



IHS Markit™

IHS Markit Consultation Data substitution for UBS MLTADERI

05 October, 2017

1. IHS Markit's Administration

IHS Markit is the sole Administrator (as defined by the International Organisation of Securities Commissions Principles for Financial Benchmarks - the "IOSCO Principles") of a number of UBS indices. The list of UBS indices currently administered by IHS Markit can be found [here](#).

IHS Markit administers these indices in accordance with the "IOSCO Principles".

2. Background

IHS Markit is the Index Administrator of the UBS Dynamic Equity Risk Indicator ("MLTADERI").

MLTADERI seeks to produce a single objective and quantitative assessment of risk appetite across global financial markets in general, with a specific focus on equity markets.

MLTADERI is used in the determination of the following UBS index families (see also Appendix):

Index Family	Number of indices
RADA	20
LTA	3
SERAF	1
DSI	5
MAP	12

Among its various components, MLTADERI is currently using the below FX Rates (the "FX Rates"):

Description	RIC	Source
JPY/USD FX Rate	BBJPYSP	Barclays Bank International
CHF/USD FX Rate	USSWISF	Thomson Reuters Generic
AUD/USD FX Rate	USAUSTR	Thomson Reuters Generic

3. Proposal

To enhance the reliability, transparency and representativeness of these FX components, IHS Markit proposes to substitute the FX Rates with benchmark data from WM/Reuters ("WM Rates"). Subject to the final results of the consultation, the proposed change is meant to be applied to on-going index calculations. There is no intention to restate the index history.

4. Consultation timetable

The timetable IHS Markit is suggesting is as follows:

- 05 October 2017 – Consultation opens
- 02 November 2017 – Consultation closes
- 07 November 2017 – The Index Administration Committee reviews stakeholders' feedback and a decision is communicated to market
- 10 November 2017 – The data point substitution is implemented

5. Consultation process

The participation of stakeholders in this consultation is important as IHS Markit seeks to gather views on the proposals herein and the suggested timetable for implementation of those proposals. IHS Markit may publish summaries of stakeholders' comments along with IHS Markit's responses to those comments unless the stakeholder in question expressly requests confidentiality.

To participate in this consultation please respond to IHS Markit Index Administration Services at MK-IndexAdminConsultation@markit.com.

Please be advised that all comments will be reviewed and considered before a final decision is made; however, IHS Markit makes no guarantee and is under no obligation to comply with any of the responses. The consultation may result in no changes or outcome of any kind. An announcement will be posted on our website accordingly. IHS Markit reserves the right to make a final decision on the proposal, and this will be ratified by the Index Administration Committee and, if appropriate, IHS Markit's Benchmark Oversight Committee.

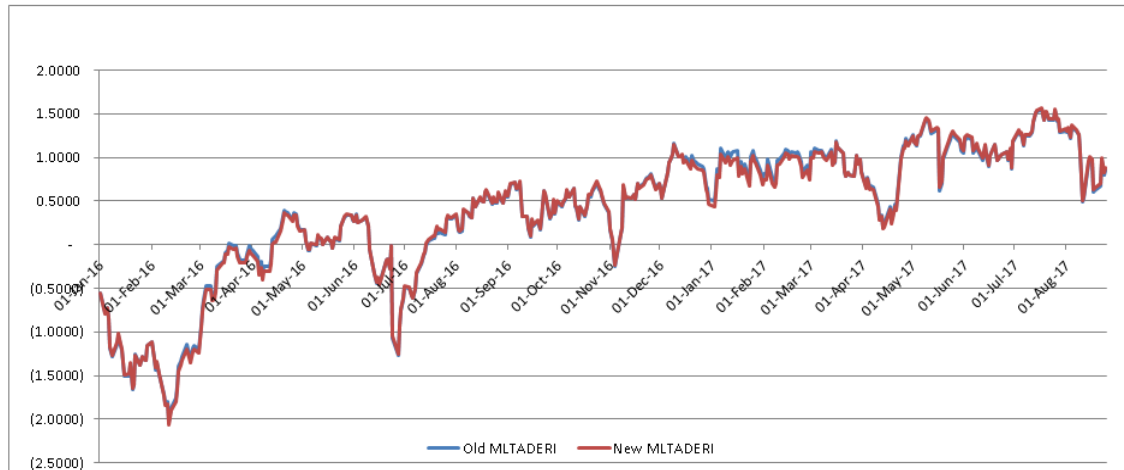
6. Key questions

Do you agree with the proposal to substitute the current FX Rates with WM Rates?

Do you agree to the proposed timetable for the substitution to be implemented?

7. Appendix

Back-testing of MLTADERI using the WM Rates shows no material difference in performance, as summarised by the below graph:



All UBS indices which use MLTADERI as a component for the index calculation and trigger for strategy changes have also been back-tested and show no material difference, as summarised by the below graph:

Index Ticker	Index Family	Index Name	Backtesting Start Date	Backtesting End Date	As of End Date		Backtesting Cumulative Change	% Change
					Prior Level	New Level		
MLTASWXJ	UBS SERAF	UBS SERAF World ex Japan Index	08/01/2016	25/08/2017	385.574564710645	385.574564710619	0.000000000	0.00%
MLTARFUS	UBS RADA	UBS RADA US Long Plus Strategy Index Total Return	08/01/2016	25/08/2017	324.389573304992	323.829429301520	-0.560144003	-0.17%
MLTARLUT	UBS RADA	UBS RADA US Long Strategy Index Total Return	08/01/2016	25/08/2017	606.828434722658	604.265235203612	-2.563199519	-0.42%
MLTARLET	UBS RADA	UBS RADA Europe Long Strategy Index Total Return	08/01/2016	25/08/2017	780.689751111770	782.563254323325	1.873503212	0.24%
MLTARPUK	UBS RADA	UBS RADA UK Long Plus Strategy Index Total Return	08/01/2016	25/08/2017	245.374346919882	243.554159659520	-1.820187260	-0.74%
MLTARJPJ	UBS RADA	UBS RADA Japan Long Plus Strategy Index Total Return	08/01/2016	25/08/2017	395.323844617930	396.450837349161	1.126992731	0.29%
MLTARPEU	UBS RADA	UBS RADA Europe Ex-UK Long Plus Strategy Index Total Return	08/01/2016	25/08/2017	323.444808083810	323.312950183519	-0.131857900	-0.04%
MLTARLWT	UBS RADA	UBS RADA World Long Strategy Index Total Return	08/01/2016	25/08/2017	398.812571756523	394.075048177201	-4.737523579	-1.19%
MLTARASE	UBS RADA	UBS RADA US Index Net Total Return	08/01/2016	25/08/2017	671.07449559800	668.254623288576	-2.819812721	-0.42%
MLTARAUX	UBS RADA	UBS RADA Europe Index - Excess Return	08/01/2016	25/08/2017	719.683232374563	721.450406875308	1.767174501	0.25%
MLTARADA	UBS RADA	UBS RADA Europe Index Net Total Return	08/01/2016	25/08/2017	1112.675016932870	1115.345220063760	2.670203131	0.24%
MLTARSLC	UBS RADA	UBS Risk Adjusted Dynamic Alpha Swiss Strategy Total Return Index	08/01/2016	25/08/2017	127.801775719507	126.314973563865	-1.486802156	-1.16%
MLTARLUE	UBS RADA	UBS RADA US Long Strategy Index Excess Return	08/01/2016	25/08/2017	377.018202835761	375.425652035982	-1.592550800	-0.42%
MLTARLKT	UBS RADA	UBS RADA Kokusai Long Strategy Index Total Return	08/01/2016	25/08/2017	387.558842275914	382.931216009790	-4.627626266	-1.19%
MLTARLJT	UBS RADA	UBS RADA Japan Long Strategy Index Total Return	08/01/2016	25/08/2017	515.459873989362	517.470428840974	2.010554852	0.39%
MLTARLEE	UBS RADA	UBS RADA Europe Long Strategy Index Excess Return	08/01/2016	25/08/2017	523.007483995500	524.262580994271	1.255096999	0.24%
MLTARASX	UBS RADA	UBS RADA US Index - Excess Return	08/01/2016	25/08/2017	448.807073039357	446.911281118070	-1.895791921	-0.42%
MLTARASP	UBS RADA	UBS RADA US Index - Net Total Return	08/01/2016	25/08/2017	733.009377477707	729.913198761777	-3.096178716	-0.42%
MLTARADXX	UBS RADA	UBS RADA Germany Index - Net Total Return	08/01/2016	25/08/2017	1653.299193159500	1631.608400181780	-21.690792978	-1.31%
MLTARADS	UBS RADA	UBS RADA Europe Index - Net Total Return	08/01/2016	25/08/2017	1179.962641894530	1182.860042320030	2.897400426	0.25%
MLTARABX	UBS RADA	UBS RADA Blended Excess Return Index (EUR)	08/01/2016	25/08/2017	638.280412262296	637.684683315759	-0.595728947	-0.09%
MLTATR	UBS LTA	UBS Liquid Transparent Alpha Total Return (EUR)	19/10/2016	25/08/2017	290.524446045642	290.455486536646	-0.068995909	-0.02%
MLTACTR	UBS LTA	UBS Liquid Transparent Alpha Composite Total Return EUR	19/10/2016	25/08/2017	122.834125486027	122.810733211618	-0.023392274	-0.02%
MLTACER	UBS LTA	UBS Liquid Transparent Alpha Composite Excess Return EUR	19/10/2016	25/08/2017	117.970459213916	117.948012218499	-0.022446995	-0.02%
MLTADSI	UBS DSI	UBS Diversified Strategy DSI Index	31/08/2016	25/08/2017	326.147238724988	326.220078915170	0.072840190	0.02%
MLTADSI6	UBS DSI	UBS Diversified Strategy EUR Total Return	31/08/2016	25/08/2017	340.642232021491	340.702772462620	0.060540441	0.02%
MLTADSI16	UBS DSI	UBS Diversified Strategy T6 (DSI6) Index	31/08/2016	25/08/2017	301.643507056741	301.708277913268	0.064770857	0.02%
MLTADSIU	UBS DSI	UBS-Diversified Strategy USD Total Return	31/08/2016	25/08/2017	354.914855558510	354.991486128774	0.076630570	0.02%
MLTADSIIV	UBS DSI	UBS Volatility Targeted DSI Index	31/08/2016	25/08/2017	326.15	326.22	0.070000000	0.02%
MLTAUMAP	UBS MAP	UBS Multi Asset Portfolio T5 Total Return USD Index	08/01/2016	25/08/2017	253.967493511267	254.592318799407	0.624825288	0.25%
MLTAEMAP	UBS MAP	UBS Multi Asset Portfolio T5 Total Return Euro Index	08/01/2016	25/08/2017	228.525876938759	229.009674765374	0.483797827	0.21%
MBSXD5UT	UBS MAP	UBS Dynamic Multi Asset Portfolio T5 Total Return USD Index	08/01/2016	25/08/2017	255.587877251742	256.232829561216	0.644952309	0.25%
MBSXD5ET	UBS MAP	UBS Dynamic Multi Asset Portfolio T5 Total Return Euro Index	08/01/2016	25/08/2017	241.335298640746	242.089816355019	0.754517714	0.31%
MLTAMAP	UBS MAP	UBS Multi Asset Portfolio T5 Excess Return USD Index	08/01/2016	25/08/2017	199.604930316936	200.216968829248	0.612038512	0.31%
MLTAMAE	UBS MAP	UBS Multi Asset Portfolio T5 Excess Return Euro Index	08/01/2016	25/08/2017	181.067364619619	181.453088069513	0.385723450	0.21%
MLTAJMPA	UBS MAP	UBS Multi Asset Portfolio Japan Alpha Total Return Index	08/01/2016	25/08/2017	176.646983376024	176.518287540588	-0.128695835	-0.07%
MLTAJMAP	UBS MAP	UBS Dynamic Multi Asset Portfolio Japan Total Return Index	08/01/2016	25/08/2017	184.772149834799	183.807681246518	-0.964465858	-0.52%
MBSXD5UE	UBS MAP	UBS Dynamic Multi Asset Portfolio T5 Excess Return USD Index	08/01/2016	25/08/2017	200.296877553048	201.084763800470	0.787886247	0.39%
MBSXD5EE	UBS MAP	UBS Dynamic Multi Asset Portfolio T5 Excess Return Euro Index	08/01/2016	25/08/2017	187.202023347429	187.784354626713	0.582331279	0.31%
MBSXD5CT	UBS MAP	UBS Dynamic Multi Asset Portfolio T5 Total Return CHF Index	08/01/2016	25/08/2017	205.343720986066	206.384632228503	1.040911242	0.51%
MBSXD5CE	UBS MAP	UBS Dynamic Multi Asset Portfolio T5 Excess Return CHF Index	08/01/2016	25/08/2017	190.699138114307	191.532599608813	0.833461495	0.44%

Full analysis for each index is available upon request.