
Brought to you by

The Institute

The UBS Sustainability and Impact Institute



The green inflection point

Executive Summary

Innovate climate action – rethink, reframe, and reorganize

Is it enough to incorporate climate considerations into the investment process or should investments **actively contribute** toward solving the climate crisis and real-economy decarbonization?

The world is faced with clear shifts in our planet's climate system caused by excessive production of CO₂, which has already led to a warmer climate. Meanwhile, the continued degradation of natural capital, such as forests, oceans and soil, the earth's primary buffers against carbon, is adding to the problem. Decarbonizing the real-economy represents a critical challenge.

Investors and companies currently focus on decarbonization through various approaches, such as exclusion, restrictive lending policies and divesting. These approaches achieve decarbonization through portfolio alignment – investments become greener by aligning with greener objectives. But the climate does not necessarily benefit immediately.

To move the needle on decarbonization – to reduce actual greenhouse gas (GHG) emissions and help carbon intensive sectors transition faster – more can be done. In turn,

this massive transition to a lower carbon economy creates opportunities for investors and asset managers who understand the complex array of crises and are willing to mobilize capital toward solutions.

In order to drive actions that measurably reduce actual carbon emissions in the environment, we need to understand the levers, complex dependencies and causalities that can drive change. It's equally important to identify and define the interconnected systems of issues and supporting innovations and initiatives that can scale across geographies and sectors to help advance decarbonization efforts more quickly.

Systems thinking focused on change

At UBS, we believe systems thinking underpins any framework related to climate change. Broad systems and framework thinking can help financial institutions to serve their clients by mapping out the system and developing theories of change.

Systems thinking

In our view, systems thinking allows us to see the big picture and understand a financial institution's role. Importantly, it can be used to identify the most impactful actions. A system is a synergy of individual components, where the whole is greater than the sum of its parts. As we discussed in the UBS Sustainability and Impact Institute's publication "From Ozone

to Oxygen" climate change and biodiversity loss are essentially a system of systems failures. One way to break the chain of negative impacts is to deploy systems thinking to find solutions. By identifying key challenges and understanding their root causes, we can begin to understand how the system works.

Developing a theory of change can help clarify causal linkages and logic models that can be used to create further structure, and these frameworks can help with milestone setting, benchmarking, monitoring and accountability. Financial institutions have many levers available, including **engagement, financing, investing, philanthropic activities, education and advice, that can all help to spur climate action.**

Interdependencies motivate a community of actors

From an environmental perspective, climate change is well understood. **We know what must be done** to mitigate the climate crisis and already have a whole host of viable solutions at hand. But implementing these solutions at scale is challenging.

Efforts intended to speed up decarbonization should take into consideration a sophisticated web of interdependencies. We can think of climate actors as a network pyramid with governments at the top, corporations, supported by financial sector firms, in the middle and consumers, small and mid-sized enterprises (SMEs) and investors, at the bottom. To add to the complexity, these actors are located across different countries each with their own unique situations and interests in mind.

Putting this all together is key, as climate change represents an enormous challenge, but also a commercial opportunity.

Applying a climate lens, we can consider possible investor motivations, which fall broadly into at least one of these categories:



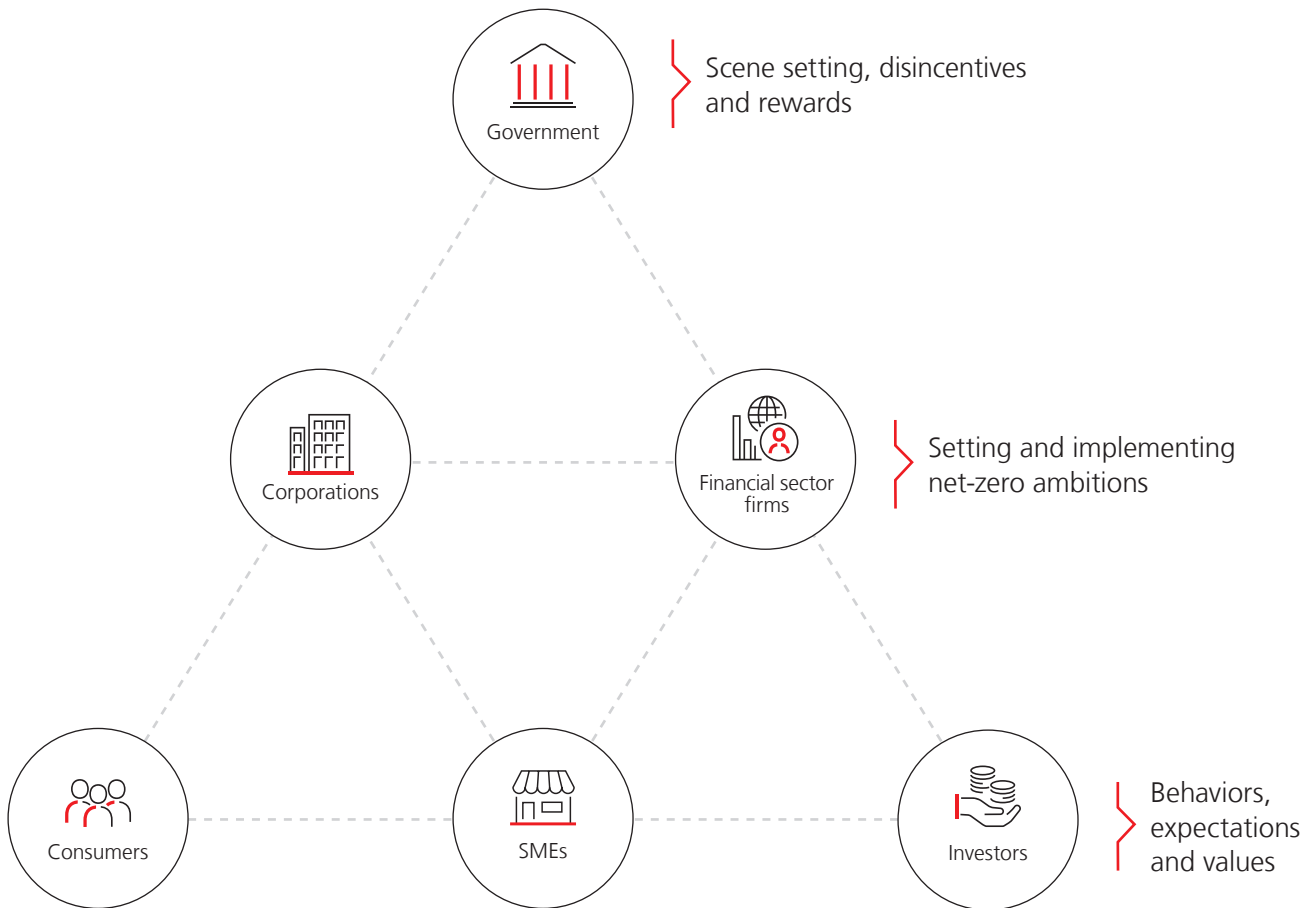
Financial Returns
drivers of financial risks and rewards



Ethical Preferences
exposure aligned with moral values



Impact
leverage investments to make a difference



From a climate perspective, investor impact is most effective when it changes or influences a company's activities in such a way that those changes would not have happened otherwise. This requires effective

investor engagement, aligned with an investment thesis, that is evidence-based and constructive in nature.

Innovative pathways unlock opportunity

There is neither a **morally right nor a morally wrong approach** to climate finance, only a lack of clarity or an unwillingness to commit.

Concrete climate action requires capital, and there are clear gaps in funding. In particular:

1. transition financing, where proceeds are earmarked for decarbonization of legacy businesses; and
2. scaling solutions – often by supporting early-stage private companies whose technologies effectively enable decarbonization.

Financial institutions' investing and financing functions can help address these gaps, potentially funding frontier technologies, which can be key to scaling climate solutions action.

We call them emerging or frontier technologies because they are generally in early development, possibly even in demonstration or prototype phases. Innovative financial structures can help to catalyze capital flows toward these vital emerging technologies and support them until they are cost competitive.

Blended finance, which combines an initial investment, often from a philanthropic or government entity, with subsequent commercial investment can be a catalyst that helps to accelerate financing for emerging and frontier green technologies.



Blended finance can meet many objectives

Government incentives are vital to curating capital investments, particularly into **emerging technologies that can help scale the climate transition**, and into emitters that need to invest in cleaner ways of delivering high emission materials that will continue to be necessary to society – think cement for example.

Blended capital initiatives, tax breaks, subsidies here and other tools have found a permanent place in climate investing and often provide the much-needed confidence and first-loss provisions that essentially motivate private capital to take part. These incentives can aid in driving seed capital to aid tech start-ups.

Moreover, there are opportunities to support larger corporate customers through off-balance sheet financing options such as special purpose vehicle (SPV) structures, also known as limited partnerships, and/or via the support of state guarantees. These

structures could be set up to test and implement innovative technologies and help to identify new directions for parent companies in high emission industries.

Lastly, philanthropic activities can also help scale solutions to key implementation challenges, notably:

1. risk transfer
2. mitigation of time to economic viability gap

For the required scale of addressing the climate crisis, solutions will eventually need



to come from channeling capital and building partnerships around market-based solutions, i.e., those that succeed or fail because of the natural forces of the free market.

This is not to say that sustainable and impact investing can, or ever should, replace government spending or philanthropy.

Not-for-profit capital may be most efficiently deployed for goals relating to public goods

or those where establishing market-clearing price mechanisms for externality costs is difficult.

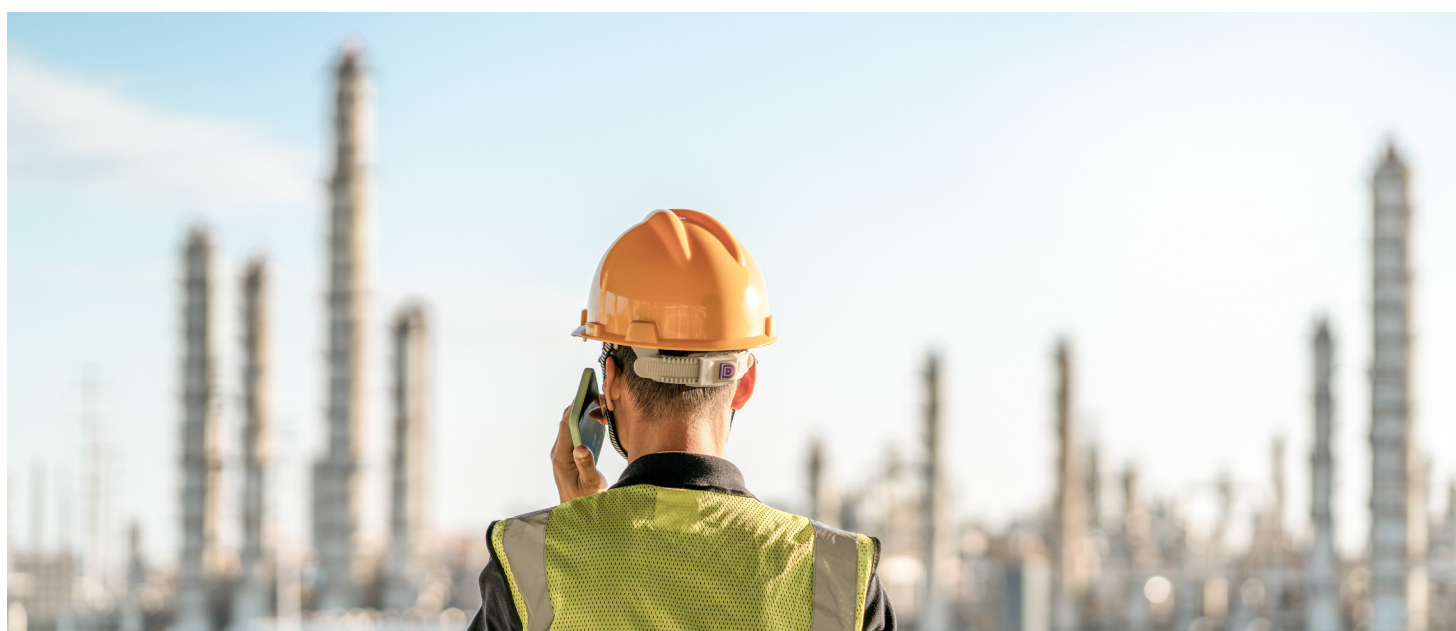
But a private capital transition framework within an approach to climate change will allow banks to support high-polluting sectors with their transitions.

Evolving our investing mindset to real-economy decarbonization

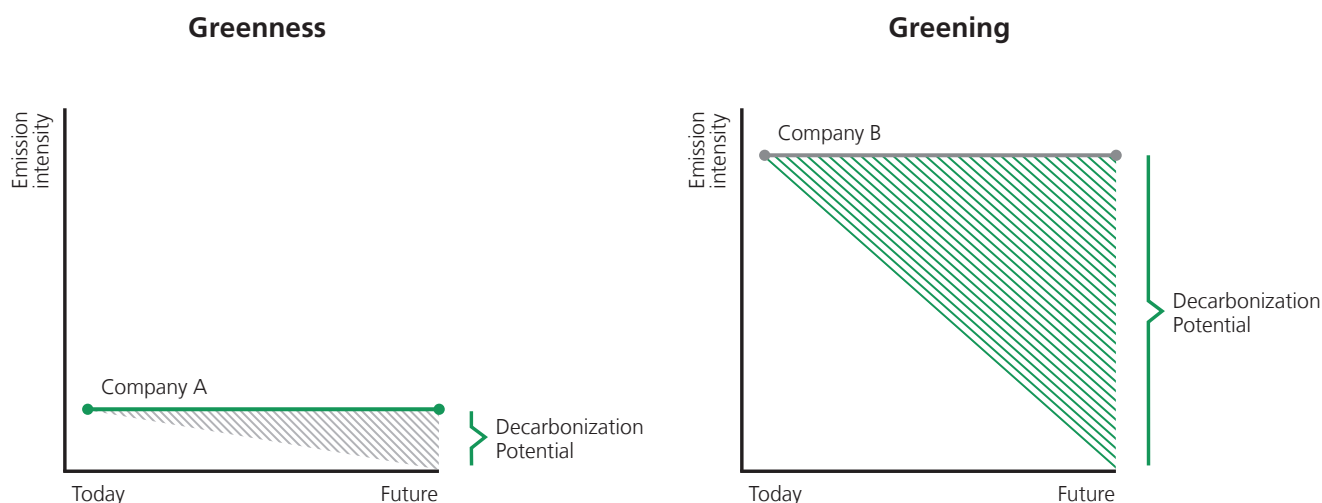
Another piece of the puzzle is moving away from only considering historical levels of emissions, and focusing on **future rate of change**. This promotes a fundamentally different approach to both climate investing and financing:

- Treating improvement potential as an opportunity will enable financial institutions to engage with emission-intensive sectors where decarbonization efforts matter the most.
- Future change, as a metric, is better aligned with an impact mindset, encouraging innovation and real-world change.

And, we know that what gets measured, gets managed.



Invest for Greenness or Greening



This stylized illustration suggests the difference between investing in a low emission-intensity company with limited decarbonization potential (Company A) and a high emission-intensity company with ample decarbonization potential (Company B). With a low carbon portfolio footprint focus investors are incentivized to invest in Company A. With a rate of change focus investors are incentivized to invest in Company B.

To speed up action on climate finance, it will be important to apply an additional transition lens to bank lending and finance facilitation.

It's easy to understand why climate change dominates sustainable investing: the climate crisis is the most urgent threat of our time and requires multiple levels of engagement and action across sectors. But it's important

to understand why financing the climate transition is essential.

For some companies minor adjustments to operating models and indirect actions will suffice for them to achieve their decarbonization goals. But others will need to reinvent their businesses completely. And some will make solving the climate crisis their primary business focus. This will require innovative ways of deploying and accounting for capital.

We believe there is an opportunity for investors to have a measurable impact and play a more meaningful role in tackling climate change. We suggest that greater clarity and broader understanding around investment product objectives will help drive capital toward impact offerings.

Advising can guide the transition journey

Understanding why investors choose a climate lens and developing better aligned metrics are two sides of the same coin. What we also should consider is which solutions we believe will **most effectively facilitate decarbonization** and what needs to be done to facilitate investments in them.

Advisors are often the first point of contact and education for clients regarding the sustainable options available, the outlook for emerging technologies and the opportunities to support scaling low-carbon solutions.

Three key actions are important for advisors to move the needle on the low-carbon transition

- create innovative financial instruments
- recognize the financial value of green investments
- establish climate-transition task forces



Over time, as awareness about sustainable finance becomes more widespread, we believe that investors will expect more detailed green CAPEX disclosures from companies, and that they will openly question when investment levels are too low. In return, we expect markets to pay higher green valuation premiums.

Corporate valuation frameworks and investor education efforts can include several elements, including:

- abatement technologies
- green CAPEX and OPEX
- carbon tax
- customer dynamics
- green valuation premium

We are already seeing companies across different sectors making decisions based on company - and location-specific marginal abatement cost curves (MACCs) and internal assumptions on future carbon pricing. MACCs are helpful visualizations of decarbonization pathways showing how technologies compare by cost and CO₂ abatement potential.

Looking forward

The low-carbon transition will take place at different speeds across sectors and locations. Financial institutions and banks need to understand these dynamics and idiosyncrasies to be better positioned to advise their clients about the risks and opportunities related to both climate change and **working toward the solution**.

By working closely with their clients and industry peers in a symbiotic partnership financial advisors can influence and encourage the adoption of more sustainable practices and improved data disclosure requirements, which in turn can help to identify those companies and industries which are most integral to climate change and how to invest in them.

The first steps have been taken toward decarbonization across industries and regions. Many companies, investors, asset managers and financial sector firms servicing them recognize the value in transitioning toward a collective net-zero future. Initiatives and collaborations have started to shape norms that will help guide meaningful actions.

The next steps in climate financing present an opportunity and imperative to effect real progress in not only transitioning away from emission-intensive sectors, but in working in partnership with all stakeholders to green the economy and help pollutive industries successfully make their own transitions.

The risks linked to inaction and a “business as usual” approach are both known and evolving in unpredictable ways. When we expand our focus to greening the future, enabling green solutions and models to take hold, augmenting exclusionary and divesting approaches, educating ourselves and our clients, the potential for real, measurable, positive impact increases as does the investment opportunity set.



Disclaimer

This publication has been prepared by UBS AG, its subsidiary or affiliate (“UBS”). This content and the information contained herein are provided solely for information purposes. It is not to be regarded as investment advice, investment research, sales prospectus, an offer or a solicitation of an offer to enter in any investment activity. The information contained in this material is as of the date hereof only and is subject to change without notice. UBS is under no obligation to update or keep current the information contained herein. This content is not a complete statement of the markets and developments referred to herein. The information contained herein should not be regarded by recipients as a substitute for the exercise of their own judgment. It has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisers to the extent you deem necessary to make your own investment, hedging and trading decisions. UBS does not provide legal or tax advice and makes no representations as to the tax treatment of assets or the investment returns thereon, either in general or with reference to specific client’s circumstances and needs. Certain services and products are subject to legal provisions and cannot be offered world-wide on an unrestricted basis. In particular, this content is not intended for distribution into the US and/or to US persons or in jurisdictions where its distribution by UBS would be restricted. UBS specifically prohibits the redistribution of this content in whole or in part without the written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect. Neither UBS nor any of its directors, officers, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this content. Source of all information is UBS unless otherwise stated. UBS makes no representation or warranty relating to any information herein which is derived from independent sources. Please consult your client advisor if you have any questions.

USA: As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review the PDF document at ubs.com/relationshipsummary. There are two sources of UBS research. Reports from the first source, UBS CIO Wealth Management Research, are designed for individual investors and are produced by UBS Wealth Management Americas (which includes UBS Financial Services Inc. and UBS International Inc.) and UBS Wealth Management. The second research source is UBS Investment Research, and its reports are produced by UBS Investment Bank, whose primary business focus is institutional investors. The two sources operate independently and may therefore have different recommendations. The various research content provided does not take into account the unique investment objectives, financial situation or particular needs of any specific individual investor. If you have any questions, please consult your Financial Advisor. UBS Financial Services Inc. is a subsidiary of UBS AG and an affiliate of UBS International Inc.

Singapore/Hong Kong: Comments provided are based on UBS’ general research data only and are not linked to or generated based on, and have not taken into consideration, your circumstances or any other information about you. This article provides sampled data only. For Singapore: This advertisement has not been reviewed by the Monetary Authority of Singapore. For Hong Kong: This content has not been reviewed by the Securities and Futures Commission of Hong Kong.

FIM-Business: Please take note that the content of this document is exclusively intended for Financial Intermediaries and shall not be passed on to end-clients and third parties. Furthermore, it shall be kept in mind that any product information provided herein is not advanced in consideration of a portfolio of a specific end-client and shall not be regarded as investment advisory service provided by UBS. It is the Financial Intermediary’s sole responsibility to decide whether an investment instrument is appropriate and suitable with respect to a certain end-client’s financial and personal situation and objectives (including the end-client’s knowledge, experience and country of domicile). **France:** This document has not been submitted for approval by, and no advertising or other offering materials have been filed with, the French Financial Markets Authority (“Autorité des Marchés Financiers” – AMF) or “Autorité de Contrôle Prudentiel et de Résolution” (ACPR). This document and any other information or materials relating thereto is for information purposes only and does not (intend to) constitute a public offering or involve an investment service in France. This publication is for your information only and is not intended as an offer or a solicitation of an offer to purchase or sell any specific products and should not be treated as giving investment advice. All information and opinions as well as any indicated prices are valid only at the time of the preparation of the information and are subject to change due to market developments any time and without prior notice. Please be aware that the products presented in this publication may not fit to the personal investment objectives, portfolio and risk profile of every individual investor. All information and opinions expressed in this publication were obtained from sources believed to be reliable. This publication is targeted neither to citizens of the United States of America or of the United Kingdom nor to any persons who have permanent residence in those jurisdictions. With regard to the products presented in this publication solely the sales brochure is legally binding which can be received from UBS upon request. This publication may neither be altered, copied nor reproduced without the prior written consent of UBS. Neither this document nor any other information or materials relating thereto (a) may be distributed or made available to the public in France, (b) may be used in relation to any investment service in France (c) or may be used to publicly solicit, provide advice or information to or otherwise provoke requests from the public in France in relation to the offering. Any offering is made exclusively on a private basis in accordance with French law and is addressed only to, and subscription will only be accepted from eligible investors in accordance with French law. **Germany:** This publication is for your information only and is not intended as an offer or a solicitation of an offer to purchase or sell any specific products and should not be treated as giving investment advice. All information and opinions as well as any indicated prices are valid only at the time of the preparation of the information and are subject to change due to market developments any time and without prior notice. We recommend consulting an investment or tax advisor or lawyer prior to your investment. Please be aware that the products presented in this publication may not fit to the personal investment objectives, portfolio and risk profile of every individual investor. All information and opinions expressed in this publication were obtained from sources believed to be reliable. However, no representation or warranty, expressed or implied is made to their accuracy. Please note, that UBS Europe SE or other companies of the UBS group (or employees thereof) may purchase or sell any financial instruments or derivatives with a corresponding underlying mentioned in this publication. Furthermore, they can act as principal respectively agent or render consulting or other services to an issuer or to companies affiliated with an issuer. This publication is targeted neither to citizens of the United States of America or of the United Kingdom nor to any persons who have permanent residence in those jurisdictions. With regard to the products presented in this publication solely the sales brochure is legally binding which can be received from UBS Europe SE, P.O. Box 102042, 60020 Frankfurt/Main, upon request. This publication may neither be altered, copied nor reproduced without the prior written consent of UBS Europe SE. **Hong Kong:** Distributed by UBS AG Hong Kong Branch, incorporated in Switzerland with limited liability. **Monaco:** This document is not intended to constitute a public offering or a comparable solicitation under the Principality of Monaco laws, but might be made available for information purposes to clients of UBS (Monaco) SA, a regulated bank under the supervision of the “Autorité de Contrôle Prudentiel et de Résolution” (ACPR) for banking activities and under the supervision of “Commission de Contrôle des Activités Financières for financial activities”. **Italy:** This document is distributed in Italy to clients Financial Intermediaries of UBS Europe SE, Succursale Italia, with registered office in Milano, via del Vecchio Politecnico n. 3, and it is the Italian branch of UBS Europe SE, with registered office in Bockenheimer Landstraße 2-4, D-60306 Frankfurt und Main (Germany). UBS Europe SE, Succursale Italia operates under the supervision of the Italian Regulators Bank of Italy and CONSOB and, furthermore, under the supervision of the German Regulator BaFin. **Luxembourg:** This document is distributed by UBS Europe SE, Luxembourg Branch, with place of business at 33A, Avenue J. F. Kennedy, L-1855 Luxembourg, R.C.S. Luxembourg n° B209123. UBS Europe SE, Luxembourg Branch is a branch of UBS Europe SE, a credit institution constituted under German Law in the form of a Societas Europaea, duly authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin), and is subject to the joint supervision of BaFin, the central bank of Germany (Deutsche Bundesbank), as well as of the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), to which this document has not been submitted for approval. **Singapore:** Distributed by UBS AG, Singapore Branch (UEN S98FC5560C), incorporated in Switzerland with limited liability. **Spain:** This publication is distributed in Spain to its clients by UBS Europe SE, Sucursal en España, a banking entity domiciled in Spain (Calle María de Molina 4, 28006 Madrid – www.ubs.es), subject to supervision by Banco de España and the Bundesanstalt für Finanzdienstleistungsaufsicht and entitled to provide investment services under the supervision of the Comisión Nacional del Mercado de Valores.

For Cross-Border situations: Bahrain: UBS is a Swiss bank not licensed, supervised or regulated in Bahrain by the Central Bank of Bahrain and does not undertake banking or investment business activities in Bahrain. Therefore, Clients have no protection under local banking and investment services laws and regulations. **Brazil:** Securities mentioned in this material have not been, and will not be, submitted for approval nor registered with the Securities and Exchange Commission of Brazil (CVM). Documents and information herein are not being used in connection with any offer for subscription or sale to the public in Brazil. **Canada:** All current and future information and documentation provided to you by UBS, including but not limited to, market data, research and product information is provided to you for information and marketing purposes only. The information contained in such material is not, and under no circumstances to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described therein, solicitation of an offer to buy securities described therein, in Canada or any province or territory thereof. Any offer or sale of the securities described therein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered regarding applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained therein to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained therein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada or, alternatively, pursuant to a dealer registration exemption. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained therein or the merits of the securities described therein and any representation to the contrary is an offence. Investing in certain investment products and/or receiving financial services may have adverse tax implications depending upon a client's personal circumstances. The effect of a particular product or service on the client's overall tax situation may be difficult to assess. UBS is unable to give any guarantee or assurance regarding the potential tax implications of any investment product or service made available to its clients and accordingly shall not assume any responsibility or liability for any adverse tax implications whatsoever as a consequence of any such product or service. UBS recommends that clients consult with qualified tax advisors to assess the effect of particular products and services on their personal tax situation. Certain Canadian Federal Income Tax Considerations: This summary is based on the provision of the Income Tax Act (Canada) (the "Tax Act") and its regulations which are in force or have effect as of the date hereof. UBS assumes no liability to update or revise the below summary, and it should not be relied upon by investors to make investment decisions. The below summary of certain Canadian federal income tax considerations is limited to a non-exhaustive set of tax rules that could result in a tax liability to a investor that is resident of Canada for purposes of the Tax Act and that is investing in securities of a "non-resident" (as defined in the Tax Act) issuer even if the investor does not earn or receive any amounts from such investment. The Tax Act includes rules (the "Offshore Investment Rules") that may require an amount to be included in the income of an investor that holds an "offshore investment fund property". The Offshore Investment Rules may apply where (i) an offshore investment fund property derives its value primarily from "portfolio investments" in certain assets, and (ii) it may reasonably be concluded that one of the main reasons for the investment is to derive a benefit from portfolio investments in these assets in such a manner that taxes on the income, profits and gains from the assets are significantly less than the tax applicable under the Tax Act if such income, profits and gains had been earned directly by the investor. If the Offshore investment Rules apply, the investor will have an income inclusion in respect of each month equal to the "designated cost" of the property to the investor that is subject to the rules at the end of the month multiplied by 1/12th of the sum of a prescribed rate of interest plus 2 %. The prescribed rate of interest is linked to the yield on 90-day Government of Canada Treasury Bills and is adjusted quarterly. The income inclusion will be reduced by the investor's income for the year (other than capital gains) from the offshore investment fund property determined under the other provisions of the Tax Act. Accordingly, if the Offshore Investment Rules apply to an investor, the investor may be required to include in taxable income amounts that the investor has not earned or received. These rules are complex and their application depends, to a large extent, on the reasons of an investor for acquiring or holding the investment. The foregoing summary provides a general description of the Offshore Investment Rules, and should not be construed as advice to any particular investor regarding the implications of the Offshore Investment Rules in the investor's particular circumstances. Investors are urged to consult their own tax advisors regarding the application and impact of the Offshore Investment Rules in their particular circumstances. The rules in respect of non-resident trusts will not apply in respect of "exempt foreign trusts" (as defined in the Tax Act), which would, subject to detailed provisions, generally include commercial trusts. Where, however, a non-resident trust is an exempt foreign trust because it is a commercial trust, an investor (x) that holds, either alone or together with (i) any persons not dealing at arm's length with the investor or (ii) any persons who acquired their interest in the trust in exchange for consideration given to the trust by the investor, at least a 10% interest (as defined and determined based on fair market value) in such trust, or (y) that has contributed "restricted property" (as defined in the Tax Act) to such trust, will be required to include in income a percentage of that trust's "foreign accrual property income" (as defined in the Tax Act). Other investors in a commercial trust may be subject to the Offshore Investment Rules discussed above. Investors should consult their own tax advisors in this regard. If the total "equity percentage" (as defined in the Tax Act) of a Canadian investor (and related persons) is 10% or more in a particular non-resident corporation, the investor may be subject to the rules in the Tax Act which (i) require the inclusion of a percentage of the foreign accrual property income of the corporation in computing the income of the investor, rather than the application of the Offshore Investment Rules, and (ii) could result in withholding tax being due by an investor that is a corporation resident in Canada for purposes of the Tax Act. Investors should consult their own tax advisors in this regard. UBS is not a licensed bank in the Czech Republic and thus is not allowed to provide regulated banking or investment services in the Czech Republic. This communication and/or material is distributed for marketing purposes and constitutes a "Commercial Message" under the laws of Czech Republic in relation to banking and/or investment services. Please notify UBS if you do not wish to receive any further correspondence. **Costa Rica:** This is an individual and private offer which is made in Costa Rica upon reliance on an exemption from registration before the General Superintendence of Securities ("SUGIVAL"), pursuant to article 6 of the Regulations on the Public Offering of Securities ("Reglamento sobre Oferta Pública de Valores"). This information is confidential, and is not to be reproduced or distributed to third parties, as this is NOT a public offering of securities in Costa Rica. **Greece:** UBS AG and its subsidiaries and affiliates (UBS) are premier global financial services firms offering wealth management services to individual, corporate and institutional investors. UBS AG and UBS Switzerland AG are established in Switzerland and operate under Swiss law. UBS AG operates in over 50 countries and from all major financial centers. UBS is not licensed as a bank or financial institution under Greek legislation and does not provide banking and financial services in Greece. Consequently, UBS provides such services from branches outside of Greece, only. No information in this document is provided for the purpose of offering, marketing and sale by any means of any capital market instruments and services in Greece. Therefore, this document may not be considered as a public offering made or to be made to residents of Greece. **Indonesia, Singapore, Thailand, Philippines:** This communication and any offering material, term sheet, research report, other product or service documentation or any other information (the "Material") sent with this communication were done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved or endorsed by any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or derivatives products). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or derivatives products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you. **Ireland:** The information/marketing material enclosed/attached is provided to you upon your specific unsolicited request and based on your own initiative. Please be aware that UBS does therefore not render investment advice to clients domiciled/resident in Ireland and that any information/marketing material

provided by UBS may not be construed as investment advice. **Malaysia:** This communication and any offering material term sheet, research report, other product or service documentation or any other information (the "Material") sent with this communication was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved or endorsed by any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or products or futures contracts). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you. **Nigeria:** UBS AG and its branches and subsidiaries (UBS) are not licensed, supervised or regulated in Nigeria by the Central Bank of Nigeria (CBN) or the Nigerian Securities and Exchange Commission (SEC) and does not undertake banking or investment business activities in Nigeria. Any investment products mentioned in the material provided to you are not being offered or sold by UBS to the public in Nigeria and they have not been submitted for approval nor registered with the Securities and Exchange Commission of Nigeria (SEC). If you are interested in products of this nature, please let us know and we will direct you to someone who can advise you. The investment products mentioned in the material are not being directed to, and are not being made available for subscription by any persons within Nigeria other than the selected investors to whom the offer materials have been addressed as a private sale or domestic concern within the exemption and meaning of Section 69(2) of the Investments and Securities Act, 2007 (ISA). Any material relating to Collective Investment Schemes has been provided to you at your specific unsolicited request and for your information only. The investment products mentioned in such material are not being offered or made available for sale by UBS in Nigeria and they have not been submitted for approval nor registered with the Securities and Exchange Commission of Nigeria (SEC). **Poland:** UBS is a premier global financial services firm offering wealth management services to individual, corporate and institutional investors. UBS is established in Switzerland and operates under Swiss law and in over 50 countries and from all major financial centres. UBS Switzerland AG is not licensed as a bank or as an investment firm under Polish legislation and is not allowed to provide banking and financial services in Poland. **Portugal:** UBS Switzerland AG is not licensed to conduct banking and financial activities in Portugal nor is UBS Switzerland AG supervised by the Portuguese Regulators (Bank of Portugal "Banco de Portugal" and Portuguese Securities Exchange Commission "Comissão do Mercado de Valores Mobiliários". **Russia:** This document or information contained therein is for information purposes only and constitute neither a public nor a private offering, is not an invitation to make offers, to sell, exchange or otherwise transfer any financial instruments in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. The information contained herein is not an "individual investment recommendation" as defined in Federal Law of 22 April 1996 No 39-FZ "On Securities Market" (as amended) and the financial instruments and operations specified herein may not be suitable for your investment profile or your investment goals or expectations. The determination of whether or not such financial instruments and operations are in your interests or are suitable for your investment goals, investment horizon or the acceptable risk level is your responsibility. We assume no liability for any losses connected with making any such operations or investing into any such financial instruments and we do not recommend to use such information as the only source of information for making an investment decision. **Turkey:** The information in this document is not provided for the purpose of offering, marketing or sale of any capital market instrument or service in the Republic of Turkey. Therefore, this document may not be considered as an offer made, or to be made, to residents of the Republic of Turkey in the Republic of Turkey. UBS is not licensed by the Turkish Capital Market Board (the CMB) under the provisions of the Capital Market Law (Law No. 6362). Accordingly, neither this document nor any other offering material related to the instrument/service may be utilized in connection with providing any capital market services to persons within the Republic of Turkey without the prior approval of the CMB. However, according to article 15 (d) (ii) of the Decree No. 32 there is no restriction on the purchase or sale of the instruments by residents of the Republic of Turkey. **UAE:** UBS is not a financial institution licensed in the UAE by the Central Bank of the UAE nor by the Emirates' Securities and Commodities Authority and does not undertake banking activities in the UAE. UBS AG Dubai Branch is licensed by the DFSA in the DIFC. **UK – EU Passport Business:** Deemed authorised and regulated by the Financial Conduct Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority [website](#). **Ukraine:** UBS is a premier global financial services firm offering wealth management services to individual, corporate and institutional investors. BS is established in Switzerland and operates under Swiss law and in over 50 countries and from all major financial centers. UBS is not registered and licensed as a bank/financial institution under Ukrainian legislation and does not provide banking and other financial services in Ukraine. UBS has not made, and will not make, any offer of the mentioned products to the public in Ukraine. No action has been taken to authorize an offer of the mentioned products to the public in Ukraine and the distribution of this document shall not constitute financial services for the purposes of the Law of Ukraine "On Financial Services and State Regulation of Financial Services Markets" dated 12 July 2001. Any offer of the mentioned products shall not constitute public offer, circulation, transfer, safekeeping, holding or custody of securities in the territory of Ukraine. Accordingly, nothing in this document or any other document, information or communication related to the mentioned products shall be interpreted as containing an offer, a public offer or invitation to offer or to a public offer, or solicitation of securities in the territory of Ukraine. Electronic communication must not be considered as an offer to enter into an electronic agreement or other electronic instrument ("**електронні повідомлення**") within the meaning of the Law of Ukraine "On Electronic Commerce" dated 3 September 2015. This document is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. **Uruguay:** All securities/investment funds/products/services that will be offered to you by UBS i) Are not and will not be registered with the Central Bank of Uruguay (BCU) to be publicly offered in Uruguay unless explicitly stated otherwise; ii) Are offered to you on a private basis pursuant to section 2 of Uruguayan law 18.627; Investment funds that will be offered to you correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended unless explicitly stated otherwise; and UBS represents and agrees that it has not offered or sold, and will not offer or sell, any securities/investment funds/products/services to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. UBS is not subject to supervision of the Uruguayan regulator (BCU). Deposits held with UBS are not protected by the Uruguayan Guarantee Fund of Bank Deposits. The deposits are subject to the applicable law and regulations of the respective UBS Booking Centre. Upon request UBS can provide you with the following regarding investment funds: How to access information which must be made available to investors according to the regulations of the country where the investment fund was established; The investment fund rules and regulations; and Information on the obligations of the investment fund's distributor.

The product being offered is not intended for the Costa Rican public or market and neither is registered or will be registered before the SUGEVAL, nor can be traded in the secondary market.

© 2022 UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA/SIPC.

© 2022 UBS Switzerland AG. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

UBS Group AG
P.O. Box
CH-8098 Zurich

ubs.com

