Summary and Securities Note

dated 24 June 2021

of

UBS AG
(a corporation limited by shares established under the laws of Switzerland)

for the issue / public offer of

500,000 Portfolio Certificates

linked to the Smart Health Care Portfolio
(the "Underlying" or the notional "Reference Portfolio")

ISIN DE000US8MAR5
WKN US8MAR
Valor 11403384

This document – including any supplements approved by the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") in respect hereof and published by UBS AG – constitutes a securities note (the "**Securities Note**") and a summary (the "**Summary**") and, together with the registration document of UBS AG dated 12 October 2020, as supplemented from time to time, (as approved by BaFin, the "**Registration Document**"), constitutes a prospectus (the "**Prospectus**") according to Art. 6 (3) of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**").

The Securities Note contains information relating to the 500,000 Portfolio Certificates linked to the Smart Health Care Portfolio (the "**Securities**", and each a "**Security**") to be issued and offered to the public in the Federal Republic of Germany, Liechtenstein, Austria and Switzerland, and the Summary comprises a summary of the Registration Document and the Securities Note.

The Prospectus, comprising the Securities and Summary Note and the Registration Document, as defined above, was approved on 24 June 2021 and is valid for 12 months until 24 June 2022. This Prospectus may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. The obligation of the Issuer to supplement this Securities Note in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Securities Note is no longer valid.

In the Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area ("**EEA**").

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SEE "*Specific risks related to US withholding tax*".

TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). SEE "*SUBSCRIPTION AND SALE*".

AN INVESTMENT IN THE SECURITIES DOES NOT CONSTITUTE A PARTICIPATION IN A COLLECTIVE INVESTMENT SCHEME FOR SWISS LAW PURPOSES. THEREFORE, THE SECURITIES ARE NOT SUPERVISED OR APPROVED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY FINMA ("FINMA") AND INVESTORS MAY NOT BENEFIT FROM THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES.

Potential investors in the Securities are explicitly reminded that an investment in Securities entails financial risks. Holders of Securities run the risk of losing all or part of the amount invested by them in the Securities. All potential investors in Securities are, therefore, advised to study the full contents of the Prospectus, in particular the risk factors.

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SUMMARY OF THE PROSPECTUS IN THE ENGLISH LANGUAGE

Section A – Introduction and warnings

Warnings

a) The Summary should be read as an introduction to the Prospectus.
b) Any decision to invest in the Securities should be based on a consideration of the Prospectus as whole by the investor.
c) **The Securities are not capital protected and there is no minimum redemption amount.** Accordingly, the investor could lose all or part of the invested capital.
d) Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.
e) Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Securities.
f) You are about to purchase a product that is not simple and may be difficult to understand.

Introductory information

Name and ISIN of the Securities:	500,000 Portfolio Certificates linked to the Smart Health Care Portfolio (the "**Securities**") with ISIN DE000US8MAR5
Identity and contact details of the Issuer, including LEI:	UBS AG. The addresses and telephone number of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 (0) 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 (0) 61 288 5050, LEI BFM8T61CT2L1QCEMIK50.
Identity and contact details of the offeror, including LEI:	UBS AG, Zurich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zurich, Switzerland, +41 (0) 44 234 1111, LEI BFM8T61CT2L1QCEMIK50. Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland, telephone: +44 287 81 11, LEI 549300L7V4MGECYRM576.
Competent authority that approved the Summary and Securities Note:	Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**"), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany, telephone +49 (0) 228 41080.
Competent authority that approved the Registration Document:	BaFin, Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany, telephone +49 (0) 228 41080.
Date of approval of the Prospectus:	24 June 2021

Section B – Key information on the Issuer

Who is the Issuer of the securities?

Domicile and legal form of the Issuer
UBS AG is incorporated and domiciled in Switzerland, with its registered offices at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. UBS AG's Legal Entity Identifier (LEI) code is BFM8T61CT2L1QCEMIK50.

Principal activities of the Issuer
The purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. It may provide loans, guarantees and other kinds of financing and security for group companies.

Major shareholders of the Issuer
UBS Group AG owns 100% of the outstanding shares of UBS AG.

Identity of the key managing directors of the Issuer
The key managing directors of the issuer are the members of the issuer's Executive Board ("**EB**"). These are: Ralph Hamers, Christian Bluhm, Mike Dargan, Markus U. Diethelm, Kirt Gardner, Suni Harford, Robert Karofsky, Iqbal

Khan, Edmund Koh, Tom Naratil, and Markus Ronner. In addition, UBS has announced that Markus Diethelm is stepping down from the EB and Barbara Levi will succeed him as General Counsel effective 1 November 2021.

Identity of the statutory auditors of the Issuer
The statutory auditors of the issuer are Ernst & Young Ltd, Aeschengraben 9, CH-4002 Basel.

What is the key financial information regarding the Issuer?

UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2020, 2019 and 2018 from the Annual Report 2020, except where noted. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). The selected consolidated financial information included in the table below for the quarter ended 31 March 2021 and 31 March 2020 was derived from the UBS AG First Quarter 2021 Report.

	As of or for the quarter ended		As of or for the year ended		
USD million, except where indicated	31.3.21	31.3.20	31.12.20	31.12.19	31.12.18
	unaudited		*audited, except where indicated*		
Results					
Income statement					
Operating income	8,836	8,009	32,780	29,307	30,642
Net interest income	1,589	1,313	5,788	4,415	4,971
Net fee and commission income	5,719	5,025	19,207	17,460	17,930
Credit loss (expense) / release	28	(268)	(695)	(78)	(117)
Other net income from financial instruments measured at fair value through profit or loss	1,314	1,775	6,930	6,833	6,953
Operating expenses	6,684	6,210	25,081	24,138	25,184
Operating profit / (loss) before tax	2,151	1,799	7,699	5,169	5,458
Net profit / (loss) attributable to shareholders	1,710	1,421	6,196	3,965	4,107
Balance sheet					
Total assets	1,109,234		1,125,327	971,927	958,066
Total financial liabilities measured at amortized cost	719,508		732,364	617,429	612,174
of which: customer deposits	508,903		527,929	450,591	421,986
of which: debt issued measured at amortized cost	87,495		85,351	62,835	91,245
of which: subordinated debt [1]	5,253		7,744	7,431	7,511
Total financial liabilities measured at fair value through profit or loss	324,108		325,080	291,452	283,717
of which: debt issued designated at fair value	64,635		59,868	66,592	57,031
Loans and advances to customers	380,141		380,977	327,992	321,482
Total equity	57,753		58,073	53,896	52,400

Equity attributable to shareholders	57,446		57,754	53,722	52,224
Profitability and growth					
Return on equity (%)	11.9	10.2	10.9*	7.4*	7.9*
Return on tangible equity (%)	13.4	11.5	12.4*	8.5*	9.1*
Return on common equity tier 1 capital (%)	17.8	15.9	16.6*	11.3*	11.9*
Return on risk-weighted assets, gross (%)	12.3	12.2	11.9*	11.2*	12.0*
Return on leverage ratio denominator, gross (%) [2]	3.4	3.5	3.4*	3.2*	3.4*
Cost / income ratio (%)	75.9	75.0	74.9*	82.1*	81.9*
Net profit growth (%)	20.3	33.0	56.3*	(3.4)*	441.9*
Resources					
Common equity tier 1 capital [3]	38,826	36,162	38,181	35,233*	34,562*
Risk-weighted assets [3]	285,119	284,706	286,743*	257,831*	262,840*
Common equity tier 1 capital ratio (%) [3]	13.6	12.7	13.3*	13.7*	13.2*
Going concern capital ratio (%) [3]	18.7	16.5	18.3*	18.3*	16.1*
Total loss-absorbing capacity ratio (%) [3]	34.2	32.1	34.2*	33.9*	31.3*
Leverage ratio denominator [3, 4]	1,039,736	957,210	1,036,771*	911,228*	904,455*
Common equity tier 1 leverage ratio (%)[3, 4]	3.73	3.78	3.68*	3.87*	3.82*
Going concern leverage ratio (%)[3, 4]	5.1	4.9	5.1*	5.2*	4.7*
Total loss-absorbing capacity leverage ratio (%) [3]	9.4	9.5	9.5*	9.6*	9.1*
Other					
Invested assets (USD billion) [5]	4,306	3,236	4,187	3,607	3,101
Personnel (full-time equivalents)	47,592	47,182	47,546*	47,005*	47,643*

* unaudited

[1] Amount as at 31 December 2018 is derived from the Annual Report 2019.
[2] The leverage ratio denominators used for the 2020 return calculation, do not reflect the effects of the temporary exemption that has been granted by FINMA in connection with COVID-19.
[3] Based on the applicable Swiss systemically relevant bank framework as of 1 January 2020.
[4] Leverage ratio denominators and leverage ratios for the respective periods in 2020 do not reflect the effects of the temporary exemption that applied from 25 March 2020 until 1 January 2021 and was granted by FINMA in connection with COVID-19.
[5] Includes invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking.

What are the key risks that are specific to the Issuer?

Credit risk in relation to UBS AG as Issuer
Each investor in securities issued by UBS AG as Issuer is exposed to the credit risk of UBS AG. The assessment of UBS AG's creditworthiness may be affected by a number of factors and developments. These include the COVID-19 pandemic and related response to it, market conditions and macroeconomic climate, credit risk exposure to clients and counterparties, low and negative interest rates, material legal and regulatory risks, changes to assumptions, valuations and accounting standards, UBS AG’s success in executing its strategic plans, and operational risks.

If UBS experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS's shareholders and creditors. If restructuring or liquidation proceedings are instituted against UBS AG, holders of securities may suffer a substantial or **total loss** on the securities.

Section C – Key information on the Securities

What are the main features of the Securities?

Type, class and ISIN of the Securities

The subject of this Prospectus are the Portfolio Certificates linked to the Smart Health Care Portfolio ISIN: DE000US8MAR5 (the "**Securities**").

The Securities are governed by Swiss law.

The Securities are issued as uncertificated securities (*Wertrechte*; "**Uncertificated Securities**") pursuant to article 973c of the Swiss Code of Obligations. Uncertificated Securities are registered in the main register of a Swiss depositary (*Verwahrungsstelle;* "**FISA Depositary**") according to the Swiss Federal Act on Intermediated Securities ("**FISA**"). Upon (a) entering the Uncertificated Securities into the main register of a FISA Depositary and (b) booking the Securities into a securities account at a FISA Depositary, the Uncertificated Securities will constitute intermediated securities within the meaning of the FISA (*Bucheffekten*, "**Intermediated Securities**"). The Issuer has intructed SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland, to also act as FISA Depositary, but reserves the right to choose any other FISA Depositary, including UBS AG.

Issue date and term of the Securities

The Securities are Euro ("**EUR**") denominated (the "**Redemption Currency**"). The Securities are issued in denomination of EUR 100,00 per Security. The Issuer will issue up to 500,000 Securities.

The Securities have been issued on 28 November 2018 (the "**Issue Date**"). Subject to the Issuer Extension Option (as defined below), the Securities expire – provided that they are not terminated or redeemed early – on 21 November 2025 (the "**Expiration Date**").

The Issuer is entitled to extend, by giving notice to the Securityholder (the "**Issuer Extension Option Exercise Notice**") prior to the then existing Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all then outstanding Securities for an additional period of seven (7) years, in which case the "Expiration Date" shall be deemed to be the date falling seven (7) years after the scheduled Expiration Date (the "**Issuer Extension Option**"). In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder terminates the Securities held by it in accordance with the Terms and Conditions of the Securities by exercising the Securityholder Non-Extension Option, investors in the Securities will receive any final payments under the Securities later than scheduled at the Issue Date of the Securities.

Rights attached to the Securities; payment profile at scheduled maturity

The Securities are each linked to the notional EUR denominated Smart Health Care Portfolio (the "**Underlying**" or the notional "**Reference Portfolio**"), created and actively managed by Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland (the "**Reference Portfolio Advisor**"). The Reference Portfolio aims to replicate the performance of (i) a basket of selected stocks (each a "**Stock$_{(i)}$** " and together the "**Stocks**") or, as the case may be, American and Global Depositary Receipts (each a "**Certificate representing Stocks$_{(i)}$** " and together the "**Certificates representing Stocks**", where the Stocks and the Certificates representing Stocks are collectively also referred to as each a "**Stock Constituent$_{(i)}$** " and together the "**Stock Constituents**") and (ii) from time to time, an EUR denominated cash position which may be negative from time to time (the "**Cash Position**"; which together with the Constituents shall be referred to as the "**Reference Portfolio Components**"), net of relevant fees, costs and expenses.

With the purchase of each (1) Security, the investor acquires the right, under certain conditions and as provided for in the Terms and Conditions of the Securities, to demand from the Issuer the payment of the Settlement Amount (as defined below) in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "**Redemption Amount**") (the "**Security Right**").

The "**Settlement Amount**" which cannot be negative, is calculated by multiplying EUR 100.00 by the performance of the Reference Portfolio from the 21 November 2018 ("**Fixing Date**") to the Valuation Date and is, consequently calculated in accordance with the following formula:

$$\text{EUR } 100{,}00 \times \text{MAX}\left(0, \frac{\text{Final Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}}\right)$$

The "**Final Reference Portfolio Level**" means, subject to a Market Disruption in accordance with the Conditions of the Securities, the value of the notional Reference Portfolio as determined by the Calculation Agent in relation to the relevant Valuation Date, whereby the relevant value of the Reference Portfolio shall be the sum of the sale proceeds as converted into the Redemption Currency where applicable, using the relevant WMCO foreign exchange rate in respect of fixing at 16:00 London time, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Constituents then comprised in the notional Reference Portfolio plus (iI) the value of the Cash Position minus (iii) any accrued but not yet deducted Reference Portfolio Fees and Adjustment Fees.

The "**Initial Reference Portfolio Level**" of the Reference Portfolio is equal to EUR 100.00.

In the case of the occurrence of an Automatic Termination Event, all outstanding Securities are automatically terminated and each Securityholder will receive on the relevant Maturity Date payment of the Early Settlement Amount in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "**Automatic Termination Amount**").

The "**Early Settlement Amount**", which cannot be negative, is calculated by multiplying EUR 100.00 by the performance of the Reference Portfolio from the Fixing Date to the relevant Valuation Date and is, consequently, calculated in accordance with the following formula:

$$\text{EUR } 100.00 \quad \text{x Max}\left(0; \frac{\text{Early Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}}\right)$$

"**Early Reference Portfolio Level**" means, subject to a Market Disruption in accordance with the Conditions of the Securities, the value of the notional Reference Portfolio as determined by the Calculation Agent in relation to the relevant Valuation Date, whereby the relevant value of the Reference Portfolio shall be the sum of the sale proceeds as converted into the Redemption Currency where applicable, using the relevant WMCO foreign exchange rate in respect of fixing at 16:00 London time, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Constituents then comprised in the notional Reference Portfolio plus (iI) the value of the Cash Position minus (iii) any accrued but not yet deducted Reference Portfolio Fees and Adjustment Fees.

Relative seniority of the Securities in the Issuer's capital structure in the event of insolvency

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

Restrictions on free transferability of the Securities

The Securities are freely transferrable.

Dividend or payout policy

During their term, the Securities do not generate any regular income (e.g. dividends or interest).

Where will the Securities be traded?

It is not intended to apply for inclusion of the Securities to trading on a securities exchange.

What are the key risks that are specific to the Securities?

The Securityholders are exposed to the risk of a bail-in. In case FINMA as supervisory authority in respect of the Issuer exercises resolution measures against the Issuer and writes down or converts the Securities into common equity of the Issuer, Securityholders would have no further claim against the Issuer under the Securities.

The Securities are not protected by any statutory or voluntary deposit guarantee scheme. The Issuer's obligations under the Securities are not protected by any statutory or voluntary deposit protection scheme or compensation scheme. Further, no third party guarantees or commitments have been provided in respect of the Issuer's obligations under the Securities. Accordingly, in the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.

Specific risks related to the linkage to the Reference Portfolio. The payment profile of the Securities is linked to the performance of a Reference Portfolio. Potential investors should be aware that the performance of the Reference Portfolio is impossible to predict. Poor performance of the Reference Portfolio would lead to a lower Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount under the Securities. In some cases, investors may even suffer a total loss of the invested capital.

Specific risks related to early termination of the Securities. In case of an automatic early termination of the Securities or a termination of the Securities by the Issuer, Securityholders bear the risk they will not benefit from any future increases in the Level of the Reference Portfolio until the Maturity Date.

Specific risks related to reinvestment. The Securityholders bear the risk of a reinvestment. The reinvestment risk is the risk that the Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount received by a Securityholder upon termination of the Securities can only be reinvested by such Securityholder for a term comparable with the scheduled term of the Securities only in market conditions which are less favourable (such as a lower return or an increased risk) than those prevailing at the time of the acquisition of the Securities. As a result, the yield achieved by this re-investment, i.e. new investment, over the respective term may be significantly lower than the return expected by the Securityholder with the purchase of the Securities. Moreover and depending on market conditions prevailing at the time of the new investment, the likelihood of a loss of such amounts re-invested may have increased significantly.

Specific risks related to currency exchange rates. Individual Reference Portfolio Components may be denominated in currencies other than EUR in which the Reference Portfolio is denominated. To determine the Level of the Reference Portfolio, the Calculation Agent needs to convert the value of Reference Portfolio Components from their denomination currency into EUR. If any such denomination currency decreases in value against EUR, the value of the relevant Reference Portfolio Component used for the purposes of the calculating the Level of the Reference Portfolio would also decrease because of the currency conversion. As a consequence, the Level of the Reference Portfolio fluctuates not only depending on the performance of the individual Reference Portfolio Component, but also on the fluctuating exchange rates when coverting the value of the relevant Reference Portfolio Component from its denomination currency into EUR. Unfavourably fluctuating exchange rates may, as a result, even significantly reduce the value of the Securities and of any amounts payable to the Securityholders.

Specific risks related to termination and early redemption of the Securities at the option of the Issuer and to automatic early termination. In case the Issuer terminates and redeems the Securities prior to the Maturity Date, Securityholders are entitled to demand the payment of an amount in relation to this early redemption. However, Securityholders are not entitled to request any further payments on the Securities after the Extraordinary Termination Date and, accordingly, they bear the risk of not participating in the performance of the Reference Portfolio after the Extraordinary Termination Date. Accordingly, in case of termination and redemption of the Securities prior to the Maturity Date, Securityholders could receive less than the invested capital.

Specific risks related to the market price of the Securities. Potential investors bear the risk that the market price of the Securities may fluctuate during the term of the Securities, including, without limitation, as a result of the performance of any individual Constituents or of the Reference Portfolio as a whole. Accordingly, Securityholders bear the risk that if they can sell any Securities prior to their due date, the sale proceeds may fall below (including significantly below) the amount of capital initially invested in the Securities and investors would then lose some or all of the invested capital.

Specific risks related to the liquidity of the Securities. Potential investors bear the risk that there is no liquid market for trading in the Securities. Due to their structured nature and linkage to the Reference Portfolio, the Securities would generally have a more limited secondary market than conventional debt securities. This means that they may not be able to sell the Securities at a time of their own choosing. This could, in turn, result in potential investors receiving a lower sale price than they would have received had a liquid market existed.

Specific risks related to potential conflicts of interest of the Issuer and its affiliates. The Issuer and its affiliates may have commercial interests that conflict with those of the Securityholders (e.g. as a result of the Issuer's involvement in other transactions or the Issuer's existing business relationship with the issuer of the Underlying) and that may impact the value and/or trading of the Securities. In turn, this could result in Securityholders receiving less when selling any Securities they hold then they would have received but for such conflicts of interest and/or even suffering **a partial loss of the invested capital**.

Uncertainty about future performance; limited historic data. Prospective investors should be aware that it is not possible to accurately predict the future performance of the Reference Portfolio. Poor performance of the Reference Portfolio would lead to payment of a lower Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount under the Securities. In some cases, investors may even suffer a total loss of the invested capital.

Specific risks related to the lack of direct correlation between the performance of underlyings, individual Reference Portfolio Components and the overall performance of the Reference Portfolio. Potential investors bear the risk that the positive performance of individual Reference Portfolio Constituents does not directly correlate to an overall positive performance of the Reference Portfolio. A positive performance of a relevant underlying would not necessarily result in a positive performance of the relevant Reference Portfolio Component and, therefore, of the Securities. Therefore, potential investors are exposed to the risk that even as the value of individual underlyings or Reference Portfolio Components rises, the overall value of the Reference Portfolio decreases. Accordingly, Securityholders could receive lower returns than anticipated and, in extreme circumstances, may lose some or all of the invested capital.

Specific risks related to Securityholders having no recourse to the Reference Portfolio Components. Potential investors should be aware that the Securities do not create any entitlement, proprietary rights or recourse to any Reference Portfolio Components comprising the Reference Portfolio from time to time. Accordingly, in connection with all payments in respect of the Securities, the Securityholders are exposed solely to the credit risk of the Issuer and have no recourse to any underlying assets.

Specific risks related to the performance of the Reference Portfolio Advisor. Potential investors bear the risk that investment decisions made by the Reference Portfolio Advisor could result in a decline in the value of the Reference Portfolio. Further, potential investors bear the risk that the loss of one or more key individuals employed by the Reference Portfolio Advisor could prejudice the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio. In either case, potential investors could realise a partial or total loss of the invested capital.

Section D – Key information on the offer of the Securities tot he public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

It has been agreed that, on or after the Issue Date (the "**Issue Date**") of the Securities, UBS AG, Zurich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zurich, Switzerland, and the Reference Portfolio Advisor (each an "**Authorised Offeror**") may purchase Securities and shall place the Securities for sale in the Public Offer Jurisdictions at an amount of EUR 100,00 per Security (the "**Issue Price**") under terms subject to change in the Public Offer Jurisdictions. The Issue Price was fixed at the Start of the public offer of the Securities. Thereafter, the selling price will then be adjusted on a continuous basis to reflect the prevailing market situation. The total expenses of the issue and/or offer are not separately identifiable and included in the general operating expenses of the Issuer.

The Securities have been offered to the public since 11 July 2019. This Prospect is used to continue this offer of the Securities as of 24 June 2021.

Who is the offeror and/or the person asking for admission to trading?

UBS AG, Zurich (UBS Investment Bank) (the "**Manager**") is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares.

Why is this prospectus being produced?

Use of proceeds

The Issuer intends to issue and offer the Securities to the public in order to raise funding for general business purposes of the UBS Group. The net amount of the proceeds are not quantifiable.

It has been agreed that the Authorised Offerors shall underwrite the Securities on the Issue Date by means of an underwriting agreement dated as of the Issue Date and shall place them for sale under terms subject to change in the Public Offer Jurisdictions.

Most material conflicts of interest

The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Reference Portfolio Components comprised in the Reference Portfolio, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to the Authorised Offerors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from the Authorised Offerors. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.

Save for the Manager and the Reference Portfolio Advisor regarding its fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.

SUMMARY OF THE PROSPECTUS IN THE GERMAN LANGUAGE

ZUSAMMENFASSUNG

Abschnitt A – Einleitung mit Warnhinweisen

Warnhinweise

a) Die Zusammenfassung sollte als Einleitung zu dem Prospekt verstanden werden.
b) Anleger sollten jede Entscheidung, in die betreffenden Wertpapiere zu investieren, auf die Prüfung des Prospekts als Ganzes stützen.
c) **Die Wertpapiere sind nicht kapitalgeschützt und sehen keinen Mindestrückzahlungsbetrag vor.** Anleger könnten damit ihr gesamtes angelegtes Kapital oder einen Teil davon verlieren.
d) Für den Fall, dass vor einem Gericht Ansprüche aufgrund der im Prospekt enthaltenen Informationen geltend gemacht werden, können als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben.
e) Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.
f) Sie sind im Begriff, ein Produkt zu erwerben, das nicht einfach ist und schwer zu verstehen sein kann.

Einleitende Angaben

Bezeichnung der Wertpapiere:	500.000 an die Entwicklung des virtuellen Smart Health Care Referenz Portfolio - Zertifikate ("**Wertpapiere**"), ISIN DE000US8MAR5
Identität und Kontaktdaten der Emittentin, einschließlich LEI:	UBS AG. Die Adressen und Telefonnummern der beiden Satzungs- und Verwaltungssitze der UBS AG lauten: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, Telefon: +41 (0) 44 234 1111; und Aeschenvorstadt 1, CH-4051 Basel, Schweiz, Telefon: +41 (0) 61 288 5050, LEI BFM8T61CT2L1QCEMIK50.
Identität und Kontaktdaten des Anbieters, einschließlich LEI:	UBS AG, Zürich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zürich, Schweiz, Telefon: +41 (0) 44 234 1111, LEI BFM8T61CT2L1QCEMIK50. die Bank Vontobel AG, Gotthardstrasse 43, 8002 Zürich, Schweiz, Telefon: +44 287 81 11, LEI 549300L7V4MGECYRM576.
Zuständige Behörde, die die Zusammenfassung und die Wertpapierbeschreibung billigt:	Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland, Telefon: +49 (0) 228 41080.
Zuständige Behörde, die das Registrierungsformular billigt:	BaFin, Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland, Telefon: +49 (0) 228 41080.
Datum der Billigung des Prospekts:	24. Juni 2021

Abschnitt B – Basisinformationen über den Emittenten

Wer ist die Emittentin der Wertpapiere?

Sitz und Rechtsform der Emittentin
UBS AG ist in der Schweiz gegründet, hat ihren Sitz in der Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, und in Aeschenvorstadt 1, CH-4051 Basel, Schweiz, und ist nach dem Schweizerischen Obligationenrecht als Aktiengesellschaft tätig. Die Rechtsträgerkennung (Legal Entity Identifier, "LEI") der UBS AG ist BFM8T61CT2L1QCEMIK50.

Hauptgeschäftstätigkeiten der Emittentin
Zweck der UBS AG ist der Betrieb einer Bank. Ihr Geschäftskreis umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften in der Schweiz und in anderen Jurisdiktionen. UBS AG kann Mittel am Kapitalmarkt aufnehmen und anlegen. Sie kann Darlehen, Garantien und andere Arten der Finanzierung und von

Sicherheitsleistungen für Konzerngesellschaften gewähren.

Wesentliche Aktionäre der Emittentin
Die UBS Group AG ist Eigentümerin von 100 Prozent der ausstehenden Aktien der UBS AG.

Identität der wesentlichen Geschäftsleiter der Emittentin
Die wesentlichen Geschäftsleiter der Emittentin sind die Mitglieder ihrer Geschäftsleitung ("**EB**"). Die Mitglieder sind: Ralph Hamers, Christian Bluhm, Mike Dargan, Markus U. Diethelm, Kirt Gardner, Suni Harford, Robert Karofsky, Iqbal Khan, Edmund Koh, Tom Naratil und Markus Ronner. Darüber hinaus hat UBS bekannt gegeben, dass Markus Diethelm aus der EB zurücktreten und Barbara Levi mit Wirkung zum 1. November 2021 die Nachfolge als General Counsel antreten wird.

Identität des Abschlussprüfers der Emittentin
Der Abschlussprüfer der Emittentin ist Ernst & Young Ltd, Aeschengraben 9, CH-4002 Basel.

Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Die ausgewählten konsolidierten Finanzinformationen in der folgenden Tabelle für die am 31. Dezember 2020, 2019 und 2018 endenden Geschäftsjahre stammen aus dem Geschäftsbericht 2020, sofern nicht anders angegeben. Die konsolidierten Abschlüsse wurden in Übereinstimmung mit den International Financial Reporting Standards ("**IFRS**") des International Accounting Standards Board ("**IASB**") erstellt. Die ausgewählten konsolidierten Finanzinformationen, die in der nachstehenden Tabelle für das am 31. März 2021 und am 31. März 2020 abgeschlossene Quartal enthalten sind, stammen aus dem ersten Quartalsbericht 2021 der UBS AG.

	Für das Quartal endend am oder per		Für das Jahr endend am oder per		
Mio, USD, Ausnahmen sind angegeben	31.3.21	31.3.20	31.12.20	31.12.19	31.12.18
	ungeprüft		*Geprüft, Ausnahmen sind angegeben*		
Ergebnisse					
Gewinn- und Verlustrechnung					
Geschäftsertrag	8.836	8.009	32.780	29.307	30.642
Nettozinserträge	1.589	1.313	5.788	4.415	4.971
Provisionsüberschuss	5.719	5.025	19.207	17.460	17.930
Wertberichtigungen für Kreditrisiken	28	(268)	(695)	(78)	(117)
Andere Erträge aus erfolgswirksam zum Zeitwert bilanzierten Finanzinstrumenten	1.314	1.775	6.930	6.833	6.953
Geschäftsaufwand	6.684	6.210	25.081	24.138	25.184
Ergebnis vor Steuern	2.151	1.799	7.699	5.169	5.458
Den Aktionären zurechenbares Ergebnis	1.710	1.421	6.196	3.965	4.107
Bilanz					
Bilanzsumme	1.109.234		1.125.327	971.927	958.066
Gesamte zu fortgeführten Anschaffungskosten bewertete Finanzverbindlichkeiten	719.508		732.364	617.429	612.174
davon: Kundeneinlagen	508.903		527.929	450.591	421.986
davon: zu fortgeführten Anschaffungskosten bewertete Schuldtitel	87.495		85.351	62.835	91.245
davon: nachrangige Verbindlichkeiten [1]	5.253		7.744	7.431	7.511
Gesamte finanzielle Verbindlichkeiten, die erfolgswirksam zum beizulegenden Zeitwert bewertet werden	324.108		325.080	291.452	283.717
davon: Schuldtitel, die zum beizulegenden Zeitwert bewertet werden	64.635		59.868	66.592	57.031
Forderungen an Kunden	380.141		380.977	327.992	321.482
Gesamteigenkapital	57.753		58.073	53.896	52.400
Den Aktionären zurechenbares	57.446		57.754	53.722	52.224

Eigenkapital					
Profitabilität und Wachstum					
Rendite auf Eigenkapital (%)	11,9	10,2	10,9*	7,4*	7,9*
Rendite auf das materielle Eigenkapital (%)	13,4	11,5	12,4*	8,5*	9,1*
Rendite auf Hartes Kernkapital (CET1) (%)	17,8	15,9	16,6*	11,3*	11,9*
Rendite auf risikogewichteten Aktiven brutto (%)	12,3	12,2	11,9*	11,2*	12,0*
Rendite auf den Leverage Ratio-Nenner brutto (%) [2]	3,4	3,5	3,4*	3,2*	3,4*
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%)	75,9	75,0	74,9*	82,1*	81,9*
Wachstum des Ergebnisses (%)	20,3	33,0	56,3*	(3,4)*	441,9*
Resourcen					
Hartes Kernkapital (CET1) [3]	38.826	36.162	38.181	35.233*	34.562*
Risikogewichtige Aktiven [3]	285.119	284.706	286.743*	257.831*	262.840*
Harte Kernkapitalquote (CET1) (%)[3]	13,6	12,7	13,3*	13,7*	13,2*
Going Concern Kapitalquote (%)[3]	18,7	16,5	18,3*	18,3*	16,1*
Total Verlustabsorptionsfähigkeit Ratio (%)[3]	34,2	32,1	34,2*	33,9*	31,3*
Leverage Ratio-Nenner [3,4]	1.039.736	957.210	1.036.771*	911.228*	904.455*
Harte Kernkapitalquote (CET1) Leverage Ratio (%)[3,4]	3,73	3,78	3,68*	3,87*	3,82*
Going Concern Leverage Ratio (%)[3,4]	5,1	4,9	5,1*	5,2*	4,7*
Total Verlustabsorptionsfähigkeit Leverage Ratio (%)[3]	9,4	9,5	9,5*	9,6*	9,1*
Andere					
Verwaltete Vermögen (in Mrd, USD)[5]	4.306	3.236	4.187	3.607	3.101
Personal (auf Vollzeitbasis)	47.592	47.182	47.546*	47.005*	47.643*

*ungeprüft

[1] Der Betrag zum 31. Dezember 2018 wird aus dem Geschäftsbericht 2019 abgeleitet.
[2] Die für die Renditeberechnung im Jahr 2020 verwendeten Leverage Ratio-Nenner spiegeln nicht die Auswirkungen der von der FINMA im Zusammenhang mit COVID-19 gewährten vorübergehenden Freistellung wider.
[3] Basiert auf den anwendbaren Regeln für Schweizer systemrelevante Banken (SRB) ab dem 1. Januar 2020.
[4] Leverage Ratio Nenner und Leverage Ratios für die jeweiligen Zeiträume im Jahr 2020 spiegeln nicht die Auswirkungen der vorübergehenden Freistellung wider, die vom 25. März 2020 bis zum 1. Januar 2021 galt und von der FINMA im Zusammenhang mit COVID-19 gewährt wurde.
[5] Enthält Vermögen unter der Verwaltung von Global Wealth Management, Asset Management und Personal & Corporate Banking.

Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

Kreditrisiko im Zusammenhang mit UBS AG als Emittentin

Jeder Anleger in Wertpapieren, die von der UBS AG als Emittentin ausgegebenen werden, unterliegt dem Kreditrisiko der UBS AG. Die Bewertung der Bonität der UBS AG kann durch eine Reihe von Faktoren und Entwicklungen beeinflusst werden. Dazu gehören die COVID-19-Pandemie und die damit verbundene Reaktion darauf, Marktbedingungen und makroökonomisches Klima, das Kreditrisiko in Bezug auf Kunden und Gegenparteien, niedrige und negative Zinssätze, wesentliche rechtliche und regulatorische Risiken, Änderungen von Annahmen, Bewertungen und Rechnungslegungsstandards, der Erfolg der UBS AG bei der Umsetzung ihrer strategischen Pläne und betriebliche Risiken.

Falls UBS in finanzielle Schwierigkeiten gerät, hat FINMA die Befugnis, in Bezug auf UBS Group AG, UBS AG oder UBS Switzerland AG Sanierungs- oder Liquidationsverfahren zu eröffnen oder Schutzmaßnahmen aufzuerlegen, und solche Verfahren oder Maßnahmen können eine wesentlich nachteilige Auswirkung auf Aktionäre und Gläubiger der UBS haben. Falls Sanierungs- oder Liquidationsverfahren in Bezug auf UBS AG eröffnet werden, können Inhaber von Wertpapieren einen erheblichen oder vollständigen Verlust in Bezug auf die Wertpapiere erleiden.

Abschnitt C – Basisinformationen über die Wertpapiere

Welches sind die wichtigsten Merkmale der Wertpapiere?

Art, Gattung und ISIN der Wertpapiere

Gegenstand dieses Prospekts sind die 500.000 an die Entwicklung des virtuelle Smart Health Care Referenz Portfolio, ISIN DE000US8MAR5 (die "**Wertpapiere**").

Die Wertpapiere unterliegen Schweizer Recht.

Die Wertpapiere wurden als Wertrechte ("**Wertrechte**") im Sinne von Art. 973c des Schweizerischen Obligationenrechts ausgegeben. Die Wertrechte werden in dem Hauptregister einer Schweizer Verwahrungsstelle ("**Verwahrungsstelle**") im Sinne des Bundesgesetzes über die Bucheffekten ("**BEG**") registriert. Durch (a) die Eintragung der Wertrechte in das Hauptregister der Verwahrungsstelle und (b) die Einbuchung der Wertpapiere in das Effektenkonto einer Verwahrungsstelle begründen die Wertrechte Bucheffekten im Sinn des BEG ("**Bucheffekten**"). Die Emittentin hat SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Schweiz, auch als Verwahrungsstelle eingesetzt, behält sich aber das Recht vor, eine andere Verwahrungsstelle einschließlich der UBS AG einzusetzen.

Begebungstag und Laufzeit der Wertpapiere

Die Wertpapiere lauten auf Euro ("**EUR**") ("**Auszahlungswährung**"). Die Wertpapiere werden mit einer Stückelung von EUR 100,00 je Wertpapier begeben. Die Emittentin wird bis zu 500.000 Wertpapiere begeben.

Die Wertpapiere wurden erstmals am 28. November 2018 ausgegeben ("**Ausgabetag**"). Vorbehaltlich der Verlängerungsoption der Emittentin (wie nachstehend definiert) ist der Verfalltag der Wertpapiere – sofern keine vorzeitige Kündigung oder Auszahlung erfolgt – der 21. November 2025 ("**Verfalltag**").

Die Emittentin ist berechtigt, die Laufzeit aller ausstehenden Wertpapiere durch Bekanntmachung an die Wertpapiergläubiger vor dem zu diesem Zeitpunkt geltenden Verfalltag um einen zusätzlichen Zeitraum von sieben (7) Kalenderjahren zu verlängern; in einem solchen Fall ist der "Verfalltag" der Tag, der sieben (7) Kalenderjahre auf den festgelegten Verfalltag folgt (die "**Verlängerungsoption der Emittentin**"). Falls die Emittentin die Verlängerungsoption der Emittentin ausübt und ein Wertpapiergläubiger nicht gemäß den Bedingungen der Wertpapiere die von ihm gehaltenen Wertpapiere durch Ausübung der Wertpapiergläubiger Nicht-Verlängerungsoption kündigt, erhalten Anleger in die Wertpapiere die abschließende Zahlungen unter den Wertpapieren später, als beim Ausgabetag der Wertpapiere vorgesehen.

Mit den Wertpapieren verbundene Rechte; Tilgungsprofil zum planungsgemäßen Laufzeitende

Die Wertpapiere sind jeweils an die Entwicklung des virtuellen, auf Euro lautenden Smart Health Care Referenz Portfolio ("**Basiswert**" oder virtuelles "**Referenz-Portfolio**") gebunden, das von der Bank Vontobel AG, Gotthardstrasse 43, 8002 Zürich, Schweiz ("**Referenz-Portfolio Berater**") erstellt und aktiv verwaltet wird. Das Referenz-Portfolio zielt darauf ab, die Entwicklung (i) eines Korbs bestehend aus ausgewählten Aktien (jeweils eine "**Aktie$_{(i)}$**" bzw. gemeinsam die "**Aktien**") bzw. American und Global Depositary Receipts (jeweils ein "**Aktienvertretendes Zertifikat$_{(i)}$**" bzw. gemeinsam die "**Aktienvertretenden Zertifikate**", wobei die Aktien und die Aktienvertretenden Zertifikate auch jeweils als eine "**Aktien-Komponente$_{(i)}$**" bzw. gemeinsam als die "**Aktien-Komponenten**" bezeichnet werden) und (ii) eine gelegentliche Barmittel-Position, die in der Auszahlungswährung denominiert ist und die von Zeit zu Zeit auch einen negativen Wert aufweisen kann (die "**Barmittel-Position**", die zusammen mit den Komponenten als "**Referenz-Portfolio Bestandteile**" bezeichnet wird) abzüglich bestimmter Gebühren. Kosten und Auslagen, abzubilden.

Mit dem Kauf eines (1) Wertpapiers erwirbt der Anleger das Recht, unter bestimmten Voraussetzungen und gemäß den Bedingungen der Wertpapiere von der Emittentin die Auszahlung des Abrechnungsbetrags (wie nachstehend definiert) in der Auszahlungswährung, gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundet ("**Auszahlungsbetrag**"), zu verlangen ("**Wertpapierrecht**").

Der "**Abrechnungsbetrag**" welcher nicht negativ sein kann, wird durch eine Multiplikation von EUR 100,00 mit der Entwicklung des Referenz-Portfolios von dem 21. November 2018 ("**Festlegungstag**") bis zum Bewertungstag und daher in Übereinstimmung mit der folgenden Formel berechnet:

$$\text{EUR } 100{,}00 \times \text{MAX}\left(0, \frac{\text{Finaler Referenz-Portfolio Level}}{\text{Anfänglicher Referenz-Portfolio Level}}\right)$$

„**Finaler Referenz-Portfolio Level**" bezeichnet, vorbehaltlich einer Marktstörung gemäß der Bedingungen der Wertpapiere, den Wert des virtuellen Referenz-Portfolios, wie er an dem maßgeblichen Bewertungstag von der Berechnungsstelle berechnet wird, wobei der maßgebliche Wert des Referenz-Portfolios der folgenden Summe entspricht (i) der Summe der Veräußerungserlöse, unter Verwendung des jeweiligen maßgeblichen Währungswechselkurses, wie von der Berechnungsstelle nach billigem Ermessen bestimmt, in die Auszahlungswährung umgerechnet, die erzielt worden wären, wenn ein hypothetischer Investor (in derselben Position wie die Emittentin) die in dem Referenz-Portfolio jeweils enthaltenen virtuellen Komponenten veräußert bzw. aufgelöst hätte, zuzüglich (ii) des Werts der Barmittel-Position abzüglich (iii) der angefallenen, aber noch nicht abgezogenen, Referenz-Portfolio Gebühren und Anpassungsgebühren.

„**Anfänglicher Referenz-Portfolio Level**" bezeichnet EUR 100.00.

Im Fall eines Automatischen Beendigungsereignisses werden sämtliche ausstehenden Wertpapiere automatisch gekündigt und jeder Wertpapiergläubiger erhält an dem maßgeblichen Fälligkeitstag die Zahlung des Vorzeitigen Auszahlungsbetrags in der Auszahlungswährung, gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundet (der "**Automatischer Beendigungsbetrag**")

Der "**Vorzeitige Abrechnungsbetrag**", welcher nicht negativ sein kann, wird wird durch die Multiplikation von EUR 100,00 mit der Entwicklung des Referenz-Portfolios seit dem Festlegungstag bis zum maßgeblichen Bewertungstag und damit in Übereinstimmung mit der folgenden Formel berechnet:

$$\text{EUR } 100.00 \quad \times \text{Max}\left\{0; \frac{\text{Vorzeitiger Referenz Portfolio Level}}{\text{Anfänglicher Referenz Portfolio Level}}\right\}$$

„**Vorzeitiger Referenz-Portfolio Level**" bezeichnet, vorbehaltlich einer Marktstörung gemäß der Bedingungen der Wertpapiere, den Wert des virtuellen Referenz-Portfolios, wie er an dem maßgeblichen Bewertungstag von der Berechnungsstelle berechnet wird, wobei der maßgebliche Wert des Referenz-Portfolios der folgenden Summe entspricht (i) der Summe der Veräußerungserlöse, unter Verwendung des jeweiligen maßgeblichen Währungswechselkurses, wie von der Berechnungsstelle nach billigem Ermessen bestimmt, in die Auszahlungswährung umgerechnet, die erzielt worden wären, wenn ein hypothetischer Investor (in derselben Position wie die Emittentin) die in dem Referenz-Portfolio jeweils enthaltenen virtuellen Komponenten veräußert bzw. aufgelöst hätte, zuzüglich (ii) des Werts der Barmittel-Position abzüglich (iii) der angefallenen, aber noch nicht abgezogenen, Referenz-Portfolio Gebühren und Anpassungsgebühren.

Relativer Rang der Wertpapiere in der Kapitalstruktur der Emittentin im Fall einer Insolvenz

Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt.

Beschränkungen der freien Handelbarkeit der Wertpapiere

Die Wertpapiere sind frei übertragbar.

Angaben zur Dividenden bzw. Ausschüttungspolitik

Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).

Wo werden die Wertpapiere gehandelt?

Eine Einbeziehung der Wertpapiere in den Handel an einer Wertpapierbörse ist nicht beabsichtigt.

Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

Wertpapiergläubiger sind dem Risiko eines Bail-In ausgesetzt. Falls die FINMA als Aufsichtsbehörde der Emittentin Abwicklungsmaßnahme gegen die Emittentin ausübt und die Wertpapiere herabschreibt oder in Eigenkapital der Emittentin umwandelt, hätten die Wertpapiergläubiger nicht weiter einen Anspruch gegen die Emittentin aus den Wertpapieren.

Die Wertpapiere sind nicht durch eine gesetzliche oder freiwillige Einlagensicherung geschützt. Die durch die Wertpapiere begründeten Verbindlichkeiten der Emittentin sind nicht durch ein gesetzliches oder freiwilliges System von Einlagensicherungen oder eine Entschädigungseinrichtung geschützt. Es besteht auch keine anderweitige Garantie oder Zusicherung eines Dritten für die Verpflichtungen der Emittentin aus den Wertpapieren. Anleger könnten folglich im Falle der Insolvenz der Emittentin einen Totalverlust ihrer Investition in die Wertpapiere erleiden.

Spezifische Risiken im Zusammenhang mit dem Referenz-Portfolio. Das Auszahlungsprofil der Wertpapiere ist an die Entwicklung des Referenz-Portfolios gebunden. Potenzielle Anleger sollten sich darüber im Klaren sein, dass es unmöglich ist, Vorhersagen über die künftige Wertentwicklung des Referenz-Portfolios zu machen. Eine ungünstige Wertentwicklung des Referenz-Portfolios hätte einen geringeren Auszahlungsbetrag, Kündigungsbetrag, Automatischen Beendigungsbetrag bzw. Außerordentlichen Kündigungsbetrag für die Wertpapiere zur Folge. In einigen Fällen könnte es sogar zu einem Verlust des gesamten eingesetzten Kapitals der Anleger kommen.

Spezifische Risiken im Zusammenhang mit der vorzeitige Rückzahlung der Wertpapiere. Im Falle einer automatischen vorzeitigen Beendigung der Wertpapiere oder einer Kündigung der Wertpapiere durch die Emittentin, tragen die Wertpapiergläubiger das Risiko, dass sie bis zum planmäßigen Fälligkeitstag nicht von künftigen Erhöhungen des Referenz-Portfolio-Levels profitieren.

Spezifische Risiken im Zusammenhang mit Wiederanlagen. Die Wertpapiergläubiger tragen ein Wiederanlagerisiko. Das Wiederanlagerisiko ist das Risiko, dass der Kündigungsbetrag, Automatische Beendigungsbetrag bzw. Außerordentliche Kündigungsbetrag, den der Wertpapiergläubiger bei einer Kündigung der Wertpapiere erhält, nur unter Marktbedingungen die ungünstiger sind (wie z.B. eine geringere Rendite oder ein erhöhtes Risiko) als die, die beim Erwerb der Wertpapieren vorlagen, für eine mit der planmäßigen Laufzeit der Wertpapieren vergleichbare Dauer wieder angelegt werden kann. Daher kann die durch diese Wiederanalge, d.h. Neuanlage, über die jeweilige Laufzeit erzielte Rendite deutlich niedriger sein als die von dem Wertpapiergläubiger mit dem Erwerb der Wertpapieren erwartete Rendite. Darüber hinaus kann die Wahrscheinlichkeit eines Verlusts derartiger wiederangelegter Beträge in Abhängigkeit von dem zum Zeitpunkt der Neuanlage herrschenden Marktbedingungen erheblich gestiegen sein.

Spezifische Risiken im Zusammenhang mit Wechselkursschwankungen. Einzelne Referenz-Portfolio Bestandteile können auf andere Wähungen als den EUR lauten, auf den das Referenz-Portfolio lautet. Um den Referenz-Portfolio-Level zu berechnen, muss die Berechnungsstelle den Wert der Referenz-Portfolio Bestandteile von ihrer Denominierungswährung in EUR umrechnen. Wenn eine solche Denominierungswährung gegenüber dem EUR an Wert verliert, würde der Wert des entsprechenden Referenz-Portfolio Bestandteils, der für die Berechnung des Referenz-Portfolio Levels verwendet wird, aufgrund der Währungsumrechnung ebenfalls sinken. Infolgedessen schwankt der Referenz-Portfolio Level nicht nur in Abhängigkeit von der Entwicklung der einzelnen Referenz-Portfolio Bestandteile, sondern auch von den schwankenden Wechselkursen bei der Umrechnung des Wertes der betreffenden Rerenz-Portfolio Bestandteile von ihrer Denominierungswährung in EUR. Ungünstig schwankende Wechselkurse können infolgedessen den Wert der Wertpapiere und der an die Wertpapiergläubiger zu zahlenden Beträge sogar erheblich verringern.

Spezifische Risiken im Zusammenhang mit Kündigung und vorzeitiger Rückgabe der Wertpapiere durch die Emittentin und im Zusammenhang mit automatischer vorzeitiger Kündigung. Falls die Emittentin die Wertpapiere vor dem Fälligkeitstag kündigt und vorzeitig zurückgibt, sind die Wertpapiergläubiger berechtigt, wegen dieser vorzeitigen Rückgabe die Zahlung eines Geldbetrags zu verlangen. Die Wertpapiergläubiger haben jedoch keinen Anspruch auf weitere Zahlungen auf die Wertpapiere nach dem Außerordentlichen Kündigungstag und riskieren damit, an der Wertentwicklung des Referenz-Portfolios nach dem Außerordentlichen Kündigungstag nicht zu partizipieren. Wertpapiergläubiger könnten im Falle einer Kündigung und Rückgabe der Wertpapiere vor dem Fälligkeitstag also weniger als das eingesetzte Kapital zurückerhalten.

Spezifische Risiken im Zusammenhang mit dem Marktpreis der Wertpapiere. Potenzielle Anleger tragen das Risiko möglicher Schwankungen des Marktpreises der Wertpapiere im Sinne dieses Prospekts, insbesondere aufgrund der Wertentwicklung einzelner Bestandteile oder des Referenz-Portfolios insgesamt. Falls sie Wertpapiere vor Fälligkeit verkaufen können, tragen potenzielle Anleger folglich das Risiko, dass der Verkaufserlös gegebenenfalls unter (oder gegebenenfalls deutlich unter) dem ursprünglich in die Wertpapiere investierten Kapital liegt und dass die Anleger in diesem Fall einen Teil des investierten Kapitals oder das gesamte investierte Kapital verlieren.

Spezifische Risiken im Zusammenhang mit der Liquidität der Wertpapiere. Potenzielle Anleger tragen das Risiko, dass es möglicherweise keinen liquiden Markt für den Handel mit den Wertpapieren gibt. Aufgrund ihres strukturierten Charakters und ihrer Verknüpfung mit dem Referenz-Portfolio hätten die Wertpapiere in Allgemeinen einen begrenzteren Sekundärmarkt als konventionelle Schuldverschreibungen. Das bedeutet, dass sie die Wertpapiere unter Umständen nicht zu einer von ihnen bestimmten Zeit verkaufen können. Dies könnte wiederum zur Folge haben, dass die potenziellen Anleger einen niedrigeren Verkaufspreis erzielen, als sie bei Vorhandensein eines liquiden Markts erzielt hätten.

Spezifische Risiken im Zusammenhang mit potenziellen Interessenkonflikten der Emittentin und ihrer verbundenen Unternehmen. Die Emittentin und ihre verbundenen Unternehmen können wirtschaftliche Interessen verfolgen, die den Interessen der Wertpapiergläubiger (beispielsweise als Ergebnis der Beteiligung der Emittentin an anderen Transaktionen oder existierenden Geschäftsbeziehungen der Emittentin mit dem Emittenten des Basiswerts) widersprechen und den Wert der Wertpapiere und/oder den Handel mit den Wertpapieren beeinflussen können. Umgekehrt könnte dies zur Folge haben, dass die Wertpapiergläubiger beim Verkauf von Wertpapieren geringere Erlöse erzielen, als dies ohne die Interessenkonflikte der Fall gewesen wäre, und/oder dass sie **sogar einen Teil ihres eingesetzten Kapitals verlieren**.

Unsicherheit über die zukünftige Wertentwicklung; begrenzte Daten für die Vergangenheit. Potenzielle Anleger sollten sich darüber im Klaren sein, dass es nicht möglich ist, genaue Vorhersagen über die künftige Wertentwicklung des Referenz-Portfolios zu machen. Eine ungünstige Wertentwicklung des Referenz-Portfolios hätte zur Folge, dass ein geringerer Auszahlungsbetrag, Kündigungsbetrag, Automatischer Beendigungsbetrag bzw. Außerordentlicher Kündigungsbetrag für die Wertpapiere gezahlt werden würde. In einigen Fällen könnte es sogar zu einem Verlust des gesamten eingesetzten Kapitals der Anleger kommen.

Spezifische Risiken im Zusammenhang mit der Entwicklung der Basiswerte, einzelner Referenz-Portfolio Bestandteile und der Entwicklung des Referenz-Portfolios insgesamt. Potenzielle Anleger tragen das Risiko, dass die positive Entwicklung einzelner Referenz-Portfolio Bestandteile nicht unmittelbar mit einer positiven Entwicklung des Referenz-Portfolios insgesamt korreliert. Eine positive Wertentwicklung eines Basiswerts hätte nicht notwendigerweise eine positive Wertentwicklung des entsprechenden Referenz-Portfolio Bestandteils und damit der Wertpapiere zur Folge, die Gegenstand dieses Prospekts sind. Daher besteht für potenzielle Anleger das Risiko, dass selbst bei einem Wertzuwachs einzelner Basiswerte oder Referenz-Portfolio Bestandteile der Wert des Referenz-Portfolios insgesamt sinkt. Wertpapiergläubiger könnten also geringere Renditen erhalten als erwartet und in extremen Fällen einen Teil des investierten Kapitals oder das gesamte investierte Kapital verlieren.

Spezifische Risiken im Zusammenhang mit dem fehlenden Zugriff der Wertpapiergläubiger auf die Referenz-Portfolio Bestandteile. Potenzielle Anleger sollten sich darüber im Klaren sein, dass die Wertpapiere keinen Anspruch, keine geschützten Rechte und keine Möglichkeiten auf die im Referenz-Portfolio jeweils enthaltenen Referenz-Portfolio Bestandteile beinhalten. Bezüglich sämtlicher Zahlungen, die sie im Hinblick auf die Wertpapiere leisten, sind die Wertpapiergläubiger lediglich dem Bonitätsrisiko der Emittentin ausgesetzt, haben aber keine Möglichkeit zum Zugriff auf zugrundeliegende Vermögenswerte.

Spezifische Risiken im Zusammenhang mit den Leistungen des Referenz-Portfolio Beraters. Potenzielle Anleger tragen das Risiko, dass Anlageentscheidungen des Referenz-Portfolio Beraters einen Rückgang des Wertes des Referenz-Portfolios bewirken könnten. Potenzielle Anleger tragen außerdem das Risiko, dass das Ausscheiden eines oder mehrerer besonders wichtiger Mitarbeiter des Referenz-Portfolio Beraters, die Fähigkeit des Referenz-Portfolio Beraters zur Erfüllung seiner Aufgaben beeinträchtigen könnte. Das könnte für die potenziellen Anleger jeweils einen teilweisen oder vollständigen Verlust des von ihnen investierten Kapitals zur Folge haben.

Abschnitt D – Basisinformationen über das öffentliche Angebot von Wertpapieren und/oder die Zulassung zum Handel an einem geregelten Markt

Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Vereinbarungsgemäß werden UBS AG, Zürich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zürich, Schweiz, und der Referenz-Portfolio Berater (jeweils ein "**Berechtigter Anbieter**") die Wertpapiere an oder nach dem maßgeblichen Ausgabetag (der "**Ausgabetag**") der Wertpapiere erwerben und die Wertpapiere in den Jurisdiktionen des Öffentlichen Angebots, vorbehaltlich von Änderungen, zu einem Preis von EUR 100,00 pro Wertpapier (der "**Ausgabepreis**") zum Verkauf anbieten. Der Ausgabepreis wurde am Beginn des öffentlichen Angebots der Wertpapiere festgesetzt. Danach wird der Verkaufspreis fortlaufend - entsprechend der jeweiligen Marktsituation - angepasst. Die Gesamtkosten der Emission und/oder des Angebots sind nicht gesondert identifizierbar und sind in den allgemeinen Betriebskosten der Emittentin enthalten.

Die Wertpapiere werden seit dem 11. Juli 2019 der öffentlich angeboten. Dieser Prospekt wird verwendet, um das öffentliche Angebot dieser Wertpapiere ab dem 24. Juni 2021 fortzusetzen.

Wer ist der Anbieter und/oder die die Zulassung zum Handel beantragende Person?

UBS AG, Zürich (UBS Investment Bank) ("**Manager**") hat ihren Sitz in der Schweiz, wo sie als Aktiengesellschaft nach schweizerischem Aktienrecht eingetragen ist.

Weshalb wird dieser Prospekt erstellt?

Zweckbestimmung der Erlöse

Die Emittentin beabsichtigt, die Wertpapiere auszugeben und öffentlich anzubieten, um allgemeine geschäftliche Zwecke der UBS-Gruppe zu finanzieren. Die Nettoerlöse sind nicht quantifizierbar.

Vereinbarungsgemäß werden die Berechtigten Anbieter die Wertpapiere am Ausgabetag im Rahmen eines vom Ausgabetag datierenden Emissionsvertrags zeichnen und die Wertpapiere in den Jurisdiktionen des Öffentlichen Angebots zu Bedingungen, die gegebenenfalls geändert werden können, zum Verkauf anbieten werden.

Wesentlichsten Interessenkonflikte

Die Emittentin und verbundene Unternehmen können sich an Transaktionen, die die Wertpapiere zum Gegenstand haben, auf eigene Rechnung oder für Rechnung eines Kunden beteiligen. Solche Transaktionen sind möglicherweise nicht im Interesse der Wertpapiergläubiger. Sie können positive oder negative Auswirkungen auf den Wert der Referenz-Portfolio Bestandteile im Referenz-Portfolio und folglich auf den Wert der Wertpapiere haben. Außerdem können mit der Emittentin verbundene Unternehmen gegebenenfalls Gegenparteien bei Deckungsgeschäften bezüglich der Verpflichtungen der Emittentin aus den Wertpapieren werden. Daher können hinsichtlich der Pflichten bei der Ermittlung der Kurse der Wertpapiere und anderen damit verbundenen Feststellungen sowohl unter den mit der Emittentin verbundenen Unternehmen als auch zwischen diesen Unternehmen und den Anlegern Interessenkonflikte auftreten. Zudem können die Emittentin und mit ihr verbundene Unternehmen in Bezug auf die Wertpapiere gegebenenfalls zusätzlich eine andere Funktion ausüben, zum Beispiel als Berechnungsstelle, Zahl- und Verwaltungsstelle.

Die Emittentin und mit ihr verbundene Unternehmen können darüber hinaus weitere derivative Instrumente in Verbindung mit dem Referenz-Portfolio ausgeben; die Einführung solcher miteinander im Wettbewerb stehender Produkte kann sich auf den Wert der Wertpapiere auswirken. Die Emittentin und ihre verbundenen Unternehmen können nicht-öffentliche Informationen in Bezug auf das Referenz-Portfolio erhalten, und weder die Emittentin noch eines der mit ihr verbundenen Unternehmen verpflichtet sich, solche Informationen Wertpapiergläubigern zugänglich zu machen.

Im Zusammenhang mit dem Angebot und Verkauf der Wertpapiere kann die Emittentin oder ein mit ihr verbundenes Unternehmen direkt oder indirekt Gebühren in unterschiedlicher Höhe an die Berechtigten Anbieter zahlen oder Gebühren in unterschiedlicher Höhe, einschließlich solcher, die im Zusammenhang mit dem Vertrieb der Wertpapiere erhoben werden, von den Berechtigten Anbietern erhalten. Potenzielle Anleger sollten sich darüber im Klaren sein, dass die Emittentin die Gebühren teilweise oder vollständig einbehalten kann. Über die Höhe dieser Gebühren erteilt die Emittentin bzw. der Manager auf Anfrage Auskunft.

Der Emittentin sind keine an der Emission der Wertpapiere beteiligten Personen bekannt, die ein wesentliches Interesse an dem Angebot haben, mit Ausnahme des Managers und des Referenz-Portfolio Beraters, was ihre Gebühren betrifft

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SECURITIES NOTE

A. RISK FACTORS

The different risk factors associated with an investment in the Portfolio Certificates linked to the notional Aktien Faktor-Select Global Portfolio (the "**Securities**") are outlined below. Investments in the Securities should not be made until all the factors relevant to the Securities have been acknowledged and carefully considered. **When making decisions relating to investments in the Securities, potential investors should consider all information contained in the Prospectus**.

In each category, the most material risk factors, in the assessment of the Issuer as of the date of this Securities Note, are presented first. The Issuer has assessed materiality on a qualitative basis considering potential magnitude of the negative effects on the Issuer from the occurrence of a risk and the probability of occurrence of that risk. The Issuer believes the risk factors described below represent the principal risks inherent in investing in the Securities issued by UBS AG as Issuer.

I. MATERIAL RISKS IN CONNECTION WITH THE SECURITIES

1. Material risks related to the rank and characteristics of the Securities in the case of a failure of the Issuer

1.1 The Securityholders are exposed to the risk of a bail-in

In case the Swiss Financial Market Supervisory Authority's ("FINMA") as supervisory authority in respect of the Issuer exercises resolution measures against the Issuer and writes down or converts the Securities into common equity of the Issuer, Securityholders would have no further claim against the Issuer under the Securities.

The Issuer and the Securities are subject to the Swiss Banking Act and the FINMA bank insolvency ordinance, which empowers FINMA as the competent resolution authority to in particular apply under certain circumstances certain resolution tools to credit institutions. These measures include in particular the write-down or conversion of securities into common equity of such credit institution (the so called bail-in). A write-down or conversion would have the effect that the Issuer would insofar be released from its obligations under the Securities. Securityholders would have no further claim against the Issuer under the Securities. The resolution tools may, hence, have a significant negative impact on the Securityholders' rights by suspending, modifying and wholly or partially extinguishing claims under the Securities. In the worst case, this can lead to a **total loss of the Securityholders' investment in the Securities**.

Such legal provisions and/or regulatory measures may severely affect the rights of the Securityholders and may have a negative impact on the value of the Securities even prior to any non-viability or resolution in relation to the Issuer.

1.2 The Securities are not protected by any statutory or voluntary deposit guarantee scheme

The Issuer's obligations under the Securities are not protected by any statutory or voluntary deposit protection scheme or compensation scheme. Further, no third party guarantees or commitments have been provided in respect of the Issuer's obligations under the Securities. Accordingly, in the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.

2. Material risks related to the Terms and Conditions of the Securities and, in particular, the payment profile of the Securities

2.1 Specific risks related to the linkage to the Reference Portfolio

The payment profile of the Securities is linked to the performance of a Reference Portfolio. Potential investors should be aware that the performance of the Reference Portfolio is impossible to predict. Poor performance of the Reference Portfolio would lead to a lower Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount under the Securities. In some cases, investors

may even suffer a total loss of the invested capital.

Prospective investors of the Securities should be aware that the payment profile of the Securities is linked to the performance of the Reference Portfolio.

Accordingly, an investment in the Securities involves a valuation risk with regard to the Reference Portfolio. Prospective investors should have experience with transactions in securities with a value derived from reference portfolios and their respective constituents. The value of the Reference Portfolio may vary over time and may increase or decrease by reference to a variety of factors which may include macro economic factors and speculation. In addition, the historical performance of the Reference Portfolio and its respective Constituents is not an indication of its future performance. Changes in the prices in relation to the Reference Portfolio and its respective Constituents will affect the trading price of the Securities, and it is impossible to predict whether the prices in relation to the Reference Portfolio and its respective Constituents will rise or fall.

Since the payment profile of the Securities is linked to the performance of the Reference Portfolio, prospective investors should be aware that a poor performance of the Reference Portfolio would result in a correspondingly lower Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount under the Securities. In extreme circumstances, if the Level of the Reference Portfolio becomes zero, it is possible that there is no final payment under the Securities. In such case, investors may suffer a total loss of the invested capital.

2.2 Specific risks related to possible fluctuations in the Level of the Reference Portfolio after termination of the Securities

Fluctuations in the Level of the Reference Portfolio after the termination of the Securities but before the Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount is determined could result in a lower redemption payment than investors anticipate at the time of termination.

In the event that the term of the Securities is terminated early by the Issuer pursuant to the Terms and Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the Level of the Reference Portfolio between the announcement of the termination by the Issuer and the determination of the level of the Reference Portfolio relevant for the calculation of the then payable Termination Amount, the Extraordinary Termination Amount or, as the case may be, Automatic Termination Amount are borne by the Securityholders.

2.3 Specific risks related to early termination of the Securities

In case of an automatic termination of the Securities or a termination of the Securities by the Issuer, Securityholders bear the risk they will not benefit from any future increases in the Level of the Reference Portfolio until the scheduled Maturity Date.

In the case of an automatic termination of the Securities or of a termination of the Securities by the Issuer, Securityholders will receive the corresponding Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount, if any, based on the value of the Reference Portfolio and its Reference Portfolio Components at the relevant valuation date when the relevant Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount, if any, is determined.

Such Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount, if any, may be low or even zero and may, in particular, be significantly lower than the Redemption Amount the Securityholder would have received if the Securities had not been terminated and the Level of the Reference Portfolio had increased until the scheduled Maturity Date. The Securityholder will suffer a loss in case the Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount, if any, payable by the Issuer is lower than the amount invested. It is also possible that the Securityholder suffers a total loss.

2.4 Specific risks related to reinvestment

The Securityholders bear the risk of a reinvestment. The reinvestment risk is the risk that the Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary

Termination Amount received by a Securityholder upon termination of the Securities can only be reinvested by such Securityholder for a term comparable with the scheduled term of the Securities only in market conditions which are less favourable (such as a lower return or an increased risk) than those prevailing at the time of the acquisition of the Securities. As a result, the yield achieved by this re-investment, i.e. new investment, over the respective term may be significantly lower than the return expected by the Securityholder with the purchase of the Securities. Moreover and depending on market conditions prevailing at the time of the new investment, the likelihood of a loss of such amounts re-invested may have increased significantly.

2.5 Specific risks related to currency exchange rates

Individual Reference Portfolio Components may be denominated in currencies other than EUR in which the Reference Portfolio is denominated. To determine the Level of the Reference Portfolio, the Calculation Agent needs to convert the value of Reference Portfolio Components from their denomination currency into EUR. If any such denomination currency decreases in value against EUR, the value of the relevant Reference Portfolio Component used for the purposes of the calculating the Level of the Reference Portfolio would also decrease because of the currency conversion. As a consequence, the Level of the Reference Portfolio fluctuates not only depending on the performance of the individual Reference Portfolio Component, but also on the fluctuating exchange rates when coverting the value of the relevant Reference Portfolio Component from its denomination currency into EUR. Unfavourably fluctuating exchange rates may, as a result, even significantly reduce the value of the Securities and of any amounts payable to the Securityholders**.**

2.6 Specific risks related to extension of the term of the Securities

If the Issuer exercises its unilateral option under the Terms and Conditions of the Securities to extend the term of the Securities and Securityholders do not object to such exercise, investors in the Securities will receive any final payments under the Securities later than scheduled. In such case, Securityholders bear the risk of poor performance of the Reference Portfolio during the extension period which could result in a total loss of the invested capital.

Potential investors in the Securities should also be aware that under the Terms and Conditions of the Securities, the Issuer is entitled to extend, by giving notice to the Securityholder prior to the then existing Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all then outstanding Securities for an additional period of seven (7) years, in which case the "Expiration Date" shall be deemed to be the date falling seven (7) years after the scheduled Expiration Date (the "**Issuer Extension Option**"). There is no limit to the number of times the Issuer may extend the maturity of the Securities. In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder rejects such extension by written notice to the Issuer, investors in the Securities will receive any final payments under the Securities (and, therefore, realise any returns on the invested capital) seven (7) years later than scheduled. In case of such extension, Securityholders bear the risk of poor performance of the Reference Portfolio which would, in turn, result in a correspondingly lower Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount under the Securities. In extreme circumstances, if the Level of the Reference Portfolio becomes zero, it is possible that there is no final payment under the Securities. In such case, investors may suffer a total loss of the invested capital.

2.7 Specific risks related to termination and early redemption of the Securities at the option of the Issuer and to automatic early termination

In case the Issuer terminates and redeems the Securities prior to the Maturity Date, Securityholders are entitled to demand the payment of an amount in relation to this early redemption. However, Securityholders are not entitled to request any further payments on the Securities after the Extraordinary Termination Date and, accordingly, they bear the risk of not participating in the performance of the Reference Portfolio after the Extraordinary Termination Date. Accordingly, in case of termination and redemption of the Securities prior to the Maturity Date, Securityholders could receive less than the invested capital.

Potential investors in the Securities should furthermore be aware that the Issuer is under certain circumstances pursuant to the Terms and Conditions of the Securities entitled to terminate and redeem the Securities in full prior to the Expiration Date.

In particular, the Issuer is entitled to terminate and redeem the Securities in full on each of 30 June, 30 September, 31 December and 31 March (for the first time on 30 June 2019) in accordance with § 2 (4) of the Terms and Conditions of the Securities, subject to giving the Securityholders thirty (30) Business Days notice.

Further, if the Issuer or the Calculation Agent, as the case may be, determines that the Reference Portfolio by reference to which (A) any amount payable under the Terms and Conditions of the Securities or (B) the value of the Securities is determined, qualifies as a "benchmark" within the meaning of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in certain financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmarks Regulation**", where the Reference Portfolio is then also referred to as "**Benchmark**"), and the Issuer or the Calculation Agent, as the case may be, is, due to the EU Benchmarks Regulation, either no longer able to use the Reference Portfolio as Benchmark for the purposes of the Securities, or has control over the provision of the Benchmark (*administrator*) within the meaning of the EU Benchmarks Regulation without having the appropriate authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required under any applicable law or regulation for the Issuer or the Calculation Agent, as the case may be, to perform its or their respective obligations under the Terms and Conditions of the Securities, the Issuer is in accordance with § 8 of the Terms and Conditions of the Securities, entitled to terminate and redeem the Securities in full.

Potential investors in the Securities should also be aware that the Issuer is under certain circumstances pursuant to the Terms and Conditions of the Securities required to terminate and redeem the Securities in full prior to the Expiration Date.

In particular, the Issuer is required to terminate and redeem the Securities in full if PT Asset Management GmbH ceases to be or act as Reference Portfolio Advisor.

In case the Issuer terminates and redeems the Securities prior to the Maturity Date, the Securityholder is entitled to demand the payment of an amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the Extraordinary Termination Date.

The Securityholder, therefore, bears the risk of not participating in the performance of the Reference Portfolio and its respective Reference Portfolio Components to the expected extent and during the expected period and, therefore, may receive less than the capital it has invested.

Further, the Securityholder bears the risk that the Issuer terminates and redeems the Securities at a point in time which is unfavourable to the Securityholder. This may be because the Securityholder expects that the value of the Securities would rise at the time when the Issuer terminates and redeems the Securities. In such case, the Securityholder would not be able to realise any anticipated increases in the value of the Securities.

2.8 Specific risks related to Market Disruption and Unwind Disruption in respect of the Securities

The occurrence of a Market Disruption or, as the case may be, Unwind Disruption may cause a delay in the termination and/or redemption of the Securities and the payment of any associated amounts. It is also possible that the price of any Constituents determined by the Calculation Agent following the occurrence of a Market Disruption or, as the case may be, Unwind Disruption turns out to be inaccurate. This could result in a partial loss of the invested capital.

The Calculation Agent may determine that a Market Disruption has occurred with respect to any Constituent (or, in respect of a Rebalancing only, any Eligible Constituent) and/or that such Market Disruption is ongoing. Further, the Calculation Agent may determine that an Unwind Disruption has occurred with respect to any Constituent. Such determination would be made in accordance with § 9 of the Terms and Conditions of the Securities. In making such determination the Calculation Agent acts in its reasonable discretion and is not bound by any third-party measures or assessments.

The occurrence of a Market Disruption or, as the case may be, Unwind Disruption may lead to a postponement of the Valuation Date with respect to some or all of the Constituents until such date when such Market Disruption or, as the case may be, Unwind Disruption is no longer continuing. It may also lead to the Calculation Agent determining the price of such Constituents in its reasonable discretion. The price of such Constituents is required for calculating the applicable Redemption Amount, Automatic Termination Amount, Termination Amount or, as the case may be, Extraordinary Termination Amount payable in connection with the termination and/or redemption of the Securities. Therefore, the occurrence of a Market Disruption or, as the case may be, Unwind Disruption may cause a delay in the termination and/or redemption of the Securities and the payment of any associated amounts. It is also possible that the price of any Constituents determined by the Calculation Agent turns out to be inaccurate. This could result in a partial loss of the invested capital.

2.9 Specific risks related to adjustments of the Level of the Reference Portfolio or the Terms and Conditions of the Securities by the Issuer and the Calculation Agent

Adjustments by the Issuer and the Calculation Agent to the Level of the Reference Portfolio or the Terms and Conditions of the Securities made in accordance with the Terms and Conditions of the Securities, if inaccurate or insufficient, may not preserve the underlying concept or calculation of the Reference Portfolio applicable prior to such changes and could therefore have an adverse effect on the value of the Securities. This could result in a partial loss of the invested capital.

Any changes to the calculation (including corrections) to the Reference Portfolio or of the composition of the Reference Portfolio or of the Exposure or Weight of any Reference Portfolio Component would not generally lead to an adjustment of either the Level of the Reference Portfolio or the Terms and Conditions of the Securities. However, if, following such changes, the Issuer and the Calculation Agent, in their reasonable discretion, determine that, following such changes, the underlying concept and the calculation of the Reference Portfolio are no longer comparable to the underlying concept or calculation of the Reference Portfolio applicable prior to such changes, the Issuer and the Calculation Agent shall be entitled to make adjustments to the Level of the Reference Portfolio or the Terms and Conditions of the Securities in accordance with § 7 of the Terms and Conditions of the Securities.

While the Securities would remain outstanding after any such adjustments made by the Issuer and the Calculation Agent, the Securityholder is exposed to the risk that any such adjustments would subsequently turn out to be have been inaccurate or insufficient. This may result in the Securityholder being placed in an inferior financial position than existed prior to any such adjustments, including a partial loss of the invested capital.

2.10 Specific risks related to the substitution of the Issuer

A substitution of the Issuer in accordance with the Terms and Conditions of the Securities may affect any existing admission of the Securities to trading on any stock exchange and, therefore, may have an adverse effect on the liquidity and/or trading of the Securities which, in turn, could make it more difficult for Securityholders to dispose of the Securities and realise their investment.

Under the Terms and Conditions of the Securities, the Issuer is entitled to substitute another company within the UBS Group as issuer (the "**Substitute Issuer**") with respect to all obligations under or in connection with the Securities. Such Substitute Issuer will assume all obligations of the Issuer under or in connection with the Securities, including the obligation to pay any Conditional Distributions and any Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount. The Securityholder would therefore be exposed to the credit risk of the Substitute Issuer.

A substitution of the Issuer may affect any existing admission of the Securities to trading on any stock exchange. The Substitute Issuer may be required to reapply for such admission. A substitution of the Issuer may therefore have an adverse effect on the liquidity and/or trading of the Securities which, in turn, could make it more difficult for Securityholders to dispose of the Securities and realise their investment.

2.11 Specific risks related to determinations by the Calculation Agent

Any exercise of discretion by the Calculation Agent in accordance with the Terms and Conditions of the Securities need not take into account the interests of the Securityholders

and, therefore, may be detrimental to the value of the Securities. Securityholders generally cannot challenge such exercise of discretion save in the case of manifest error. This could diminish the economic returns of an investment in the Securities and, in extreme circumstances, even result in a partial loss of the invested capital.

The Calculation Agent has certain discretion under the Terms and Conditions of the Securities. This includes, in particular, the ability of the Calculation Agent:

- to determine the Level of the Reference Portfolio;
- to determine whether certain events have occurred (in particular, the occurrence of a Market Disruption or whether, following any changes in the calculation of the Reference Portfolio or the composition of the Reference Portfolio or of the Exposure or Weight of any Reference Portfolio Component, the underlying concept and the calculation of the Reference Portfolio are no longer comparable to the underlying concept and the calculation of the Reference Portfolio applicable prior to such changes, in each case, in accordance with the Terms and Conditions of the Securities);
- to determine any resulting adjustments and calculations, including adjustments to the Level of the Reference Portfolio or the Terms and Conditions of the Securities;
- to postpone valuations or payments under the Securities,

The Calculation Agent will make any such determination in its reasonable discretion. However, where the Calculation Agent is required to make a determination it may do so without taking into account the interests of the Securityholders. Potential investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any determination made by, the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders. This could diminish the economic returns of an investment in the Securities and, in extreme circumstances, even result in a partial loss of the invested capital.

2.12 Specific risks related to a potential restructuring of the Issuer's business

UBS has announced its intention to make certain structural changes in light of regulatory trends and requirements and the Terms and Conditions of the Securities do not contain any restrictions on the Issuer's or UBS's ability to restructure its business. Any such restructuring of the Issuer's or UBS's business, should it occur, could adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of an Event of Default. An Issuer default could result in Securityholders losing some or all of the invested capital.

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS operates as a group with four business divisions and a Corporate Center.

In 2014, UBS began adapting its legal entity structure to improve the resolvability of the Group in response to too big to fail requirements in Switzerland and recovery and resolution regulation in other countries in which the Group operates. In December 2014, UBS Group AG became the holding company of the Group.

In 2015, UBS AG transferred its personal & corporate banking and wealth management businesses booked in Switzerland to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. In 2016, UBS Americas Holding LLC was designated as the intermediate holding company for UBS's US subsidiaries and UBS merged its wealth management subsidiaries in various European countries into UBS Europe SE, UBS's German-headquartered European subsidiary. Additionally, UBS transferred the majority of Asset Management’s operating subsidiaries to UBS Asset Management AG. Effective 1 April 2019, the portion of the Asset Management business in Switzerland conducted by UBS AG was transferred from UBS AG to its indirect subsidiary, UBS Asset Management Switzerland AG.

UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established in 2015 and acts as the Group service company. In 2017, UBS's shared services functions in Switzerland and the UK were transferred from UBS AG to UBS Business Solutions AG. UBS also completed the transfer of shared services functions in the US to its US service company, UBS Business Solutions US LLC, a wholly owned subsidiary of UBS Americas Holding LLC.

In March 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE prior to the UK's then scheduled departure from the EU. Former clients and other counterparties of UBS Limited who can be serviced by UBS AG’s London Branch were migrated to UBS AG’s London Branch prior to the merger.

UBS continues to consider further changes to the Group's legal structure in response to regulatory requirements and other external developments, including the anticipated exit of the United Kingdom from the European Union. Such changes may include further consolidation of operating subsidiaries in the EU, and adjustments to the booking entity or location of products and services.

The Terms and Conditions of the Securities contain no restrictions on change of control events or structural changes, such as consolidations or mergers or demergers of the Issuer or the sale, assignment, spin-off, contribution, distribution, transfer or other disposal of all or any portion of the Issuer's or its subsidiaries' properties or assets in connection with the announced changes to its legal structure or otherwise and no event of default, requirement to repurchase the Securities or other event will be triggered under the Terms and Conditions of the Securities as a result of such changes. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of an event of default. An Issuer default could result in investors losing some or all of the invested capital

3. Material risks in connection with investing in, holding and selling the Securities

3.1 Specific risks related to the market price of the Securities

Potential investors bear the risk that the market price of the Securities may fluctuate during the term of the Securities, including, without limitation, as a result of the performance of any individual Constituents or of the Reference Portfolio as a whole. Accordingly, Securityholders bear the risk that if they can sell any Securities prior to their due date, the sale proceeds may fall below (including significantly below) the amount of capital initially invested in the Securities and investors would then lose some or all of the invested capital.

There may be substantial fluctuations in the price of any one or more Constituents and, therefore, of the Level of the Reference Portfolio and therefore also the price of the Securities during the term of the Securities. This may result in the value of the Securities falling below the amount of capital which Securityholders initially invest in the Securities.

For these purposes, please note that references in this and subsequent risk factors to the amount of capital invested by Securityholders in subscribing for or otherwise purchasing the Securities shall be deemed to include all other costs associated with such investment.

In the event of any Securityholders sell their Securities prior to the due date, the following issues may arise: The proceeds generated from the sale may fall well below the amount of capital initially invested in the Securities. This would result in the Securityholders incurring a loss.

The following factors may have an effect on the market price for the Securities:

- the remaining term of the Securities,
- any changes in the value of any one or more Constituents,
- any changes in the creditworthiness of, or credit rating for, the Issuer or
- any changes in the market interest rate.

Several individual market factors may also arise at the same time and no assurance can be given with regard to the effect that any combination of market factors may have on the value of the Securities.

The value of the Securities may fall even in the event that the price of any one or more Constituents remains constant or rises slightly.

Further, the Issuer, acting as market maker, may determine the buying and selling prices for the Securities ("**Market Making**") on a regular basis under normal market conditions. A market maker may also be one of the Issuer's affiliates or another financial institution. The market maker does not, however, provide any guarantee that the prices specified by it are appropriate. Nor does the market maker guarantee that prices for the Securities will be available at all times during their term.

The market maker is also entitled to change the method it uses for determining prices at any time and at its own discretion. This means, for instance, that the market maker can change its calculation models and/or increase or reduce the spread between the bid and the offer price. It is also the case that the availability of the relevant electronic trading platforms may become limited, or that such platforms may become completely unavailable, in the event of a Market Disruption or technical difficulties. The market maker tends not to determine any bid or offer prices in the event of exceptional market conditions or extreme price fluctuations. Securityholders therefore bear the risk that in certain circumstances they will not be provided with a price for the Securities. This means that Securityholders would not always be in a position to sell their Securities on the market at an appropriate price. If potential investors sell their Securities at an undervalue, they may suffer a partial loss of the invested capital.

The opening times for a market for the Securities are often different to the opening times for the market for any Constituent. This means that the market maker may be required to estimate the price for such Constituent in order to be able to determine the price for the Securities. These estimates may turn out to be inaccurate. They may also have adverse effects for the Securityholders.

Investors should also be aware that the Issue Size for the Securities which is specified in the Terms and Conditions of the Securities does not provide any reliable indication of the volume of the Securities actually issued or outstanding. This means that it is not possible to draw any conclusions from the Issue Size in terms of the liquidity of the Securities in the context of potential trading.

In connection with Market Making, some costs will be deducted over the term of the Securities when the market maker determines the price of the Securities. However, such deductions would not always be evenly distributed over the term of the Securities. Costs may be deducted in full from the fair value of the Securities at an early date to be stipulated by the market maker. The prices determined by the market maker can therefore vary considerably from the fair value of the Securities or their expected value based on economic considerations. In addition, the market maker can change the methods used for determining the price of the Securities at any time after pricing. For instance, the market maker can increase or decrease the bid/offer spread.

The Securities are not capital-protected and do not provide for any minimum repayment value. This means that Securityholders are exposed to a significant risk of loss as a result of fluctuations in the market price of the Securities. In extreme circumstances, the total loss of the amount of capital which Securityholders initially invest in the Securities is also possible.

3.2 Specific risks related to the liquidity of the Securities

Potential investors bear the risk that there is no liquid market for trading in the Securities. Due to their structured nature and linkage to the Reference Portfolio, the Securities would generally have a more limited secondary market than conventional debt securities. This means that they may not be able to sell the Securities at a time of their own choosing. This could, in turn, result in potential investors receiving a lower sale price than they would have received had a liquid market existed.

It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid. This is particularly the case for the Securities that, due to their linkage to the Reference Portfolio, are structured products designed for specific investment objectives or strategies. Due to these bespoke features of the Securities, the Securities would generally have a more limited secondary market and higher price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Securities and such value may even fall below the amount in invested by the Securityholder when purchasing the Securities.

Applications will be made for inclusion of the Securities on the unofficial regulated market (*Third Section* (*Freiverkehr*)) of the Frankfurt Stock Exchange and the Stuttgart Stock Exchange. If the Securities are admitted or listed, no assurance is given that any such admission or listing will be maintained. If the Securities are no longer admitted or listed, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities, if any, may be adversely affected. However, even if the Securities continue to be listed, that does not guarantee substantial sales of the Securities on the relevant exchange. Low sales on a stock exchange make it more difficult to sell the Securities at a favourable price. This is referred to as an illiquid market for the Securities.

The liquidity of the Securities, if any, may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions. Additionally, the Issuer has the right (but no obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.

Potential investors should not assume that a liquid market for the Securities will always be available. Potential investors should be prepared for the eventuality of not being able to sell their Securities to a market participant. This could, in turn, result in potential investors receiving a lower sale price than they would have received had a liquid market existed.

3.3 Specific risks related to potential conflicts of interest of the Issuer and its affiliates

The Issuer and its affiliates may have commercial interests that conflict with those of the Securityholders and that may impact the value and/or trading of the Securities. In turn, this could result in Securityholders receiving less when selling any Securities they hold then they would have received but for such conflicts of interest and/or even suffering a partial loss of the invested capital. Such conflicts of interest may arise in connection with the Issuer's involvement in other transactions, the Issuer's existing business relationship with the issuer of any Constituent of the Reference Portfolio or with the Issuer acting in any other capacity.

(a) Other transactions

The Issuer operates on the domestic and international securities, forex, credit derivatives and commodity markets on a daily basis. It may therefore enter into transactions directly or indirectly related to the Securities for its own account or for the account of customers. Moreover, the Issuer may also enter into transactions relating to any one or more Constituents or the Reference Portfolio. These may have an adverse effect on the performance of the relevant Constituent(s) or the Reference Portfolio. Therefore, they can also have an adverse effect on the value and/or trading of the Securities. In this context, the Issuer may pursue commercial interests that conflict with those of the Securityholders.

The value of the Securities may also be impaired by the termination of some or all of these transactions.

The Issuer can buy and sell Securities for its own account of for the account of third parties. It can also issue further Securities. Such transactions in the Securities may reduce the value of the Securities. Further, the launch of other rival products by the Issuer can impair the value of the Securities.

(b) Business relationships

The Issuer and its affiliates may have business relationships with the issuers of any one or more Constituents. Such business relationships can involve advisory or trading activities. In this context, the Issuer may take steps that it considers necessary to safeguard its interests in respect of these business relationships. In doing so, the Issuer is not obliged to consider the impact of such steps on the Securities and on Securityholders.

The Issuer may perform, enter into and participate in transactions influencing the value of the Constituents or the Reference Portfolio. Such business relationships to issuers of the any one or more Constituents may have an adverse effect on the value of the Securities. This may lead to a conflict of interests for the Issuer.

(c) Information relating to any one or more Constituents

The Issuer and its affiliates may have or obtain significant confidential information about any one or more Constituents. The Issuer and its affiliates are under no obligation to disclose such information to the Securityholders. Securityholders may therefore make incorrect decisions relating to the Securities as a result of missing, incomplete or incorrect information with respect to any one or more Constituents.

In the worst case scenario, this can lead to the loss of the Securityholders' entire investment in the Securities.

(d) Acquisition, holding or sale of one or more Constituents by the Issuer

It is possible that the Issuer or any of its affiliates hold shares in a company which has issued one or more of the Stock Constituent comprising the Reference Portfolio from time to time which may result in conflicts of interest. The Issuer and any of its affiliates may also decide not to hold any Stock Constituent used as the Reference Portfolio Component, or not to conclude any derivative contracts linked to such Stock Constituent. Neither the Issuer nor any of its affiliates are limited in selling, pledging or otherwise assigning rights, claims and holdings regarding any Stock Constituent comprising the Reference Portfolio from time to time or any derivative contracts relating to such Stock Constituent. This could lead to a worse performance of the Reference Portfolio overall and, therefore, to lower returns realised by Securityholders.

(e) Pricing of one or more Constituents by the Issuer

The Issuer and its affiliates can also act as market maker in respect of any one or more Constituents. Such Market Making may have a decisive impact on the price of any relevant Constituents and, therefore, to lower returns realised by Securityholders.

3.4 Specific risks related to hedging transactions entered into by Securityholders

Because of the structured nature of the Securities and the fluctuating composition of the Reference Portfolio, potential investors bear the risk that they may not be able to fully hedge the risks arising from the Securities. If any of the risks which potential investors have not been able to fully hedge materialise, potential investors could suffer a loss of some or all of the invested capital.

Because of the structured nature of the Securities and the fluctuating composition of the Reference Portfolio, potential investors cannot rely on being able to enter into transactions to fully hedge the risks arising from the Securities. If any of the risks which potential investors have not been able to fully hedge materialise, potential investors could suffer a loss of some or all of the invested capital. Whether or not potential investors are able to enter into hedging transactions depends on the composition of the Reference Portfolio, the market situation and the prevailing conditions. Transactions designed to offset or limit risks might only be possible at an unfavourable market price that will entail a loss for investors. Potential investors should further be aware that hedging transactions generate additional costs and may lead to significant losses.

3.5 Specific risks related to the unwinding of hedging transactions entered into by the Issuer

If the Issuer enters into hedging transactions in connection with the Securities and such hedging transactions are unwound, this could have an impact on the price of one or more Constituents and, therefore, on the Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount in respect of the Securities. In such cases, Securityholders could even suffer a partial loss of the invested capital.

The Issuer may use all or some of the proceeds received from the sale of the Securities to enter into hedging transactions relating to the risks incurred in issuing the Securities. If the Securities are terminated and redeemed early, such hedging transactions would be generally closed out or terminated. The number of hedging transactions to be closed out or terminated depends on the number of Securities to be redeemed. If a large number of hedging transactions are closed out or terminated, this could have an impact on the price of one or more Constituents and, therefore, on the Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount in respect of the Securities. In such cases, Securityholders could even suffer a partial loss of the invested capital.

For example, the Reference Portfolio in respect of the Securities may comprise a certain Stock Constituent. The Issuer may hedge its future payment obligations in respect of the Securities by purchasing such Stock Constituent (i.e., a hedging transaction). Prior to the Maturity Date in respect of the Securities, the Issuer may sell such Stock Constituent on the Relevant Exchange (i.e., a termination of the hedging transaction). This sale would take place on the relevant Valuation Date. If a large number of Stock Constituents are sold, because a large number of Securities are due to be terminated and redeemed on the relevant Valuation Date, such sale could put downward pressure on the price of the relevant Stock Constituent on the Relevant Exchange. However, since the Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount in respect of the Securities depends on the price of such Stock Constituent on the relevant Valuation Date, the termination of the hedging transaction may have an adverse effect on the Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount in respect of the Securities.

3.6 Specific risks related to taxation

Potential investors bear the risk that the tax treatment of the Securities may change. This could reduce the gains potential investors realise in respect of their holding of the Securities.

Tax law and practices are subject to changes, including changes with retroactive effect. Any changes to tax law and practices may have an adverse effect on the value of the Securities and/or the market price of the Securities. In particular, the tax treatment of the Securities may change after a Securityholder invests in the Securities. A potential investor therefore bears the risk that the tax treatment of the Securities differs from the tax treatment anticipated at the time when such potential investor decides to invest in the Securities and/or that the tax treatment of the Securities becomes disadvantageous to the Securityholder. Changes in the tax treatment may have a significant impact on the value of the Securities and may also significantly reduce any yield achieved under the Securities. Securityholders may even suffer a partial loss of the amounts invested. Each potential investor should seek the advice of their personal tax consultant before making the decision to invest in the Securities.

3.7 Specific risks related to US withholding tax

Since the Reference Portfolio could comprise or be linked to one or more dividend-paying U.S. equity securities, potential investors bear the risk that payments under the Securities are subject to U.S. tax on dividend-equivalent payments. This could reduce the gains potential investors realise in respect of their holding of the Securities.

Payments under the Securities may be subject to U.S. withholding under the U.S. Internal Revenue Code

A 30 per cent. withholding tax is imposed on certain "dividend equivalents" paid or deemed paid to a non-U.S. Securityholder 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. U.S. Treasury Department 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 Securities**") issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018.

The Issuer will determine whether dividend equivalents on the Securities are subject to withholding as of the close of the relevant market(s) on the Fixing Date. If withholding is required, the Issuer (or the applicable paying agent) will withhold 30 per cent. in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Securityholders with respect to any such taxes withheld. If the Terms and Conditions of the Securities provide that all or a portion of the dividends on U.S. underlying equity securities are reinvested in the underlyings during the term of the Securities, the Terms and Conditions of the Securities may also provide that only 70 per cent. of a deemed dividend equivalent will be reinvested. The remaining 30 per cent. of such deemed dividend equivalent will be treated, solely for U.S. federal income tax purposes, as having been withheld from a gross dividend equivalent payment due to the investor and remitted to the U.S. Internal Revenue Service on behalf of the investor. The Issuer will withhold this amount regardless of whether an investor is a United States person for U.S. federal income tax purposes or a non-United States person that may otherwise be entitled to an exemption of reduction of tax on U.S. source dividend payments pursuant to an income tax treaty.

Even if the Issuer determines that a Securityholder's Securities are not specified equity-linked instruments that are subject to withholding on dividend equivalents, it is possible that a Securityholder's Securities could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting any relevant Constituent or a Securityholder's Securities, and following such occurrence a Securityholder's Securities could be treated as specified equity-linked instruments that are subject to withholding on dividend equivalent payments. It is also possible that withholding tax or other tax under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, ("**Section 871(m)**") could apply to the Securities under these rules if a non-U.S. Securityholder enters, or has entered, into certain other transactions in respect of the relevant Constituent. As described above, if withholding is required, the Issuer will withhold 30 per cent. in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Securityholders with respect to any such taxes withheld.

Additionally, in the event that withholding is required, the Issuer hereby notifies each Securityholder that for purposes of Section 871(m), that the Issuer will withhold in respect of dividend equivalents paid or deemed paid on the Securities on the dividend payment date as described in U.S. Treasury Department regulations section 1.1441-2(e)(4) and section 3.03(B) of the form of Qualified Intermediary Agreement contained in Revenue Procedure 2017-15, as applicable, regardless of whether such investor would otherwise be entitled to an exemption from or reduction of withholding on such payments (e.g., a United States person for U.S. federal income tax purposes or a non-United States person eligible for an exemption from or reduction in withholding pursuant to an income tax treaty). **There is the risk that a Securityholder will not be able to successfully claim a refund of the tax withheld in excess of the tax rate that would otherwise apply to such payments.**

In the event that the Securities reference an index as a Reference Portfolio Component, then, regardless of whether the relevant Reference Portfolio Component is a net price return, a price return or a total return index, the payments on the Securities (including any amounts deemed reinvested in the Reference Portfolio Component) will reflect the gross dividend payments paid by the issuers of the securities comprising the index less applicable withholding tax amounts in respect of such gross dividends, which in the case of U.S. source dividends, 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).

Securityholders should consult with their tax advisors regarding the application of Section 871(m) and the regulations thereunder in respect of their acquisition and ownership of the Securities, including a non-U.S. Securityholder that enters, or has entered, into other transactions in respect of the relevant Constituent, as the case may be.

Payments under the Securities may be subject to U.S. withholding under FATCA

The Foreign Account Tax Compliance Act ("**FATCA**") generally imposes a 30% U.S. withholding tax on payments of certain U.S. source interest, dividends and certain other fixed or determinable annual or periodical income, on the gross proceeds from the sale, maturity, or other disposition of certain assets after 31 December 2018 and on certain "foreign passthru payments" made after 31 December 2018 (or, if later, the date that final regulations defining the term "foreign passthru payments" are published) made to certain foreign financial institutions (including most foreign hedge funds, private equity funds and other investment vehicles) unless the payee foreign financial institution agrees to disclose the identity of any U.S. individuals and certain U.S. entities that directly or indirectly maintain an account with, or hold debt or equity interests in, such institution (or the relevant affiliate) and to annually report certain information about such account or interest directly, or indirectly, to the IRS (or to a non-U.S. governmental authority under a relevant Intergovernmental Agreement entered into between such non-U.S. governmental authority and the United States, which would then provide this information to the IRS). FATCA also requires withholding agents making certain payments to certain non-financial foreign entities that fail to disclose the name, address, and taxpayer identification number of any substantial direct or indirect U.S. owners of such entity to withhold a 30% tax on such payments.

Accordingly, the Issuer and other foreign financial institutions may be required under FATCA to report certain account information about holders of the Securities directly to the IRS (or to a non-U.S. governmental authority as described above). Moreover, the Issuer may be required to withhold on a portion of payments made on the Securities to (i) holders who do not provide any information requested to enable the Issuer to comply with FATCA, or (ii) foreign financial institutions who fail to comply with FATCA.

Securityholders holding their Securities through a foreign financial institution or other foreign entity should be aware that any payments under the Securities may be subject to 30% withholding tax under FATCA. If an amount in respect of such withholding tax under FATCA were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax.

Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding under FATCA and should consult with their tax advisors regarding the application of withholding tax under FATCA in respect of their acquisition and ownership of the Securities.

II. MATERIAL RISKS IN CONNECTION WITH THE REFERENCE PORTFOLIO

4. Material risks in connection with the Reference Portfolio, as managed by the Reference Portfolio Advisor

4.1 Uncertainty about future performance; limited historic data

Prospective investors should be aware that it is not possible to accurately predict the future performance of the Reference Portfolio. Poor performance of the Reference Portfolio would lead to payment of a lower Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount under the Securities. In some cases, investors may even suffer a total loss of the invested capital.

It is not possible to reliably predict the future performance of the Reference Portfolio and the Reference Portfolio Components respectively. Likewise, the historical data of the Reference Portfolio and the Reference Portfolio Components respectively, does also not allow for any conclusions to be drawn about the future performance of the Reference Portfolio and the Securities.

The Reference Portfolio was initiated on 27 May 2019. Accordingly, as at the date of the Prospectus no historic data is available on the basis of which investors might evaluate the likely performance of the Reference Portfolio. The past performance of the Reference Portfolio Components notionally comprised in the Reference Portfolio (which generally do not reflect the same fee levels as the fees incurred in relation to the Reference Portfolio), is not necessarily indicative of the future performance for the Reference Portfolio. Securityholders should be aware that poor performance of the Reference Portfolio would lead to payment of a lower Redemption Amount, Termination Amount, Automatic Termination Amount or, as the case may be, Extraordinary Termination Amount under the Securities. In some cases, investors may even suffer a total loss of the invested capital.

The performance of the Reference Portfolio is subject to fluctuations. Therefore, Securityholders cannot foresee what consideration they can expect to receive for the Securities they hold on a certain day in the future. When the Securities are redeemed or otherwise disposed of on a certain day, they may be worth a lot less than if they were disposed of at a later or earlier point in time. This could even result in a partial loss of the invested capital.

4.2 Specific risks related to the lack of direct correlation between the performance of underlyings, individual Reference Portfolio Components and the overall performance of the Reference Portfolio

The level of any redemption amount under the Securities depends on the performance of the Reference Portfolio Constituents comprising the Reference Portfolio.

As a result, fluctuations in the value of one Reference Portfolio Constituent may be offset or intensified by fluctuations in the value of other Reference Portfolio Constituents comprised in the Reference Portfolio. Even in the case of a positive performance of one or more Reference Portfolio Constituents comprised in the Reference Portfolio, the performance of the Reference Portfolio as a whole may be negative if the performance of the other Reference Portfolio Constituents is negative to a greater extent. There can be a significant adverse effect on the calculation or specification of the redemption amount if the performance of one or more Reference Portfolio Constituents comprised in the Reference Portfolio, on which the calculation or specification of the redemption amount is based, has deteriorated significantly.

Furthermore, also the degree of the Reference Portfolio Constituents' dependency from each other, so-called correlation, is of importance when calculating the level of any redemption amount under the Securities. If all of the Reference Portfolio Constituents derive from the same economy sector or, as the case may be, the same country the development of the Reference Portfolio Constituents therefore depends on the development of a single economy sector or a single country. That implies that in the case of an unfavourable development of a single economy sector or a single country, which is represented by the Reference Portfolio Constituents, the Reference Portfolio may be affected over proportionally by this unfavourable development.

The Reference Portfolio Adviser has the right, in certain circumstances as specified in the Final Terms, to adjust the Reference Portfolio (i.e. remove a Reference Portfolio Constituent from the Reference Portfolio without replacing it or replace a Reference Portfolio Constituent in whole or in part by another Reference Portfolio Constituent and/or if necessary by adjusting the weighting of the Reference Portfolio Constituents comprised in the Reference Portfolio). The Securityholder may not assume that the composition of the Reference Portfolio will remain constant during the life of the Securities.

4.3 Specific risks related to Stock Constituents, Equity Option Constituents and Certificates representing Stocks

Potential investors should consider the following **risks specifically related to Stock Constituents, Equity Option Constituents and Certificates representing Stocks**:

<u>Specific risks related to the correlation between the performance of shares and Stock Constituents or, as the case may be, Equity Option Constituents</u>

The performance of any shares comprising Stock Constituents or referenced by Equity Option Constituents depends on the performance of the company issuing the shares. But even regardless of the financial position, cash flows, liquidity and results of operations of the company issuing the shares, the price of the relevant Stock Constituents or, as the case may be, Equity Option Constituents can be subject to fluctuations or adverse changes in value. In particular, the development of the Stock Constituent or, as the case may be, Equity Option Constituent price can be influenced by the general economic situation and market sentiment.

The market price of Securities with a Stock Constituent or, as the case may be, Equity Option Constituent depends on (even if it does not directly correlate to) the performance of such Reference Portfolio Constituent. The performance of a Stock Constituent or, as the case may be, Equity Option Constituent, may be subject to factors like the dividend or distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the share, short selling activities and low market liquidity as well as to political influences. Consequently, any risks related to a direct investment in shares may also have an impact on the Securities and reduce the value of the Securities and of any amounts payable under the Securities to the Securityholders. In the worst case, this can lead to a total loss of the Securityholders' investment in the Securities.

The performance of the Stock Constituent or, as the case may be, the Equity Option Constituent, may be subject to factors outside the Issuer's sphere of influence, such as the risk of the relevant company becoming insolvent, insolvency proceedings being opened over the company's assets or similar proceedings under the laws applicable to the company being commenced or similar events taking place with regard to the company, which may result in a total loss for the Securityholder, or the risk that the share price is highly volatile. The issuer's dividend or distribution policy, its financial prospects, market position, any capitalisation measures, shareholder structure and risk situation may also affect the Stock Constituent's or, as the case may be, the Equity Option Constituent's price.

In addition, the performance of the Stock Constituents or, as the case may be, Equity Option Constituents depends particularly on the development of the capital markets, which in turn are dependent on the global situation and the specific economic and political environment. Shares in companies with low or average market capitalisation may be subject to even higher risks (e.g. with regard to volatility or insolvency) than shares in larger companies. Furthermore, shares in companies with a low market capitalisation may be extremely illiquid due to smaller trading volumes. Shares in companies having their seat or exerting their relevant operations in countries with a high legal uncertainty are subject to additional risks, such as the risk of governmental measures being taken or nationalisation taking place. This may result in the partial or total loss of the share's value and a corresponding decrease in value of the relevant Stock Constituent or, as the case may be, Equity Option Constituent.

Specific risks related to the value of any Stock Constituents or, as the case may be, Equity Option Constituents comprised in the Reference Portfolio not reflecting any dividends, interest or other distributions in respect of the underlying shares

The Securities constitute no interest in shares comprising Stock Constituents or, as the case may be, the underlying of any Equity Option Constituents including any voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to such shares. If the Issuer or any of its affiliates holds any such shares or has entered into derivative contracts referencing such shares, neither the Issuer nor any of its affiliates is restricted from selling, pledging or otherwise conveying all right, title and interest in such shares or, as the case may be, derivative contracts solely by virtue of it having issued the Securities.

Currency risks

In case of investments of the company, the shares of which comprise Stock Constituents or, as the case may be, the underlying of any Equity Option Constituents, being denominated in currencies other than the currency in which the share value is calculated, certain additional correlation risks may apply. These correlation risks depend on the degree of dependency of currency fluctuations of the relevant foreign currency to the currency in which the share value is calculated. Hedging transactions, if any, of the company may not exclude these risks.

Issuer's conflicts of interest with regard to the shares

It is possible that the Issuer or any of its affiliates hold shares in the company which has issued the shares which comprise Stock Constituents or, as the case may be, the underlying of any Equity Option Constituents, which may result in conflicts of interest. The Issuer and any of its affiliates may also decide not to hold the shares which comprise Stock Constituents or, as the case may be, the underlying of any Equity Option Constituents, or not to conclude any derivative contracts linked to the shares. Neither the Issuer nor any of its affiliates are limited in selling, pledging or otherwise assigning rights, claims and holdings regarding the shares which comprise Stock Constituents or, as the case may be, the underlying of any Equity Option Constituents, or any derivative contracts relating thereto solely based on the fact that the Securities were issued.

Similar risks to a direct investment in Certificates representing Stocks and the Underlying Stocks respectively

The Redemption Amount, if any, is determined by reference to the Level of the notional Reference Portolio, comprising, inter alia, Certificates representing Stocks used as the Reference Portfolio Components. Certificates representing Stocks represent shares of a stock corporation (each a “Underlying Stock") and, as such, mirrors the performance of these Underlying Stocks. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in the Certificates representing Stocks and the Underlying Stocks respectively.

4.4 Specific risks related to Securityholders having no recourse to the Reference Portfolio Components

Potential investors should be aware that the Securities do not create any entitlement, proprietary rights or recourse to any Reference Portfolio Components comprising the Reference Portfolio from time to time. Accordingly, in connection with all payments in respect of the Securities, the Securityholders are exposed solely to the credit risk of the Issuer and have no recourse to any underlying assets.

4.5 Specific risks related to fees deducted from the Level of the Reference Portfolio

A Reference Portfolio Advisory Fee, an Adjustment Fee and a UBS Management Fee will be deducted from the Level of the Reference Portfolio. These fees are independent of the performance of individual Reference Portfolio Constituents and may be levied even in cases of negative performance of such Reference Portfolio Constituents. Conversely, in cases of positive performance of individual Reference

Portfolio Constituents, the deduction of such fees could still result in an overall decrease in the Level of the Reference Portfolio. This would, in turn, lower the return on the Securities.

4.6 Specific risks related to the performance of the Reference Portfolio Advisor

Potential investors bear the risk that investment decisions made by the Reference Portfolio Advisor could result in a decline in the value of the Reference Portfolio. Further, potential investors bear the risk that the loss of one or more key individuals employed by the Reference Portfolio Advisor could prejudice the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio. In either case, potential investors could realise a partial or total loss of the invested capital.

The positive development of the value of the Reference Portfolio depends upon the Reference Portfolio Advisor selecting appropriate Reference Portfolio Components. There can be no assurance that the Reference Portfolio Advisor will be able to do so. In particular, subjective (as opposed to systematic) decisions made by the Reference Portfolio Advisor may cause the Reference Portfolio to decline (or not to increase) in a manner which less subjective decision making might have avoided. Accordingly, potential investors could realise a partial or total loss of the invested capital.

Potential investors bear the risk that the loss of one or more key individuals employed by the Reference Portfolio Advisor could have a material adverse effect on the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio. This could, in turn, result in a decline in the value of the Reference Portfolio. Accordingly, potential investors could realise a partial or total loss of the invested capital.

4.7 Specific risks related to potential conflicts of interest of the Reference Portfolio Advisor

Because of conflicts of interest, the Reference Portfolio Advisor may take decisions which are not in the Securityholders' interests. This could lead to a worse performance of the Reference Portfolio overall and, therefore, to lower returns realised by Securityholders.

The Reference Portfolio Advisor may not only act as Reference Portfolio Advisor with regard to the Reference Portfolio, but may at the same time act as asset manager or financial consultant with regard to Securityholders, which may induce potential conflicts between the Securityholders' interests and the Reference Portfolio Advisor's interests, especially because the Reference Portfolio Advisor receives part of the Reference Portfolio Management Fee. This could lead to a worse performance of the Reference Portfolio overall and, therefore, to lower returns realised by Securityholders.

B. GENERAL INFORMATION ON THE PROSPECTUS

1. Important Notice

This document – including any supplements approved by the Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin") in respect hereof and published by UBS AG – constitutes a securities note (the "**Securities Note**") and a summary (the "**Summary**") and, together with the registration document of UBS AG dated 12 October 2020, as supplemented from time to time, (as approved by BaFin, the "**Registration Document**"), constitutes a tri-partite prospectus (the "**Prospectus**") according to Art. 6 (3) of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation").

BaFin has only approved the Summary and the Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Securities that are the subject of the Summary and the Securities Note.

Investors should make their own assessment as to the suitability of investing in the Securities.

The Prospectus, comprising the Summary, the Securities Note and the Registration Document, should be read and construed in conjunction with any supplement thereto and must be interpreted accordingly.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other document entered into in relation to the Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or UBS AG, Zurich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zurich, Switzerland (the "**Manager**") LEI BFM8T61CT2L1QCEMIK50.

Neither the delivery of the Prospectus nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in the Prospectus is true subsequent to the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which the Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Prospectus is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of the Prospectus and any offering material relating to the Securities and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Nobody may use the Prospectus for the purpose of an offer or solicitation if in any jurisdiction such use would be unlawful. Persons into whose possession the Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of the Prospectus and other offering material relating to the Securities, see "Subscription and Sale". In particular, this document may only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply. Additionally, Securities issued under the Prospectus will not be registered under the United States Securities Act of 1933, as amended, and are, being issued in bearer form, subject to U.S. tax law requirements. Therefore, subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to U.S. persons.

The Prospectus should not be considered as a recommendation by the Issuer or the Manager to purchase the Securities.

2. Responsibility Statement

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basle, Switzerland, as Issuer and Offeror is the person responsible for the information given in the Prospectus and declares that such information is, to the best of its knowledge, in accordance with the facts and makes no omission likely to affect its import.

The UBS AG is liable for the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Securities.

The UBS AG accepts that following the date of the Prospectus, events and changes may occur, which render the information contained in the Prospectus incorrect or incomplete. Supplemental information will only be published as required by and in a manner stipulated in Article 23 of the Prospectus Regulation.

3. Consent to use the Prospectus

The Issuer consents to the use of the Prospectus in connection with any offer of Securities that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Regulation (a "**Public Offer**") of the Securities by the Manager and Vontobel Bank AG (LEI 549300L7V4MGECYRM576) (each an "**Authorised Offeror**") on the following basis:

(a) the relevant Public Offer must occur as long as the Prospectus is valid in accordance with Article 12 of the Prospectus Regulation (the "**Offer Period**"),

(b) the relevant Public Offer may only be made in the Federal Republic of Germany, Liechtenstein, Austria and Switzerland, each a "**Public Offer Jurisdiction**"), and

(c) any Authorised Offeror which is not the Manager must comply with the restrictions set out in "Subscription and Sale" as if it were the Manager.

The Issuer accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of the Prospectus in relation to any person (an "**Investor**") in a Public Offer Jurisdiction to whom an offer of any Securities is made by an Authorised Offeror, where the offer is made during the Offer Period and is in compliance with all other conditions attached to the giving of the consent. However, the Issuer has no responsibility for any of the actions of an Authorised Offeror, including compliance by such Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The Issuer reserves the right to withdraw its consent to the use of the Prospectus in relation to the Authorised Offerors. The Issuer may give consent to additional authorised offerors after the date of the Prospectus and, if it does so, the Issuer will publish the above information in relation to them on the website http://keyinvest-de.ubs.com/bekanntmachungen or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on http://keyinvest-de.ubs.com/bekanntmachungen.

The consent referred to above relates to Public Offers occurring as long as the Prospectus is valid in accordance with Article 12 of the Prospectus Regulation.

Any Authorised Offeror who wishes to use the Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is using the Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.

The Issuer has not authorised the making of any Public Offer of any Securities by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Securities unless (1) the offer is made by an Authorised Offeror as described above or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Regulation. Any such unauthorised offers are not made by or on behalf of the Issuer, the Authorised Offerors and none of the Issuer or the Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of the Securities to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "**Terms and**

Conditions of the Public Offer"). The Issuer will not be a party to any such arrangements with Investors (other than the Authorised Offeror) in connection with the offer or sale of the Securities and, accordingly, the Prospectus will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by an Authorised Offeror at the relevant time. None of the Issuer or an Authorised Offeror has any responsibility or liability for such information.

Any Authorised Offeror will provide information to investors on the Terms and Conditions of the Public Offer of the Securities at the time such Public Offer is made by such Authorised Offeror to the investor.

C. GENERAL INFORMATION ON THE SECURITIES

1. Object of the Prospectus / Type of Securities

The object of this Prospectus are the Portfolio Certificates linked to the Smart Health Care Portfolio (ISIN DE000US8MAR5; WKN US8MAR; Valor 11403384), issued by UBS AG in accordance with Swiss law in the size of 500,000 Securities (the "**Issue Size**").

The Securities are not capital protected.

The Securities are each linked to the notional EUR denominated Smart Health Care Portfolio (the "**Underlying**" or the notional "**Reference Portfolio**"), created and actively managed by Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland (the "**Reference Portfolio Advisor**"). The Reference Portfolio aims to replicate the performance of (i) a basket of selected stocks (each a "**Stock$_{(i)}$** " and together the "**Stocks**") or, as the case may be, American and Global Depositary Receipts (each a "**Certificate representing Stocks$_{(i)}$** " and together the "**Certificates representing Stocks**", where the Stocks and the Certificates representing Stocks are collectively also referred to as each a "**Stock Constituent$_{(i)}$** " and together the "**Stock Constituents**") and (ii) from time to time, an EUR denominated cash position which may be negative from time to time (the "**Cash Position**"; which together with the Constituents shall be referred to as the "**Reference Portfolio Components**"), net of relevant fees, costs and expenses.

For the avoidance of doubt: Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

The Reference Portfolio is a synthetic portfolio which has been created and is managed and calculated solely for the purposes of being used as underlying of securities issued by UBS. There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Securityholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time. References to any balancing, rebalancing, disposal, acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Manager, the Calculation Agent or any person actually directly or indirectly, physically or synthetically to acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.

2. Currency

The currency of the Securities issue (the "**Redemption Currency**") is EUR.

3. Law governing the Securities

The Securities issued by the Issuer are governed by Swiss law.

4. Status of the Securities

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

If insolvency proceedings are instituted against the Issuer, Securityholders can only assert their claims in accordance with the legal provisions of the Swiss Banking Act. Such Securityholders will then receive a cash amount that is measured according to the so-called collocation plan (*Kollokationsplan*) established by the Swiss Financial Market Supervisory Authority ("**FINMA**") or a FINMA imposed liquidator and the distribution list (*Verteilungsliste*) by the amount of the so-called insolvency rate. This amount will usually not be even close to the amount paid by the Securityholders for the purchase of the relevant securities of the Issuer. In case of an insolvency of the Issuer, Securityholders may, consequently, even suffer a total loss of their amounts paid for the purchase of the Securities (total loss).

5. Form of the Securities

The Securities are issued as uncertificated securities (*Wertrechte*; "**Uncertificated Securities**") pursuant to article 973c of the Swiss Code of Obligations ("**CO**"). Uncertificated Securities are registered in the main register of a Swiss depositary (*Verwahrungsstelle;* "**FISA Depositary**") according to the Swiss Federal Act on Intermediated Securities ("**FISA**"). Upon (a) entering the Uncertificated Securities into the main register of a FISA Depositary and (b) booking the Securities into a securities account at a FISA Depositary, the Uncertificated Securities will constitute intermediated securities within the meaning of the FISA (*Bucheffekten*; "**Intermediated Securities**"). The Issuer has intructed SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland, ("**SIS**") to also act as FISA Depositary, but reserves the right to choose any other FISA Depositary, including UBS AG.

The records of the FISA Depositary will determine the number of Uncertificated Securities held through each participant of the FISA Depositary. In respect of Uncertificated Securities held in the form of Intermediated Securities, the holders of such Uncertificated Securities will be the persons holding such Uncertificated Securities in a securities account (*Effektenkonto*) that is in their name, or, in the case of intermediaries (*Verwahrungsstellen*), the intermediaries holding such Uncertificated Securities for their own account in a securities account that is in their name (and the terms "Securityholder" and "holder of Securities" and related expressions shall be construed accordingly). Intermediated Securities are transferred and otherwise disposed of in accordance with the provisions of the FISA and the relevant agreements with the respective FISA Depositary (in particular, neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer).

The holders of the Securities shall at no time have the right to demand (a) conversion of Uncertificated Securities into physical securities and/or (b) delivery of physical securities. For the avoidance of doubt and regardless of such conversion, Uncertificated Securities will at any time constitute Intermediated Securities.

6. Clearing and Settlement of the Securities

General
The Securities are cleared through SIX SIS AG ("**SIS**" or the "**Clearing System**").

SIX SIS AG
SIS is a wholly owned subsidiary of SIX Group Ltd. and is a bank supervised by the Swiss Financial Market Supervisory Authority ("**FINMA**").

SIS acts as the central securities depository and settlement institution for the following Swiss securities: equities, government and private sector bonds, money market instruments, exchange traded funds, conventional investment funds, structured products, warrants and other derivatives. Apart from providing custody and settlement for Swiss securities, SIS acts as global custodian and offers its participants access to custody and settlement in foreign financial markets. SIS offers direct links to other international central securities depositories and central securities depositories including Clearstream, Germany, Euroclear and Clearstream, Luxembourg.

The address of SIS is SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland.

7. Listing or Trading of the Securities

It is not intended to appl for inclusion of the Securities to trading on a securities exchange.

8. Maturity of the Securities; Issuer Extension Option

Subject to the Issuer Extension Option (as defined below), the Securities expire – provided that the Securities are not terminated or expired early in accordance with the Terms and Conditions of the Securities – on 21 November 2025 (the "**Expiration Date**").

The Issuer is entitled to extend, by giving notice to the Securityholder prior to the then existing Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all then outstanding Securities for an additional period of seven (7) years, in which case the "Expiration Date" shall be deemed to be the date falling seven (7) years after the scheduled Expiration Date (the "**Issuer Extension Option**"). In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder terminates the Securities held by it in accordance with the Terms and Conditions of the Securities by exercising the Securityholder Non-Extension Option, investors in the Securities will receive any final payments under the Securities later than scheduled at the Issue Date of the Securities.

9. Issuer Termination Option; Automatic Early Termination

The Issuer shall be entitled on each of 31 March, 30 June, 30 September and 31 December (each an "**Issuer Termination Date**") for the first time on 31 December 2018 (including) to terminate and redeem, subject to a period of notice of thirty (30) Business Days, all but not some of the Securities by giving notice pursuant to § 12 of these Conditions with effect as of the relevant Issuer Termination Date.

Further, if an Automatic Termination Event occurs, the Issuer Issuer shall notify the Securityholders without delay of (i) the occurrence of an Automatic Termination Event and (ii) of the day, on which the Automatic Termination Event has occurred (the "**Automatic Termination Date**") (but failure to give such notice, or non-receipt thereof, shall not affect the validity of the automatic termination of the term of the Securities).

An "**Automatic Termination Event**" shall occur if Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland, ceases to be or to act as Reference Portfolio Advisor.

In the case of termination and redemption by the Issuer, the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount equal to the Redemption Amount (as defined in § 1(1) of these Conditions) (the "**Termination Amount**").

10. Functioning of the Securities and Dependency on the Underlying

The Securities allow investors to participate, considering the fees on the level of the Reference Portfolio, in the positive development of the Reference Portfolio. Conversely, investors in the Securities also participate in the negative development of the Reference Portfolio.

With the purchase of each Security, the investor acquires the right, under certain conditions and as provided for in the Terms and Conditions of the Securities, to demand from the Issuer the payment of the Settlement Amount in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "**Redemption Amount**") (the "**Security Right**") all as defined in the section "Key Terms and Definitions of the Securities". **For the avoidance of doubt**: Whilst the Redemption Amount may be linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the proceeds of the issuance of the Securities in any Reference Portfolio Components at any time and the Securityholders do not have any interest in any Reference Portfolio Components at any time.

The value of the Securities during their term depends on the performance of the Reference Portfolio used as underlying. On each Reference Portfolio Calculation Date, the Calculation Agent shall determine the "**Level of the Reference Portfolio**", being 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 comprised in the Reference Portfolio on such Reference Portfolio Calculation Date) and (ii) the value of the Cash Position on such Reference Portfolio Calculation Date (taking into account the fees calculated on such Reference Portfolio Calculation Date).

In case the Level of the Reference Portfolio increases, also the value of the Securities (disregarding any special features of the Securities) will increase.

The Securities do not generate any regular income (e.g. dividends or interest) during their term.

D. TERMS AND CONDITIONS OF THE SECURITIES

Terms and Conditions of the Securities

*The following terms and conditions of the Securities (the "**Conditions**"), comprising the Special Conditions of the Securities and the General Conditions of the Securities, shall be read in conjunction with, and are subject to, the "Key Terms and Definitions of the Securities" (together, the "**Terms and Conditions**").*

The Terms and Conditions of the Securities are composed of

Part 1: Key Terms and Definitions of the Securities

Part 2: Special Conditions of the Securities

Part 3: General Conditions of the Securities

1. Terms and Conditions of the Securities Part 1: Key Terms and Definitions of the Securities

The Securities use the following definitions and have, subject to an adjustment according to the Terms and *Conditions of the Securities, the following key terms, both as described below in alphabetical order. The following does not represent a comprehensive description of the Securities, and is subject to and should be read in conjunction with the Conditions of the Securities, the general offering terms of the Securities and all other sections of this Prospectus.*

A.

Aggregate Amount of the Issue: Issue Price x Issue Size**.**

American Depositary Receipt: American Depositary Receipt means a negotiable instrument issued by a United States commercial bank acting as a depositary that represents a specified number of Underlying Shares issued by an entity organised outside the United States held in a safekeeping account with the depositary's custodian.

B.

Business Day: The Business Day means any day on which (i) commercial banks in London (including dealings in foreign exchange and foreign currency deposits), and (ii) the Trans-European Automated Real-time Gross settlement Express Transfer System ("**TARGET2**") is open and the Clearing System settles securities dealings

C.

Calculation Agent: The Calculation Agent means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom.

CA Rules: CA Rules means any regulation and operating procedure applicable to and/or issued by the Clearing System.

Clearing System: Clearing System means SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland ("**SIS**") or any successor in this capacity. The term "Clearing System" shall refer to all Clearing Systems.

Commissions: The Issuer may grant turnover-related sales and recurring commissions to distributors as indicated in (i) to (iv). Sales commissions are paid out of the issue proceeds as a one-off payment; alternatively the Issuer may grant an agio on the issue price (excl. the offering premium) to the distributor. Recurring commissions are paid regularly depending on the respective securities volume. If UBS acts as Issuer and distributor the relevant commissions are internally booked in favour of the distributing organisational unit.

(i)	Underwriting and/or placing fee:	none
(ii)	Selling commission:	none
(iii)	Listing Commission:	none
(iv)	Other:	Reference Portfolio Advisor Fee, Adjustment Fee and UBS Management Fee, as further described in the section "Information about the notional Reference Portfolio", which forms part of the Conditions of the Securities.

Constituents Business Day: Constituents Business Day in respect of any Constituent means, any day on which (i) the Relevant Exchange and the Relevant Futures and Options 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.

E.

Expiration Date: The Expiration Date means, **subject to an extension of the Term of the Securities in accordance with § 2 (2) of the Conditions of the Securities and to any Market Disruption in accordance with § 9 of the Conditions of the Securities,** 21 November 2025, provided that if such date is not a Constituents Business Day, the immediately succeeding Constituents Business Day shall be Expiration Date.

F.

Fixing Date: The Fixing Date means 21 November 2018, provided that if such date is not a Constituents Business Day for a Constituent, the immediately succeeding Constituents Business Day shall be Fixing Date for such Constituent. In the case of abbreviation or extension of the subscription period the Fixing Date may be changed accordingly.

G.

Global Depositary Receipt: Global Depositary Receipt means a negotiable instrument issued by a commercial bank acting as a depositary that represents a specified number of Underlying Shares issued by an entity and held in a safekeeping account with the depositary's custodian.

I.

Issue Date: The Issue Date of the Securities means 28 November 2018, provided that if such date is not a Constituents Business Day, the immediately succeeding Constituents Business Day shall be Issue Date. In the case of abbreviation or extension of the subscription period the Issue Date may be changed accordingly.

Issue Price: The Issue Price equals EUR 100.00.

Issuer: The Issuer means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

Issue Size: The Issue Size equals 500,000 Securities.

L.

Level of the Reference Portfolio: The Level of the Reference Portfolio is determined by the Calculation Agent based on the closing price or value of each Constituent on the relevant Reference Portfolio Calculation Date and as described in the section "Information about the notional Reference Portfolio", which forms part of the Conditions of the Securities. The calculation also takes into account the effect of the Reference Portfolio Fee and the Reference Portfolio Advisor Performance Fee (if any).

The Initial Reference Portfolio Level is equal to EUR 100.00.

The Level of the Reference Portfolio is, subject to the occurrence of a Market Disruption in accordance with the Terms and Conditions of the Securities, calculated on each Reference Portfolio Calculation Date, as further described in the section "Information about the notional Reference Portfolio", which forms part of the Conditions of the Securities.

Information regarding the Level of the Reference Portfolio can be obtained from the Issuer upon request.

M.

Maturity Date:	The Maturity Date means the fifth Business Day following the relevant Valuation Date.
Minimum Trading Size:	The Minimum Trading Size equals one (1) Security or an integral multiple thereof.

P.

Paying Agent:	The Paying Agent means UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

R.

Redemption Currency:	The Redemption Currency means Euro (“**EUR**”).
Reference Portfolio:	The Reference Portfolio means the notional Euro ("**EUR**") denominated Smart Health Care Portfolio (the “**Underlying**” or the notional “**Reference Portfolio**”), actively advised, created and maintained by Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland, (the "**Reference Portfolio Advisor**”) and subject to adjustments by the Issuer in case of the occurrence of adjustment events (pursuant to § 7 (a) (*Adjustments to the Reference Portfolio*), § 7 (b) (*Adjustments in relation to a Stock used as Reference Portfolio Component)* and *§ 7 (c) (Adjustments in relation to a Certificate representing Stocks used as Reference Portfolio Component*) of the Terms and Conditions of the Securities). The Reference Portfolio is initiated on 21 November 2018 (the “**Reference Portfolio Creation Date** ”,which may, in the case of abbreviation or extension of the subscription period, be changed accordingly) by the Reference Portfolio Advisor with an initial level of EUR 100.00 (the “**Initial Reference Portfolio Level**“). The Reference Portfolio aims to replicate the performance of (i) a basket of selected stocks (each a “**Stock$_{(i)}$** ” and together the “**Stocks**”) or, as the case may be, American and Global Depositary Receipts (each a "**Certificate representing Stocks$_{(i)}$** " and together the "**Certificates representing Stocks**", where the Stocks and the Certificates representing Stocks are collectively also referred to as each a “**Stock Constituent$_{(i)}$** ” and together the "**Stock Constituents**") and (ii) from time to time, an EUR denominated cash position which may be negative from time to time (the "**Cash Position**"; which together with the Constituents shall be referred to as the "**Reference Portfolio Components**"), net of relevant fees, costs and expenses. The Reference Portfolio, the Reference Portfolio Components and the rules in accordance with which the Reference Portfolio is advised on by the Reference Portfolio Advisor are further described in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities.
Reference Portfolio Calculation Date:	The Reference Portfolio Calculation Date means each Constituents Business Day.
Reference Portfolio Currency	The Reference Portfolio Currency means Euro (“**EUR**”).
Reference Portfolio Fee	Means the Reference Portfolio Advisor Fee and the UBS Management Fee.
Relevant Exchange:	The Relevant Exchange$_{(i)}$ means the primary stock exchange, on which the Stock$_{(i)}$ or, as the case may be, Certificate representing Stocks$_{(i)}$ is primarily listed and publicly quoted and traded, as determined by the Calculation Agent at its reasonable discretion from time to time.

The term "Relevant Exchange$_{(i)}$ " shall also refer to all Relevant Exchanges.

Relevant Futures and Options Exchange: The Relevant Futures and Options Exchange means the principal futures and options exchange(s), on which options and futures on the Stock$_{(i)}$ or, as the case may be, Certificate representing Stocks$_{(i)}$ as Stock Constituents of the Reference Portfolio are traded or quoted, as determined by the Calculation Agent at its reasonable discretion from time to time.

The term "Relevant Futures and Options Exchange$_{(i)}$ " shall also refer to all Relevant Futures and Options Exchanges.

S.

Securities: Securities means the Certificates linked to the notional Smart Health Care Portfolio denominated in EUR and issued by the Issuer in the Issue Size with the security identification codes: ISIN DE000US8MAR5; WKN US8MAR; Valor 11403384

The Securities are being issued in bearer form and will not be represented by definitive securities.

Settlement Cycle: Settlement Cycle means the number of days following a trade in a Stock$_{(i)}$ or, as the case may be, Certificate representing Stocks$_{(i)}$ of the Reference Portfolio on Relevant Exchange in which settlement will customarily occur according to the rules of the Relevant Exchange.

U.

Underwriting and/or placing fee: See "Commissions".

V.

Valuation Date: The Valuation Date means, **subject to any Market Disruption in accordance with § 9 of the Conditions of the Securities,**

(i) in case of a redemption of the Securities in accordance with § 1 of the Conditions of the Securities, the Expiration Date,

(ii) in case of a termination of the term of the Securities by the Issuer in accordance with § 2 (4) of the Conditions of the Securities, the relevant Issuer Termination Date,

(iii) in case of an automatic termination of the term of the Securities in accordance with § 3 of the Conditions of the Securities, the relevant Automatic Termination Date, and

(iv) in case of an extraordinary termination by the Issuer in accordance with § 8 of the Conditions of the Securities, the relevant Extraordinary Termination Date;

or if one of these days is not a Constituent Business Day, the immediately succeeding Constituent Business Day.

2. Terms and Conditions of the Securities Part 2: Special Conditions of the Securities

§ 1
Security Right

(1) Security Right of the Securityholders

The Issuer hereby warrants the Securityholder (§ 4 (2)) of each (1) Security relating to the Level of the Reference Portfolio in accordance with these Conditions that such Securityholder shall have the right (the "**Security Right**") to receive the Settlement Amount (§ 1 (2)) in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "**Redemption Amount**").

(2) Settlement Amount

The "**Settlement Amount**" is calculated in accordance with the following formula:

$$\text{EUR } 100.00 \quad \text{x} \ \ \text{Max}\left(0; \frac{\text{Final Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}}\right)$$

Where

The "**Final Reference Portfolio Level**" means, subject to a Market Disruption (§ 9 (1)), the value of the notional Reference Portfolio as determined by the Calculation Agent in relation to a Valuation Date, whereby the relevant value of the Reference Portfolio shall be

(i) the sum of the sale proceeds as converted into the Redemption Currency where applicable, using the relevant WMCO foreign exchange rate in respect of fixing at 16:00 London time, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Constituents, then comprised in the notional Reference Portfolio **plus**

(ii) the value of the Cash Position **minus**

(iii) any accrued but not yet deducted Reference Portfolio Fees and Adjustment Fees.

For the avoidance of doubt: Whilst the Redemption Amount may be linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the proceeds of the issuance of the Securities in any Reference Portfolio Components at any time and the Securityholders do not have any interest in any Reference Portfolio Components at any time.

The "**Initial Reference Portfolio Level**" of the Reference Portfolio is equal to EUR 100.00.

(3) Determinations and Calculations in connection with the Security Right

Any determination and calculation in connection with the Security Right, in particular the calculation of the Redemption Amount, will be made by the Calculation Agent (§ 10). Determinations and calculations made in this respect by the Calculation Agent are final and binding for all participants except in the event of manifest error.

§ 2
Term of the Securities; Extension of the Term of the Securities; Termination by the Securityholders or the Issuer

(1) Term of the Securities

Subject to a termination of the Securities in accordance with these Conditions, the term of the Securities ends on the Expiration Date, unless the Issuer has exercised its right for extension of the term of the Securities in accordance with § 2 (2) of these Conditions.

(2) Extension of the Term of the Securities

The Issuer is entitled to extend, by giving notice to the Securityholder in accordance with § 12 of these Conditions (the "**Issuer Extension Option Exercise Notice**") not less than one hundred eighty (180) calendar days prior to the scheduled Expiration the maturity of all outstanding Securities for one additional period of seven (7) calendar years each (the "**Issuer Extension Option**"), in which case the "Expiration Date" shall be deemed to be the date falling seven (7) calendar years after the scheduled Expiration Date.

(3) Securityholder's Termination Right

Upon exercise of the Issuer Extension Option, each Securityholder is entitled to terminate the Securities outstanding and held by it in whole or in part by exercising its Securityholder Non-Extension Option not less than ninety (90) calendar days prior to the scheduled Expiration Date.

For the exercise of the "**Securityholder Non-Extension Option** ", the Issuer must have received written and legally signed notice by the Securityholder stating his intention to exercise the Securityholder Non-Extension Option (the "**Exercise Notice**"). The Exercise Notice is irrevocable and binding and shall contain among other things (a) the name of the Securityholder, (b) the number of Securities to be terminated by such Securityholder and (c) the account of the Securityholder with a credit institution, to which the transfer of the Redemption Amount, if any, shall be effected.

Following the valid exercise of the Securityholder Non-Extension Option by the Securityholder, the relevant Securities of such Securityholder will be redeemed by the Issuer and the Securityholder is entitled to receive the relevant Redemption Amount (as defined in § 1(1) of these Conditions) per Security (so terminated), if any, payable on the Maturity Date in relation to the scheduled Expiration Date.

(4) Ordinary Termination by the Issuer

The Issuer shall be entitled on each of 31 March, 30 June, 30 September and 31 December (each an "**Issuer Termination Date**") for the first time on 31 December 2018 (including) to terminate and redeem, subject to a period of notice of thirty (30) Business Days, all but not some of the Securities by giving notice pursuant to § 12 of these Conditions with effect as of the relevant Issuer Termination Date.

In the case of termination and redemption by the Issuer, the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount equal to the Redemption Amount (as defined in § 1(1) of these Conditions) (the "**Termination Amount**").

§ 3
Automatic Termination of the Securities

(1) Security Right of the Securityholders in the case of the occurrence of an Automatic Termination Event

In the case of the occurrence of an Automatic Termination Event (as defined below) all outstanding Securities are automatically terminated on the Automatic Termination Date (as defined below) and each Securityholder shall have in accordance with these Conditions the Security Right to receive the Early Settlement Amount (§ 3 (3)) in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "**Automatic Termination Amount**").

(2) Occurrence of an Automatic Termination Event

The Issuer shall notify the Securityholders pursuant to § 12 of these Conditions without delay of (i) the occurrence of an Automatic Termination Event and (ii) of the day, on which the Automatic Termination Event has occurred (such day is referred to as the "**Automatic Termination Date**") (but failure to give such notice, or non-receipt thereof, shall not affect the validity of the automatic termination of the term of the Securities).

In such context:

An "**Automatic Termination Event**" shall occur if Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland, ceases to be or to act as Reference Portfolio Advisor.

(3) Early Settlement Amount

The "**Early Settlement Amount**" is calculated in accordance with the following formula:

$$\text{EUR } 100.00 \quad \text{x Max}\left(0; \frac{\text{Early Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}}\right)$$

Where

The "**Early Reference Portfolio Level**" means, subject to a Market Disruption (§ 9 (1)), the value of the notional Reference Portfolio as determined by the Calculation Agent in relation to the relevant Valuation Date, whereby the relevant value of the Reference Portfolio shall be

(i) the sum of the sale proceeds as converted into the Redemption Currency where applicable, using the relevant WMCO foreign exchange rate in respect of fixing at 16:00 London time, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Constituents then comprised in the notional Reference Portfolio **plus**

(ii) the value of the Cash Position **minus**

(iii) any accrued but not yet deducted Reference Portfolio Fees and Adjustment Fees.

The "**Initial Reference Portfolio Level**" of the Reference Portfolio is equal to EUR 100.00.

For the avoidance of doubt: Whilst the Automatic Termination Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

3. Terms and Conditions of the Securities Part 3: General Conditions of the Securities

§ 4
Form of Securities; Title and Transfer; Status

(1) Form of Securities

The Securities constitute Intermediated Securities. Intermediated Securities are fungible monetary or membership rights of an investor against an issuer which are credited to an investor's securities account with an intermediary pursuant to article 4 FISA (such as banks and securities dealers; *Verwahrungsstelle*; „**FISA Depositary**") and which are at the investor's disposal pursuant to the FISA (article 3 paragraph 1 FISA).

Intermediated Securities are created upon immobilization of actual securities or Uncertificated Securities (i.e. deposit of actual securities with a FISA Depository, or entry of Uncertificated Securities in the main register of FISA Depository) and a respective credit to a Securityholder's securities account with a FISA Depository (article 4 and 6 FISA). For each series of Securities one single FISA Depository keeps the main register which is available to the public. Securityholders may obtain information about their entitlement to Intermediated Securities of a certain series of Securities from their FISA Depository.

(2) Securityholder; Title and Transfer

"**Securityholder**" means any person acknowledged by Swiss law as legal owner of the Securities. The Securityholder shall, for all purposes, be treated by the Issuer and the Security Agents (§ 10 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

Intermediated Securities are transferred upon a Securityholder's instruction of his/her FISA Depository and are then credited to the purchaser's securities account in accordance with articles 24 et seq. FISA and the terms and conditions of the agreements between a Securityholder and his/her FISA Depository. Securityholders may assert their rights linked to Intermediated Securities (*Rechte an Bucheffekten*) only through their FISA Depository. Neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer.

Securityholders will not be entitled to demand delivery of Uncertificated Securities or actual securities (including Swiss Global Notes). Definitive Securities will not be printed.

(3) Status of the Securities

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

§ 5
Settlement; Period of Presentation

(1) Settlement of the Securities

The Issuer will, subject to a Market Disruption (§ 9 (1)) and in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agrees to be subject, procure on the relevant Maturity Date the payment of the Redemption Amount, of the Termination Amount, the Automatic Termination Amount, or of any other amount payable under the Conditions in relation to the relevant Maturity Date in the Redemption Currency to be credited via the Paying Agent to the account of the relevant Securityholder via the relevant FISA Depositary pursuant to its applicable rules and regulations.

In accordance with Swiss law, claims of any kind against the Issuer arising under the Securities will be prescribed 10 years after the earlier of the date on which the early redemption or the date on which the ordinary redemption of the Securities has become due, except for claims for interests which will be prescribed five (5) years after maturity of such interest claims.

(2) Discharging effect

The Issuer shall be discharged from its redemption obligations or any other payment obligations under these Conditions of the Securities by delivery to the Clearing System in the manner described above.

(3) Taxes, charges and/or expenses

All taxes, charges and/or expenses, if any, incurred in connection with the redemption of the Securities or any other payment or delivery obligations under these Conditions of the Securities shall be borne and paid by the relevant Securityholder. The Issuer and the Paying Agent, as the case may be, are entitled, but not obliged, to withhold from any required performance under these Conditions such taxes, charges and/or expenses as be paid by the Securityholder in accordance with the preceding sentence.

§ 6
Taxes

Payments in respect of the Securities shall in all cases only be made after deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (the "**Taxes**") under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes, to the extent that such deduction or withholding is required by law or administrative practice. The Issuer shall account for the deducted or withheld Taxes with the competent government agencies.

§ 7 (a)
Adjustments to the Reference Portfolio

(1) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of the Reference Portfolio or of the composition or of the weighting of the Reference Portfolio Components, on which the calculation of the Reference Portfolio is based, shall not lead to an adjustment of the Level of the Reference Portfolio unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion, determine that the underlying concept and the calculation (including corrections) of the Reference Portfolio are no longer comparable to the underlying concept or calculation of the Reference Portfolio applicable prior to such change. This applies especially, if due to any change the Level of the Reference Portfolio changes considerably, although the prices and weightings of the Constituents included in the Reference Portfolio remain unchanged.

For the purpose of making any adjustments to the Level of the Reference Portfolio the Issuer and the Calculation Agent shall at their reasonable discretion determine an adjusted Level of the Reference Portfolio as the basis of the determination of the Level of the Reference Portfolio, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day, on which the adjusted Level of the Reference Portfolio used shall apply for the first time. The adjusted Level of the Reference Portfolio as well as the date of its first application shall be published without undue delay pursuant to § 12 of these Conditions.

(2) Making of Adjustments and Determinations; Publication

The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer at its reasonable discretion or, as the case may be, by the Calculation Agent and shall be published by the Issuer in accordance with § 12 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.

§ 7 (b)
Adjustments in relation to a Stock
used as Reference Portfolio Component

(1) Consequences of the occurrence of a Potential Adjustment Event

In the case of the occurrence of a Potential Adjustment Event (§ 7 (b) (2)) in relation to a Stock used as Reference Portfolio Component$_{(i)}$, the Issuer shall be entitled to effect adjustments to these Conditions in a manner and relation corresponding to the relevant adjustments made with regard to options and futures on the Stock used as Reference Portfolio Component$_{(i)}$ traded on the Relevant Futures and Options Exchange (the

"**Future and Option Constituents**") provided that the Record Date (as defined below) is prior to or on the Valuation Date.

If no such Future and Option Constituents are being traded on the Relevant Futures and Options Exchange, the adjustments may be effected by the Issuer in a manner as relevant adjustments would be made by the Relevant Futures and Options Exchange if those Future and Option Constituents were traded on the Relevant Futures and Options Exchange.

The "**Record Date**" will be the first trading day on the Relevant Futures and Options Exchange on which the adjusted Future and Option Constituents on the Stock used as Reference Portfolio Component$_{(i)}$ are traded on the Relevant Futures and Options Exchange or would be traded if those Future and Option Constituents were traded on the Relevant Futures and Options Exchange.

(2) Occurrence of a Potential Adjustment Event

"**Potential Adjustment Event**" means any measure in relation to the Stock used as Reference Portfolio Component$_{(i)}$, which gives reason, or would give reason, if the Future and Option Constituents were traded on the Relevant Futures and Options Exchange, as the case may be, to the Relevant Futures and Options Exchange for an adjustment to the Strike, the contract volume of the underlying, the ratio of the underlying or to the quotation of the stock exchange, relevant for the calculation and determination of the price of the share.

Adjustment Events are, *in particular*, but not limited to, the following measures, whereas, however, subject to § 7 (b) (3), the *de facto* or hypothetical decision of the Relevant Futures and Options Exchange is decisive:

(i) The stock corporation, the share(s) of which is/are used as Reference Portfolio Component$_{(i)}$ (the "**Company**") increases its share capital against deposits/contributions granting a direct or indirect subscription right to its shareholders, capital increase out of the Company's own funds, through the issuance of new shares, directly or indirectly granting a right to its shareholders to subscribe for bonds or other securities with option or conversion rights to shares.

(ii) The Company decreases its share capital through cancellation or combination of shares of the Company. No Potential Adjustment Event shall occur, if the capital decrease is effected by way of reduction of the nominal amount of the shares of the Company.

(iii) The Company grants exceptionally high dividends, bonuses or other cash or non-cash distributions ("**Special Distributions**") to its shareholders. The distributions of regular dividends, which do not constitute Special Distributions, do not create any Potential Adjustment Event. With regard to the differentiation between regular dividends and Special Distributions, the differentiation made by the Relevant Futures and Options Exchange shall prevail.

(iv) In the case of a stock split (reduction of the nominal amount and corresponding increase in the number of shares without a change in the share capital) or a similar measure.

(v) Offer to the shareholders of the Company pursuant to any proceeding under the jurisdiction applicable to and governing the Company to convert existing shares of the Company to new shares or to shares of another stock corporation.

(vi) Take-over of shares of the Company by a shareholder in the course of a tender offer in accordance with the provision under the jurisdiction applicable to and governing the Company, which in the Issuer's opinion, results in a significant impact on the liquidity of such shares in the market.

(vii) The Company spins off any part of the Company so that a new independent enterprise is created or any part of the Company is absorbed by a third company, the Company's shareholders are granted shares in the new company or the absorbing company free of charge or at a price below the market price and therefore a market price or price quotation may be determined for the shares granted to the shareholders.

(viii) The quotation of or trading in the shares of the Company on the Relevant Exchange is permanently discontinued due to a merger or a new company formation, or for any other comparable reason, in particular as a result of a delisting of the Company.

The provisions set out above shall apply *mutatis mutandis* to events other than those mentioned above, if the Issuer and the Calculation Agent, upon exercise of their reasonable discretion, determine that the economic effects of these events are comparable and may have an impact on the calculational value of the shares.

(3) Deviations by the Issuer from the Relevant Futures and Options Exchange

The Issuer shall be entitled to deviate from the adjustments made by the Relevant Futures and Options Exchange, should the Issuer consider it necessary in order to account for existing differences between the Securities and the Future and Option Constituents traded on the Relevant Futures and Options Exchange. Irrespective of, whether or how adjustments are *de facto* effected by the Relevant Futures and Options Exchange, the Issuer is entitled to effect adjustments for the purpose to reconstitute to the extent possible the Securityholders' economic status prior to the measures in terms of § 7 (b) (2).

(4) Termination or replacement of the Stock

In the event that the Stock used as Reference Portfolio Component$_{(i)}$ is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the Stock used as Reference Portfolio Component$_{(i)}$ shall be applicable in the future (the "**Successor Reference Portfolio Component**"). The Successor Reference Portfolio Component and the date it is applied for the first time shall be published without undue delay in accordance with § 12 of these Conditions.

(5) Determination of a Substitute Exchange

If the quotation of or trading in the Stock used as Reference Portfolio Component$_{(i)}$ on the Relevant Exchange is permanently discontinued while concurrently a quotation or trading is started up or maintained on another stock exchange, the Issuer shall be entitled to stipulate such other stock exchange as new Relevant Exchange (the "**Substitute Exchange**") through publication in accordance with § 12 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Exchange thereafter shall be deemed to refer to the Substitute Exchange. The adjustment described above shall be published in accordance with § 12 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Reference Portfolio Component$_{(i)}$ on the Relevant Exchange, at the latest.

(6) Corrected Price

In the event that the Price of the Stock used as Reference Portfolio Component$_{(i)}$ as determined and published by the Relevant Exchange is subsequently corrected and the correction (the "**Corrected Price** ") is published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, the Issuer and the Calculation Agent shall be entitled to effect, under consideration of the Corrected Price, adjustments to these Conditions at their reasonable discretion, to account for the correction. The adjustment and the date it is applied for the first time shall be published without undue delay in accordance with § 12 of these Conditions.

(7) Making of Adjustments and Determinations; **Publication**

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt (i) the applicability of the adjustment rules of the Relevant Futures and Options Exchange and (ii) the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 12 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

(8) Effectiveness of Adjustments and Determinations

Any adjustment and determination will become effective as of the time at which the relevant adjustments become effective on the Relevant Futures and Options Exchange or would become effective, if the Future and Option Constituents were traded on the Relevant Futures and Options Exchange, as the case may be.

§ 7 (c)
Adjustments in relation to a Certificate representing Stocks used as Reference Portfolio Component

(1) Consequences of the occurrence of a Potential Adjustment Event

In the case of the occurrence of a Potential Adjustment Event (§ 7 (c) (2)) in relation to the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$, the Issuer shall be entitled to effect adjustments to these Conditions to account for such Potential Adjustment Event.

(2) Occurrence of a Potential Adjustment Event

"**Potential Adjustment Event**" means any following events or measures in relation to the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$, provided that such event or measure is, at the reasonable discretion of the Issuer and the Calculation Agent, material and adversely affects the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$:

(a) In the opinion of the Calculation Agent at its reasonable discretion, a material change

(i) has occurred at the Relevant Exchange relevant for the calculation and determination of the price of the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$, or

(ii) has occurred in relation to the relevant terms of either the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$ or of the Underlying Stocks.

(b) Any measure in relation to the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$, which gives reason, or would give reason, if options and futures on the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$ (also the "**Future and Option Constituents**") were traded on the Relevant Futures and Options Exchange, for an adjustment to the strike, the contract volume of the underlying, the ratio of the underlying or to the quotation of the trading system, relevant for the calculation and determination of the price of the underlying.

(3) Termination or replacement of the Certificate representing Stocks

In the event that the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$ is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$ shall be applicable in the future (also the "**Successor Reference Portfolio Component**"). The Successor Reference Portfolio Component and the date it is applied for the first time shall be published without undue delay in accordance with § 12 of these Conditions.

(4) Determination of a Substitute Exchange

If the quotation of or trading in the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$ on the Relevant Exchange is permanently discontinued while concurrently a quotation or trading is started up or maintained on another stock exchange, the Issuer shall be entitled to stipulate such other stock exchange as new Relevant Exchange (also the "**Substitute Exchange**") through publication in accordance with § 12 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Exchange thereafter shall be deemed to refer to the Substitute Exchange. The adjustment described above shall be published in accordance with § 12 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$ on the Relevant Exchange, at the latest.

(5) Corrected Price

In the event that the price of the Certificate representing Stocks used as Reference Portfolio Component$_{(i)}$ as determined and published by the Relevant Exchange is subsequently corrected and the correction (also the "**Corrected Price** ") is published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, the Issuer and the Calculation Agent shall be entitled to effect, under consideration of the

Corrected Price, adjustments to these Conditions at their reasonable discretion, to account for the correction. The adjustment and the date it is applied for the first time shall be published without undue delay in accordance with § 12 of these Conditions.

(6) Making of Adjustments and Determinations; **Publication**
Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 12 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

§ 8
Extraordinary Termination Right of the Issuer

(1) Extraordinary Termination by the Issuer

The Issuer shall in the case of the occurrence of one of the following Termination Events be entitled to extraordinary terminate and redeem all but not some of the Securities by giving notice to the Securityholders in accordance with § 12 of these Conditions. Such termination shall become effective at the time of the notice in accordance with § 12 or at the time indicated in the notice (the "**Extraordinary Termination Date**").

(2) Occurrence of a Termination Event

A "**Termination Event**" means any of the following events:

(a) The determination and/or publication of the Level of the Reference Portfolio is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.

(b) Adjustments pursuant to § 7 (a) – (c) of these Conditions are not possible or not justifiable with regard to the Issuer and/or the Securityholders.

(c) In the opinion of the Calculation Agent at its reasonable discretion, another material change in the market conditions occurred in relation to the Relevant Exchange or the Relevant Futures and Options Exchange, as the case may be.

(d) The Issuer or the Calculation Agent, as the case may be, determines that the notional Reference Portfolio by reference to which (A) any amount payable under these Conditions or (B) the value of the Securities is determined, qualifies as a "benchmark" within the meaning of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in certain financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmarks Regulation** ", where the notional Reference Portfolio is then also referred to as "**Benchmark** "), and

the Issuer or the Calculation Agent, as the case may be, is, due to the coming into effect (following any transitional provisions) of the EU Benchmarks Regulation on or after the Issue Date of the Securities,

(i) either no longer able to use the Reference Portfolio as Benchmark for the purposes of the Securities or

(ii) has control over the provision of the Benchmark (*administrator*) within the meaning of the EU Benchmarks Regulation without having the appropriate authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required under any applicable law or regulation for the Issuer or the Calculation Agent, as the case may be, to perform its or their respective obligations under these Conditions.

(e) The occurrence of a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging.

In this context:

"**Change in Law**" means that, on or after the Issue Date of the Securities (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (X) it has become illegal to hold, acquire or dispose of any transaction(s) or asset(s) in relation to the notional Reference Portfolio, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge price risks of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s); and

"**Increased Cost of Hedging**" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amounts of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

(3) Payment of the Extraordinary Termination Amount

In the case of an extraordinary termination by the Issuer the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount in the Redemption Currency with respect to each Security, which is determined by the Calculation Agent at its reasonable discretion and, considering the then prevailing Level of the Reference Portfolio and the expenses of the Issuer caused by the termination, as the fair market price of a Security at the occurrence of such termination (the "**Extraordinary Termination Amount**").

§ 9
Market Disruption, FX Disruption, Unwind Disruption

(1) Consequences of a Market Disruption

(a) In the event that the Calculation Agent determines that any Constituents Business Day is a Disrupted Day (§ 9 (2)) with respect to any Constituent or Eligible Constituent selected by the Reference Portfolio Advisor for the purposes of a Rebalancing, then such Constituent or Eligible 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 Constituent or Eligible Constituent, then for the purposes of determining the value of the Reference Portfolio as at such Reference Portfolio Calculation Date, (a) the price of each $Constituent_{(i)}$ not affected by the occurrence of such Disrupted Day shall be the closing price of such $Constituent_{(i)}$ on the relevant Exchange or Related Exchange and (b) the price of each $Constituent_{(i)}$ affected by the occurrence of such Disrupted Day shall be determined by the Calculation Agent in its good faith estimate of the fair market value (which may be zero) of such $Constituent_{(i)}$ as of such Reference Portfolio Calculation Date.

(c) If the Calculation Agent determines that the date scheduled to be the relevant Valuation Date is a Disrupted Day in respect of any Constituent (such event in relation to a Valuation Date constitutes a "**Market Disruption** "),such date shall be the relevant Valuation Date for those Constituents which are not affected by the occurrence of the Market Disruption while Valuation Date for any Constituent that is affected by the occurrence of a the Market Disruption shall be postponed to the following Constituents Business Day with respect to such Constituent, *provided* that if such day does not occur within 8 (eight) such Constituents Business Days immediately following the date scheduled to be the relevant Valuation Date, the price of such Constituent shall be determined by the Calculation Agent at its reasonable discretion by reference to its good faith estimate of the value for such Stock Constituent on that 8^{th} (eighth) Constituents Business Day.

(d) On the occurrence of a FX Disruption Event (§ 9 (2)), the value of any non-EUR denominated Constituent shall be determined by the Calculation Agent at its 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.

(e) If the Calculation Agent determines that on any Valuation Date a Unwind Disruption (§ 9 (2)) occurs or is likely to occur, the Issuer shall be entitled to postpone the relevant Valuation Date to such date where a notional investor in the Stock Constituents would be able to fully unwind the Stock Constituents in cash. The Issuer shall endeavour to notify the Securityholders pursuant to § 12 of these Conditions without delay of the occurrence of an Unwind Disruption. However, there is no notification obligation.

The Issuer shall endeavour to notify the Securityholders pursuant to § 12 of these Conditions without delay of the occurrence of a Disrupted Day. However, there is no notification obligation.

(2) Further definitions

“**Disrupted Day** “means any Business Day on which the Calculation Agent determines that trading and/or transactions in the relevant Constituent or Eligible Constituent, as the case may be, is or are adversely affected (including without limitation where trading and/or transactions are limited by reason of illiquidity, any circumstances of market or trading disruption or the unavailability for any reason of any quote, official price or valuation in relation to the relevant Constituent or Eligible Constituent).

“**FX Disruption Event** “ means (i) an event that generally makes it illegal, impossible, impractical or inadvisable to convert one unit of the currency in which any non EUR denominated Constituent is denominated (the "**Denomination Currency**") into the Redemption Currency, or an event that generally makes it impossible to deliver the Redemption 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 Redemption Currency at a spot rate (applicable to the purchase of the Redemption 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.

"**Unwind Disruption**" means any event where a notional investor (in the same position as the Issuer) would be unable to unwind its investments in the Constituents by the relevant Valuation Date.

§ 10
Calculation Agent; Paying Agent

(1) General

The Calculation Agent and the Paying Agent (the “**Security Agents**”) shall assume the role as Security Agent in accordance with these Conditions.

(2) Vicarious Agent

Each of the Security Agents acts exclusively as vicarious agent of the Issuer and has no obligations to the Securityholder.

(3) Replacement, Appointment and Revocation

The Issuer is entitled at any time to replace any or all of the Security Agents by another company, to appoint one or several additional Security Agents, and to revoke their appointments. Such replacement, appointment and revocation shall be notified in accordance with § 12 of these Conditions.

(4) Resignation of Security Agents

Each of the Security Agents is entitled to resign at any time from its function upon prior written notice to the Issuer. Such resignation shall only become effective if another company is appointed by the Issuer as Calculation Agent, the Security Agent or as Paying Agent, as the case may be. Resignation and appointment are notified in accordance with § 12 of these Conditions.

§ 11
Substitution of the Issuer

(1) Substitution of the Issuer

Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the "**Substitute Issuer**") with respect to all obligations under or in connection with the Securities, if

(i) the Substitute Issuer assumes all obligations of the Issuer under or in connection with the Securities,

(ii) (A) the Issuer and the Substitute Issuer have obtained all necessary authorisations as well as consents and (B) may transfer to the Principal Paying Agent in the Redemption Currency and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the Substitute Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities;

(iii) the Substitute Issuer has agreed to indemnify and hold harmless each Securityholder against any tax, duty or other governmental charge imposed on such Securityholder in respect of such substitution;

(iii) the Issuer unconditionally and irrevocably guarantees the obligations of the Substitute Issuer.

(2) References

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

(3) Publication

The substitution of the Issuer shall be final, binding and conclusive on the Securityholders and will be published to the Securityholders without undue delay in accordance with § 12 of these Conditions.

§ 12
Publications

(1) General

To the extent these Conditions provide for a notice pursuant to this § 12 of these Conditions, these will be published on the website of the Issuer at www.ubs.com/keyinvest (or a successor address thereto) and become effective vis-à-vis the Securityholders through such publication unless the notice provides for a later effective date.

If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

Any such notice shall be effective as of the publishing date (or, in the case of several publications as of the date of the first such publication).

(2) Notification to the Clearing System

The Issuer shall, to the extent legally possible, be entitled to effect publications by way of notification to the Clearing System for the purpose of notifying the Securityholders (as set forth in the applicable rules and regulations of the Clearing System), provided that in cases, in which the Securities are listed on a Security Exchange, the regulations of such Security Exchange permit this type of notice. Any such notice shall be deemed as having been effect as of the seventh day after the date of the notification to the Clearing System.

§ 13
Issue of further Securities; Purchase; Cancellation

(1) Issue of further Securities

The Issuer is entitled at any time to issue, without the consent of the Securityholders, further securities having the same terms and conditions as the Securities so that the same shall be consolidated and form a single series with such Securities, and references to "Security" shall be construed accordingly.

(2) Purchase of Securities

The Issuer and any of its subsidiaries is entitled at any time to purchase, without the consent of the Securityholders, Securities at any price in the open market or otherwise If purchases are made by tender, tenders must be available to all Securityholders alike.

Such Securities may be held, reissued, resold or cancelled, all at the option of the Issuer.

(3) Cancellation of Securities

All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 14
Language

These Conditions are written in the English language. The English text shall be controlling and binding. Any German language translation is provided for convenience only.

§ 15
Governing Law; Jurisdiction

(1) Governing Law

The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall in every respect be governed by, and shall be construed in accordance with, the laws of the Swiss Confederation.

(2) Jurisdiction

The place of jurisdiction for all actions or other procedures under or in connection with the Securities shall, to the extent legally possible, be Zurich (1), Switzerland.

§ 16
Corrections; Severability

(1) Modifications and Amendments

The Issuer shall be entitled to modify or amend, as the case may be, these Conditions in each case without the consent of the Securityholders in such manner as the Issuer deems necessary, if the modification or amendment

(i) is of a formal, minor or technical nature; or

(ii) is made to cure a manifest or proven error; or

(iii) is made to cure any ambiguity; or is made to correct or supplement any defective provisions of these Conditions; or

(iv) is made to correct an error or omission such that, in the absence of such correction, the Conditions would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or

(v) will not materially and adversely affect the interests of the Securityholders.

(2) Publication

Any modification or amendment of these Terms and Conditions shall take effect in accordance with its terms and be binding on the Securityholders, and shall be notified to the Securityholders in accordance with § 12 of these Conditions (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

The Issuer may also invoke the unlawful application of an erroneous term against individual Securityholders where this is appropriate to the circumstances of individual cases.

(3) Invalidity in whole or in part

If any of the provisions of these Conditions is or becomes invalid in whole or in part, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid provision. The same applies to gaps, if any, in these Conditions.

§ 17
No collective investment schemes

This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the supervision of the Swiss Financial Market Supervisory Authority (*Eidgenössische Finanzmarktaufsicht*). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

E. INFORMATION ABOUT THE REFERENCE PORTFOLIO

The following description forms an integral part of the Conditions of the Securities and shall be construed in accordance with these Terms and Conditions of the Securities. Capitalised terms not otherwise defined in the following description shall have the meanings given to them in the Terms and Conditions of the Securitites.

The Reference Portfolio Advisor creates and maintains the Reference Portfolio as a theoretical portfolio by selecting the initial Reference Portfolio Components and their weightings and thereafter it will actively advising and maintaining the Reference Portfolio by advising on rebalancing the Reference Portfolio, i.e. changing the weightings of the Reference Portfolio Components, in its reasonable discretion.

The notional Reference Portfolio is a synthetic portfolio which has been created and is managed and calculated solely for the purposes of being used as underlying of these Securities. There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Securityholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time. References to any rebalancing, disposal or acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Manager, the Calculation Agent or any person to actually directly or indirectly, physically or synthetically acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.

Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Components at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

Information on the Indices contained herein is solely intended for the description of the notional Reference Portfolio and for the use of investors in the Securities and does not constitute an offer of any Reference Portfolio Components.

1. General information about the Reference Portfolio

The Smart Health Care Portfolio (the "**Reference Portfolio** ") is a notional EUR ("**EUR**") denominated Reference-Portfolio, actively advised on, created and maintained by Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland, (the "**Reference-Portfolio Advisor**"), which is subject to adjustments by the Issuer in case of the occurrence of adjustment events (pursuant to § 7 (a) (*Adjustments to the Reference Portfolio*), § 7 (b) (*Adjustments in relation to a Stock used as Reference Portfolio Component*) and *§ 7 (c) (Adjustments in relation to a Certificate representing Stocks used as Reference Portfolio Component*) of the Terms and Conditions of the Securities).

The Reference Portfolio aims to replicate the performance of

(i) a basket of selected stocks (each a "**Stock$_{(i)}$** " and together the "**Stocks**") or, as the case may be, American and Global Depositary Receipts (each a "**Certificate representing Stocks$_{(i)}$** " and together the "**Certificates representing Stocks**", where the Stocks and the Certificates representing Stocks are collectively also referred to as each a "**Stock Constituent$_{(i)}$** " and together the "**Stock Constituents**") comprised in the Stock Investment Universe, and

(ii) from time to time, an EUR denominated cash position which may be negative from time to time (the "**Cash Position**"; which together with the Constituents shall be referred to as the "**Reference Portfolio Components**"), net of relevant fees, costs and expenses.

The Reference Portfolio represents a notional investment in the Constituents, plus any Cash Position, as described in Section 2 below.

The Reference Portfolio Advisor has created the Reference Portfolio by selecting initial Reference Portfolio

Components on 21 November 2018 (the "**Reference Portfolio Creation Date** ") with an initial level of EUR 100.00 (the "**Initial Reference Portfolio Level** ").The initial Constituents are listed in Section 3 below. The Stock Constituents are listed in Section 3 below.

The Reference Portfolio Advisor is responsible for adjusting the allocation of the Reference Portfolio Components (any such adjustment, a "**Rebalancing** ") from time to time thereafter in accordance with Section 4 below. Certain limitations apply as to the composition of the Reference Portfolio from time to time as described in such Section.

The level of the Reference Portfolio as determined in accordance with Section 7 below (the "**Level of the Reference Portfolio** ") is calculated in EUR (the "**Reference Portfolio Currency**") net of certain fees and costs associated with the creation, maintenance and management of the notional Reference Portfolio.

Information about the past and the further performance of the notional Reference Portfolio and its volatility can be obtained free of charge at any time upon request from UBS AG, Zurich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zurich, Switzerland, Email: invest @ubs.com.

UBS AG, acting through its London Branch (the "**Calculation Agent** ") may adjust the composition of the Reference Portfolio from time to time to account for corporate actions in respect of the Constituents and other similar events, as described in Section 6 below.

The Calculation Agent is responsible for calculating the Level of the Reference Portfolio (for indicative pricing purpose) and the Final Reference Portfolio Level from time to time in accordance with Section 7 below.

Unless otherwise specifically provided herein, terms used herein shall have the meanings given to such terms in, and shall be interpreted in accordance with the Conditions of the Securities.

2. Reference Portfolio Components

The Reference Portfolio, whose composition may vary from time to time, is actively advised on by the Reference Portfolio Advisor and represents a notional investment in the Reference Portfolio Components as described below (the "**Investment Universe**"). The Reference Portfolio Advisor is not allowed within its advice to select any additional components for inclusion in the notional Reference Portfolio apart from the ones that are part of the Investment Universes described below. Within the Investment Universes, the Reference Portfolio Advisor may select within its advice any of the below described Reference Portfolio Components for inclusion in the notional Reference Portfolio in its reasonable discretion pursuant and subject to the provisions below.

2.1 Stocks Constituents

The Reference Portfolio may reference as Stock Constituents positions (i) in certain stocks and, as the case may be (ii) in certain American and Global Depositary Receipts (the "**Stock Investment Universe**").

Only Stock Constituents included in the below Indices may be incorporated:

Only Stock Constituents included in a developed market and up to 15% emerging market (according to MSCI Global Investable Market Indexes Methodology, November 2017) worldwide stocks may be incorporated as Reference Portfolio Constituents in the Reference Portfolio (each also an "**Eligible Stock Constituent**").

Where a Stock Constituent is not denominated in the Redemption Currency, the notional investment will be converted into the Redemption Currency at the relevant time by applying the then prevailing FX exchange rate as determined by the Calculation Agent in its reasonable discretion.

Eligible Stock Constituents may be selected from the Stock Investment Universe in the reasonable discretion of the Reference Portfolio Advisor pursuant and subject to the provisions contained in this "Information about the notional Reference Portfolio". The Calculation Agent may retain the right to reject the inclusion of any Eligible Stock Constituent due to any applicable rules, regulations and internal or external restrictions according to the provisions as set out below in Section 4 ("**Rebalancing of the Reference Portfolio**") below.

For positions in Stock Constituents, a notional amount reflecting net dividends of the Stock Constituents, as converted into the Redemption Currency, where such Stock Constituent is not denominated in the Redemption Currency, at the WMCO foreign exchange rate in respect of the fixing at 16:00 London time, 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.

2.2 **Cash Position**

From time to time, the notional Reference Portfolio may also contain a Cash Position as a Reference Portfolio Component, which represents a notional holding of a cash account denominated in the Redemption Currency and accruing interest at the prevailing reference rate (the "**Reference Rate**"), which can be negative from time to time.

The Reference Rate is observed on every Business Day and shall be equal to (i) the Federal Funds Target Rate – Upper Bound (Bloomberg page: FDTR <Index>) (ii) plus the EUR Forward Implied 3 Month Rate (Bloomberg Page: EURI3M Curncy) and (iii) minus the USD 3 Month LIBOR Rate (Bloomberg Page: US0003M Index) (each a "**Relevant Screen Page**") (each a "**Reference Rate Component**"), which for the avoidance of doubt may be negative from time to time.

If one or more Relevant Screen Pages are not available or if a Reference Rate Component is not displayed, the Reference Rate Component shall be the equivalent rate as displayed on the corresponding page of another financial information service. If one or more Reference Rate Component is no longer displayed in one of these forms, the Calculation Agent is entitled to specify at its reasonable discretion a successor Reference Rate Component calculated on the basis of the standard market practices applicable at that time as the Reference Rate Component.

The value of the Cash Position will thereafter be positively or negatively affected by deductions and any Rebalancing and by Dividend payments of Constituents, as described in Section 2 and 4 herein. Finally, the Cash Position will be negatively impacted by the deduction of certain fees as described under the "Fees" definition in Section 5 below.

The Cash Position may be notionally reinvested into Stock Constituents from time to time, as instructed in the reasonable discretion of the Reference Portfolio Advisor.

2.4 **Investment Restrictions**

Eligible Constituents as well as Constituents may be selected by the Reference Portfolio Advisor for notional purchase or, as the case may be, sale in accordance with the following investment restrictions (the "**Investment Restrictions** "):

(i) The Weight of the Cash Position shall at all times be greater than -5%.

(ii) The Weight of the Cash Position shall, on average throughout a calendar year, be smaller than 50%.

(iii) The sum of the Weights of all Constituents is capped at a maximum of 100% (the "**Leverage Threshold**") at all times during the lifetime of the product. In case the sum of the Weights of all Constituents exceeds the Leverage Threshold, the Calculation Agent is entitled to notionally sell Constituents at its reasonable discretion until the sum of the Weights of all Constituents is smaller than or equal to 95%. In respect of such notional sales of such Constituents, a notional credit (which may be equal to zero) shall be made to the Cash Position corresponding to the Notional Net Disposal Value (which may be equal to zero) of such Constituents with effect from the date of such Constituents' notional sale.

If at any time, one of the above Investment Restrictions is breached, as determined by the Calculation Agent in its reasonable discretion, the Reference Portfolio Advisor shall initiate a Rebalancing in accordance with Section 4.

For the avoidance of doubt: The responsibility and legal duty that the Reference Portfolio complies with the above threshold is solely with the Reference Portfolio Advisor.

2.5 **Additional Definitions**

"**Weight**" means, with respect to the Reference Portfolio Creation Date or any Business Day and pertaining to a Stock Constituent, to the Cash Position, the notional value of such Stock Constituent, as converted into the Redemption Currency, where such Stock Constituent is not denominated in the Redemption Currency, at the then prevailing exchange rate, divided by the Reference Portfolio Level, both as determined by the Calculation Agent in its reasonable discretion.

3. Initial Composition of the Reference Portfolio

The Reference Portfolio will be created on the Reference Portfolio Creation Date with an opening value of EUR 100.00. On the Reference Portfolio Creation Date, the Reference Portfolio Components will be as set out below:

Bloomberg Ticker	Reference Portfolio Component	Base Currency	Foreign Currency	Tenor	Price	Weight
Not applicable	Cash Position	EUR	Not applicable	Not applicable	Not applicable	100%

4. Rebalancings of the Reference Portfolio

4.1 A Rebalancing may be initiated by the Reference Portfolio Advisor on any Business Day following the Reference Portfolio Creation Date, effective as of the immediately following Business Day (such day, a "**Reference Portfolio Adjustment Date**"), subject to the occurrence of a Market Disruption Event on such Business Day. The expected number of Rebalancings in any such 12 month period is 52.

4.2 On any Business Day, the Reference Portfolio Advisor may, as it deems appropriate in its reasonable discretion, give notice to the Calculation Agent not later than 5 p.m. CET for European orders and 7 p.m. CET for all other orders, of its intention to initiate a Rebalancing on such day (a "**Rebalancing Notice**"), and effective as soon as reasonably practicable, as determined by the Calculation Agent in a commercially reasonable manner. A Rebalancing Notice shall not be effective if, at the time of such Rebalancing Notice is received, a Rebalancing in respect of any Rebalancing Notice received earlier on such Business Day has not yet been completed or otherwise rejected, unless the Calculation Agent agrees otherwise. For the purposes hereof, a Rebalancing is deemed completed upon notification by the Calculation Agent to the Reference Portfolio Advisor, with respect to the relevant Rebalancing, of the relevant Notional Net Acquisition Cost of each Eligible Constituent notionally included in the Reference Portfolio, the Notional Net Disposal Value(s) of each Constituent notionally removed from the Reference Portfolio, and the Weight and of each Constituent notionally comprised in the Reference Portfolio following the relevant Rebalancing as provided in sub-Section 4.6 below.

4.3. The Calculation Agent will determine the exact number of Constituents based on prevailing market conditions, including exchange rates when relevant, in its reasonable discretion, as commercially reasonable and as soon as practically possible. Such number may deviate from the exact Weight recommended by the Reference Portfolio Advisor.

4.4 On each Reference Portfolio Adjustment Date, notional debits and credits to the Cash Position shall be made as follows

(i) In respect of the notional purchase of an Eligible Stock Constituent, a notional debit shall be made to the Cash Position corresponding to the Notional Net Acquisition Cost of such Eligible Stock Constituent, with effect from the date of the notional purchase of such Eligible Stock Constituent.

(ii) In respect of the notional sale or unwind of a Stock Constituent, a notional credit (which may be equal to zero) shall be made to the Cash Position corresponding to the Notional Net Disposal Value (which may be equal to zero) with effect from the date of the notional sale of such Stock Constituent.

4.5 The Calculation Agent is entitled but has no legal duty to reject the notional purchase of any Eligible Stock Constituent and/or the notional sale of any Stock Constituent, and to require the Reference Portfolio Advisor to initiate a Rebalancing in certain circumstances, as follows:

(i) The Reference Portfolio Advisor has selected an asset for inclusion in the notional Reference Portfolio which is not part of the Investment Universes;

(ii) The Reference Portfolio is, or following the relevant Rebalancing would breach any of the Investment Restrictions or any other rule or provision contained herein;

(iii) A Market Disruption Event has occurred in respect of the relevant Eligible Constituent or Constituent on the relevant Reference Portfolio Adjustment Date;

(iv) A FX Disruption Event has occurred in respect of the relevant Eligible Constituent or Constituent on the relevant Reference Portfolio Adjustment Date;

(v) The Calculation Agent determines that a Hedging Disruption Event has occurred in relation to any Constituent or Eligible 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 Constituent or Eligible 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

(vi) The Calculation Agent determines that the Issuer would incur materially increased (as compared with circumstances existing on the Issue Date) amounts of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be considered;

(vii) 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 or unwind of any Eligible Constituent or Constituent, as the case may be, due to compliance, regulatory, reporting or reputational constraints, take-over considerations, internal restrictions or lack of internal approval.

In the event that the Calculation Agent requires the Reference Portfolio Advisor to initiate a Rebalancing such that the Reference Portfolio complies with the foregoing, the Reference Portfolio Advisor shall, as soon as is reasonably practicable and without undue delay, initiate a Rebalancing such that the Reference Portfolio complies with the foregoing as at the immediately following Reference Portfolio Adjustment Date. The Reference Portfolio Advisor has no right to object to such Rebalancing required by the Calculation Agent.

For the avoidance of doubt: Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to advise the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.

4.6 As soon as is reasonably practicable after receipt of an effective Rebalancing Notice on a Reference Portfolio Adjustment Date, and subject to any rejection pursuant to sub-Section 4.5 above, the Calculation Agent shall notify the Reference Portfolio Advisor of (a) the Notional Net Acquisition Cost and Notional Net Disposal Value, applicable to each Eligible Constituent and/or Constituent that is subject to the Rebalancing and (b) the Weight and of each Constituent comprised in the Reference Portfolio as a result of the Rebalancing. Upon receipt by the Reference Portfolio Advisor of such notice from the Calculation Agent, the Rebalancing shall be binding and conclusive on the Reference Portfolio Advisor in the absence of manifest error.

For the avoidance of doubt, a proposed Rebalancing shall be effective only if and to the extent that the Calculation Agent, on the Reference Portfolio Adjustment Date on which the relevant Rebalancing Notice is given, notifies to the Reference Portfolio Advisor the information mentioned in (a) and (b) above. Should a proposed Rebalancing not be fully effective on a Reference Portfolio Adjustment Date, the Reference Portfolio Advisor will be required to deliver one or more further Rebalancing Notices in accordance with the provisions hereof to execute the remainder of the initially proposed Rebalancing.

4.7 In this Section:

(i) "**Notional Net Acquisition Cost**" means, in relation to an Eligible Stock Constituent, the notional price (including any applicable Adjustment Fee) at which the Calculation Agent determines that a notional Investor would be able to purchase or otherwise acquire such Eligible Stock Constituent (where applicable, on the relevant Exchange) at execution time on the relevant Reference Portfolio Adjustment Date, etermined by the Calculation Agent in its reasonable discretion, as converted into Reference Portfolio Currency where such Eligible Stock Constituent is not denominated in the Reference Portfolio Currency, at the relevant WMCO foreign exchange rate in respect of fixing at 16:00 London time; and

(ii) "**Notional Net Disposal Value**" means, in relation to an Eligible Stock Constituent, the notional price (net of any applicable Adjustment Fee) at which the Calculation Agent determines that a notional Investor would be able to sell or otherwise realise or dispose of such Eligible Stock Constituent (where applicable, on the relevant Exchange) at execution time on the relevant Reference Portfolio Adjustment Date, determined by the Calculation Agent in its reasonable discretion, as converted into the Redemption Currency, where such Eligible Stock Constituent, is not denominated in the Redemption Currency, at the relevant WMCO foreign exchange rate in respect of fixing at 16:00 London.

5. Fees and Costs applicable to the Reference Portfolio

The Reference Portfolio is calculated net of certain fees, costs, taxes, charges and expenses that may be incurred from time to time in connection with the creation, maintenance and management of the Reference Portfolio, as follows:

a. **Adjustment Fee:** An adjustment fee (the "**Adjustment Fee**") is levied in the context of adjusting the Reference Portfolio Components. This Adjustment Fee is, for calculation purposes, referenced to each notional adjustment made in the Reference-Portfolio, and represents a percentage of the notional volume of each of the purchase and/or sale of a Constituent (comprised in the Reference Portfolio), as converted in EUR at the then prevailing exchange rate, as determined in the reasonable discretion of the Calculation Agent. For the avoidance of doubt, unwind costs to determine the Final Reference Portfolio Level shall constitute Adjustment Fees. The Adjustment Fee equals 0.05%.

b. **Reference Portfolio Advisor Fee**: 1.00% per annum of the Reference Portfolio Level, deducted from the the Reference Portfolio Level on a pro-rata daily basis by the Calculation Agent.

The Reference Portfolio Advisor Fee will be used to compensate the Reference Portfolio Advisor for the creation, advice on and maintenance of the notional Reference Portfolio.

The Reference Portfolio Advisor does not receive any additional fees apart from the Reference Portfolio Advisor Fee.

5.4 **UBS Management Fee**: The Issuer will receive a fee of 0.25% per annum of the Reference Portfolio Level, deducted from the respective Reference Portfolio Level on a daily basis by the Calculation Agent.

The sum of the UBS Management Fee,and the Reference Portfolio Advisor Fee shall constitue the "**Reference Portfolio Fees**".

Each the Adjustment Fee and the Reference Portfolio Fee will be deducted from the Cash Position at the relevant time. If at the relevant time, the value of the Cash Position is insufficient to cover any such fee, the Calculation Agent may require the Reference Portfolio Advisor to initiate a Rebalancing in accordance with Section 4.

6. Adjustments of the Reference Portfolio

If, at any time, any event occurs in relation to any Constituent which the Calculation Agent determines requires any 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 Reference Portfolio 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.

For the avoidance of doubt: Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to advise on the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.

Where a Potential Adjustment Event ((pursuant to § 7 (a) (*Adjustments to the Reference Portfolio*), § 7 (b) (*Adjustments in relation to a Stock used as Reference Portfolio Component*) and *§ 7 (c) (Adjustments in relation to a Certificate representing Stocks used as Reference Portfolio Component*) of the Terms and Conditions of the Securities) occurs with respect to any Stock Constituent, the Issuer shall be entitled to effect adjustments to the Reference Portfolio in accordance with the Terms and Conditions of the Securities.

7. Calculation of the Level of the Reference Portfolio

The Calculation Agent will on each Reference Portfolio Calculation Date calculate the Level of the Reference Portfolio based on (i) the closing price or value of each Constituent, calculated in the Reference Portfolio Currency, and (ii) the value of the Cash Position on such Reference Portfolio Calculation Date.

F. SUBSCRIPTION AND SALE

1. Issue and Sale

The Securities were issued on 28 November 2018 (the "**Issue Date**") and were offered by UBS AG, Zurich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zurich, Switzerland LEI BFM8T61CT2L1QCEMIK50, and Vontobel Bank AG, Gotthardstrasse 43, 8002 Zurich, Switzerland LEI 549300L7V4MGECYRM576, (each an "**Authorised Manager**") to the public under a Summary and Securities Note dated 30 October 2018 during a subscription period until 21 November 2018. The Authorised Manager underwrote the Securities from UBS by means of an underwriting agreement dated as of the Issue Date and placed them for sale under terms subject to change. As of the date of this Prospectus 82,166 Securities are outstanding. The historical initial issue price of the Securities was EUR 100.00 per Security (the "**Issue Price**").

The Issuer will now resume the public offer of the Securities in the Public Offer Jurisdictions with effect from the business day immediately following the publication of this Prospectus.

UBS AG, Zurich (UBS Investment Bank), Bahnhofstrasse 45, 8001 Zurich, Switzerland, shall be responsible for coordinating the entire Securities offering.

The total commission due for the respective underwriting and/or placement service relating to the underwriting of the Securities is: Underwriting and/or placing fee (as defined in the section "Key Terms and Definitions of the Securities").

2. Subscription and Delivery of the Securities

The Securities may be purchased in the Public Offer Jurisdictions from the Authorised Manager(s) during normal banking hours. Such offer of the Securities is made on a continuous basis and there will be no subscription period. The selling price per Security will be based on the prevailing market price for the Securities which can be obtained from the Authorised Manager(s).

The selling price per Security is payable upon delivery of the purchased Securities in accordance with the rules of the corresponding Clearing System.

Immediately following the expiry of this Prospectus, the Issuer will publish the results of the offer of Securities, *i.e.* the actual number of Securities issued, on its website www.ubs.com/keyinvest or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on www.ubs.com/keyinvest.

3. Selling Restrictions

General

The Manager has represented and agreed (and each additional Manager will be required to represent and agree) that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Manager shall have any responsibility therefore. Neither the Issuer nor the Manager has represented that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or has assumed any responsibility for facilitating such sale.

The Securities may not be offered, sold, re-offered or re-sold in any jurisdiction except in circumstances where any such offer, sale, re-offer or re-sale is in compliance with all applicable laws, regulations and exchange control restrictions. In particular, investors should seek specific advice, if the intended offer, sale, re-offer or re-sale of the Securities is made in any of the countries whose currencies comprise the Reference Portfolio or to any resident of any such country, to ensure that there will be no breach of such applicable laws, regulations and exchange control restrictions.

United States of America

The Securities 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 any Securities, each investor in or holder of such Securities is deemed to represent to the Issuer that: (i) it understands that the Securities 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 Securities, will not reoffer, resell or pledge, the Securities 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.The Securities may not be sold or offered within the United States or to U.S. persons. For the purposes of this selling restriction, U.S. persons shall include pass-thru entities with owners that are "United States person" as that term is defined under Section 7701(a)(30) of the US Internal Revenue Code.

Each Manager has represented and agreed, and each further Manager appointed under the Prospectus will be required to represent and agree, in relation to each member state of the European Economic Area (each, a "**Member State**"), that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus in that Member State except that it may make an offer of such Securities to the public in that Member State:

(a) *Approved prospectus:* in the period beginning and ending on the dates specified in this Prospectus, provided that the Issuer has consented in writing to the use of this Prospectus for the purpose of such offer;

(b) *Qualified investors*: at any time if it is addressed solely to a qualified investor as defined in the Prospectus Regulation;

(c) *Fewer than 150 offerees:* at any time if it is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; 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 Securities referred to in (b) to (d) above shall require the Issuer or any Manager to publish 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 Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

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 Securities, 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 Securities 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
Each Manager has represented and agreed (and each additional Manager will be required to represent and agree) that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Manager has represented and agreed (and each additional Manager will be required to represent and agree) that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 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 Securities 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 Securities 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 Securities 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 Recommends on Investment Products).

G. WARNING IN CONNECTION WITH THE TAX TREATMENT OF THE SECURITIES

The taxation of the Securities is subject to the tax laws in Switzerland, where the Issuer has its registered seat. In addition, the taxation of the Securities may be subject to the tax laws of the Federal Republic of Germany, Liechtenstein, Austria and Switzerland to the extent investors in the Securities are subject to such laws. **Prospective purchasers of Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the relevant tax laws.**

The Issuer does not assume any responsibility for the withholding of taxes at the source.

US Withholding Tax

A 30 per cent. withholding tax is imposed on certain "dividend equivalents" paid or deemed paid to a non-U.S. Securityholder 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.

The Issuer will determine whether dividend equivalents on the Securities are subject to withholding as of the close of the relevant market(s) on the Fixing Date. If withholding is required, the Issuer (or the applicable paying agent) will withhold 30 per cent. in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Securityholders with respect to any such taxes withheld. If the Terms and Conditions of the Securities provide that all or a portion of the dividends on U.S. underlying equity securities are reinvested in the underlyings during the term of the Securities, the Terms and Conditions of the Securities may also provide that only 70 per cent. of a deemed dividend equivalent will be reinvested. The remaining 30 per cent. of such deemed dividend equivalent will be treated, solely for U.S. federal income tax purposes, as having been withheld from a gross dividend equivalent payment due to the investor and remitted to the U.S. Internal Revenue Service on behalf of the investor. The Issuer will withhold this amount regardless of whether an investor is a United States person for U.S. federal income tax purposes or a non-United States person that may otherwise be entitled to an exemption of reduction of tax on U.S. source dividend payments pursuant to an income tax treaty.

Even if the Issuer determines that a Securityholder's Securities are not specified equity-linked instruments that are subject to withholding on dividend equivalents, it is possible that a Securityholder's Securities could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting any relevant Constituent or a Securityholder's Securities, and following such occurrence a Securityholder's Securities could be treated as specified equity-linked instruments that are subject to withholding on dividend equivalent payments. It is also possible that withholding tax or other tax under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, ("**Section 871(m)**") could apply to the Securities under these rules if a non-U.S. Securityholder enters, or has entered, into certain other transactions in respect of the relevant Constituent. As described above, if withholding is required, the Issuer will withhold 30 per cent. in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Securityholders with respect to any such taxes withheld.

Additionally, in the event that withholding is required, the Issuer hereby notifies each Securityholder that for purposes of Section 871(m), that the Issuer will withhold in respect of dividend equivalents paid or deemed paid on the Securities on the dividend payment date as described in U.S. Treasury Department regulations section 1.1441-2(e)(4) and section 3.03(B) of the form of Qualified Intermediary Agreement contained in Revenue Procedure 2017-15, as applicable, regardless of whether such investor would otherwise be entitled to an exemption from or reduction of withholding on such payments (e.g., a United States person for U.S. federal income tax purposes or a non-United States person eligible for an exemption from or reduction in withholding pursuant to an income tax treaty). **There is the risk that a Securityholder will not be able to successfully claim a refund of the tax withheld in excess of the tax rate that would otherwise apply to such payments.**

In the event that the Securities reference an index as a Reference Portfolio Component, then, regardless of whether the relevant Reference Portfolio Component is a net price return, a price return or a total return index, the payments on the Securities (including any amounts deemed reinvested in the Reference Portfolio Component) will reflect the gross dividend payments paid by the issuers of the securities comprising the index less applicable withholding tax amounts in respect of such gross dividends, which in the case of U.S. source dividends, 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).

Securityholders should consult with their tax advisors regarding the application of Section 871(m) and the regulations thereunder in respect of their acquisition and ownership of the Securities, including a non-U.S. Securityholder that enters, or has entered, into other transactions in respect of the relevant Constituent, as the case may be.

H. GENERAL INFORMATION

1. Form of Document

This document – including any supplements approved by the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") in respect hereof and published by UBS AG – comprises a securities note (the "**Securities Note**") and a summary (the "**Summary**") and, together with the registration document of UBS AG dated 12 October 2020, as supplemented from time to time, (as approved by BaFin, the "**Registration Document**") constitutes a prospectus (the "**Prospectus**") according to Art. 6 (3) of the Prospectus Regulation.

2. Publication

The Prospectus which includes the Securities Note, the Summary and the Registration Document has been published and can be accessed on the website of UBS at www.ubs.com/keyinvest or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on www.ubs.com/keyinvest by entering the ISIN (DE000US8MAR5) of the Securities in the search field.

The Prospectus will also be available at the registered office of the Issuer.

3. Authorisation

The Issuer does not need to obtain (individual) authorisation from its Management Board to issue the Securities. There exists a general resolution for the issue of the Securities.

4. Approval of the Prospectus and Notification

This document, comprising the Summary and the Securities Note, has been approved by BaFin, as competent authority under the Prospectus Regulation as part of a tri-partite prospectus. BaFin has only approved this document, comprising the Summary and the Securities Note, as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Securities that are the subject of the Summary and the Securities Note. Investors should make their own assessment as to the suitability of investing in the Securities.

In order to be able to conduct a public offer (the "**EEA Passport**") in Liechtenstein and Austria, the Issuer has applied for a notification of the Prospectus pursuant to Artcile 25 of the Prospectus Regulation into Austria and Liechtenstein. The Issuer reserves the right to apply to the BaFin for EEA Passports into further EEA states.

A special permit allowing for the Securities to be offered or the prospectus to be distributed in a jurisdiction outside of those countries for which an EEA Passport is possible and a permit required has not been obtained.

5. Reasons for the Offer and Use of Proceeds

The reason for the offer to the public / admission to trading of the Securities is making profit and/or hedging certain risks of the Issuer. The net proceeds from the sale of the Securities will be used for funding purposes of the UBS Group. The Issuer shall not employ the net proceeds within Switzerland. The net proceeds from the issue shall be employed by the Issuer for general business purposes. A separate ("special purpose") fund will not be established.

6. Availability of the Prospectus and other documents

So long as any of the Securities are outstanding copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered offices of the Issuer:

(a) a copy of the Articles of Association of UBS AG dated 4 May 2016;

(b) a copy of the Registration Document of UBS AG dated 12 October 2020, as supplemented from time to time; and

(c) a copy of the Summary and the Securities Note dated 24 June 2021, as supplemented from time to time.

Copies of the above documents shall, as long as any of the Securities are outstanding, also be maintained in printed format, for free distribution, at the registered offices of the Issuer. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at www.ubs.com/keyinvest or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on www.ubs.com/keyinvest.

7. Any interest, including potential conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities

The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Reference Portfolio Components comprised in the Reference Portfolio, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to the Authorised Offerors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from the Authorised Offerors. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.

Save for the Manager and the Reference Portfolio Advisor regarding its fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.

I. INDEX OF DEFINED TERMS