

May 31, 2023

News Release

UBS Releases Statement Regarding use of U.S. Dollar LIBOR rate for fifteen ETNs

May 31, 2023 – The UK Financial Conduct Authority announced that the three-month USD LIBOR settings will either cease publication or no longer be representative after June 30, 2023. UBS AG is issuing this press release to provide notice that UBS Securities LLC, in its role as the Security Calculation Agent or Calculation Agent of each LIBOR-linked ETN (defined below), has determined a successor rate that will replace the use of the three-month U.S. Dollar London Interbank Offered Rate (the “three month LIBOR rate”) in respective calculations in relation to the fifteen UBS-issued exchange-traded notes (the “LIBOR-linked ETNs”) listed in Table-1 below, with effect from (and including) July 3, 2023, the first London business day after June 30, 2023.

Currently, the LIBOR-linked ETNs reference the three-month LIBOR rate in the calculation of “Accrued Financing Charges” or “Accrued Financing Fees,” as used to calculate the Redemption Amount, the Acceleration Amount, the Cash Settlement Amount, the Call Settlement Amount or the payment at maturity, in each case as defined and described in the applicable prospectus supplement (including, as applicable, any product supplement and pricing supplement (each such supplement, a “prospectus supplement”) for each LIBOR-linked ETN.

In connection with the applicable calculation for each LIBOR-linked ETN, the three-month LIBOR rate will be replaced by the three-month CME Term SOFR Reference Rate + 0.2616% (the “SOFR-based replacement rate”). The SOFR-based replacement rate is the benchmark replacement rate selected by the Federal Reserve Board in its regulation implementing the Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act Regulation”).

This announcement does not affect other terms of the outstanding LIBOR-linked ETNs, including the right of noteholders to require UBS AG to redeem their LIBOR-linked ETNs on the terms, and at the redemption price, set forth in the applicable prospectus supplement(s), and the right of UBS AG to call the LIBOR-linked ETNs at the prices and under the circumstances set forth in the applicable prospectus supplement(s).

The LIBOR-linked ETNs affected by this announcement are listed below:

Table-1

ETN Ticker	ETN Name and Prospectus Supplement ^[1]	CUSIP
FBGX	UBS AG FI Enhanced Large Cap Growth ETN due June 19, 2024 ^{[2], [3]}	902677780
PFFL	ETRACS 2xMonthly Pay Leveraged Preferred Stock Index ETN due September 25, 2048	90274E174
HDLB	ETRACS Monthly Pay 2xLeveraged US High Dividend Low Volatility ETN Series B due October 21, 2049	90269A484
SMHB	ETRACS 2xMonthly Pay Leveraged US Small Cap High Dividend ETN Series B, due November 10, 2048	90274E166
BDCX	ETRACS Quarterly Pay 1.5x Leveraged MVIS BDC Index ETN due June 10, 2050	90269A260
CEFD	ETRACS Monthly Pay 1.5x Leveraged Closed-End Fund Index ETN due June 10, 2050	90269A286
MLPR	ETRACS Quarterly Pay 1.5x Leveraged Alerian MLP Index ETN due June 10, 2050	90269A278

MVRL	ETRACS Monthly Pay 1.5x Leveraged Mortgage REIT ETN due June 10, 2050	90269A344
IWDL	ETRACS 2x Leveraged US Value Factor TR ETN due February 9, 2051	90278V107
IWFL	ETRACS 2x Leveraged US Growth Factor TR ETN due February 9, 2051	90278V305
IWML	ETRACS 2x Leveraged US Size Factor TR ETN due February 9, 2051	90278V404
MTUL	ETRACS 2x Leveraged MSCI US Momentum Factor TR ETN due February 9, 2051	90278V602
QULL	ETRACS 2x Leveraged MSCI US Quality Factor TR ETN due February 9, 2051	90278V503
SCDL	ETRACS 2x Leveraged US Dividend Factor TR ETN due February 9, 2051	90278V206
USML	ETRACS 2x Leveraged MSCI US Minimum Volatility Factor TR ETN due February 9, 2051	90278V701

^[1] The table above provides a hyperlink to the relevant prospectus and supplements thereto for each of the LIBOR-linked ETNs, which are identified by their names. Capitalized terms used but not defined in this press release shall have the meanings ascribed to such terms in the relevant prospectus supplement (including, as applicable, any product supplement and pricing supplement).

^[2] The FBGX ETN is part of UBS AG's Medium Term Notes, Series A, on which UBS AG and UBS Switzerland AG are co-obligors. In addition, a prospectus addendum for the FBGX ETN with a link to the updated base prospectus can be accessed [here](#).

^[3] UBS AG had previously announced on January 7, 2022 that it would cap the maximum number of FBGX ETNs outstanding at any time to 245,000 ETNs. UBS AG expects that its affiliate, UBS Securities LLC, may continue to sell FBGX ETNs that UBS AG had previously issued or that UBS Securities LLC may acquire in the future, subject to the maximum number of FBGX ETNs outstanding as specified previously. UBS AG expects that the FBGX ETNs would continue to trade on the NYSE Arca and that its affiliate, UBS Securities LLC, may continue to make markets in the FBGX ETNs.

As disclosed in more detail in the applicable prospectus supplement(s) for each LIBOR-linked ETN (including FBGX ETNs), the market value of the LIBOR-linked ETNs may be influenced by, among other things, supply and demand for the LIBOR-linked ETNs. It is possible that the discontinuance of further issuances of a LIBOR-linked ETN by UBS AG (including the FBGX ETNs as described above), may influence the market value of such LIBOR-linked ETN (including the FBGX ETNs). The suspension of new issuances of the LIBOR-linked ETNs could affect the liquidity of the market for the LIBOR-linked ETNs, potentially leading to insufficient supply and causing the LIBOR-linked ETNs to trade at a premium above their closing or intraday indicative value. Any such premium may subsequently decrease at any time and for any reason without warning, resulting in financial loss to sellers who paid this premium when they acquired their LIBOR-linked ETNs. In addition, if investors elect to redeem any such LIBOR-linked ETN (including the FBGX ETNs), any redemption will be at the redemption value set forth in the applicable prospectus supplement(s) and will not include any premium above that value. Investors should always consult their financial advisors and compare the intraday indicative value of the LIBOR-linked ETNs with the LIBOR-linked ETNs' then-prevailing market price before purchasing or selling any such LIBOR-linked ETN (including the FBGX ETNs), especially LIBOR-linked ETNs with premium characteristics. The applicable prospectus supplement(s) for the LIBOR-linked ETNs (including the pricing supplement as supplemented by a product supplement for the FBGX ETNs) can be accessed by clicking on the name of the LIBOR-linked ETN (including the FBGX ETNs) identified in the table above as well as on the SEC's website at sec.gov.

The three-month LIBOR rate is displayed on Reuters page "LIBOR01" (or any successor service or page for the purpose of displaying the London interbank offered rates of major banks, as determined by the Security Calculation Agent).

The three-month CME Term SOFR Reference Rate is displayed on the CME's website.

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,” “potentially” or other similar expressions. Forward-looking statements, including those relating to UBS AG’s plans for the outstanding LIBOR-linked ETNs, 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 LIBOR-linked ETNs will transition to the SOFR-based replacement rate or related to the FBGX ETNs, 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 LIBOR-linked ETNs please refer to the “Risk Factors” in the applicable prospectus supplement(s) relating to the LIBOR-linked 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.

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About UBS ETNs

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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(s) to understand fully the terms of the securities and other considerations that are important in making a decision about investing in the ETNs. The applicable offering document for each ETN may be obtained by clicking on the name of each ETN identified 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.

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

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