

European Oil & Gas

Investing in **natural resources**

UBS Certificate linked to the Bloomberg Eurozone Developed Markets Top 10 Oil & Gas Index

Underinvestment in the energy sector

Over the decades, oil and gas investments have proved to be cyclically volatile. However, in recent years, oil and gas manufacturers have seen impressive rallies in share prices, powered by record cash flows in upstream processors and ever-increasing global refining capacity downstream¹. Producers and processors in the industry have adapted to the changing geopolitical and environmental concerns, leading to renewed interest from investors. The Bloomberg Eurozone Developed Markets Top 10 Oil & Gas Index tracks the best performing companies in the European oil and gas markets where geopolitical and environmental strife is less of a concern, giving investors valuable exposure to the cutting-edge developments and improvements on the non-renewable energy horizon.

Striving towards cleaner non-renewables

Most companies in the European oil and gas industry endeavour to source and refine these commodities in a way that reduces overall operational environmental impact. In the wake of the 2022 energy crisis, the demand for fossil fuels has surged and continues to grow, causing sharp spikes in oil and gas prices. Despite this, underinvestment in the energy sector continues, especially concerning non-renewable energy. As oil and gas prices continue to show increased volatility, investments in the sector may prove to be a valuable hedge against price hikes and inflation.

The product solution

UBS Tracker certificates track the performance of the Bloomberg Eurozone Developed Markets Top 10 Oil & Gas Index 1:1. Since the underlying asset is a net return index, the dividends of the companies included are reinvested net. This gives investors an efficient and cost-effective opportunity to invest in a neglected sector with a reasonably positive outlook.

Opportunities

- Participation in European companies operating in the oil and gas industry.



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| Currency | ISIN | Alpha Code |
|----------|--------------|------------|
| ZAR | ZAE000323499 | OILGAS |

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- Objective-focused and transparent index design: the composition is reviewed quarterly adjusted as needed.
- Diversification: Underlying asset contains oil and gas companies from different market segments.
- Index components are selected by Bloomberg, the index provider.
- Net dividends accrued from the corporations contained in the index are reinvested in the index.
- Tradable every trading day under normal trading conditions.

Risks

- No capital protection: investors run the risk of losing their capital investment if the price of the underlying index worsens.
- The issuer intends to ensure liquidity in normal market phases on trading days. However, investors should realise that they may not be able to buy / sell the product at every point in time.
- Systematic risk: the development of the yield depends on the respective market conditions.
- As the assets included in the index may be listed in different currencies from the product and the products do not have any currency hedges, the investor may also be

exposed to exchange rate risk, which may adversely affect the value of the product.

- Each investor bears the general risk that the financial situation of the issuer may worsen. In the event of the insolvency of the issuer, the products are direct, unsecured and subordinated liabilities of the issuer.
- The issuer has the right to cancel the products if certain conditions are met.

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|----------------------|--|
| Underlying | Bloomberg Eurozone Developed Markets Top 10 Oil & Gas Net Return Index |
| ISIN | ZAE000323499 |
| UBS AG credit rating | S&P A+ Moody's Aa3 Fitch A+ |
| Primary exchange | Johannesburg Stock Exchange |
| Management fee | 0.50% p.a. |
| Issue date | 21 June 2023 |
| Maturity date | 27 June 2028 |
| Issue price | ZAR 100.00 |
| Settlement currency | ZAR |
| Alpha Code | OILGAS |

Investor profile

Solutions for investors with experience in stock market topics and structured products and with a medium to increased risk tolerance who would like to participate in the performance of the equities included in the index at little capital and administrative expense.

The product documentation, i.e. the applicable pricing supplement and termsheet can be found on keyinvest-za.ubs.com

Further information about the Index and the methodology used to compute the level of the Index is available at the website of the index calculator.

¹Deloitte, 2023 oil and gas industry outlook, 2023

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