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# Participation Certificates

**Linked to UBS CIO Global Top List Equity Preference List (USD)**

**Issued by UBS AG, Zurich**

Cash settled

SVSP/EUSIPA Product Type: Tracker Certificate (1300, Callable, Auto-Callable)

ISIN: CH0575780488 / WKN: US88KV / Valor: 57578048

SIX Symbol: LOTUUU




**Amended Final Termsheet**

Amendment 1: The UBS CIO 30 for '30 Equity Preference List is transitioned into the existing UBS CIO Global Top List Equity Preference List such that this Product will now intend to track UBS CIO Global Top List Equity Preference List as the Reference Portfolio, effective from 28 September 2026 (the "**Amendment 1 Effective Date**")

**This document represents advertisement material pursuant to article 68 of the Swiss Federal Financial Services Act (FinSA) and has been prepared for the purpose of an offer of the Products pursuant to FinSA and it must not be used for any other purpose or in any other context than for which it is prepared and provided. This document must not be used for, or in connection with, and does not constitute any offer to, or solicitation by, any person in any other jurisdiction than Switzerland or, if applicable, any other jurisdiction mentioned in the section "General Information / Public Offering" below. For information on the legally binding Product Documentation and the Key Information Document please refer to section "Product Documentation" below.**

**This 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 is a structured product which may involve derivatives. Prospective purchasers of this Product should ensure that they understand the nature of the Product and the extent of their exposure to risks and that they consider the suitability of the Product as an investment in the light of their own circumstances and financial condition. This Product involves a high degree of risk, including the risk of it expiring worthless. Potential investors should be prepared to sustain a total loss of the purchase price of their investment.**

**Neither the Issuer nor the Calculation Agent are acting as investment advisors or providing advice of any nature and do not assume any fiduciary obligation to any investors buying the Products. Prospective investors should carefully consider whether the Products are suited to their particular circumstances.**

**This Product is linked to a non-static Reference Portfolio, which intends to track, subject to certain provisions and conditions described herein, stocks recommended by the Chief Investment Office of UBS Wealth Management ("UBS CIO") in its publication "Global Top List Equity Preference List", which is up-dated from time to time.**

## Description of the Product

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| Participation Certificates | This Product (each a "**Participation Certificate**" and collectively the "**Participation Certificates**") allows for participation in the performance of the Reference Portfolio, which is calculated net of relevant costs and fees, as further described below. |
| Reference Portfolio | The UBS CIO Global Top List Equity Preference Portfolio (USD) (the "**Reference Portfolio**") is a USD (the "**Reference Portfolio Currency**") denominated reference portfolio, that intends to replicate the UBS CIO Global Top List Equity Preference List (the "**UBS CIO Equity Preference List**"), as amended from time to time (the "**Target Portfolio**") in accordance with the provisions in the description of the Reference Portfolio (the "**Reference Portfolio Description**") in Annex 1.<br><br>The UBS CIO Equity Preference List consists of a list of stocks (each a "**Target Stock Constituent**"). The Reference Portfolio will notionally represent a list of stocks (each a "**Stock Constituent**") and shall be partially FX hedged through the use of FX forwards (each a "**FX Constituent**") (together the "**Constituents**") in a systematic, monthly Currency Hedge, as further described herein. |

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Please note that calls made to the numbers marked with an asterisk (*) may be recorded. Should you call one of these numbers, we shall assume that you consent to this business practice.

The Reference Portfolio may also include from time to time a cash position denominated in the Reference Portfolio Currency (the "**Cash Position**", and together with the Constituents, the "**Reference Portfolio Components**"). The Cash Position will accrue interest at the prevailing reference rate (the "**Reference Rate**"), as described in Annex 1, which may be negative from time to time. Finally, the Cash Position will be negatively impacted by the deduction of certain fees as described under the "Fees" definition in Section 1 ("**Description of the Product**") of this document. For the avoidance of doubt, the Cash Position will not be paid to the investor during the life of the Product.

The performance of the Reference Portfolio will be net of the relevant fees and costs described herein.

The notional value of the Reference Portfolio on the Pricing Date is the Initial Reference Portfolio Level.

Whilst the Reference Portfolio Level and the Redemption Amount is linked to the value of the Reference Portfolio Components, the Issuer may or may not invest the proceeds of the issuance of the Participation Certificates in any Reference Portfolio Component at any time for the purposes of hedging its obligations under this Product. In the event the Issuer elects to invest the proceeds in any Reference Portfolio Component for the purpose of hedging its obligations under this Product, the holders of the Participation Certificates will not have any direct interest or beneficial ownership in any Reference Portfolio Component at any time.

## Product Details

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| Security Numbers | Valor: 57578048 / ISIN: CH0575780488 / WKN: US88KV |
| SIX Symbol | LOTUUU |
| Issue Size | Up to 30,000 Units (with reopening clause) |
| Denomination | USD 990 |
| Issue Price | USD 1,000 per Unit (unit quotation) |
| Quoting Type | Secondary market prices are quoted in unit price and dirty |
| Initial Reference Portfolio Level | USD 990 |
| Settlement Currency | USD |
| Settlement | Cash Settlement |
| Currency Treatment | The Reference Portfolio may be exposed to Stock Constituents denominated in currencies other than the Settlement Currency. The resulting currency exchange risks are partially hedged through the Currency Hedge, subject to availability of the appropriate FX forward contracts. |
| Currency Hedge | On the 20th day of each month, or on the immediately following Business Day if such day is not a Business Day, (each period starting on (and including) such 20th day and ending on (but excluding) the 20th day in the immediately following month, a "**Hedging Period**") starting on the Pricing Date and ending on the Expiration Date, the position in each Constituent not denominated in the Reference Portfolio Currency is notionally hedged through one month FX forward contracts expiring on the first Business Day of the following Hedging Period to reduce the risk of currency fluctuations.<br>During a Hedging Period, the Currency Hedge will not be adjusted due to the performance of any Constituent or due to the occurrence of Rebalancings. Therefore, the investor is still exposed to the corresponding residual currency exchange risks.<br>Any notional profits or losses resulting from the Currency Hedge will be settled into the Cash Position. The Currency Hedge will not be applied where the Calculation Agent is unable, after using commercially reasonable efforts, to enter into FX forward contracts it deems necessary to hedge the currency risk of any Constituent (in particular in case of extraordinary market conditions). |

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| Dividend Treatment | In respect of any Constituents which are, or include, U.S. equity securities, for purposes of determining the amount of a dividend treated as notionally reinvested, such dividend shall be reduced by the 30% withholding tax imposed by Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended.<br><br>For all other long positions in Stock Constituents, a notional amount reflecting net dividends of the Stock Constituents, as converted into the Reference Portfolio Currency (if applicable) at the then prevailing exchange rate, each as determined by the Calculation Agent in its reasonable discretion, will be paid into the Cash Position on the ex-dividend date of that Stock Constituent. |

## Dates

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| Launch Date | 08 January 2021 |
| Pricing Date ("**Pricing**") | 03 February 2021 |
| First SIX Trading Date (anticipated) | 10 February 2021 |
| Issue Date / Payment Date | 10 February 2021 |
| Last Trading Date | 03 February 2028 |
| Expiration Date ("**Expiry**") | 03 February 2028 (subject to Market Disruption Events provisions, Early Termination by the Issuer, Automatic Early Termination and Unwind Disruption provisions), extendable once at the option of the Issuer for an additional 7 year period (from the initial scheduled Expiration Date stated above), with a notice period of not less than 180 calendar days prior to the scheduled Expiration Date.<br><br>With respect to the initial scheduled Expiration Date, and in case of an extension of the term, the investor may no later than 90 calendar days prior to the initial scheduled Expiration Date request in writing from the Issuer that part or all of investment in the Participation Certificates shall be redeemed on the Redemption Date following the scheduled Expiration Date.<br><br>If the initial scheduled or extended Expiration Date is not a Constituents Business Day, then such Expiration Date shall be the first following day that is a Constituents Business Day, unless the Calculation Agent determines, in its sole and reasonable discretion, that the Expiration Date shall remain as scheduled. |
| Redemption Date | The 5th Business Day following the Expiration Date, the Early Termination Date or the Automatic Early Termination Date (in any case subject to Market Disruption Event provisions). |

## Redemption

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| Redemption Amount | Each Participation Certificate entitles the investor to receive on the Redemption Date an amount in the Settlement Currency, as calculated by the Calculation Agent, according to the following formula:<br><br>$$\text{Denomination} \times \text{Max}\left(0, \frac{\text{Final Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}}\right)$$<br><br>Where:<br><br>"**Final Reference Portfolio Level**" means the Reference Portfolio Level as determined by the Calculation Agent on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date (as applicable) and subject to Unwind Disruption, as the sum of:<br><br>i) the unwind proceeds as converted into the Settlement Currency where applicable, using the prevailing currency exchange rate, as determined by the Calculation Agent in its sole and reasonable discretion, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or unwinding the prevailing Constituents comprising the |

Reference Portfolio; and

ii) the value of the Cash Position minus any accrued but not yet deducted Adjustment Fee and Reference Portfolio Fee.

In the event that a notional investor (in the same position as the Issuer) would be unable to unwind its positions in the Constituents by or on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as determined by the Calculation Agent in its sole and reasonable discretion (such event an "**Unwind Disruption**"), the Issuer reserves the right to postpone the Expiration Date, the Early Termination Date or the Automatic Early Termination Date in accordance with the Market Disruption Events provisions below.

**Please note that the Redemption Amount may be less than the initially invested capital.**

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| Early Termination by Issuer | The Issuer is entitled to terminate the Participation Certificates early in full subject to the following notice period:<br><br>Quarterly, i.e. as of each 31 March, 30 June, 30 September and 31 December of each year (the "**Early Termination Date**"), subject to at least 30 Business Days prior notice being given to the investors (provided in each case if such day is not a Constituents Business Day, then the immediately following Constituents Business Day shall be the Early Termination Date). The first possible Early Termination Date will be 31 March 2021. There is no early termination right for the investor in the Participation Certificates. |
| Automatic Early Termination Event and Automatic Early Termination | An Automatic Early Termination Event is deemed to have occurred if the Issuer becomes aware that the Target Portfolio which this Product intends to track has been terminated or withdrawn. The day on or as soon as reasonably practicable following the date on which the Issuer becomes aware of such termination or withdrawal shall be the "**Automatic Early Termination Date**". For the avoidance of doubt, the Automatic Early Termination Date may or may not occur on a Business Day. |
| Reference Portfolio Level | Except on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, the Calculation Agent shall calculate the Reference Portfolio Level in its sole and reasonable discretion in respect of each week day, subject to a Market Disruption Event (each a "**Reference Portfolio Calculation Date**").<br><br>The Reference Portfolio Level in respect of each Reference Portfolio Calculation Date is the sum of (i) the closing price or value of each Constituent on such Reference Portfolio Calculation Date (taking into account the number of units of each Constituent in respect of which the Reference Portfolio has exposure), and (ii) the value of the Cash Position, all of the above as determined by the Calculation Agent in its sole and reasonable discretion.<br><br>In respect of the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, the Reference Portfolio Level shall be determined by the Calculation Agent in accordance with the provisions under "**Redemption Amount**" above. |

## Fees

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| Issuer Fee (calculated daily) | The Issuer will receive a fee of 0.30% per annum of the Reference Portfolio Level, deducted from the Cash Position on a daily basis by the Calculation Agent. |
| Reference Portfolio Fee | The sum of the Distribution Fee and the Issuer Fee. The Reference Portfolio Fee shall be accrued within, and deducted from, the Cash Position. |
| Adjustment Fee | An Adjustment Fee is levied for each Rebalancing, as defined in Annex 1, made in the Reference Portfolio and/or for the implementation of the Currency Hedge, and represents a percentage of the value notionally acquired or unwound in a Constituent. Unwind costs to determine the Final Reference Portfolio Level shall constitute Adjustment Fees.<br><br>In respect of each Constituent, the Adjustment Fee is equal to:<br><br>- Stock Constituents 0.10% |

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| | - FX Constituents 0.03%<br><br>The Adjustment Fee shall be accrued within, and deducted from, the Cash Position.<br><br>**The Adjustment Fees fully remain with the Issuer.** |
| Distribution Fee | The distributor will receive a fee of 1.0% per annum of the Reference Portfolio Level, deducted from the Cash Position on a daily basis by the Calculation Agent and in addition an upfront fee of 1.0%. |

## General Information

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| Issuer | UBS AG, Zurich and Basel, Switzerland |
| Issuer Rating | Aa3 Moody's / A+ S&P's / AA- Fitch<br><br>This is the long term credit rating of the Issuer and it does not represent ratings of the Participation Certificates. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. |
| 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 |
| Calculation Agent | UBS AG, London Branch |
| Paying Agent | UBS Switzerland AG |
| Listing | Listing on SIX Swiss Exchange will be applied for |
| Public Offering | Switzerland from 8 January 2021<br>Germany, from 8 January 2021<br>Luxembourg, from 8 January 2021<br>Austria, from 8 January 2021<br>Liechtenstein, from 8 January 2021<br>Netherlands, from 8 January 2021<br>Italy, from 1 November 2024 |
| Business Days | Any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York. |
| Currency Business Day | Any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York. |
| Constituents Business Day | Any day on which (i) in respect of all the Stock Constituents in the Reference Portfolio and all the eligible Target Stock Constituents in the Target Portfolio which appear under the Most Preferred stocks in the latest UBS CIO Equity Preference List, the Exchange and Related Exchange are scheduled to be open for trading, notwithstanding any day on which they close for business prior to their regular weekday closing time and (ii) the Calculation Agent is open for business. |
| Exchange | The primary exchange, if applicable, on which the Stock Constituents are listed and publicly quoted and traded, as determined by the Calculation Agent from time to time. |
| Related Exchange | Means the principal exchange (if any) on which options or futures contracts relating to the Stock Constituents are traded or quoted, as determined by the Calculation Agent. |
| 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, if any, will be available on Reuters/Bloomberg and |

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| | www.ubs.com/keyinvest from 09:15-17:15 (CET). |
| Minimum Investment | 1 Unit(s) (subject to Selling Restrictions) |
| Minimum Trading Lot | 1 Unit(s) |
| Clearing | SIX SIS, Euroclear, Clearstream (registered as intermediated securities with SIX SIS AG, in Switzerland) |
| Form of Deed | Uncertificated Securities |
| Status | Unsecured / Unsubordinated |
| Governing Law / Jurisdiction | Switzerland/Zurich |
| Adjustments | The terms of the Product may be subject to adjustments during its lifetime. 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. Detailed information on such adjustments is to be found in the Product Documentation. |
| Product | One USD denominated Participation Certificate (the "**Unit**") is equivalent to one (1) "**Product**". "**Products**" wherever used herein shall be construed to mean integral multiples of the same, subject to the issue size. |

## Adjustments and Market Disruption

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| Adjustments to the composition of the Reference Portfolio | If, at any time, an event occurs in relation to a Constituent which the Calculation Agent determines requires an adjustment(s) to be made to the composition of the Reference Portfolio, then the Calculation Agent shall (i) determine which adjustment(s) are to be made to the Constituent with a view to account for the effect of the relevant event and to preserve the prevailing composition of the Reference Portfolio immediately prior to the occurrence of such event and (ii) determine the date on which such adjustment(s) shall take effect. |
| Market Disruption Events | A Market Disruption Event means, in relation to a Constituent (or an eligible Constituent in respect of a Rebalance only), the occurrence or existence on any calendar day (other than a Saturday or Sunday) or on any number of consecutive calendar days (other than a Saturday or Sunday) any one or more of the following events:<br>(i) a limitation, suspension, or disruption of trading in one or more of the Constituents (or component of any Constituent) imposed by the Exchange or the Related Exchange;<br>(ii) the closing or settlement price for any Constituent (or component of any Constituent) is a "limit price", which means that the closing or settlement price for such Constituent for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable rules of the Exchange or the Related Exchange;<br>(iii) failure by the Exchange, the Related Exchange or other price source as applicable to announce or publish the closing or settlement price in respect of any Constituent (or component of any Constituent);<br>(iv) the Exchange or the Related Exchange fails to open for trading during its regular trading session;<br>(v) the closure on any Exchange Business Day of any Exchange or Related Exchange in respect of a Constituent (or component of any Constituent), prior to its Scheduled Closing Time;<br>(vi) any event (other than an early closure as described above) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for any Constituent (or any eligible Constituent in respect of a Rebalancing only |

or component thereof);

(viii) an FX Disruption Event has occurred;

if in the determination of the Issuer or Calculation Agent, any such event is material.

The consequences of a Market Disruption Event are as follows:

(A) In the event that the Calculation Agent determines that a Constituents Business Day is a Disrupted Day with respect to a Constituent or eligible Constituent, then such Constituent shall not be notionally sold or purchased on the intended effective date of the relevant Rebalancing.

(B) In the event that the Calculation Agent determines that any Reference Portfolio Calculation Date is a Disrupted Day with respect to any Stock Constituent, then for the purposes of determining the Reference Portfolio Level as at such Reference Portfolio Calculation Date, (a) the price of each Constituent not affected by the occurrence of such Disrupted Day shall be the closing price of such Constituent on the relevant Exchange or Related Exchange and (b) the price of each Constituent affected by the occurrence of such Disrupted Day shall be determined by the Calculation Agent as its good faith estimate of the fair market value (which may be zero) of such Constituent as of such Reference Portfolio Calculation Date.

(C) If the Calculation Agent determines that the date scheduled to be the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, is a Disrupted Day in respect of any Stock Constituent, such date shall be the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, for those Constituents which are not affected by the occurrence of a Disrupted Day while the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, for any Constituent that is affected by the occurrence of a Disrupted Day shall be postponed to the following Constituents Business Day with respect to such Constituent. If in respect such Constituent the Disrupted Day is persisting for up to 8 (eight) Constituents Business Days immediately following the date scheduled to be the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, the price of such Constituent shall be determined by the Calculation Agent by reference to its good faith estimate of the value for such Constituent on that eighth Constituents Business Day.

(D) On the occurrence of an FX Disruption Event, the value of any Constituent not denominated in the Settlement Currency shall be determined by the Calculation Agent in its sole and reasonable discretion and the Calculation Agent shall have the right to adjust the value of the Reference Portfolio to account for such FX Disruption Event.

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| Disrupted Day | Any day on which the Calculation Agent determines that, in relation to a Constituent or eligible Constituent, a Market Disruption Event has occurred. |
| FX Disruption Event | Means (i) an event that generally makes it illegal, impossible, impractical or inadvisable to convert 1 (one) unit of the currency in which any non-USD denominated Constituent is denominated (the "**Denomination Currency**") into the Settlement Currency, or an event that generally makes it impossible to deliver the Settlement Currency from accounts in which they are held to accounts outside of the jurisdiction of the Denomination Currency; or (ii) the general unavailability to exchange the Settlement Currency at a spot rate (applicable to the purchase of the Settlement Currency for the Denomination Currency) in any legal currency exchange market in the principal financial centre for the Denomination Currency, if, in the determination of the Calculation Agent, the occurrence of any such events is material. |

## Tax Treatment Switzerland

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| Swiss Federal Stamp Duty | The product does not qualify as a taxable security (TK 23/3). Primary and secondary market transactions are not subject to Swiss Stamp Duty. The product does not qualify |

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| | as a taxable security (TK 24/3). |
| Swiss Federal Income Tax | For private investors resident in Switzerland this product is treated analogous to a share in a reinvesting collective investment vehicle. The taxable income per share will be determined and will be reported to the Swiss Federal Tax Administration annually for publication in the list of tax values (*Kursliste*).<br><br>Closing date (for Swiss tax purposes): January 1, for the first time January 1, 2022. |
| Swiss Withholding Tax | The product is not subject to the Swiss Withholding Tax. |

The tax information only provides a general overview over the Swiss tax consequences linked to this product based on the tax laws and the practice of the tax administration at the time of issue. Tax laws and the practice of tax administrations may change, possibly with retroactive effect.

## 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 Products. 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

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| Capital Protection (at Expiry) | None |
| Risk Potential in comparison to a direct investment in the Reference Portfolio | The risk potential is similar to a direct investment in the assets contained in the notional Reference Portfolio. |
| Issuer Call right | Yes; see Early Termination by Issuer above. |
| Stop Loss Event | None |
| Currency Risk | The Reference-Portfolio can invest in and be exposed to Reference-Portfolio Components denominated in currencies other than the Settlement Currency. The resulting currency exchange risks are partially hedged through the Currency Hedge, subject to availability of the appropriate FX forward contracts. |
| Role of UBS CIO | UBS CIO publishes the Target Portfolio independently from the existence of this Product. The publication of the Target Portfolio, 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 Reference Portfolio, UBS CIO or the Issuer. UBS CIO assumes no responsibility or liability for the performance of the Reference Portfolio.<br><br>Furthermore, investors should be aware that UBS CIO may stop publishing the Target Portfolio 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 Target Portfolio. |

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| Risk of Early Termination of the Products | The Product is linked to term of the publication of the Target Portfolio. Hence, if the Issuer becomes aware that the publication of the Target Portfolio ceases to exist, it will early redeem the Products (see Automatic Early Termination Event and Automatic Early Termination above). The Redemption Amount may be materially less than the initially invested capital, and may be zero in the worst case scenario. |
| The components of the Reference Portfolio may not be the same as in the publication of the Target Portfolio | The Reference Portfolio aims to track the Target Portfolio. However, there may be instances where a Target Stock Constituent in the Target Portfolio may not be eligible for inclusion in the Reference Portfolio as a Stock Constituent, as determined by the Calculation Agent in its sole discretion, taking into account (but not limited to) the previsions in Annex 1. |
| Price Source Disruption Event | It may become impossible to obtain one or more Constituent levels during the lifetime of the Product and/or on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, due to one or more of the price sources normally used in the relevant market for the Constituents being unavailable because an unscheduled bank closure is declared on short notice in the relevant country or due to the occurrence of any other disruption (each a **"Price Source Disruption Event"**). The Calculation Agent will determine in its sole and reasonable discretion whether a Price Source Disruption Event has occurred.<br><br>A Price Source Disruption Event may lead to (i) a postponement of the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, and therefore of the Redemption Amount, (ii) to the use of an alternative source for the relevant Constituent level and/or (iii) to the unilateral determination of the applicable Constituent level by the Calculation Agent.<br><br>Such postponement, use of alternative price source and/or determination of the applicable Constituent level by the Calculation Agent may affect, materially or otherwise, the Redemption Amount which the investor will receive. |
| Extraordinary Termination Risk | The Issuer may terminate and redeem the Product prior to the Expiration Date in accordance with the Product Documentation. 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 equivalent to the market value of the Product, less any costs. 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 date that would have otherwise been the scheduled Redemption Date if such termination did not occur. Investors are not entitled to request any further payments after the termination of the Product. |
| Risk relating to leverage | Investors should be aware that the inclusion of leverage will amplify gains or losses. Leverage has the effect of increasing the volatility of an investment. Investors should be aware this Product may have a gross exposure (the sum of the exposure of leverage applied to each underlying asset) may be greater than the Denomination 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.<br><br>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. |

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| | 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.<br><br>Where the Issuer is completely unable to enter into hedging transactions, for reasons not related to activities of the Issuer, or when entering into such hedging transactions would lead to a commercially unreasonable result, for reasons not related to activities of the Issuer, as determined in the reasonable discretion of the Issuer or the Lead Manager, as applicable, 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.<br><br>For a detailed description of such events and their effects please refer to the Product Documentation. |
| Calculation Agent's discretion | The Calculation Agent has a broad discretionary authority to make various determinations and adjustments under the Products, any of which may have an adverse effect on the value and/or the amounts payable under the Products. Prospective investors should be aware that any determinations made by the Calculation Agent may have an impact on the value and financial return of the Products. Where the Calculation Agent is required to make a determination it may do so without taking into account the interests of the holders of the Product. |
| 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.**<br><br>Regarding 871(m) investors should note that a 30% withholding tax is imposed on certain "dividend equivalents" paid or deemed paid to a non-U.S. holder with respect to a "specified equity-linked instrument" that references one or more dividend-paying U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one ("delta one specified equity-linked instruments") issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2020.<br><br>The Issuer will treat the Products as specified equity-linked instruments that are subject to withholding on dividend equivalents. The Issuer will withhold 30% in respect of dividend equivalents paid or deemed paid on the Products and will not pay any additional amounts with respect to any such taxes withheld. In respect of any Constituents which are U.S. equity securities, for purposes of determining the amount of a dividend treated as notionally reinvested, such dividend shall be reduced by the 30% withholding tax as referenced under the section "Dividend Treatment" above. The Issuer hereby notifies each holder that for purposes of Section 871(m), the Issuer will withhold in respect of dividend equivalents paid or deemed paid on the Products on the dividend payment date as described in Treasury regulations section 1.1441-2(e)(4) and Revenue Procedure 2017-15 §3.03(B), as applicable. Investors in the Products should consult their own tax advisors regarding the application of the withholding tax to their Products and the availability of any reduction in tax pursuant to an income tax treaty. No assurance can be given that investors in the Products will be able to successfully claim a reduction in tax pursuant to an income tax treaty.<br><br>Please refer to the 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. |

## Product Documentation

The complete information regarding the Products, in particular the binding terms and conditions as well as the information regarding the Issuer shall be obtained in the respective final terms (the "**Final Terms**") and the associated Securities Note dated 17 December 2020 for the offer, continued offer, increase of the issue size or, as the case may be, of the aggregate nominal amount or, as the case may be, the listing on a regulated or another equivalent market of Certificates Linked to a Notional Reference Portfolio ("**Base Prospectus**") along with the risk factors (including any supplements thereto) (together the "**Product Documentation**"), and if available the Key Information Document. The 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 or from UBS Europe SE, Derivatives Sales, Bockenheimer Landstrasse 2-4, 60306 Frankfurt, Federal Republic of Germany 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 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.

## 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. Investors in this Product should seek specific advice before 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.

The aforementioned restrictions shall not apply for jurisdictions specified in the section "Public Offering" under "General Information" above.

**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.**

**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) under Section 274 of the Securities and Futures Act Chapter 289 of Singapore, as modified and/or amended from time to time (the "SFA")), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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)(i)(B) 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).

**USA**

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.

## Annex 1 – Reference Portfolio Description Document

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|---|---|
| Reference Portfolio Description | As described in the section "Information on Underlying", the Reference Portfolio is a notional reference portfolio denominated in the Reference Portfolio Currency that intends to replicate the Target Portfolio.<br>As of the Pricing Date, the Reference Portfolio shall include the Stock Constituents as described in Initial Reference Portfolio below.<br>Thereafter, the Reference Portfolio may be subject to an adjustment pursuant to changes in the Target Portfolio in according with the provisions herein (any such adjustment a "**Rebalancing**"). |
| Target Portfolio | As of any calendar day, the most recent UBS CIO Equity Preference List published by UBS CIO, or any successor function thereto, or any successor publication thereto. |
| Target Portfolio Publication Event and Target Portfolio Publication Date | A "**Target Portfolio Publication Event**" is deemed to have occurred if the Issuer becomes aware that an updated Target Portfolio which this Product intends to replicate has been published. For the avoidance of doubt, a Target Portfolio Publication Event shall only be deemed to occur if the list of shares contained in the UBS CIO Equity Preference List changes.<br>The day on which the Issuer becomes aware of such publication shall be a "**Target Portfolio Publication Date**". For the avoidance of doubt, a Target Portfolio Publication Date may or may not occur on a Business Day. |
| Reference Portfolio Implementation Date | The date on which a Rebalancing is initiated (the "**Reference Portfolio Implementation Date**") is determined by the Calculation Agent, in its reasonable discretion, and can be any day from and including the Target Portfolio Publication Date to and including the first Constituents Business Day following a Target Portfolio Publication Date. For the avoidance of doubt, it is possible that a Rebalancing which encompasses more than one Stock Constituent (or where the liquidity in a particular Stock Constituent does not allow for the purchase or sale of such Stock Constituent to occur over a single day), the purchase or sale, as the case may be, of all Stock Constituents (or a particular Stock Constituent with limited liquidity) referenced in such Rebalancing may occur on different days during this period. |
| Initial Reference Portfolio | The Reference Portfolio is created on the Pricing Date with an Initial Reference Portfolio Level of USD 990.00.<br>In respect of the Pricing Date, the Stock Constituents in the Initial Reference Portfolio include the following: |

| | Name | Bloomberg Ticker | Weight | Local Currency | FX | Price in Local Currency | Price in USD | Shares in Basket (SIB) |
|---|---|---|---|---|---|---|---|---|
| 1 | Accenture PLC | ACN US | 3.3333% | USD | 1.00 | 248.37 | 248.37 | 0.13286053 |
| 2 | Activision Blizzard Inc | ATVI US | 3.3333% | USD | 1.00 | 92.77 | 92.77 | 0.35570302 |
| 3 | Alibaba Health Information Tec | 241 HK | 3.3333% | HKD | 7.7528 | 26.50 | 3.4181 | 9.65370040 |
| 4 | Apple Inc | AAPL US | 3.3333% | USD | 1.00 | 133.94 | 133.94 | 0.24636830 |
| 5 | ASML Holding NV | ASML NA | 3.3333% | EUR | 0.834 | 457.15 | 548.1744 | 0.06013273 |
| 6 | Broadcom Inc | AVGO US | 3.3333% | USD | 1.00 | 465.19 | 465.19 | 0.07093568 |
| 7 | Capital One Financial | COF UN | 3.3333% | USD | 1.00 | 107.21 | 107.21 | 0.30779377 |
| 8 | China Longyuan Power Group Cor | 916 HK | 3.3333% | HKD | 7.7528 | 12.72 | 1.6407 | 20.11187584 |
| 9 | DBS Group Holdings Ltd | DBS SP | 3.3333% | SGD | 1.3353 | 25.24 | 18.9021 | 1.74615252 |
| 10 | Enel SpA | ENEL IM | 3.3333% | EUR | 0.8340 | 8.552 | 10.2548 | 3.25094565 |
| 11 | GoodRx Holdings Inc | GDRX US | 3.3333% | USD | 1.00 | 51.50 | 51.50 | 0.64074892 |
| 12 | HDFC Bank Ltd | HDB US | 3.3333% | USD | 1.00 | 80.25 | 80.25 | 0.41119713 |
| 13 | ING Groep NV | INGA NA | 3.3333% | EUR | 0.834 | 7.70 | 9.2332 | 3.62801593 |
| 14 | Intuitive Surgical Inc | ISRG US | 3.3333% | USD | 1.00 | 745.40 | 745.40 | 0.04426961 |
| 15 | Linde PLC | LIN GY | 3.3333% | EUR | 0.834 | 208.40 | 249.8951 | 0.13157628 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 16 | Mastercard Inc | MA US | 3.3333% | USD | 1.00 | 332.82 | 332.82 | 0.09905024 |
| 17 | Micron Technology Inc | MU US | 3.3333% | USD | 1.00 | 79.11 | 79.11 | 0.41712261 |
| 18 | Microsoft Corp | MSFT US | 3.3333% | USD | 1.00 | 243.00 | 243.00 | 0.13579658 |
| 29 | NextEra Energy Inc | NEE US | 3.3333% | USD | 1.00 | 83.05 | 83.05 | 0.39733377 |
| 20 | PayPal Holdings Inc | PYPL US | 3.3333% | USD | 1.00 | 251.90 | 251.90 | 0.13099869 |
| 21 | Ping An Insurance Group Co of | 2318 HK | 3.3333% | HKD | 7.7528 | 91.75 | 11.8345 | 2.78826224 |
| 22 | PPD Inc | PPD US | 3.3333% | USD | 1.00 | 34.73 | 34.73 | 0.95014597 |
| 23 | Koninklijke Philips NV | PHIA NA | 3.3333% | EUR | 0.834 | 46.695 | 55.9926 | 0.58734145 |
| 24 | Samsung Electronics Co Ltd | SMSN LI | 3.3333% | USD | 1.00 | 1893.00 | 1893.00 | 0.01788540 |
| 25 | Schneider Electric SE | SU FP | 3.3333% | EUR | 0.834 | 125.50 | 150.4886 | 0.21932874 |
| 26 | Siemens AG | SIE GY | 3.3333% | EUR | 0.834 | 135.88 | 162.9354 | 0.20624724 |
| 27 | Sony Corp | 6758 JP | 3.3333% | JPY | 105.245 | 11650.00 | 110.6941 | 0.29813429 |
| 28 | Teladoc Health Inc | TDOC UN | 3.3333% | USD | 1.00 | 271.41 | 271.41 | 0.12131564 |
| 29 | Volkswagen AG | VOW3 GY | 3.3333% | EUR | 0.834 | 165.64 | 198.621 | 0.16660063 |
| 30 | Wuxi Biologics Cayman Inc | 2269 HK | 3.3333% | HKD | 7.7528 | 117.00 | 15.1077 | 2.18652189 |
| | Cash | N/A | 0.00% | CHF | | N/A | | |

Where "Weight" in respect of each Constituent(i) will be calculated by the Calculation Agent in accordance with the below formula: Shares in Portfolio(i) x Price in the Reference Portfolio Currency as of Pricing Date / Reference Portfolio Level as of the Pricing Date

The current composition of the Reference Portfolio (including the respective weights) may be requested free of charge at any time 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).

Rebalancing

A Rebalancing will be initiated on any Reference Portfolio Implementation Date following the Pricing Date, effective as soon as reasonably practicable, as determined by the Calculation Agent in a commercially reasonable manner, subject to the occurrence of a Market Disruption Event on such Constituents Business Day.

If a Target Portfolio Publication Event occurs and the Calculation Agent initiates a Rebalancing by or on the corresponding Reference Portfolio Implementation Date, but before such Rebalancing has taken effect, a subsequent Target Portfolio Publication Event occurs, then the Calculation Agent, in its reasonable discretion, may either (i) complete the Rebalancing in respect of the first Target Portfolio Publication Event and, after such Rebalancing has taken effect, initiate a Rebalancing in respect of the subsequent Target Portfolio Publication Event immediately thereafter or (ii) discontinue the Rebalancing in respect of the first Target Portfolio Publication Event and, instead, initiate a Rebalancing by the Reference Portfolio Implementation Date corresponding to the subsequent Target Portfolio Publication Event.

As soon as reasonably practicable on or immediately following a Target Portfolio Publication Date, the Calculation Agent will determine the target weight of each Stock Constituent (the "**Target Weight**") that shall form part of the Reference Portfolio following such Rebalancing in its reasonable discretion.

The Calculation Agent will determine the exact number of units in each Stock Constituent based on prevailing market conditions in its reasonable discretion. Such number may deviate from the exact Target Weight.

The Calculation Agent may not rebalance the Reference Portfolio following a Target Portfolio Publication Event in the following circumstances:

(i) The Calculation Agent determines that a Hedging Disruption Event has occurred in relation to any Stock Constituent. In this paragraph, "**Hedging Disruption Event**" means the determination by the Calculation Agent that it would not be reasonably practicable or it would otherwise be undesirable, for any reason, for a notional Investor wholly or partially to establish, re-establish, substitute or maintain any hedging

transaction which in the determination of the Calculation Agent would be necessary or desirable to hedge the obligations of an issuer of securities linked to the performance of the Reference Portfolio (such reasons may include, but are not limited to (i) any material illiquidity in the market for any Stock Constituent, (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (iii) the general unavailability of market participants who would agree to enter into any such hedging transaction on commercially reasonable terms or at all; and

(ii) the Calculation Agent determines that it would not be reasonably practicable for a notional Investor in the same position as the Issuer to make purchases and/or sales of Stock Constituent due to compliance, liquidity, unreasonable market impact, regulatory, reporting or reputational constraints, take-over considerations, internal restrictions or lack of internal approval.

Target Weight

In respect of a Rebalancing, the inclusion and Target Weight of each Stock Constituent in the Reference Portfolio will be subject to the following methodology and provisions:

(i) Subject to the following paragraphs, all the stocks that are rated "Most Preferred" shall form part of long positions in the Reference Portfolio following such Rebalancing.

(ii) The Calculation Agent shall, in its reasonable discretion, make the following determinations:
(a) in respect of an onshore stock in India and/or South Korea stock, an equivalent ADR or GDR (as applicable) to be included in the Reference Portfolio instead of the onshore stock;

(b) in respect of an onshore Taiwan stock, an equivalent ADR or GDR (as applicable) to be included in the Reference Portfolio instead of the onshore stock if the total exposure to Taiwan in the Target Portfolio is greater than 10%, provided that where the total exposure of the onshore stocks is greater than 10% after replacing with onshore stocks with an equivalent ADR or GDR (as applicable and where possible) the Target Weights of the Reference Portfolio may be adjusted to ensure the total exposure to the onshore stocks is less than or equal to 10%, as determined by the Calculation Agent in its reasonable discretion; and

(c) in respect of onshore stocks in the People's Republic of China (excluding Hong Kong, Macau and Taiwan)("**PRC**"), an equivalent ADR or GDR (as applicable) to be included in the Reference Portfolio instead of the onshore stock, if such stock is not available for trade through the relevant exchange connect schemes between PRC and Hong Kong.

(d) If no relevant ADR or GDR in respect of an onshore stock India or South Korea is available, or in the case of People's Republic of China, if an onshore stock is not eligible for trade through the relevant exchange connect schemes between PRC and Hong Kong and no relevant ADR or GDR is available, as determined by the Calculation Agent in its reasonable discretion, such stock shall not be selected as a Reference Portfolio Component.

(iii) The aggregate exposure of any Stock Constituent(s) denominated in EM Currencies shall not be more than 20% of the total notional exposure of the Product. ("EM Currencies mean TWD, KRW, THB, MYR, PHP, IDR, VND, ZAR, RUB, TRY, MXN, BRL and CNY.) Where the aggregate exposure of Stock Constituents denominated in EM Currencies is still greater than 20% the Target Weights of the Reference Portfolio may be adjusted so that the aggregate exposure of any Stock Constituent(s) denominated in EM Currencies shall be less than or equal to 20%, as determined by the Calculation Agent in its reasonable discretion.

(iv) Furthermore, any stock rated "Most Preferred" that does not meet the Liquidity Criteria as defined hereafter and as reasonably determined by the Calculation Agent shall not form part of long positions in the Reference Portfolio following such Rebalancing.

(v) Furthermore, any stock rated "Most Preferred" that does not meet the Market Cap Criteria as defined hereafter and as reasonably determined by the Calculation Agent or is subject to a Disrupted Day as of the Target Portfolio Publication Date shall not form part of long positions in the Reference Portfolio following such Rebalancing.

(vi) Furthermore, if the Calculation Agent determines that it would not be reasonably practicable for a notional Investor in the same position as the Issuer to make purchases and/or sales of any stock rated "Most Preferred" due to compliance, regulatory, reporting or reputational constraints, take-over considerations, internal

restrictions or lack of internal approval, such stock shall not form part of the Reference Portfolio following such Rebalancing.

(i) The sub-lists of the UBS CIO Equity Preference List, if applicable, shall be equally weighted (each a "**Sub-list Weight**"), unless otherwise stated by the Target Portfolio.

The Target Weight of each Stock Constituent shall be equally weighted (including equally-weighted within each sub-list, if applicable) unless otherwise described or indicated in the Target Portfolio, subject to the provisions above.

For the avoidance of doubt, the Cash Position following a Rebalancing shall be computed by the Calculation Agent in its reasonable discretion as the difference between the Reference Portfolio Level immediately before a Rebalancing is implemented and the market value of the Stock Constituents immediately following such rebalancing, taking into account the relevant Adjustment Fees, if any. The Cash Position can be negative from time to time.

| | |
|---|---|
| Liquidity Criteria | Means a 30-day average daily volume greater than or equal to USD 20,000,000.00, as determined by the Calculation Agent in its reasonable discretion. |
| Market Cap Criteria | Means a floating market capitalization greater than or equal to USD 1 billion as determined by the Calculation Agent in its reasonable discretion. |
| Reference Rate | The Reference Rate is observed on every day and shall be equal the USD Overnight LIBOR (BBG: US00O/N Index) (a "**Relevant Screen Page**") (a "**Reference Rate Component**") plus a spread (the "**Spread**"), which for the avoidance of doubt may be negative from time to time. In respect of a positive Cash Position, the Spread shall be 0.00%.<br><br>In respect of a Negative Cash Position, the Spread shall be equal to 0.30%.<br><br>If any Relevant Screen Page does not display an interest rate, the corresponding Reference Rate Component shall be determined with reference to an equivalent interest rate on the corresponding page of another financial information service. If the required interest rate is (i) no longer displayed in one of these forms, (ii) not available due to the administrator of the relevant rate failing to obtain or maintain any necessary approvals or registrations, the Calculation Agent is entitled to specify at its sole and reasonable discretion a successor Relevant Screen Page as the basis for the Reference Rate. |