

# UBS Market Pioneers Index

Two innovative approaches  
combined into a singular strategy.

Not a solicitation or offer to buy or sell  
any securities or other financial  
instruments.

Ticker: UBSMPI

Web site: [ubsmarketpioneers.com](http://ubsmarketpioneers.com)

The research and  
experience of two  
renowned market  
pioneers

## Index overview

Multi-asset indexing strategies can provide individuals in and near retirement with ways to address some of their key concerns, including managing short-term market volatility, capturing harder-to-find excess return, and keeping ahead of inflation.

By combining two specialized strategies, the UBS Market Pioneers Index (“the Index”) seeks to address these concerns. The underlying strategies consist of two complementary component indices, one that invests in equities, the other in commodity futures. In addition, the Index includes exposure to fixed-income when the Index’s equity and commodity volatility targets are exceeded.

The Index is a “long only” strategy with a total return objective, and it seeks to provide above-average returns with lower volatility over the long term.



### Equity component

The NYSE Zebra Edge U.S. Equity Index is an equal-weight, large-cap stock index. It is based on award-winning research by Roger Ibbotson, founder of Zebra Capital Management\*. His study of stock market trends found that investors are rewarded over longer-term investment horizons for removing stocks that are overly popular (defined as excessive turnover relative to the amount of shares outstanding) and overly volatile from their portfolio.



**Roger Ibbotson**  
Founder and CIO,  
Zebra Capital  
Management



### Commodity component

The Jim Rogers Global Consumer Commodities Index™ is a diversified, low turnover index of 27 commodity futures contracts. Weights and futures contracts are selected based on global consumption patterns (i.e., demand) for the respective commodity, while taking into account the liquidity of the strategy. Through his extensive on-the-ground research into the market behavior of global commodities, veteran investor Jim Rogers has found that consumption-weighted commodity investing outperforms other forms of commodity investing over time.\*\*



**Jim Rogers**  
Founder of  
the Rogers  
International  
Commodity  
Index (RICI)



### Fixed-income component

Fixed-income exposure is implemented using a tactical trend-following US 10-Year Treasury Futures Strategy.

Illustration credit: Jim Rogers: James Williams, Face to Face, FT.com, 01 April 2016. Roger Ibbotson: Sophia Grene, Face to Face, FT.com, 04 March 2016 © The Financial Times Limited 2016. All Rights Reserved.

\* “The Liquidity Style of Mutual Funds” Roger Ibbotson, Thomas Idzorek and James Xiong. Published in Financial Analyst Journal 2012.

\*\* “Hot Commodities: How Anyone Can Invest Profitably in the World’s Best Market” James B. Rogers, Random House 2004.

# Index construction and methodology

To maintain return and volatility targets, the Index employs a three-step, dynamic allocation process.

## 1. Tactical Equity/Commodity Tilt

A tactical tilt strategy weights the NYSE Zebra Edge U.S. Equity Index component and Jim Rogers Global Consumer Commodities Index™ component in a 75/25 ratio, based on a 200-day rolling measure of relative strength. Rebalancing is executed quarterly.



NYSE Zebra Edge U.S. Equity Index



Jim Rogers Global Consumer Commodities Index

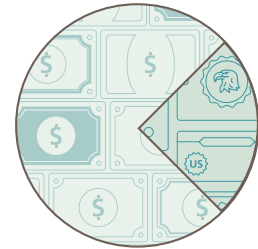
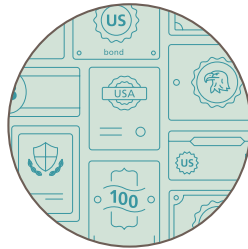
Rolling 200-day relative strength measure **favors equities**

Rolling 200-day relative strength measure **favors commodities**

An equity/commodity risk control targets a 5% annualized volatility, subject to a 100% maximum exposure. When exposure is below 100%, the remaining allocation tracks the Tactical US 10-Year Treasury Futures strategy described below. Rebalanced daily.

## 2. Tactical Treasury Futures allocation

The Index either fully tracks or maintains a 25% allocation to an index of US 10-Year Treasury Note Futures\* dependent on market conditions and the performance of that index.



Index of US 10-Year Treasury Note Futures\*



Interest-free Cash Account

### 100% Exposure

Index of US 10-Year Treasury Note Futures **above** its 100-day moving average for 5 consecutive days

### 25% Exposure

Index of US 10-Year Treasury Note Futures **below** its 100-day moving average for 5 consecutive days

## 3. Portfolio-level risk control

A final risk control overlay is applied to the combined tactical allocations.



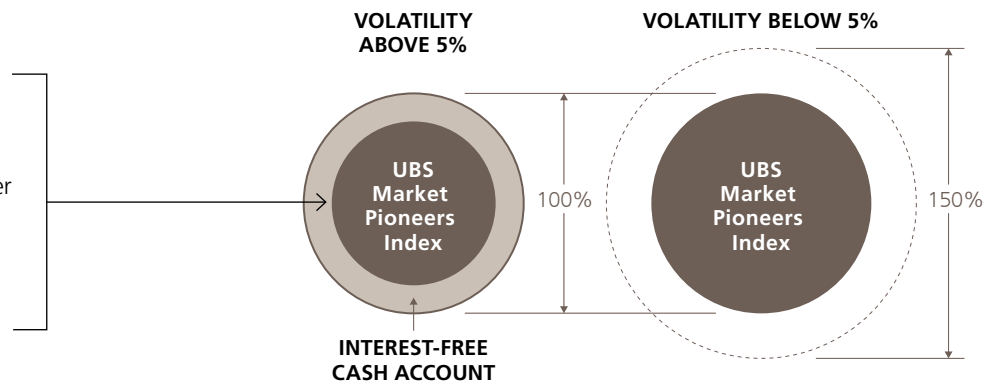
NYSE Zebra Edge U.S. Equity Index



Jim Rogers Global Consumer Commodities Index



Index of US 10-Year Treasury Note Futures\*

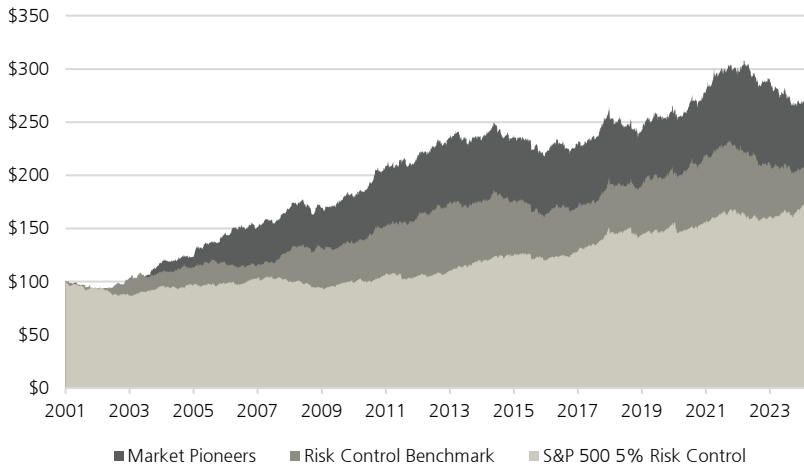


Portfolio level risk control manages exposure for the Tactical Equity/Commodity Tilt/Tactical Treasury Futures allocation subject to a 150% maximum. The UBS Market Pioneers Index exposure is reduced pro-rata when necessary in order to target a 5% annualized volatility. Rebalanced daily. A 0.75% per annum fee is deducted from the Index.

\* The official name of the index of US 10-Year Treasury Note Futures referred to in this material is the Solactive 10-Year US Treasury Future Index. The NYSE Zebra U.S. Equity Index fully re-invests dividends, but performance is reduced by an annualized ICE 3-month Libor rate.

# Results

## Backtested Performance



The term "backtested performance" refers to simulated performance data provided as an illustration of how the Index would have performed during the relevant period had the Index administrator been calculating the Index using the current Index methodology. Such simulated performance data has inherent limitations, as the simulated data is produced by the retroactive application of a backtested methodology. Simulated performance data is based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance, and may reflect a bias toward strategies that have performed well in the past. No future performance of the Index can be predicted based on the simulated performance described herein. Index performance is net of a 0.75% per annum index fee. **The UBS Market Pioneers Index went live on November 11, 2016. All Index data prior to that date is based on backtested performance.**

Range: February 6, 2001 – May 31, 2024. Source: Solactive, UBS, S&P Dow Jones and Bloomberg.

\*The Risk Control Strategy Benchmark makes the following changes within the UBS Market Pioneers Index in order to replicate how a similar 5% risk control strategy tracking major benchmarks would have performed:

- The equity component is replaced with the S&P 500 ER Index
- The commodities component is replaced with the S&P GSCI ER Index
- The Tactical Treasury Futures Allocation is replaced with the Solactive U.S. 10-Year Treasury Future Index

**All Risk Control Strategy Benchmark data is based on backtested performance.** Performance is net of a 0.75% per annum index fee.

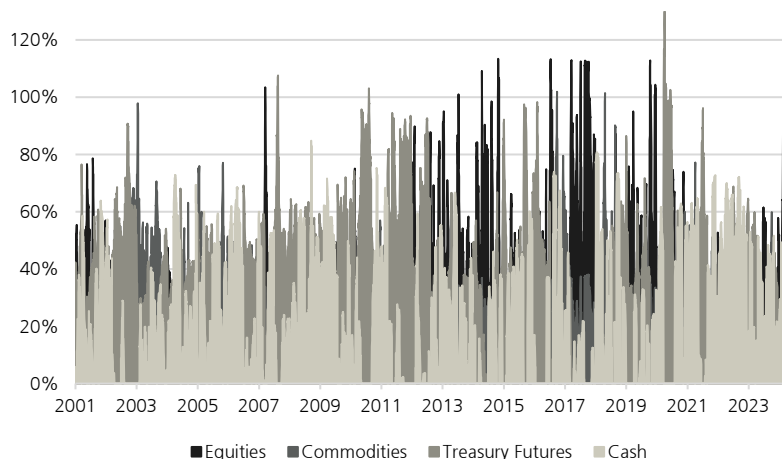
\*\*The S&P 500 5% Risk Control Index ("SPRCI") tracks an excess return index. **The SPRCI went live on September 9, 2009. All data prior to that date is based on backtested performance.** Performance does not include any deduction of fees.

The term "backtested allocations" refers to simulated Index asset allocations provided as an illustration of the Index's asset allocations during the relevant period had the Index administrator been calculating the Index using the current Index methodology. Simulated Index data has inherent limitations, as the simulated data is produced by the retroactive application of a backtested methodology. This data does not reflect the Index's actual asset allocations over the relevant period. No future asset allocations of the Index can be predicted based on the simulated asset allocations described herein. **The UBS Market Pioneers Index went live on November 11, 2016. All Index data prior to that date is based on backtested simulations.**

Range: February 6, 2001 – May 31, 2024. Source: Solactive.

	UBS Market Pioneers Index	Risk Control Strategy Benchmark	S&P 500 5% Risk Control Index
Annualized Return	4.40%	3.15%	2.41%
Volatility	5.34%	5.23%	5.08%
Return/Risk	0.82	0.60	0.47
Maximum Drawdown	-13.92%	-13.95%	-14.00%
1 Year Return	-0.04%	-0.11%	7.37%
2 Year Annualized Return	-5.20%	-3.75%	3.84%
3 Year Annualized Return	-2.50%	-2.61%	2.71%
5 Year Annualized Return	1.73%	1.09%	3.86%

## Backtested Allocations



# Selected Risk Considerations

## **UBS Market Pioneers Index**

- The Index is not guaranteed to succeed at meeting its objectives.
- The Index has exposure to equities, commodities and fixed income markets.
- Financial products linked to the Index will be exposed to the risks of those products.
- Relative strength and trend-following strategies could underperform in a choppy or range bound market.
- The Index relies on risk control methodology, and could underperform indices that do not have a risk control overlay.
- Changes in allocations between equities, commodities and US 10-Year Treasury Futures are based on rolling historical market data.
- The Index is an excess return index and will not earn any cash re-investment return.
- The Index has a limited operating history and may perform in unanticipated ways.
- Backtested performance and backtested allocations of the Index should not be taken as an indication of the future performance of, or future allocations of, the Index.
- Index performance is reduced by a 0.75% per annum index fee.

## **NYSE Zebra Edge U.S. Equity Index**

- Exposure to equities market risk.
- Applying a volatility and popularity filter may cause the index to underperform other indexing strategies.
- Equal weighting of equity index components may underperform indices that use other weighting methodologies.
- Excess return indices will underperform if 3-month Libor rates experience a significant and consistent increase.
- The NYSE Zebra Edge U.S. Equity Index fully reinvests dividends, but performance is reduced by an annualized ICE 3-month Libor rate.

## **Jim Rogers Global Consumer Commodities Index**

- The Jim Rogers Global Consumer Commodities Index weights commodities based on global consumption patterns. In certain market environments, a consumption weighted index may underperform indices that utilize other component weighting methodologies.
- The Jim Rogers Global Consumer Commodities Index tracks commodities with further dated maturities. This enhanced roll methodology may cause the index to underperform indices or strategies that are composed of commodity futures with shorter-dated maturities.
- Commodity indexes may lose value for the following reasons:
  - The effects of weather.
  - The impact of government programs and policies.
  - National and international political, military, or economic events.
  - Increases in interest and exchange rates and other factors that may affect the supply of and demand for global commodities.
- Strategies linked to commodity indices composed of futures contracts, such as the Jim Rogers Global Consumer Commodities Index, may be impacted by the following:
  - Storage costs
  - Interest rates
  - Seasonality
  - Cost to roll futures

## **US 10-Year Treasury Note Futures Index**

- Subject to interest rate risk.
- May be impacted by cost to roll futures.
- The index is an excess return index and does not include exposure to an interest-bearing cash account.

# Disclaimer

These materials are issued by UBS AG and/or its subsidiaries and/or its affiliates (“**UBS**”).

These materials are for distribution only under such circumstances as may be permitted by applicable law. They have not been prepared with regard to the specific investment objectives, financial situation or particular needs of any specific recipient. They are published solely for informational purposes and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments or to participate in any particular trading strategy. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. The recipient should not construe the contents of these materials as legal, tax, accounting, regulatory, or other specialist or technical advice or services or investment advice or a personal recommendation. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in these materials. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein except with respect to information concerning UBS, nor is it intended to be a complete statement or summary of the securities markets or developments referred to in these materials or a guarantee that the services described herein comply with all applicable laws, rules and regulations. They should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in these materials are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS as a result of using different assumptions and criteria. UBS is under no obligation to update or keep current the information contained herein, and past performance is not necessarily indicative of future results. UBS, its directors, officers, employees or clients may have or have had interest or long or short positions in the securities or other financial instruments referred to herein and may at any time make purchases and/or sales in them as principal or agent. UBS may act or have acted as market-maker in the securities or other financial instruments discussed in these materials. Furthermore, UBS may have or have had a relationship with or may provide or have provided investment banking, capital markets and/or other financial services to the relevant companies. 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 these materials or reliance upon the information contained herein. Additional information may be made available upon request. Clients wishing to effect transactions should contact their local sales representative.

Backtesting: This material contains backtested performance data and other data (such as simulated Index asset allocations) derived from backtesting. The terms “backtested performance,” “backtesting,” and “backtested” refer to simulated performance or other related data provided as an illustration of how the Index would have performed during the relevant period had the index administrator, sponsor or other relevant person or entity been calculating the Index using the current Index methodology. Such simulated performance data has inherent limitations, as the simulated data is produced by the retroactive application of a backtested methodology. Simulated performance data is based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance, and may reflect a bias toward strategies that have performed well in the past. Backtested performance data and backtested asset allocations do not reflect actual performance or actual asset allocations of the Index. **No future performance of any index or strategy, including the Index, can be predicted based on the simulated performance described in this material.**

The UBS Market Pioneers Index (the “**Index**”) is a risk-controlled composite index

developed by UBS AG based in part on the non-risk-controlled NYSE® Zebra Edge™ U.S. Equity Index (the “**NYSE Zebra Edge U.S. Equity Index**”) and the non-risk-controlled Jim Rogers Global Consumer Commodities Index™ (the “**Jim Rogers Index**”).

UBS owns or otherwise has the rights to license all intellectual property and other property rights to the Index, which is being used by Security Benefit Life Insurance Company (“**SBL**”) under license from UBS AG.

The mark NYSE® is a registered trademark of NYSE Group, Inc. (together with its subsidiaries and affiliates, “**NYSE**”), Intercontinental Exchange, Inc. (“**ICE**”) or their affiliates and is being used by permission under license.

The marks Zebra® and Zebra Edge™ are trademarks of Zebra Capital Management, LLC (together with its subsidiaries and affiliates, “**Zebra**”) and are being used by permission under license.

The names Jim Rogers, James Beeland Rogers, Jr., Rogers, and Jim Rogers Global Consumer Commodities Index are trademarks, service marks and/or registered trademarks owned by Gladys Holdings, LLC or its affiliate Beeland Interests, Inc. (together with their subsidiaries and affiliates, “**Gladys**”), and are being used by permission under license. The personal names and likeness of Jim Rogers/James Beeland Rogers, Jr. are owned and licensed by James Beeland Rogers, Jr.

ICE / NYSE Group, Inc. owns all intellectual and other property rights to the NYSE Zebra Edge U.S. Equity Index, excluding the concept, methodology, formulas and algorithms for such index. Zebra Capital Management, LLC owns all intellectual and other property rights to the concept, methodology, formulas and algorithms for the NYSE Zebra Edge U.S. Equity Index, which are being used by NYSE Group, Inc. under license from Zebra Capital Management, LLC. The NYSE Zebra Edge U.S. Equity Index has been licensed by NYSE Group, Inc. to UBS for use in the Index.

Gladys owns or otherwise has the rights to license all intellectual property and other property rights to the Jim Rogers Index, which has been licensed by Gladys to UBS for use in the Index.

The Index and other information disseminated concerning the Index are for informational purposes only, are provided on an “as is” basis, and are not intended for trading purposes. Neither SBL nor Select Benefit Annuity (the “**Product**”) is sponsored, operated, endorsed, recommended, sold or promoted by Zebra, NYSE, UBS, Gladys or Solactive AG, the index administrator for the Index (“**Solactive**”). None of Zebra, NYSE, UBS, Gladys or Solactive makes any representation or gives any warranty, express or implied, regarding the advisability or possible benefits of purchasing the Product or any other financial product. Clients should undertake their own due diligence and seek appropriate professional advice before purchasing any financial product, including the Product.

None of Zebra, NYSE, UBS, Gladys or Solactive or their respective licensors makes any warranty, express or implied, as to, without limitation, (i) the correctness, accuracy, reliability or other characteristics of the Index, (ii) the results to be obtained by any person or entity from the use of the Index or the Index trademark for any purpose, or (iii) relating to the use of the Index and other information covered by the Product, including, but not limited to, express or implied warranties of merchantability, fitness for a particular purpose or use, title or non-infringement. None of Zebra, NYSE, UBS or Solactive warrants that the Index will be uninterrupted and they are not under any obligation to continue compiling, calculating, maintaining or sponsoring the Index.

The Index (including the concept, methodology, formulas and algorithms therefor) has been designed and is compiled, calculated, maintained and sponsored without regard to any financial products that reference the Index (including the Product), any licensee, sub-licensor or sub-licensee of the Index, any client or any other person. Zebra, NYSE, UBS and Gladys may independently issue and/or sponsor other indices and products that are similar to and/or may compete with the Index and the Product. Zebra, NYSE, UBS and Gladys may also transact in assets referenced in the Index ("**Index Components**") or in financial instruments such as derivatives that reference those assets or related assets ("**Index Related Instruments**"). In addition, UBS may enter into transactions with Index licensees or their affiliates intended to hedge such licensees' obligations under any Product and UBS may transact in Index Components and/or Related Instruments in connection with such hedging transactions. Any such transactions by Zebra, NYSE, UBS or Gladys could have a positive or negative effect on the value of the Index and any Product.

An annual index cost is deducted from the Index on a daily basis when calculating the Index value. The annual index cost, which funds certain operational and licensing costs for the Index, reduces the Index value, which will affect the return of the Index and impact the potential interest credited to the Product.

None of Zebra, NYSE, UBS, Gladys or Solactive shall bear any responsibility or liability, whether for negligence or otherwise, with respect to (i) any inaccuracies, omissions, mistakes or errors in the concept, methodology, formulas or algorithms for, or computation of, the Index (and shall not be obligated to advise any person of and/or to correct any such inaccuracies, omissions, mistakes or errors), (ii) the use of and/or reference to the Index by Zebra, NYSE, UBS, Gladys or any other person in connection with any financial product or otherwise, or (iii) any economic or other loss which may be directly or indirectly sustained by any client or other person dealing with any such financial product or otherwise. Any client or other person dealing with such financial products does so, therefore, in full knowledge of this disclaimer and can place no reliance whatsoever on Zebra, NYSE, UBS, Gladys or Solactive nor bring claims, actions or legal proceedings in any manner whatsoever against any of them.

UBS specifically prohibits the redistribution or reproduction of this material in whole or in part without the prior written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect. © UBS 2024. The key symbol and UBS are among the registered and unregistered trademarks of UBS. Other marks may be trademarks of their respective owners. All rights reserved.