

January 24, 2023

# News Release

## UBS Announces updates to the MVIS® US Business Development Companies Index and related exchange-traded notes

New York, January 24, 2023 – On January 23, 2023, MarketVector Indexes (the “Index Sponsor”), announced a restructuring of the MVIS US Business Development Companies Index (the “Index”), effective after close of trading on June 16, 2023. The Index underlies the ETRACS Quarterly Pay 1.5x Leveraged MVIS BDC Index ETN due June 10, 2050 (“BDCX”) and the ETRACS MVIS Business Development Companies Index ETN due April 26, 2041 (“BDCZ” and together with BDCX, the “ETNs”), each issued by UBS AG (“UBS” or the “Issuer”).

Following the effectiveness of the restructuring of the Index (which we expect will occur on June 16, 2023), two versions of the Index will be available with different weighting schemes. UBS intends to use Version 2 (defined below) of the Index for the ETNs, as required to comply with the continued listing standards of NYSE Arca, Inc. (“NYSE Arca”). As a result (and assuming its effectiveness), the Index underlying the ETNs will be renamed “MarketVector™ US Business Development Companies Liquid Index” and UBS will rename the ETNs as described in Table 1 below. The ETN tickers will remain unchanged.

**Table-1**

ETN Ticker	Current ETN Name and Prospectus Supplement*	New ETN Name	ETN CUSIP
BDCZ	<a href="#">ETRACS MVIS Business Development Companies Index ETN</a>	ETRACS MVIS Business Development Companies Liquid Index ETN	90274D416
BDCX	<a href="#">ETRACS Quarterly Pay 1.5x Leveraged MVIS BDC Index ETN</a>	ETRACS Quarterly Pay 1.5x Leveraged MVIS BDC Liquid Index ETN	90269A260

\* The table above provides a hyperlink to the relevant prospectus supplement for each of the ETRACS ETNs that is the subject of this communication.

The two versions of the Index, as reported by the Index Sponsor, are described below:

**Version 1:** MVIS® US Business Development Companies Index (name is unchanged)

Tickers: MVBDC, MVBDCR, MVBDCRTRG (changed)

Weighting scheme: The 4.5% / 20% / 45% capping scheme as described in section 3.2.10 of the Index Guide (unchanged).

**Version 2:** MarketVector™ US Business Development Companies Liquid Index (name has changed)

Tickers: MVBIZD, MVBIZDTR, MVBIZDTG (unchanged)

Weighting scheme: The 4.5% / 20% / 50% capping scheme as described in section 3.2.9 of the Index Guide (changed).

The history of the current index will be used for both versions.

In January 2023, UBS received a notice from NYSE Regulation ("NYSE") on behalf of NYSE Arca stating that the ETNs may be non-compliant with Rule 5.2-E(j)(6)(B)(i)(1)(b)(iii) (the "Rule") of NYSE Arca. UBS determined that this was the result of a change that was made to the Index methodology implemented by the Index Sponsor in June 2022. The Rule requires that the five highest dollar weighted component securities in an index may not account for more than 50% of the dollar weight of the index at the time of each index rebalancing. As of the last rebalancing of the Index in December 2022, the top five weighted securities represented 53.88% of the Index.

UBS informed NYSE of the Index Sponsor's planned Index restructuring in response to the Index non-compliance referred to herein, and NYSE has granted UBS a cure period through June 30, 2023 to bring the ETNs into compliance with NYSE Arca rules. UBS expects this will occur on June 16, 2023, assuming the effectiveness of the Index restructuring. The notice from NYSE has no immediate effect on the listing of the ETNs, other than NYSE will attach a "below compliance" (.BC) designation to the ticker symbols for BDCZ and BDCX. The below compliance designation will be removed by NYSE if and when the Index, and therefore the ETNs, are compliant with NYSE Arca's continued listing standards. If the Index Sponsor (and therefore UBS) is unable to cure the deficiency within the cure period referenced above, NYSE may initiate procedures to suspend and delist the ETNs.

The Index Sponsor is an independent third party with whom UBS has no affiliation (other than the licensing of the Index and certain related intellectual property) and, accordingly, UBS has no control over its actions.

### **About the MVIS® US Business Development Companies Index and the Index Sponsor**

The MVIS® US Business Development Companies Index is a modified market cap-weighted index that tracks the performance of the largest and most liquid companies which are treated as Business Development Companies (BDC) and are incorporated in the United States. To qualify as a BDC, a company must be organized under the law of and have its principal place of business in the United States, be registered with the SEC and have elected to be regulated as a BDC under the 1940 Act. **The Index was publicly disseminated starting from August 4, 2011 and has no live performance history prior to that date.**

### **Cautionary Statement Regarding Forward-Looking Statements**

This press release contains statements that constitute "forward-looking statements" that are subject to risks and uncertainties, and actual results may differ materially. These statements could contain words such as "possible," "intend," "will," "may," "intends," "would," "if," "expect," or other similar expressions. Forward-looking statements, including those relating to continued compliance with NYSE Arca rules, regaining compliance with NYSE Arca rules, timing to do so, effects, impacts or results of the NYSE notice of non-compliance, are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. While these forward-looking statements represent UBS's judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors, including whether the Index Sponsor, the Index, and therefore UBS is able to regain compliance with NYSE Arca's continued listing standards and whether the ETNs are able to avoid potential delisting from NYSE Arca, could cause actual developments and results to differ materially from UBS's expectations. For a discussion of the risks and uncertainties that may affect the ETNs please refer to the "Risk Factors" in the applicable prospectus supplement relating to the ETNs referenced in Table 1. UBS is not under any

obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

**Media contact**

Alison Keunen  
+1-212-713-2296  
alison.keunen@ubs.com

**Institutional Investor contact<sup>1</sup>**

+1-877-387 2275

**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 prospectus supplement for the ETRACS ETN. As disclosed in the applicable prospectus supplement, UBS is not required to maintain any listing of the ETNs on NYSE Arca or any other exchange.**

UBS AG has filed a registration statement (including a prospectus and supplements thereto) with the Securities and Exchange Commission, or SEC, for the offerings of securities to which this communication relates. Before you invest, you should read the prospectus, along with the applicable prospectus 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 document for each ETRACS may be obtained by clicking on the name of the ETN in the table above. You may also get these documents without cost by visiting EDGAR on the SEC website at [www.sec.gov](http://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.

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UBS is present in all major financial centers worldwide. It has offices in more than 50 regions and locations, with about 30% of its employees working in the Americas, 30% in Switzerland, 19% in the rest of Europe, the Middle East and Africa and 21% in Asia Pacific. UBS Group AG employs more than 72,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

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<sup>1</sup> Individual investors should instruct their broker/advisor/custodian to call us or should call together with their broker/advisor/custodian.

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 prospectus 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](http://www.sec.gov). Alternatively, you can request the applicable prospectus 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.

The ETRACS MVIS Business Development Companies Index ETN and the ETRACS Quarterly Pay 1.5x Leveraged MVIS BDC Index ETN ("ETNs") are not sponsored, endorsed, sold or promoted by MV Index Solutions GmbH ("Licensor") and Licensor makes no representation or warranty, express or implied, to the owners of the ETNs or any member of the public regarding the advisability of investing in securities generally or in the ETNs particularly or the ability of the MVIS US Business Development Companies Index to track the performance of the US BDC market. The ETNs are not sponsored, endorsed, sold or promoted by MV Index Solutions GmbH ("Licensor") and Licensor makes no representation or warranty, express or implied, to the owners of the ETNs or any member of the public regarding the advisability of investing in securities generally or in the ETNs particularly or the ability of the MVIS US Business Development Companies Index to track the performance of the US BDC market. As of April 13 2022, MV Index Solutions GmbH effectively changed the name of the company to MarketVector Indexes GmbH.

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