List would otherwise be available).

Furthermore, in certain circumstances and in accordance with the rules of the Index, if the UBS CIO changes the composition of the CIO List, the Index Administrator will make one or more corresponding adjustments to the composition of the Index, but such adjustments may not be identical to the changes to the CIO List (e.g., because, due to illiquidity in the market for any security), which can lead to a performance divergence between the Index and the prevailing CIO List and may have a negative impact on the price of any Index Product.

Risk of Index Becoming Static Upon Termination or Withdrawal of the UBS CIO List

UBS CIO publishes the CIO List independently from the existence of the Indices. The publication of the CIO List, as amended from time to time by UBS CIO, formally constitutes research material and shall not constitute any form of a recommendation or investment advice for investors on behalf of the UBS CIO. UBS CIO assumes no responsibility or liability for the performance of the Indices.

Furthermore, investors should be aware that UBS CIO may stop publishing the CIO List in its sole and absolute discretion complying with the rules of being an independent research provider and has no duty to provide a reason for the discontinuance of the publication of the CIO List.

In the event that the CIO List is terminated or withdrawn, the Index will no longer adjust its composition in accordance with changes to the CIO List or its successor list (if any). In such circumstances, and pursuant to the Index Guideline, the Index will transition into a **static basket** rebalanced quarterly based on the **last published** CIO Target Portfolio prior to its termination or withdrawal.

UBS CIO views, market conditions, economic developments, or sector-specific dynamics may evolve significantly after the Index becomes static, but the Index composition will not adjust its composition to reflect such changes.
This situation may lead to **material performance divergence** between the Index and the prevailing UBS CIO recommendations. Investors should be aware that the cessation of updates may adversely affect the Index's risk profile, volatility, diversification, and overall performance and may have a negative impact on the price of any Index Product.

Termination or Suspension of the Index

The Index Administrator is under no obligation to continue the calculation, publication and dissemination of the Index. The Index may be terminated or temporarily suspended at any time. Should the Index cease to exist, this may have a negative impact on the return on any investment in any Index Product.

Amendment or Modification to the Index

The Index, the methodology of the Index, and, as the case may be, the Index Guideline and the policies and methodology documents referenced therein may be amended, modified or adjusted from time to time by the Index Administrator. The Index Administrator shall apply the method described in this Index Description for the composition and calculation of the Index. However it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Administrator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Administrator is not obliged to provide information on any such modifications or changes.

Any such amendments, modifications or changes may have an adverse effect on the level of the Index and may be made without the consent of investors in Index Products.

Index Administrator's Discretion

The Index confers on the Index Administrator discretion in in relation to the determination of the Index from time to time. Although any such determinations must be made by the Index Administrator in in accordance with strict rules regarding the exercise of discretion or expert judgement, the exercise of such discretion in the making of determinations may adversely affect the performance of the Index. Any such determination by the Index Administrator will be, in the absence of manifest error, final, conclusive and binding. The Index Administrator has no obligation to take the needs of any buyer, seller or holder of Index Products into consideration at any time.