UBS

Gold Income Call Overwrite Certificate

Participation

Strategy Certificate linked to Gold Income Call Overwrite Strategy
Issued by UBS AG, London Branch
Cash Settled
SVSP Product Type: Tracker Certificates (1300)
Valor: 57115647
ISIN: CH0571156477
WKN: UE1Z59

Public Offer

Indicative Terms

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA. Moreover, Investors in this Product bear the issuer risk.

This document (Indicative Terms) constitutes the non-binding Indicative Simplified Prospectus for the Product described herein. It does not constitute a binding offer, contains indicative terms and conditions subject to change and can be obtained free of charge from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com). The Final Simplified Prospectus will be made available at the Issue Date. The relevant version of this document is stated in English; any translations are for convenience only. For further information please refer to paragraph «Product Documentation» under section 4 of this document.

1. Description of the Product

Information on Underlying

Underlying	**Gold Income Call Overwrite Strategy, as described in the Annex 1**
Strategy Description	The Gold Income Call Overwrite Strategy (the "**Strategy**") combines a) a long position in Bloomberg Gold Subindex (based on rolling Gold futures index, Bloomberg ticker: BCOMGC), b) an income overlay that systematically sells call options on Gold futures on a daily basis, and c) a cash position which accrues interest at the US Treasury Bill High Discount Rate (which can be negative from time to time). The income overlay sells call options on Gold futures with strike of 107.5% based on the futures level and a target expiry of 42 Rebalancing Days. Daily allocation to the call options will be 1/42 based on the Portfolio Level.

Product Details

Security Numbers	Valor: 57115647 / ISIN: CH0571156477 / WKN: UE1Z59
Issue Size	Up to 30,000 Certificates (with reopening clause)
Denomination	USD 993.00
Indicative Issue Price per Certificate	USD 1,000.00 (unit quotation)
Settlement Currency	USD
Quoting Type	Secondary market prices are quoted dirty; accrued interest (if any) is included in the price

Certificate Fee (CF)	0.45% p.a.

Dates

Launch Date	05 October 2020
Subscription Period	Until 06 November 2020, 15:00 CEST (Please note that Subscription Period might be closed earlier, if market conditions change or if maximum size is reached)
Pricing Date ("Pricing")	06 November 2020
Payment Date (Issue Date)	16 November 2020
Last Trading Day / Time	05 November 2027
Expiration Date ("Expiry")	05 November 2027 (subject to Early Termination by the Issuer), extendable once at the option of the Issuer for an additional 7 year period (from the initial scheduled Expiration Date stated above), with a notice period of not less than 180 calendar days prior to the scheduled Expiration Date. With respect to the initial scheduled Expiration Date, and in case of an extension of the term, the investor may no later than 90 calendar days prior to the initial scheduled Expiration Date request in writing from the Issuer that part or all of investment in the Strategy Certificates shall be redeemed on the Redemption Date following the scheduled Expiration Date. If the initial scheduled or extended Expiration Date is not a Business Day, then such Expiration Date shall be the first following day that is a Business Day, unless the Calculation Agent determines, in its sole and reasonable discretion, that the Expiration Date shall remain as scheduled.
Redemption Date / Maturity Date	The fifth Business Day following the Expiration Date or the Early Termination Date (in each case subject to Market Disruption Event provisions)

Redemption Amount

The Investor is entitled to receive from the Issuer on the Redemption Date an amount in the Settlement Currency, in accordance with the terms described below.

Redemption Amount

If no Early Termination Event has occurred prior to the Expiration Date, then the Investor receives an amount on the Redemption Date per Certificate according to the following formula:

Max [0, Denomination + Final Amount]

Final Amount

An amount calculated by the Calculation Agent in respect of the Expiration Date 'T' in accordance with the following formula:

$$\frac{\left[\prod_{1}^{T}\left(1-\frac{CF}{365}\right)\right] \times \mathbf{P_T} - \mathbf{P_0}}{\mathbf{P_0}} \times \boldsymbol{Denomination}$$

Where:
$\mathbf{P_T}$ is the Portfolio Level on the Expiration Date 'T' (as described in Annex 1) adjusted for reasonably incurred spread of the Hedging Party in respect of any adjustment(s) made to its hedge positions to reflect the termination of this Product, as determined by the Calculation Agent in its reasonable discretion; and

	P_0 is the Portfolio Level with respect to the Pricing Date adjusted for reasonably incurred spread equal to USD TBC of the Hedging Party in respect of any adjustment(s) made to its hedge positions to reflect the initiation of this Product, as determined by the Calculation Agent in its reasonable discretion; **CF** is the level of the Distribution Fee; and **T** means the number of calendar days that have passed since the Pricing Date **Portfolio Level** is the level of the Strategy as further described in Annex 1.
Early Redemption Amount	If an Early Termination Event has occurred prior to the Expiration Date, then the Investor receives an amount on the relevant Redemption Date per Certificate determined by the Calculation Agent in good faith and in a commercially reasonable manner. The Early Redemption Amount intends to reflect the prevailing market value of the Product, taking into account any costs incurred by the Issuer unwinding its hedging positions in respect of the Product.
Early Termination Event and Early Termination Date	The Issuer is entitled to terminate the Product early (an "**Early Termination Event**") in full subject to the following notice period: Monthly, on the last Strategy Business Day in each calendar month (the "**Early Termination Date**"), subject to at least 10 Strategy Business Days prior notice being given to the Investors. The first possible Early Termination Date will be 30 November 2020. **There is no Early Termination right for the investor in this Product**.

Product Structure

The Product tracks the performance of Gold Income Call Overwrite Strategy. The Gold Income Call Overwrite Strategy reflects the performance of the Strategy Portfolio, consisting of a basket of short call options on Gold Futures a long position in a rolling Gold futures index, and a cash position, all described in Annex 1.

Investors should be aware that the Product will be subject to an early redemption if an Early Termination Event is deemed to have occurred prior to the Expiration Date.

General Information

Issuer	UBS AG, Zurich and Basel, Switzerland, acting through its London Branch
Rating	Aa3 Moody's / A+ S&P's / AA- Fitch
Issuer Supervisory Authority	Swiss Financial Market Supervisory Authority (FINMA). London Branch additionally Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). Jersey Branch additionally Jersey Financial Services Commission (JFSC).
Lead Manager	UBS AG, Zurich (UBS Investment Bank)

Calculation Agent	UBS AG, London Branch
Paying Agent	UBS Switzerland AG, Zurich
Hedging Party	UBS AG, London Branch
Business Day	London, Target, Zurich
Strategy Business Day	Each Scheduled Trading day (as further described in Anne 1) which is also a London business day.
Listing	None
Minimum Investment	1 Certificate (subject to Selling Restrictions)
Minimum Trading Lot	1 Certificate
Secondary Market	The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and/or offer prices for the Products on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for the Products and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential Investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price. An Investor in the Product should note that the bid and/or offer prices of the Products, where provided by the Issuer or the Lead Manager, as applicable, are likely to be narrower when all locations listed under the Business Days definition are normally open for trading. Outside of such normal trading hours, the bid and/or offer prices of the Products are likely to be wider, if at all available.
Clearing	SIX SIS, Euroclear, Clearstream (registered as intermediated securities with SIX SIS AG)
Status	Unsecured / Unsubordinated
Form of Deed	Uncertificated Securities
Governing Law / Jurisdiction	Swiss / Zurich
Product	One Certificate with the given Denomination is equivalent to one (1) "Product". "Products" wherever used herein shall be construed to mean integral multiples of the same, subject to the Issue Size.
Adjustments	The terms of the Product may be subject to adjustments during its lifetime. For clients outside of the United Kingdom, any changes with regard to the terms of this Product shall be published on the internet at www.ubs.com/keyinvest. Detailed information on such adjustments is to be found in the Indicative Product Documentation.
Public Offering	Switzerland
Distribution Fee	0.55% p.a. The Distribution Fee consists of the Certificate Fee of 0.45% p.a. deducted daily and in arrears and an upfront fee of 0.7%.

Tax Treatment Switzerland

Swiss Transfer Stamp Duty	The product qualifies as a taxable security (share/unit in a foreign collective investment vehicle, TK 24). Primary and secondary market transactions are in principle subject to Swiss Stamp Duty. .

Swiss Income Tax	The taxable income and capital gains/losses will be kept apart and will be reported to the Swiss Federal Tax Administration annually. Taxable income is subject to Swiss Federal, cantonal and communal income tax. Closing date (for Swiss tax purposes): January 1st, for the first time January 1, 2021.
Swiss Withholding Tax	The product is not subject to the Swiss Withholding Tax.

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

Classification

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA (this paragraph is relevant to public offerings in Switzerland only). Moreover, Investors in this Product bear the issuer risk.

Furthermore, this Product does not benefit from any depositor protection under Art. 37a under the Swiss Federal Law on Banks and Savings Banks (Banking Act) or other forms of deposit insurance under any other law as might be applicable to this Product.

2. Prospects of Profits and Losses

Market expectation	Investors in this Product expect a positive performance of the Underlying over the life of the Product.

Effect of the performance of the Underlying on the overall redemption amount or on delivery obligation:

- Positive performance	If the Underlying performs positively, Investors realise a positive return.
- Sideways to slightly negative performance	If the Underlying performs sideways to slightly negative, the value of the Product will remain constant or decreases.
- Pronounced negative performance	Investors may lose some or in the worst case all of the investment as they are fully exposed to the negative performance of the Underlying.
Maximum Return	The profit potential is unlimited.
Maximum Loss	Investors may lose some or all of the investment as they are fully exposed to the performance of the Underlying.

3. Significant Risks for Investors

General risk warning	Potential investors should understand the risks associated with an investment in the Product and shall only reach an investment decision after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Product in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this document and (iii) the Underlying. The following is a summary of the most significant risks. Further risks are set out in the Indicative Product Documentation.
Risk tolerance	Investors in this Product should be experienced Investors and familiar with both derivative products and the commodity markets and who understand the risks involved in trading in sophisticated and volatile markets. Investors must be willing to make an investment that is

exposed to the full down-side risk of the Underlying.

Product Specific Risks

Loss potential	The investors may lose some or all of the investment as they are fully exposed to the performance of the Underlying.
Capital Protection (at Expiry)	No. Investors should be aware that the performance of the Product may be negative, and therefore the Redemption Amount or Early Redemption Amount, as the case may be, can be less than the Issue Price.
Risk potential in comparison to a direct investment in the Underlying	The risk potential is similar to a direct investment in the Underlying.
Issuer call right	Yes. Please refer to the respective definition on the Early Termination Event.
Risks specific to commodity investments	Investments in commodities may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.
The price of futures contracts may be delinked from price of the relevant index underlying the Strategy	The Strategy is exposed indirectly to futures contracts through exposure to the commodity underlying the Strategy. Under certain market conditions, the prices of futures contracts may not maintain their usual relationship to the price of the commodity underlying the Strategy. Such disparities could occur when the market for such futures is illiquid, when trading of the commodity underlying the Strategy is suspended or when the security or commodity exchange is closed.
Risk relating to volatility exposures	The Product will have exposure to Gold futures volatility through the inclusion of options on Gold futures. Investors should be aware that although Gold futures volatility is based on movements in Gold futures price, exposure to Gold futures volatility is accompanied with additional risks, namely the ability for the Gold futures markets to exhibit exceptional and excessive swings in during abnormal market conditions.
Price Source Disruption Event	It may become impossible to obtain the relevant price during the lifetime of the Product and/or on the Expiration Date or Early Termination Date due to one or more of the price sources normally used in the relevant market for the Underlying being unavailable because an unscheduled bank closure is declared on short notice in the relevant country or due to the occurrence of any other disruption (each a ''**Price Source Disruption Event**''). The Calculation Agent will determine in good faith in a commercially reasonable manner whether a Price Source Disruption Event has occurred. A Price Source Disruption Event may lead to (i) a postponement of the Expiration Date or Early Termination Date, as the case may be, and therefore the redemption payment, (ii) to the use of an alternative source for the relevant price and or (iii) to the unilateral determination of the applicable price by the Calculation Agent. Such postponement, use of alternative price source and/or determination of the applicable price by the Calculation Agent may affect, materially or otherwise, the Redemption Amount or Early Redemption Amount which the Investor will receive.
Early Redemption due to Early Termination Event	Investors should be aware that the Product will be subject to an early redemption if an Early Termination Event is deemed to have occurred prior to the Expiration Date. In such case, the Issuer will redeem the Product on the Early Termination Date at the Early Redemption Amount. The Early Redemption Amount is determined by the Calculation Agent at its reasonable discretion acting in good faith in a commercially reasonable manner, taking into account the Issuer's hedging positions in respect to the Strategy on the Early Termination Date. Investors are not entitled to request any further payments on the Product after the Early Termination Date.

Extraordinary termination risk	The Product contains terms and conditions that allow the Issuer to terminate and redeem the Product prior to the Redemption Date. In case of such extraordinary termination, the Issuer shall pay to the Investors an extraordinary termination amount as determined by the Calculation Agent which is usually equivalent to the market value of the Product. Potential Investors should note that the extraordinary termination amount may deviate from and may be considerably below the amount which would be payable pursuant to the final redemption provisions on the Redemption Date. Investors are not entitled to request any further payments on the Product after the termination date.
Adjustment risk	Investors should be aware that it cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlying which can lead to changes to the Underlying or its concept (e.g. Market Disruption Events or other circumstances affecting normal activities). In the case of the occurrence of such events or measures, the Issuer and/or the Calculation Agent are entitled to effect adjustments according to the Indicative Product Documentation. Such adjustments might have a negative impact on the value of the Product.
Notional investment	The Underlying is constructed from "notional" investments in the constituents underlying the Strategy and there is no actual portfolio of assets to which any person is entitled or in respect of which any person has any direct or indirect ownership interest. Holders of the Products will not have any direct interest or beneficial ownership in the Underlying at any time.
Unpredictable Market Value of the Product	The market value of, and expected return on, the Products may be influenced by a number of factors, some or all of which may be unpredictable (and which may offset or magnify each other), such as (i) supply and demand for the Products, (ii) the value and volatility of the futures underlying the Strategy, (iii) the value of the options on futures underlying the Strategy, (iv) economic, financial, political and regulatory or judicial events that affect the Issuer, the futures or options underlying the Strategy or financial markets generally, (v) interest and yield rates in the market generally, (vi) the time remaining until the Redemption Date, and (vii) the Issuer's creditworthiness. The market value of the Products may be adversely affected by postponement or alternative provisions for the valuation of the level of the Underlying.
Underlying performance risk	Potential Investors should note that any amount payable under the Products will depend on the performance of the Underlying. Potential Investors in the Products should be familiar with the behavior of the Underlying and thoroughly understand how the performance of the Underlying may affect payments under, or the market value of, the Products. If the price of the futures underlying the Strategy rises materially, the premium generated by selling call options is unlikely to be able to compensate for the loss from expiring in the money option positions and Strategy may underperform a direct position in the futures positions. If the price of the futures underlying the Strategy falls materially, the Underlying is unlikely to be able to generate sufficient premiums to compensate for the losses incurred due to a fall of the futures underlying the Strategy. It should also be noted that the premiums earnt by selling call options are dependent on market levels of implied volatility so if the level of implied volatility decreases then the returns generated by the Underlying may be lower than those generated historically. The value of the Underlying will be impacted as well by notional fees and costs included within the strategy methodology and may include certain deductions or adjustments that synthetically reflect certain factors which may include (A) the transaction and servicing costs that a hypothetical investor would incur if such hypothetical investor were to enter into and maintain a series of direct investment positions to provide the same exposure to the futures and options underlying the Strategy, or (B) a notional fee representing the running and maintenance costs of the futures and options underlying the Strategy. Such deductions will have a negative impact on the performance of the Strategy such that the level of the Strategy would be lower than it would otherwise be, and this may result in an adverse effect on the value of the Products (as described in the Annex). Further Information on notional fees and costs is available in the Key Information Document (if available) or otherwise on request from the Issuer
Illiquidity risk in secondary market	The Issuer or the Lead Manager, as applicable, intends, under normal market conditions,

	to provide bid and/or offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price. Potential investors should note that prices quoted typically include a spread and therefore may deviate from the market value of the Product. In special market situations, where the Issuer is completely unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices in the secondary market may be temporarily expanded, in order to limit the economic risks of the Issuer. Hence, Investors might sell at a price considerably lower than the actual price of the Product at the time of its sale. By selling the Product in the secondary market Investors may receive less than the capital invested. In case of a secondary market transaction, there is a possibility that costs, including taxes, related to or in connection with the Product may arise for Investors that are not paid by the Issuer or imposed by the Issuer.
Calculation Agent's discretion	The Calculation Agent has a broad discretionary authority to make various determinations and adjustments under the Products and, particularly the Strategy, any of which may have an adverse effect on the value and/or the amounts payable under the Products. Prospective investors should be aware that any determinations made by the Calculation Agent may have an impact on the value and financial return of the Products. Where the Calculation Agent is required to make a determination it may do so without taking into account the interests of the holders of the Product.
Market Disruption risk	Investors are exposed to market disruption events (such as trading disruption, exchange disruption, hedging disruption and early closure of the relevant exchange), which could have an impact on the redemption amount through delay in payment, change in value or suspension of trading in the Product in the secondary market. For a detailed description of such events and their effects please refer to the Indicative Product Documentation.
Similar risks to a direct investment in futures contracts	The Products aim inter alia to replicate the performance of short positions in options on futures and a long position in futures contracts. Consequently, an investment in the Products, to a certain extent, is subject to market risks similar to direct investment in such a futures contract. Futures prices can differ substantially from the spot price of the underlying financial instrument (e.g. shares, indices, interest rates, currencies) or underlying commodity and precious metal (e.g. oil, wheat, sugar, gold, silver). Investors must be aware of the fact that the futures price and, accordingly, the value of the Products does not always move in the same direction or at the same rate as the spot price of such underlying. Therefore, the value of the Products can fall substantially even if the spot price of the relevant underlying of the futures contract remains stable or rises.
Back-testing on the Underlying	Past performance of the Underlying may be based on back-testing of data using standard methodology for back-testing. That methodology relies on proprietary models, empirical data, assumptions and such other information that UBS believes to be accurate and reasonable. The current data that UBS selected for back-testing the Underlying may be substantially different than if the data was selected from a different time period and this may have a substantial impact on the back-testing results. UBS makes no representation as to the accuracy, completeness or appropriateness of such methodology and accept no liability for use of the information by potential investors. There is no assurance that other banks or brokers would derive the same results for the back-test period or that such results would have been achieved in practice. Potential investors should note that back-testing results may project unrealistic expectations on the performance of the Underlying. Past performance is not necessarily indicative of future results. The back-testing results do not account for the risks involved in investing in the Product, including but not limited to the credit risk of the issuer of the Product. These risks may lead to the loss of any investors' investment in the Product.
Withholding tax	Investors in this Product should note that any payment under this Product may be subject to withholding tax (such as, inter alia, Swiss Withholding Tax, and/or withholding related to FATCA or 871(m) of the US Tax Code). **Any payments due under this Product are**

net of such tax. Please refer to the General Terms and Conditions for detailed information. If the Issuer is required to withhold any amount pursuant to Section 871(m) or FATCA of the U.S. Tax Code, the Issuer will not be required to pay additional amounts with respect to the amount so withheld.

Risk Factors relating to the Issuer

In addition to the market risk with regard to the development of the Underlying, each Investor bears the general risk that the financial situation of the Issuer could deteriorate. The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank pari passu with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The general assessment of the Issuer's creditworthiness may affect the value of the Products. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

The Issuer Ratings indicated in this document reflect the situation at the time of issuance and may be subject to changes. The actual Issuer Ratings at any given time can be seen on the Issuer's website (www.ubs.com) under "Investor Relations".

4. Additional Information

Product Documentation

This document ("**Indicative Terms**") constitutes the non-binding Indicative Simplified Prospectus for the Product and contains the information required by Article 5 CISA (status as of 1 March 2016) and the corresponding Guidelines of the Swiss Bankers Association. The prospectus requirements of Article 652a/Article 1156 of the Swiss Code of Obligations are not applicable. The Indicative Simplified Prospectus contains indicative terms and conditions subject to change. The Final Simplified Prospectus in accordance with Article 5 CISA (status as of 1 March 2013) will be made available on the Issue Date.

These Indicative Terms (Indicative Simplified Prospectus) together with the 'General Terms and Conditions for Structured Products on Equity, Commodity and Index Underlyings', stipulated in English and as amended from time to time, ("**General Terms and Conditions**") shall form the non-binding and indicative documentation for this Product ("**Indicative Product Documentation**"), and accordingly the Indicative Terms should always be read together with the General Terms and Conditions. The Indicative Simplified Prospectus may be provided in various languages, however, only the English version will be relevant and any translations are for convenience only. Definitions used in the Indicative Terms, but not defined therein shall have the meaning given to them in the General Terms and Conditions. In the event that the Product will be listed (see above item 'Listing' under «General Information»), the Indicative Product Documentation will be amended in accordance with the listing requirements of the relevant exchange.

The Indicative Product Documentation can be obtained free of charge from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com). In addition, for clients outside of the United Kingdom, the Indicative Product Documentation is available on the internet at www.ubs.com/keyinvest. Notices in connection with this Product shall be validly given by publication as described in the General Terms and Conditions. Furthermore, for clients outside of the United Kingdom, any changes with regard to the terms of this Product shall be published on the internet at www.ubs.com/keyinvest.

Important Information

This information is communicated by UBS AG and/or its affiliates ("**UBS**"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which this document relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this document. UBS' trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

In certain circumstances UBS sells this Product to dealers and other financial institutions at a discount to the issue price or rebates to them for their account some proportion of the issue price. Further information is available on request.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Information Memorandum, Prospectus or other issuer documentation for the issue of the Products/Notes (the "Prospectus").

Investors who decide to place an order for subscription or purchase of this Product should note that such orders are binding and that the Investors have no right to withdraw or cancel such orders.

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No action has been or will be taken in any jurisdiction that would permit a public offering of the Products described herein. The Products must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

There is a possibility that costs, including taxes, related to transactions in connection with this Product may arise for the Investor that are not paid by UBS or imposed by it.

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Selling Restrictions

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.
The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. Investors in this Product should seek specific advice before on-selling this Product.

European Economic Area - In relation to each Member State of the European Economic Area (each, a "**Member State**"), an offer of the Products to the public in a Member State may only be made in accordance with the following exemptions as set out in the Regulation (EU) 2017/1129 (as may be amended or replaced from time to time) (the "**Prospectus Regulation**"):

(a) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) Fewer than 150 offerees: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation);

(c) An offer of Products addressed to investors who acquire Products for a total consideration of at least EUR 100,000 per investor, for each separate offer; and/or

(d) Other exempt offers: at any time in any other circumstances falling within Article 1 (4) of the Prospectus Regulation,

provided that no such offer of Products referred to in (a) to (d) above shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "offer of Securities to the public" in relation to any Products in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to purchase or subscribe the Products.

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

Hong Kong - Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Products which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.

Singapore – This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Products may not be circulated or distributed, nor may the Products be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A) under Section 274 of the Securities and Futures Act Chapter 289 of Singapore, as modified and/or amended from time to time (the "**SFA**")), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Products are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Products pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Pursuant to section 309B(1)(c) of the SFA, the Issuer hereby notifies the relevant persons (as defined in the SFA) that the Products are classified as "capital markets products other than prescribed capital markets products" (as defined in the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018) and "Specified Investment Products" (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

UK – For the purpose of non-discretionary accounts, this Product should not be sold with a consideration of less than 100,000 EUR or equivalent.

USA – This Product may not be sold or offered within the United States or to U.S. persons.

ANNEX 1

Gold Income 107.5% Call Overwrite Strategy

The Gold Income 107.5% Call Overwrite Strategy ("**Strategy**") reflects the performance of the Portfolio described in this Annex.

This Annex sets out the methodology used to calculate the level of the Portfolio (the "**Portfolio Level**") in USD (the "**Portfolio Currency**").

Note: The terms defined in this Annex shall only apply within this Annex unless specifically defined or referenced outside the Annex.

1. Strategy Definitions

Table 1: Portfolio Details

Terms	Definition
Portfolio Currency	USD
Fee	0.10% p.a.
Portfolio Commencement Date	28. September 2020
Leverage Factor	1
Initial Value of Cash Position	[TBD]
Scheduled Trading Day	Any day on which each of the Exchange corresponding to each Portfolio Constituent is scheduled to be open for trading for their respective regular trading session
Portfolio Business Day	Any day that is a Scheduled Trading Day
Rebalancing Day	Each Scheduled Trading Day which is also a London Business Day
Calendar Day Count Convention	365
Scheduled Trading Day Count Convention	252
Risk Free Rate	UST 13-Week Bill High Discount Rate (Bloomberg ticker: USB3MTA Index, levels sourced by the relevant Market Data Source specified in Table 4)*
Coupon	0%
Coupon Payment Date	NA

* If (i) the rate is no longer displayed or is discontinued permanently without an official legal successor rate or (ii) the administrator of the relevant rate fails to obtain or maintain any necessary approvals or registrations, the Issuer is entitled to replace the rate by another rate, representing, at the reasonable discretion of the Calculation Agent, an economically comparable concept, (the "**Successor Rate**"). The Successor Rate and the date it is applied for the first time shall be published without undue delay by way of notification pursuant to the General Terms and Conditions

Table 2: Option Contract Details

Contract Terms	Definition corresponding to Target Option Contract
Option Specification	
Currency	USD
Exchange	CME Globex
Option Type	Call
Style	American
Target Parameters	
Target Maturity Period	42 Rebalancing Days
Target Strike	107.5%
Strike Type	% of the Reference Future
Allocation	Leverage Factor x (-1/42)
Option Premium Floor	0%

Eligible Universe Details	
Eligible Listed Options Expiration Dates	4th last business day of each odd month. If such 4th last business day occurs on a Friday or the day before a holiday, then the prior business day
Eligible Listed Options Settlement Time	12:30 p.m. CT
Eligible Listed Options Strike Interval	USD 5
Cost Details	
Option Cost Floor	0.04%
Vega Ratio Min	0.75
Vega Ratio Scale	0.75
IV Barrier	18%
Data Inputs	
Underlying	Each gold futures contract (Exchange product ID: GC, Bloomberg ticker: GC Comdty)
Option Settlement Price	The settlement price of the relevant option as published by the corresponding Exchange
Option Discounting Rate	0% p.a.
Box Rate	UST 13-Week Bill High Discount Rate (Bloomberg ticker: USB3MTA Index, levels sourced by the relevant Market Data Source specified in Table 4)*

* If (i) the rate is no longer displayed or is discontinued permanently without an official legal successor rate or (ii) the administrator of the relevant rate fails to obtain or maintain any necessary approvals or registrations or (iii) the Calculation Agent determines a suitable alternative rate, the Issuer is entitled to replace the rate by another rate, representing, at the reasonable discretion of the Calculation Agent, an economically comparable concept, (the "**Successor Rate**"). The Successor Rate and the date it is applied for the first time shall be published without undue delay by way of notification pursuant to the General Terms and Conditions

Table 3: Rolling Futures Details

Terms	Definition
Rolling Futures Index	Bloomberg Gold Subindex (Bloomberg Ticker: BCOMGC Index, levels sourced by the relevant Market Data Source specified in Table 4)
Rolling Futures Index Sponsor	Bloomberg Index Services Limited
Exchange	CME Globex
Rebalancing Cost	0.05%
Carry Cost	0.15%
Rolling Futures Index Rebalancing Day	First Rebalancing Day of each calendar month

Table 4: Market Data Details

Market Data(s)	Market Data Source(s)
Reference Future Settlement Price	Reuters Datascope
Option Settlement Price	Reuters Datascope
Risk Free Rate	Reuters Datascope
Option Discounting Rate	N.A.
Box Rate	Reuters Datascope
Rolling Futures Index	Reuters Datascope

2. Additional Definitions

"**Allocation**" means for each Target Option Contract, the Allocation specified in Table 2;

"**Box Rate**" means for each Target Option Contract, the Box Rate specified in Table 2. On any Portfolio Business Day "t", the Box Rate is the value published by the relevant Market Data Source specified in Table 4. If no value is published by the relevant Market Data Source on Portfolio Business Day "t", then the last available value shall be used;

"**CDCC**" means the Calendar Day Count Convention as provided in Table 1;

"**Currency**" is defined in Table 2 for each Target Option Contract;

"**Current Options**" means:

a) in respect of the Portfolio Commencement Date, the list of options detailed in Annex 1a;

b) in respect of any Portfolio Business Day, all Live Options that are not Expiring Options with respect to such Portfolio Business Day. For the avoidance of doubt, Current Options shall include all New Options;

"**Current Rolling Futures Index**" means:

a) in respect of the Portfolio Commencement Date, as detailed in Annex 1b;

b) in respect of any other Portfolio Business Day, all Portfolio Constituents that are Rolling Futures Indices;

"**Disrupted Day**" means any Scheduled Trading Day in respect of which:

(i) a Market Disruption Event has occurred; and/or

(ii) any Exchange or any Related Exchange(s) fails to open for trading during its regular trading session; and/or

(iii) a Hedging Disruption has occurred in relation to any Portfolio Constituent; and/or

(iv) any of the Market Data Source(s) either fails to provide/publish the relevant Market Data or provides/publishes the Market Data that is inaccurate, incomplete and/or does not reflect the true market prices, values or levels (as determined by the Calculation Agent acting in good faith and commercially reasonable manner) for the relevant Scheduled Trading Day

(v) any of the Market Data Source(s) either fails to provide/publish the relevant Market Data or provides/publishes the Market Data with a delay or provides/publishes the Market Data that is inaccurate, incomplete and/or does not reflect the true market prices, values or levels (as determined by the Calculation Agent acting in good faith and commercially reasonable manner) for the relevant Scheduled Trading Day

in each case, which the Calculation Agent determines is material;

"**Eligible Listed Options Expiration Dates**" means in respect of each Target Option Contract, as provided in Table 2;

"**Eligible Listed Options Settlement Time**" means in respect of each Target Option Contract, as provided in Table 2;

"**Eligible Listed Options Strike Interval**" means in respect of each Target Option Contract, as provided in Table 2;

"**Exchange**" means, in respect of a Portfolio Constituent, the exchange or quotation system on which that Portfolio Constituent is principally traded, as provided in Table 2 in respect of each relevant Target Option Contract and Table 3 in respect of the relevant Rolling Future Index;

"**Expiring Options**" means in respect of any Portfolio Business Day, all Portfolio Constituents, that are Option Contracts, that are expiring on such Portfolio Business Day;

"**Expiry Date**" means the expiry date of the relevant Portfolio Constituent as determined in accordance with the provisions herein;

"**Far Expiry Date**" shall have the meaning as determined in accordance with the provisions herein;

"**Fee**" is defined in Table 1**;**

"**Hedging Disruption**" means that the Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Portfolio Constituent(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the trading of Strategy,

"**Hedging Party**" means UBS AG, London Branch;

"**IV Barrier**" is defined in Table 2 for each Target Option Contract;

"**Listed Expiry Dates**" means in respect of any Portfolio Business Day and in respect of each Target Option Contract, all expiry dates expiring corresponding to the Listed Options as of that Portfolio Business Day;

"**Listed Options**" means in respect of any Portfolio Business Day and in respect of each Target Option Contract, all the exchange traded options corresponding to the relevant Underlying that are listed on the relevant Exchange with expiry, settlement time and strike multiple corresponding to Eligible Listed Options Expiration Dates, Eligible Listed Options Settlement Time and Eligible Listed Options Strike Interval respectively;

"**Listed Strikes**" means in respect of any Portfolio Business Day and in respect of each Target Option Contract, all strikes corresponding to the Listed Option as of that Portfolio Business Day with a valid Option Settlement Price;

"**Live Options**" means in respect of any Portfolio Business Day, all Portfolio Constituents which are due to expire on or after such Portfolio Business Day;

"**Market Data**" means in the collection of all Market Data(s) as detailed in Table 4;

"**Market Data Source**" means in the collection of all Market Data Source(s) corresponding to each Market Data(s) as detailed in Table 4;

"**Market Disruption Event**" means in respect of any Portfolio Constituent and/or any Reference Future on any Scheduled Trading Day, the occurrence or existence of:

(i) a limitation, suspension, or disruption of trading in any Portfolio Constituent or any Reference Futures imposed by the relevant Exchange or otherwise and whether by movements in price exceeding limits permitted by the relevant Exchange or otherwise ;

(ii) the price for any Portfolio Constituent or, as the case may be, any Reference Futures, is a "limit price", which means that the price for such Portfolio Constituent or Reference Futures has, at any point during the last fifteen minutes of trading on the Exchange, increased or decreased from the previous day's closing price by the maximum amount permitted under applicable Exchange rules;

(iii) the closure on any Scheduled Trading Day of the relevant Exchange or Related Exchange in respect of any Portfolio Constituent or, as the case may be, any Reference Futures, prior to its scheduled closing time unless such earlier closing is announced by such Exchange or Related Exchange(s) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange(s) on such Scheduled Trading Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange(s) system for execution as at the close of trading on the relevant Exchange or Related Exchange(s) on such Scheduled Trading Day;

(iv) an event (other than an early closure as described in sub-paragraph (ii) above) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for any Portfolio Constituent on the relevant Exchange or any Reference Futures on a Related Exchange, as determined by the Calculation Agent

in each case, which the Calculation Agent determines is material;

"**Near Expiry Date**" shall have the meaning as determined in accordance with the provisions herein;

"**New Options**" means in respect of any Portfolio Business Day, all Portfolio Constituents, that are Option Contracts, to which exposure is acquired on such Portfolio Business Day;

"**Option Contract**" means any option contract within the universe of Listed Options with contract terms as stated in Table 2. Each Option Contract "i" corresponding to each Target Option Contract can be uniquely defined using three parameters: (i) Option Expiry Date "ED_i", (ii) Option Type "X_i" (where X ∈ {'C=Call','P=Put'}) and (iii) Option Strike "K_i";

"**Option Cost Floor**" is defined in Table 2 for each Target Option Contract;

"**Option Discounting Rate**" means for each Target Option Contract, the Option Discounting Rate specified in Table 2. On any Portfolio Business Day "t", the Option Discounting Rate is the value published by the relevant Market Data Source specified in Table 4. If no value is published by the relevant Market Data Source on Portfolio Business Day "t", then the last available value shall be used;

"**Option Premium Floor**" is defined in Table 2 for each Target Option Contract;

"**Option Settlement Price**" means for each Target Option Contract, as defined in Table 2;

"**Option Spread**" means, the spread charged for trading the relevant Option Contract as determined in accordance with the provisions herein;

"**Option Strike**" means, the strike level of the relevant Option Contract in accordance with the provisions herein;

"**Option Type**" means for each Target Option Contract, the Option Type specified in Table 2;

"**Option Units**" means the number of units traded of the relevant Option Contract as determined in accordance with the provisions herein;

"**Option Weight**" means the weight in the relevant Option Contract as determined in accordance with the provisions herein;

"**Portfolio Constituents**" means in respect of any Portfolio Business Day, as of close of such Portfolio Business Day all Option Contracts that have non-zero exposure in the portfolio including the option contracts that are due to expire on such Portfolio Business Day PLUS the Rolling Futures Index as detailed in Table 3;

"**Related Exchange(s)**" means in respect of each Reference Future, the exchange or quotation system on which that Reference Future is principally traded, as determined by the Calculation Agent;

"**Reference Future**" means with respect to any Portfolio Constituent that, the relevant future contract serving as the underlying of that Portfolio Constituent;

"**Reference Future Settlement Price**" means in respect if any Scheduled Trading Day fo any Reference Future, the settlement price of relevant Reference Future as published by the corresponding Exchange;

"**Risk Free Rate**" means rate as provided in Table 1. On any day “t”, if Table 1 specifies a reference rate rather than a fixed percentage rate then the Risk Free Rate is the value published by the relevant Market Data Source specified in Table 4. If no value is published by the relevant Market Data Source on day “t”, then the last available value shall be used;

"**STDCC**" means Scheduled Trading Day Count Convention as provided in Table 1;

"**Strike Type**" means as defined in Table 2 in respect of each Target Option Contract;

"**Target Expiry Date**" means in respect to each Portfolio Business Day "t" that is a Rebalancing Day, for each Target Option Contract the relevant Target Expiry Date will be the Scheduled Trading Day that is exactly on or immediately preceding the Target Maturity Period after the relevant Rebalancing Day;

"**Target Maturity Period**" means the period defined in Table 2 in respect of each Target Option Contract;

"**Underlying**" is defined in Table 2 for each Target Option Contract;

"**Vega Ratio Min**" is defined in Table 2 for each Target Option Contract; and

"**Vega Ratio Scale**" is defined in Table 2 for each Target Option Contract.

3. Generic Functions

3.a. $\boldsymbol{\tau_{a,b}^{STD}}$**:** This function returns the time in years between date 'b' and 'a' using Scheduled Trading Day convention.

$$\tau_{a,b}^{STD} = \frac{STD(a,b)}{STDCC}$$

3.b. $\boldsymbol{\tau_{a,b}^{CD}}$**:** This function returns the time in years between date 'b' and 'a' using Calendar Day convention.

$$\tau_{a,b}^{CD} = \frac{CD(a,b)}{CDCC}$$

3.c. $\mathbf{STD(a,b)}$**:** This function returns the number of Scheduled Trading Days from (but excluding) the date 'b' to (and including) the date "a". This function can return negative value if day 'b' occurs after date 'a'.

3.d. $\mathbf{CD(a,b)}$**:** This function returns the number of Calendar Days from (but excluding) the date 'b' to (and including) the date "a". This function can return negative value if day 'b' occurs after date 'a'.

3.e. $\mathbf{N(x)}$**:** Function returns the normal cumulative distribution at x.

3.f. $\mathbf{N'(x)}$**:** This function returns the normal probability distribution at x.

3.g. Nearest $(\mathbf{a}, \mathbf{b}, \mathbf{X})$**:** This function returns the nearest available strike to 'a' that is a multiple of 'b' within the set of Listed Strikes 'X' such that if there are two available strikes (which are multiples of 'b') that are equidistant to 'a', the lower strike is selected.

3.h. **Vega (T1, T2, St, F, σ):** This function returns the vega (Vega) of an option with pricing date 'T1', Option Expiry Date 'T2', Option Strike 'St', Reference Future Settlement Price 'F' and implied volatility 'σ'.

$$\mathrm{Vega} = \mathrm{F} \times \mathrm{N'(d1)} \times \sqrt{\tau^{\mathrm{STD}}_{\mathrm{T2,T1}}}$$

Where:

$\mathrm{d1} = \frac{1}{\sigma \times \sqrt{\tau^{\mathrm{STD}}_{\mathrm{T2,T1}}}} \times \left[\ln\left(\frac{\mathrm{F}}{\mathrm{St}}\right) + \frac{1}{2} \times \sigma^2 \times \tau^{\mathrm{STD}}_{\mathrm{T2,T1}}\right]$; and

F means the Reference Future Settlement Price of the Reference Future of the corresponding option.

3.i. **ImpVol (T1, T2, St, F, R):** This function returns the implied volatility of an option with pricing date 'T1', Option Expiry Date 'T2', Option Strike 'St', Reference Future Settlement Price 'F' and Box Rate 'R'.

If $\mathbf{F} \leq \mathbf{St}$ the reference option **("Reference Option")** used for optimization has the Option Type as 'Call'

If $\mathbf{F} > \mathbf{St}$, the reference option **("Reference Option")** used for optimization has the Option Type as 'Put'

Objective function (to be minimized):

$$\left|\mathrm{BS}_{\mathrm{RefOpt}} - \mathrm{OptSet}_{\mathrm{RefOpt,T1}}\right|$$

Subject to following constraints:

1. Relative/Absolute accuracy: 1e-11
2. $\mathbf{0.5\% \leq \sigma \leq 500\%}$
3. Maximum number of iterations: 150

Where:

If Reference Option is a 'Call' option: $\mathrm{BS}_{\mathrm{RefOpt}} = \exp\left(-\mathrm{R} \times \tau^{\mathrm{CD}}_{\mathrm{T2,T1}}\right) \times \left(\mathrm{F} \times \mathrm{N(d1)} - \mathrm{St} \times \mathrm{N(d2)}\right)$;

If Reference Option is a 'Put' option: $\mathrm{BS}_{\mathrm{RefOpt}} = \exp\left(-\mathrm{R} \times \tau^{\mathrm{CD}}_{\mathrm{T2,T1}}\right) \times \left(\mathrm{St} \times \mathrm{N(-d2)} - \mathrm{F} \times \mathrm{N(-d1)}\right)$;

$\mathrm{d1} = \frac{1}{\sigma \times \sqrt{\tau^{\mathrm{STD}}_{\mathrm{T2,T1}}}}\left[\ln\left(\frac{\mathrm{F}}{\mathrm{St}}\right) + \frac{1}{2} \times \sigma^2 \times \tau^{\mathrm{STD}}_{\mathrm{T2,T1}}\right]$;

$\mathrm{d2} = \mathrm{d1} - \sigma \times \sqrt{\tau^{\mathrm{STD}}_{\mathrm{T2,T1}}}$;

"$\boldsymbol{\sigma}$" means the current input implied volatility during the optimizing process; and

"$\mathbf{OptSet_{RefOpt,T1}}$" means the Option Settlement Price of the Reference Option as of day T1, as determined in accordance with the provisions herein.

The implied volatility to be returned by this function is rounded to the 4th decimal, and then rounded to the 3rd decimal. For avoidance of doubt: an example is 18.1% or 0.181.

3.j. Spread (i, σ, Vega, F): This function returns the option spread (Option Spread) of an Option Contract 'i' with the corresponding implied volatility being '**σ**', the corresponding Vega being 'Vega', and the corresponding Reference Future Settlement Price being 'F'. The Option Cost Floor, Vega Ratio Min, Vega Ratio Scale and IV Barrier are as detailed in Table 2 for the relevant Option Contract "i".

$$\text{Option Spread} = \text{F} \times \left[\max\left(\text{Option Cost Floor}_i, \max\left(\text{Vega Ratio Min}_i, \text{Vega Ratio Scale}_i \times \frac{\sigma}{\text{IV Barrier}_i}\right) \times \frac{\text{Vega}}{100 \times \text{F}}\right)\right]$$

4. Portfolio Level Calculation

4.a. Portfolio Level

On any Portfolio Business Day "t", the Portfolio Level reflects the sum of (i) the Cash Position Level (ii) the Option Valuation of all Portfolio Constituents "i" that are Current Options in the portfolio, and (iii) the market value of Current Rolling Future Index

In respect of each Portfolio Business Day "t", the Portfolio Level ("$\mathbf{P_t}$") will be determined by the Calculation Agent in accordance with the following formula:

$$\mathbf{P_t = Cash_t + \sum_{i \in C_t} [OptUnit_i \times OptVal_{i,t}] + RFIUnit_r \times (RFIPrice_t - RFIPrice_r)}$$

Where:

"$\mathbf{Cash_t}$" means the Cash Position Level in respect of Portfolio Business Day "t", as determined in accordance with the provisions herein;

"$\mathbf{C_t}$" means the set or universe of Portfolio Constituents "i" that are Current Options in respect of Portfolio Business Day "t";

"$\mathbf{OptUnit_i}$" means the Option Units of corresponding to Portfolio Constituent "i" that is an Option Contract, as determined in accordance with the provisions herein;

"$\mathbf{OptVal_{i,t}}$" means the Option Valuation of Portfolio Constituent "i", that is an Option Contract, in respect of Portfolio Business Day "t", as determined in accordance with the provisions herein, provided that where such Portfolio Business Day “t” is a Disrupted Day, then the valuation of such Portfolio Constituent “i” shall be determined by the Calculation Agent in a commercially reasonable manner;

"$\mathbf{RFIPrice_t}$" means the published closing level of the Rolling Futures Index in respect of Portfolio Business Day "t";

"$\mathbf{RFIUnit_r}$" means the unit of Rolling Futures Index in respect of the immediately preceding Rolling Futures Index Rebalancing Day; and

"$\mathbf{RFIPrice_r}$" means the published closing level of the Rolling Futures Index in respect of the immediately preceding Rolling Futures Index Rebalancing Day.

4.b. Cash Position

The Cash Position represents exposure to a notional cash account. The level of the Cash Position (the "**Cash Position Level**") in respect of each Portfolio Business Day "t" ("$\mathbf{Cash_t}$") will be determined by the Calculation Agent in accordance with the following formula:

$$\mathbf{Cash_t = Cash_{t-1} \times [1 + RFR_{t-1} \times \tau^{CD}_{t,t-1}] + Cash^{ExpOpt}_t + Cash^{NewOpt}_t + Cash^{RFI}_t - RFIPrice_{t-1} \times RFIUnit_{t-1}}$$
$$\mathbf{\times RFICarryCost \times \tau^{CD}_{t,t-1} - Coupon_t - P_{t-1} \times Fee \times \tau^{CD}_{t,t-1}}$$

Where:

"$\mathbf{Cash_{t-1}}$" means the Cash Position Level in respect of the Portfolio Business Day immediately preceding Portfolio Business Day "t". In respect of the Portfolio Business Day that is the Portfolio Commencement Date, $\mathbf{Cash_{t-1}}$ is equal to the Initial Value of Cash Position stated in Table 1;

"$\mathbf{RFR_{t-1}}$" means the Risk Free Rate in respect of the Portfolio Business Day immediately preceding Portfolio Business Day "t";

"$\mathbf{Cash_t^{ExpOpt}}$" means the cash amount realised by the Portfolio Constituents "i" that are Expiring Options in respect of Portfolio Business Day "t", and will be determined by the Calculation Agent in accordance with the following formula:

$$\mathbf{Cash_t^{ExpOpt}} = \sum_{\mathbf{i \in E_t}} \left[\mathbf{OptUnit_i} \times \mathbf{OptExpVal_{i,t}}\right]$$

Where:

"$\mathbf{E_t}$" means the set or universe of Portfolio Constituents "i" that are Expiring Options with respect to Portfolio Business Day "t";

"$\mathbf{OptExpVal_{i,t}}$" means the Option Expiration Value of Portfolio Constituent "i" in respect of Portfolio Business Day "t", as determined in accordance with the provisions herein;

"$\mathbf{Cash_t^{NewOpt}}$" means the cash amount realised by the New Options in respect of Portfolio Business Day "t". If Portfolio Business Day "t" is not a Rebalancing Day or if no Portfolio Constituents that are New Options are being notionally traded in respect of Portfolio Business Day "t" then $\mathbf{Cash_t^{NewOpt}}$ shall equal zero (0). Otherwise, $\mathbf{Cash_t^{NewOpt}}$ will be determined by the Calculation Agent in accordance with the following formula:

$$\mathbf{Cash_t^{NewOpt}} = -\sum_{\mathbf{i \in N_t}} \left[\mathbf{OptUnit_i} \times \mathbf{OptVal_{i,t}}\right] - \sum_{\mathbf{i \in N_t}} \mathbf{abs}\left[\mathbf{OptUnit_i} \times \mathbf{Spread_{i,t}}\right]$$

Where:

"$\mathbf{N_t}$" means the set or universe of Portfolio Constituents "i" that are New Options in respect of Portfolio Business Day "t";

$\mathbf{Spread_{i,t}} = \mathrm{Spread}(\mathrm{i}, \sigma_{i,t}, \mathrm{v}_{i,t}, \mathrm{F}_{i,t})$

$\boldsymbol{\sigma_{i,t}} = \mathrm{ImpVol}(\mathrm{t}, \mathrm{ED}_i, \mathrm{K}_i, \mathrm{F}_{i,t}, \mathrm{BR_{i,t}})$;
$\mathbf{v}_{\boldsymbol{i,t}} = \mathrm{Vega}(\mathrm{t}, \mathrm{ED_i}, \mathrm{K_i}, \mathrm{F_{i,t}}, \sigma_{i,t}, \mathrm{BR_{i,t}})$;

$\mathbf{ED_i}$ and $\mathbf{K_i}$ represent the Option Expiry Date and Option Strike for the relevant Portfolio Constituent "i";

"$\mathbf{BR_{i,t}}$" means the value of the Box Rate corresponding to Portfolio Constituent "i" in respect of Portfolio Business Day "t";

"$\mathbf{F_{i,t}}$" means the value of the Reference Future Settlement Price of the Reference Future corresponding to Portfolio Constituent "i" in respect of Portfolio Business Day "t.

"$\mathbf{Cash_t^{RFI}}$" means the cash amount realised by adjusting the units of the Rolling Futures Index in respect of Portfolio Business Day "t" and will be determined by the Calculation Agent in accordance with the following formula:

If Portfolio Business Day "t" is not a Rolling Futures Index Rebalancing Day, then $\mathbf{Cash_t^{RFI}}$ shall equal zero (0);

Otherwise, if the Portfolio Business Day "t" is the first Rolling Futures Index Rebalancing Day:

$$\mathbf{Cash_t^{RFI}} = -|\mathbf{RFIUnit_t}| \times \mathbf{RFIPrice_t} \times \mathbf{RFIRebCost}$$

Otherwise:

$$\mathbf{Cash_t^{RFI}} = \mathbf{RFIUnit_{r-1}} \times (\mathbf{RFIPrice_t} - \mathbf{RFIPrice_{r-1}}) - |\mathbf{RFIUnit_t} - \mathbf{RFIUnit_{r-1}}| \times \mathbf{RFIPrice_t} \times \mathbf{RFIRebCost}$$

Where:

"$\mathbf{RFIUnit_t}$" means the number of units of Rolling Futures Index in respect of Portfolio Business Day "t";

"$\mathbf{RFIPrice_t}$" means the published closing level of the Rolling Futures Index in respect of Portfolio Business Day "t";

"$\mathbf{RFIUnit_{r-1}}$" means the unit of Rolling Futures Index in respect of the Rolling Futures Index Rebalancing Day that is immediately preceding Portfolio Business Day "t";

"$\mathbf{RFIPrice_{r-1}}$" means the published closing level of the Rolling Futures Index in respect of the Rolling Futures Index Rebalancing Day that is immediately preceding Portfolio Business Day "t"; and

"$\mathbf{RFIRebCost}$" means the Rebalancing Cost of the Rolling Futures Index as detailed in Table 3.

"$\mathbf{Coupon}_t$" means on each Coupon Payment Date, the Coupon as detailed in Table 1. With respect to all other Portfolio Business Day 't', the Coupon is equal to zero.

"$\mathbf{RFIUnit_{t-1}}$" means the unit of Rolling Futures Index in respect of the Portfolio Business Day that is immediately preceding Portfolio Business Day "t";

"$\mathbf{RFIPrice_{t-1}}$" means the published closing level of the Rolling Futures Index in respect of the Portfolio Business Day that is immediately preceding Portfolio Business Day "t";

"$\mathbf{RFICarryCost}$" means the Carry Cost of the Rolling Futures Index as detailed in Table 3;

"$\mathbf{P}_{t-1}$" means the Portfolio Level in respect of the Portfolio Business Day immediately preceding the Portfolio Business Day "t". In respect of the Portfolio Business Day that is the Portfolio Commencement Date, $\mathrm{P_{t-1}}$ is equal to zero; and

"**Fee**" means the fee level as detailed in Table 1.

5. Option Portfolio Rebalancing

In respect of each Portfolio Business Day "t" that is a Rebalancing Day; the Portfolio shall acquire exposure to Option Contract(s) that will form the Portfolio Constituent(s) (corresponding to each Target Option Contracts). Each if these Option Contract(s) to which an exposure is acquired will form the New Option(s) with respect to such Portfolio Business Day. The methodology to determine the Option Expiry Date, Option Type, Option Strike, Option Weight and Option Units in respect of such Option Contract is provided below. Once an Option Contract has been traded on a Rebalancing Day, the parameters of that Option Contract like Option Expiry Date, Option Type, Option Strike, Option Weight and Option Units remain unchanged through time until the expiry of the relevant option. All options in the portfolio are held until expiry.

5.a. Option Expiry Date ("$\mathbf{ED}_i$")

In respect of each Portfolio Business Day "t" that is a Rebalancing Day and for each Target Option Contract, the relevant selected Option Contract(s) "i", the Near Listed Expiry Date and the Far Listed Expiry Dates are determined as:

If the first available Listed Expiry Date falls on or after the relevant Target Expiry Date **($TED_{i,t}$)** then only one Option Contract is selected with Expiry Date as the first available Listed Expiry Date (the "**Near Expiry Date ($NED_{i,t}$)**").

Otherwise, two Option Contracts are selected with respective Expiry Dates as the two closest Listed Expiry Dates enclosing the relevant Target Expiry Date, the nearer Listed Expiry Date being the "**Near Expiry Date ($NED_{i,t}$)**" and the farther Listed Expiry Date being the "**Far Expiry Date ($FED_{i,t}$)**".

5.b. Option Type ("$\mathbf{X_i}$")

In respect of each Portfolio Business Day "t" that is a Rebalancing Day, for each selected Option Contract (s) "i" corresponding to each Target Option Contract the relevant Option Type will be as detailed in Table 2.

5.c. Option Strike ("$\mathbf{K}_i$")

In respect of each Portfolio Business Day "t" that is a Rebalancing Day, for each selected Option Contract "i" with corresponding expiry date being the Expiry Date, the Option Strike is calculated as:

$$\mathbf{K_i} = \mathbf{Nearest}\left(\mathbf{Target\ Strike_i} \times \mathbf{F_{i,t-1}}, \mathbf{Listed\ Target\ Strike\ Interval_i}, \mathbf{Listed\ Strikes_{i,t-1}}\right)$$

Where:

"$\mathbf{Listed\ Strikes_{i,t-1}}$" means in respect to the relevant Option Contract "i", the corresponding Listed Strikes as of the Portfolio Business Day immediately preceding the Portfolio Business Day "t";

"$\mathbf{Target\ Strike_i}$" means, in respect of each Option Contract, the Target Strike as detailed for each Option Contract in Table 2; and

"$\mathbf{F_{i,t-1}}$" means the value of the Reference Future Settlement Price of the Reference Future on the Portfolio Business Day immediately preceding the Portfolio Business Day "t" of corresponding Option Contract "i", as determined in accordance with the provisions herein;

5.d. Option Weights ("$\mathbf{OptWgt_i}$")

In respect of each Portfolio Business Day "t" that is a Rebalancing Day and in respect of each Target Option Contract, the Option Weight for each of the relevant Option Contract(s) "i" is equal to:

a) If only one Option Contract is selected with Expiry Date being the same as the relevant Near Expiry Date then

  a. 0% if on Portfolio Business Day "t" the relevant Option Valuation adjusted by the Option Spread divided by the relevant Reference Future Settlement Price is less than the Option Premium Floor;

  b. If (a) is not applicable, then 100%;

b) Otherwise, if only one Option Contract is selected with relevant Near Expiry Date being after the Target Expiry Date then

  a. 0% if on Portfolio Business Day "t" the relevant Option Valuation adjusted by the Option Spread divided by the relevant Reference Future Settlement Price is less than the Option Premium Floor;

  b. If (a) is not applicable, then

$$\mathbf{OptWgt_i} = \frac{\tau^{STD}_{PBD_t,TED_{i,t}}}{\tau^{STD}_{PBD_t,NED_{i,t}}}$$

c) Otherwise, if two Option Contracts are selected with Expiry Dates being the relevant Near Expiry Date and the Far Expiry Date respectively then for each Option Contract

  a. 0% if on Portfolio Business Day "t" the relevant Option Valuation adjusted by the Option Spread divided by the relevant Reference Future Settlement Price is less than the Option Premium Floor;

  b. If (a) is not applicable, then:

    i. For the Option Contract with Expiry Date coinciding with the Near Expiry Date

    if the Near Expiry Date is less than 7 calendar days after the Portfolio Business Day "t":

$$\mathbf{OptWgt_i} = \mathbf{0\%}$$

Otherwise:

$$\mathbf{OptWgt_i} = \frac{\tau^{STD}_{TED_{i,t}FED_{i,t}}}{\tau^{STD}_{NED_{i,t},FED_{i,t}}}$$

ii. For the Option Contract with Expiry Date coinciding with the Far Expiry Date

if the Near Expiry Date is less than 7 calendar days after the Portfolio Business Day "t":

$$\mathbf{OptWgt_i} = \frac{\tau^{STD}_{PBD_t,TED_{i,t}}}{\tau^{STD}_{PBD_t,FED_{i,t}}}$$

Otherwise

$$\mathbf{OptWgt_i} = \frac{\tau^{STD}_{NED_{i,t},TED_{i,t}}}{\tau^{STD}_{NED_{i,t},FED_{i,t}}}$$

5.e. Option Units ("$\mathbf{OptUnit_i}$")

In respect of each Portfolio Business Day "t" that is a Rebalancing Day, for each selected Option Contract "i" that shall form part of the New Options, the Option Units to be traded are:

$$\mathbf{OptUnit_i} = \mathbf{Allocation_i} \times \frac{\mathbf{P}_{t-1} \times \mathbf{OptWgt_i}}{\mathbf{F_{i,t-1}}}$$

Where:

"$\mathbf{Allocation_i}$" means for the Option Contract "i" the relevant Allocation as detailed in Table 2; and

"$\mathbf{F_{i,t-1}}$" means the value of the Reference Future Settlement Price of the Reference Future on the Portfolio Business Day immediately preceding the Portfolio Business Day "t" of corresponding Option Contract "i", as determined in accordance with the provisions herein;

If on any Portfolio Business Day “t”, the Calculation Agent is unable to determine the Option Units (or the Option Weights) using the above methodology or if such a day is a Disrupted Day, then the Calculation Agent will determine the relevant Option Units on a best efforts basis in a commercially reasonable manner.

6. Rolling Futures Index Rebalancing

In respect of each Portfolio Business Day "t" that is a Rolling Futures Index Rebalancing Day, the Portfolio shall acquire exposure to the Rolling Futures Index. The methodology to determine the Rolling Futures Index Units is provided below.

6.a. Rolling Futures Index Units ("$\mathbf{RFIUnit_t}$")

In respect of each Portfolio Business Day "t" that is a Rolling Futures Index Rebalancing Day, for the Rolling Futures Index, the Rolling Futures Index Units to be held are:

$$\mathbf{RFIUnits_t} = \frac{\mathbf{P}_{t-1}}{\mathbf{RFIPrice}_{t-1}}$$

On any subsequent Portfolio Business Day "t", the Rolling Futures Index Units held in the portfolio shall remain unchanged:

$$\mathbf{RFIUnits_t} = \mathbf{RFIUnits_{t-1}}$$

Where:

"$\mathbf{RFIUnit_t}$" means the number of units of Rolling Futures Index in respect of Portfolio Business Day "t". In respect of the Portfolio Business Day that is the Portfolio Commencement Date, the Rolling Futures Index Units is as detailed in Annex 1b;

"$\mathbf{P_{t-1}}$" means the Portfolio Level in respect of the Portfolio Business Day immediately preceding the Portfolio Business Day "t". In respect of the Portfolio Business Day that is the Portfolio Commencement Date, P_{t-1} is equal to zero; and

"$\mathbf{RFIUnit_{t-1}}$" means the unit of Rolling Futures Index in respect of the Portfolio Business Day that is immediately preceding Portfolio Business Day "t".

If on any Portfolio Business Day “t”, the Calculation Agent is unable to determine the Rolling Future Index Units using the above methodology or if such a day is a Disrupted Day, then the Calculation Agent will determine the relevant Rolling Future Index Units on a best efforts basis in a commercially reasonable manner.

7. Calculation of option parameters corresponding to each Portfolio Constituent

In respect of each Portfolio Constituent 'i' that is an Option Contract, also interchangeably referred to as Option Contract 'i', the relevant Option Valuation, Option Expiration Value and Implied Forward is calculated using the provisions herein.

7.a. Option Valuation ("$\mathbf{OptVal_{i,t}}$")

For each Portfolio Constituent "i" (that is an Option Contract "i") in respect of each Portfolio Business Day “t”, the Option Valuation is equal to:

$$\mathbf{OptionVal_{i,t} = OptSettPrice_{i,t} \times exp\left(ODR_t \times \tau^{CD}_{ED_{i,t}}\right)}$$

Where:

"$\mathbf{OptSettPrice_{i,t}}$" means the Option Settlement Price of the relevant Option i as described in Table 2; and

"$\mathbf{ODR_t}$" means the Option Discounting Rate in respect of the Portfolio Business Day "t".

If on any Portfolio Business Day “t”, the Calculation Agent is unable to determine the Option Valuation (or the Option Settlement Price) using the above methodology or if such a day is a Disrupted Day, then the Calculation Agent will determine the relevant Option Valuation on a best efforts basis in a commercially reasonable manner.

7.b. Option Expiration Value ("$\mathbf{OptExpVal_i}$")

For each Portfolio Constituent "i" that is an Option Contract "i", in respect of each Portfolio Business Day “t” that is also the expiry day for the relevant Option Contract, the Option Expiration Value is calculated as follows:

If the relevant Option Type is 'Call' then: $\mathbf{OptExpVal_i = max\left(0, F_{i,t} - K_i\right)}$

If the relevant Option Type is 'Put' then: $\mathbf{OptExpVal_i = max\left(0, K_i - F_{i,t}\right)}$

Where:

"$\mathbf{F_{i,t}}$" means the Reference Future Settlement Price of the Reference Future on Portfolio Business Day t of corresponding option i;

"$\mathbf{K_i}$" means the Option Strike corresponding to option i;

ANNEX 1a

i	Strike in USD	Option Type	Option Maturity Date	Option Unit	Option Valuation
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ANNEX 1b

i	Bloomberg Ticker	Rolling Futures Index Unit	Rolling Futures Index Price (r)	Rolling Futures Index Price (t)
1	BCOMGC Index			