

# Daily Marks Disclosure

## **Important Information**

The indicative valuations ("Indicative Valuations"), and related market information, provided in this statement (together the "Information") are provided to you by UBS AG or any of its affiliates or subsidiaries ("UBS", "our", "we", "us" and "us") for information purposes only, at your request and without cost. We are furnishing the Information on the basis of, and subject to, the terms and limitations in this statement which describe inherent risks and limitations to the Indicative Valuations and should be carefully reviewed.

## **Terms and Limitations for Client Valuation Statements**

**Your Responsibility.** The Information is provided to you by us on the basis that you are capable of independently assessing the value of the relevant instruments (either on your own or through independent professional advisors) and that you understand and accept the following terms and conditions on which they are provided. While the Information has been prepared in good faith, it is not intended to be relied upon as the sole source of information regarding the value of the relevant instruments or used as the sole source for any net asset value calculation, financial statement position or any similar purpose; you have the final responsibility for assessing the reliability of the Information and for any use you make of it.

**Source and Basis of Information.** The Indicative Valuations (and, in some cases, market-related information) of the relevant instruments are given as at the date stated, prepared in each case using a methodology that we believe is appropriate. Information is generally sourced from our front office risk management systems. There are inherent limitations and risks associated with the Indicative Valuations and related market information, certain of which are described below:

- **Risk System Values are Not the Same Values Used in our Financial Statements.** Risk system values used in this statement do not necessarily reflect our internal books and records valuations. Risk system values may not reflect either trade specific and/or portfolio reserves and other adjustments made to valuations for our financial reporting and other purposes. In particular, we may adjust our financial records to reflect: (i) identified deficiencies in financial models; (ii) uncertainties in model inputs and parameters; and (iii) liquidity, funding, capital and credit risks associated with us and the counterparty including adjustments commonly referred to as "DVA", "CVA" and "FVA". Reserves and adjustments would in some cases result in a significant change in the Information provided to you if they were taken into account in calculating the Indicative Valuations.
- **Valuations Based on Models are Subject to Inherent Uncertainty.** The Indicative Valuations may rely on model-based valuation methodologies, empirical data and assumptions, and the Indicative Valuations provided by them may vary significantly depending on the data used as inputs (which may be obtained from both internal and market-based sources) and on the

assumptions and other parameters embedded in the model (which are not the only assumptions and parameters that might reasonably have been selected).

- Model Valuations May Include Assumptions and Inputs that Are Not Observable or Verifiable. In some cases the inputs used may be out of date as a result of no current market input being available. For many instruments (including securities issued in the form of CDO, CLO, MBS, ABS and swaps, securities and other transactions that are linked to or otherwise related to such securities), some information relevant to the Information (including information about monthly pool performance and payment data) is updated on a monthly basis. For those instruments, the Information is based on the information most recently received by us. As a result, the Information for these instruments may be subject to significant changes as updated information becomes available.
- We May Change our Valuation Methodology at Any Time. Our model-based methodologies, including the assumptions and parameters embedded in our models and the source of the empirical data we use as inputs, are subject to review and adjustment from time to time in our sole discretion, without notice to you.
- Indicative Values do not Reflect Actual Transactions or Polling of Dealers. No polling of market participants is conducted in determining the Information. The Indicative Valuations and related information may vary significantly from valuation estimates available from other sources and from the level at which a transaction could be executed with a dealer in the relevant market.
- Adjustments May be Made to Risk System Values after You Receive Your Valuation Statement. As part of our internal financial and valuation processes, we may test and adjust the values of transactions and financial instruments recorded in risk management systems at any date. In most cases any such adjustment will not be identified or recorded until after client valuation statements have been delivered. We undertake no obligation to update a valuation statement to reflect any such adjustments, even if the adjustment would be material to the value of an instrument.
- We may not Reflect Transaction Costs and Initial Theoretical Profit in Valuations. We may, for a period of time after the inception of a transaction, adjust valuations for structured securities and derivative transactions to exclude costs of issuance and initial theoretical profit. This practice will generally result in the valuation provided to you being higher than the valuation we have recorded in our records.

**Limitations on Use.** You must not provide the Information to any third party without our express written permission. If we do give permission you must provide this statement in its entirety (including the language in this section).

**No Representations or Warranties; Limitation of Liability.** We make no representations or warranties with respect to the Information, and, to the extent permitted by law, we specifically disclaim and do not accept any responsibility for, loss or damage arising out of use or reliance by you or any other person upon the Information, regardless of whether any such loss or damage results from errors, omissions, changes in market factors or other circumstances and whether or not within our control and whether or not caused by our negligence or otherwise; provided, however, that nothing in this statement is intended to

exclude any liability on our part that arises due to fraud. In addition, we specifically disclaim liability for indirect, special or consequential loss or damage that may arise from use or reliance by you or any other person upon the Information, even if we have been advised of the possibility of such loss or damage.

**Valuation Statement is not a Position Statement or Custody Statement.** The Information may include Indicative Valuations and market information for instruments that are not held in custody by a UBS entity (in addition to instruments that are) and should therefore not be considered to be a "position statement" of your positions with us.

**Client Valuations may Differ From Valuations Received From Us for other Purposes.** The Indicative Valuations may differ from valuations of the same instruments provided to you by us for other purposes (including those used for making collateral calls).

**We May Discontinue Valuations at any Time.** Unless required by applicable law or regulation or specifically agreed in writing by us, we have no obligation to continue to provide to you the Information, and we may cease doing so at any time in our sole discretion and without notice to you.

**Indicative Valuations do not Represent a Bid or Offer.** The Indicative Valuations do not constitute firm bids or offers by us to transact any instrument (commonly referred to as a "firm price quotation"), nor are they an indication of the price at which we would be willing to transact any instrument (commonly referred to as an "indicative price quotation"). Such factors as hedging and transaction costs, credit considerations, market liquidity, bid-ask spreads, transaction size and other market and pricing considerations may not have been taken into account in determining the Indicative Valuations and could be relevant to a firm or indicative price quotation. By providing you with an Indicative Valuation we do not imply that you could buy or sell the instrument at that price, or at all, or that we would be willing to provide a price quotation if requested. If we were to provide a price quotation to you for an instrument, it might differ significantly from such Indicative Valuation.

**We May Have Conflicts of Interest.** We may, from time to time, as principal or agent, be involved in a wide range of activities globally in relation to, have positions in, or may buy or sell, or make a market in, any securities, currencies, financial instruments or other assets underlying the instruments to which the Information relates. Our activities related to those instruments may have an impact on the price of the relevant underlying asset and may give rise to conflicting interests or duties. We may provide services to any member of the same group as the recipient of the Information or any other entity or person (a "Third Party"), engage in any transaction (on our own account or otherwise) with respect to the recipient of the Information or a Third Party, or act in relation to any matter for ourselves or any Third Party, notwithstanding that such services, transactions or actions may be adverse to the recipient of the Information or any member of its group, and we may retain for our own benefit any related remuneration or profit.

In addition, we may, whether by virtue of the types of relationships described in the above paragraph or otherwise, from time to time, be in possession of information in relation to a particular instrument that is or may be material in the context of that instrument and that may or may not be publicly available or known to you. Providing an Indicative Valuation or

other information with respect to any such instrument does not create any obligation on our part to disclose to you any such information (whether or not confidential).

**UBS Country-specific information**

For further important country-specific information, please see the following link:

<https://www.ubs.com/sales-and-trading-country-information>