

March 13, 2020

News Release

UBS announces mandatory redemption of ETRACS Monthly Pay 2xLeveraged US Small Cap High Dividend ETN due February 6, 2045

New York, March 13, 2020 – UBS Investment Bank today announced that all outstanding notes of the Monthly Pay 2xLeveraged US Small Cap High Dividend ETN due February 6, 2045 (Ticker: SMHD) (the "Securities") will be mandatorily redeemed in accordance with the terms of the Securities as a result of the occurrence of an Acceleration Upon Minimum Indicative Value, triggered as a result of the indicative value of the Securities being less than \$5.00 on March 12, 2020 (the "Acceleration Date").

As disclosed in more detail in the pricing supplement and product supplement relating to the Securities, all outstanding notes will be automatically accelerated and redeemed and holders will be entitled to receive the "Acceleration Amount" calculated in accordance with the terms of the Securities. The "Acceleration Measurement Period" for determining the Acceleration Amount will be the five Trading Days from and including the Acceleration Date. Payment of the Acceleration Amount will be made on the Acceleration Settlement Date, which is expected to be March 23, 2020.

For more information regarding the mandatory redemption, including how the Acceleration Amount will be determined, see the pricing supplement and product supplement relating to the Securities. The pricing supplement and product supplement for the Securities can be accessed on EDGAR, the SEC website, at www.sec.gov, and the pricing supplement is also available [here](#) and the product supplement is also available [here](#).

Investors who purchase the Securities at any time prior to delisting for an amount that is greater than the Acceleration Amount that they will receive on the Acceleration Settlement Date (including paying any premium to the Acceleration Amount, once this amount has been determined) will suffer a loss on their investment. Furthermore, investors who sell the Securities at any time prior to delisting for an amount that is less than the Acceleration Amount they would have received on the Acceleration Settlement Date (including selling at any discount to the Acceleration Amount, once this amount has been determined) will also suffer a loss. In either case, such losses could be significant. Investors will not receive any other compensation or amount for the loss of the investment opportunity of holding the Securities.

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About ETRACS

ETRACS ETNs are senior unsecured notes issued by UBS AG, are traded on NYSE Arca, and can be bought and sold through a broker or financial advisor. **An investment in ETRACS ETNs is subject to a number of risks, including the risk of loss of some or all of the investor's principal, and is subject to the creditworthiness of UBS AG. Investors are not guaranteed any coupon or distribution amount under the [ETNs](#). We urge you to read the more detailed explanation of risks described under "Risk Factors" in the applicable product supplement and pricing supplement for the ETRACS ETN.**

UBS AG has filed a registration statement (including a prospectus and supplements thereto) with the Securities and Exchange Commission, or SEC, for the offering of securities to which this communication relates. Before you invest, you should read the prospectus, along with the applicable product and pricing supplement to understand fully the terms of the securities and other considerations that are important in making a decision about investing in the ETRACS. The applicable offering documents for each ETRACS may be obtained by clicking on the links above. You may also get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. The securities related to the offerings are not deposit liabilities and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency of the United States, Switzerland or any other jurisdiction.

About UBS

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS's strategy is centered on our leading global wealth management business and our premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

UBS is present in all major financial centers worldwide. It has offices in more than 50 regions and locations, with about 31% of its employees working in the Americas, 32% in Switzerland, 19% in the rest of Europe, the Middle East and Africa and 18% in Asia Pacific. UBS Group AG employs over 67,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

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ETRACS ETNs are sold only in conjunction with the relevant offering materials. UBS has filed a registration statement (including a prospectus, as supplemented by the applicable product supplement and pricing supplement, for the offering of the ETRACS ETNs) with the Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. Before you invest, you should read these documents and any other documents that UBS has filed with the SEC for more complete information about UBS and the offering to which this communication relates. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, you can request the applicable product supplement and pricing supplement, by calling toll-free (+1-877-387 2275). In the US, securities underwriting, trading and brokerage activities and M&A advisor activities are provided by UBS Securities LLC, a registered broker/dealer that is a wholly owned subsidiary of UBS AG, a member of the New York Stock Exchange and other principal exchanges, and a member of SIPC. UBS Financial Services Inc. is a registered broker/dealer and affiliate of UBS Securities LLC.

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