PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

UBS Global Asset Management

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🏳	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

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PRI Principles for Responsible Investment

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

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PRI Principles for Responsible Investment

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

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PRI Principles for Responsible Investment

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	-	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	✓	Private	✓						
FI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	-	n/a		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

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Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	✓	Private				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 20	Proportion of assets engaged with on community issues	🔒	n/a		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	-	n/a	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

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Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Breakdown of investments by equity and debt	✓	Private							✓
INF 02	Breakdown of assets by management	✓	Private							✓
INF 03	Largest infrastructure	✓	Private							✓
INF 04	Description of approach to RI	✓	Private	✓					✓	
INF 05	Responsible investment policy for infrastructure	✓	Public	✓					✓	
INF 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
INF 07	Formal commitments to RI	✓	Private				✓			
INF 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
INF 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
INF 12	ESG issues impact in selection process	✓	Private	✓						
INF 13	ESG issues in selection, appointment and monitoring of third-party operators	✓	Public				✓			
INF 14	ESG issues in post-investment activities	✓	Public		✓					
INF 15	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 16	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 17	Type and frequency of reports received from investees	✓	Private		✓	✓				
INF 18	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 19	Proportion of stakeholders that were engaged with on ESG issues	✓	Private		✓					
INF 20	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
INF 21	Examples of ESG issues that affected your infrastructure investments	-	n/a	✓		✓				
INF 22	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	
INF 23	Approach to disclosing ESG incidents	✓	Private						✓	

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PRI Principles for Responsible Investment

UBS Global Asset Management

Reported Information

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Organisational Overview

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PRI Principles for Responsible Investment

Basic Information

OO 01	Mandatory	Gateway/Peering	General

OO 01.1 Select the services you offer.

☑ Fund management

% of assets under management (AUM) in ranges

- ○ <10%
- ○ 10-50%
- ◉ >50%

☑ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- ◉ <10%
- ○ 10-50%
- ○ >50%

☐ Other, specify

☐ Execution and advisory only services

OO 02	Mandatory	Peering	General

OO 02.1 Select the location of your organisation's headquarters.

Switzerland

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ○ 1
- ○ 2-5
- ○ 6-10
- ◉ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

3750

OO 03	Mandatory	Descriptive	General

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PRI Principles for Responsible Investment

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

○ Yes

◉ No

OO 04	Mandatory	Gateway/Peering	General

OO 04.1 Indicate the year end date for your reporting year.

30/06/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		620	592	000	000
Currency	USD				
Assets in USD		620	592	000	000

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

◉ Approximate percentage breakdown to the nearest 5% (e.g. 45%)

○ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

○ Publish our asset class mix as percentage breakdown

◉ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income – corporate	10-50%	0
Fixed income – government	10-50%	0
Fixed income – other	<10%	0
Private debt	0	0
Private equity	<10%	0
Property	<10%	0

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Infrastructure	<10%	0
Commodities	0	0
Hedge funds	<10%	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	<10%	0
Other (2), specify	0	0

	'Other (1)' specified

Multi-asset mandates which cannot be split out into the other categories

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

OO 09	Voluntary	Descriptive	General

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PRI Principles for Responsible Investment

OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

We provide traditional (equity, fixed income and multi-asset), alternative, real estate and infrastructure investment solutions to private clients, financial intermediaries and institutional investors worldwide. With a number of different investment areas and a range of strategies within each area, the approach to ESG issues necessarily varies across the firm and, to some extent, across countries according to local market customs and client needs.

Nevertheless, across each investment area, we have established a general approach to environmental and social factors and to corporate governance, subject always to any client-specific instructions and following any local laws applicable in the domiciles of assets or funds.

UBS Group as a whole is firmly committed to corporate responsibility and actively strives to understand, assess, weigh and address the concerns and expectations of the firm's stakeholders. The Board of Directors (BoD) is responsible for formulating our firm's values and standards and ensuring we meet our obligations to our stakeholders. All BoD committees are focused on achieving our goal of creating sustainable value. Of the five BoD committees, the Corporate Responsibility Committee shoulders the main undertaking for corporate responsibility. As set out in the committee's charter, the Corporate Responsibility Committee actively reviews and assesses how we meet the existing and evolving corporate responsibility expectations of our stakeholders. It also monitors and reviews our corporate responsibility policies and regulations, as well as the implementation of our corporate responsibility activities and commitments.

Through its commitment to the environment, embodied in its environmental policy, UBS aims to create long-term value for the firm and its clients and the communities they live in. UBS Global Asset Management is an integral part of UBS's firm-wide ISO14001-certified Environmental Management System.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General

OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

☑ We incorporate ESG issues into investment decisions on our internally managed assets

☑ We engage with companies on ESG issues via our staff, collaborations or service providers

☑ We cast our (proxy) votes directly or via service providers

☐ None of the above

OO 11	Mandatory	Gateway	General

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PRI Principles for Responsible Investment

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

☑ Fixed income – corporate

☐ Fixed income – government

☐ Fixed Income – other

☑ Private equity

☑ Property

☑ Infrastructure

☐ Hedge funds

☐ Other (1)

☐ None of the above

	'Other (1)' [as defined in OO 05]

Multi-asset mandates which cannot be split out into the other categories

OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

☐ Hedge funds

☑ None of the above

OO 12	Mandatory	Gateway	General

OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity incorporation

☑ Listed Equity incorporation

	Direct - Listed Equity active ownership

☑ Engagements

☑ (Proxy) voting

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PRI Principles for Responsible Investment

Direct - Fixed Income

☑ Fixed Income - Corporate

Direct - Other asset classes with dedicated modules

☐ Private Equity

☑ Property

☑ Infrastructure

Closing module

☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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PRI Principles for Responsible Investment

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Overarching Approach

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PRI Principles for Responsible Investment

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General

OA 01.1 Indicate if you have a responsible investment policy.

- (●) Yes
- ( ) No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- (●) Yes
- ( ) No

OA 02	Mandatory	Core Assessed	PRI 6

OA 02.1 Indicate if your responsible investment policy is publicly available.

- (●) Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

http://www.static-ubs.com/global/en/asset_management/responsible_investment/_jcr_content/par/columncontrol/col1/linklist/link.1863607786.file/bGluay9wYXRoPS9jb250ZW50L2RhbS9zdGF0aWMvYXNzZXRfbWFuYWdlbWVudC9nbG9iYWwvZXNnLWludmVzdG1lbnQtcG9saWNpZXMucGRm/esg-investment-policies.pdf

- ( ) No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- (●) Yes
  - ( ) Yes, all
  - (●) Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

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PRI Principles for Responsible Investment

Policy or document name	URL
Global Governance Principles	http://www.ubs.com/global/en/asset_management/responsible_investment.html

○ No

OA 03	Mandatory	Core Assessed	PRI 1,2

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach	○ Applicable policies cover all AUM
☑ (Proxy) voting policy	◉ Applicable policies cover a majority of AUM
☑ Engagement/active ownership policy	○ Applicable policies cover a minority of AUM
☑ Specific guidelines on corporate governance	
☐ Specific guidelines on environmental issues	
☐ Specific guidelines on social issues	
☑ Asset class-specific guidelines	
☑ Screening/exclusion policy	
☐ Other, specify	
☐ Other, specify	

OA 04	Mandatory	Core Assessed	General

OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

◉ Yes

○ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General

OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

◉ Yes

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PRI Principles for Responsible Investment

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.

- (●) At least once per year
- ( ) Less than once per year

OA 05.3	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ( ) Quarterly
- ( ) Biannually
- (●) Annually
- ( ) Every two years or less
- ( ) It is not reviewed

( ) No

Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

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PRI Principles for Responsible Investment

	Roles present in your organisation

☑ Board members or trustees

- ☑ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☑ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Other Chief-level staff or head of department, specify

☑ Portfolio managers

- ☐ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Investment analysts

- ☐ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Dedicated responsible investment staff

- ☑ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☐ External managers or service providers

☐ Other role, specify

☐ Other role, specify

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

OA 10.2	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☑ Asian Corporate Governance Association

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PRI Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☑ Moderate

☐ Advanced

☑ Association for Sustainable & Responsible Investment in Asia

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ Australian Council of Superannuation Investors

☑ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ CDP Forests

☐ CDP Water

☐ CFA Institute Centre for Financial Market Integrity

☑ Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ Eumedion

☑ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☑ Moderate

☐ Advanced

☐ Global Investors Governance Network (GIGN)

☑ Global Real Estate Sustainability Benchmark (GRESB)

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Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ Institutional Investors Group on Climate Change (IIGCC)

☐ Interfaith Center on Corporate Responsibility (ICCR)

☑ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☑ Moderate

☐ Advanced

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☐ Investor Network on Climate Risk (INCR)/CERES

☐ Local Authority Pension Fund Forum

☑ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☑ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Eurosif

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ Shareholder Association for Research and Education (Share)

☑ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ United Nations Global Compact

☑ Other collaborative organisation/initiative, specify

Conference Board's Council on Corporate Governance

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	Your organisation's role in the initiative during the reporting year (see definitions)
	☐ Basic
	☐ Moderate
	☑ Advanced

☑ Other collaborative organisation/initiative, specify

ABI Investment Committee

	Your organisation's role in the initiative during the reporting year (see definitions)
	☐ Basic
	☐ Moderate
	☑ Advanced

☑ Other collaborative organisation/initiative, specify

US Green Building Council

	Your organisation's role in the initiative during the reporting year (see definitions)
	☑ Basic
	☐ Moderate
	☐ Advanced

☑ Other collaborative organisation/initiative, specify

Global Initiative for Sustainability Ratings

	Your organisation's role in the initiative during the reporting year (see definitions)
	☐ Basic
	☑ Moderate
	☐ Advanced

○ No

OA 11	Mandatory	Core Assessed	PRI 4

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

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OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☑ Provided financial support for academic or industry research on responsible investment

☐ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☑ Spoke publicly at events and conferences to promote responsible investment

☑ Wrote and published in-house research papers on responsible investment

☑ Encouraged the adoption of the PRI

☐ Other, specify

○ No

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PRI Principles for Responsible Investment

UBS Global Asset Management

Reported Information

Public version

Direct - Listed Equity Incorporation

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PRI Principles for Responsible Investment

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1

LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

☐ Screening alone (i.e. not combined with any other strategies)

☐ Thematic alone (i.e. not combined with any other strategies)

☐ Integration alone (i.e. not combined with any other strategies)

☑ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	% 99

☐ Thematic + integration strategies

☐ Screening + thematic strategies

☑ All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied (estimate +/- 10%)	% 1

☐ No incorporation strategies applied

	Total actively managed listed equities

100%

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LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.

Integration: For all actively managed listed equities, environmental and social factors are assessed as part of research and stock selection processes and our written principles on corporate governance are followed.

Screening: For our actively managed equity portfolios, UBS Global Asset Management has implemented a process to prevent investments in companies involved in the production, use, repair, offering for sale, sale, distribution, trade, storage, or transfer of anti-personnel mines and cluster munitions / sub-munitions. UBS Global Asset Management uses an external advisor to identify relevant companies. The Controversial Weapons Committee of UBS Global Asset Management reviews the screening list of the external advisor on a regular and, if needed, ad hoc basis and decides on all changes. Changes are implemented by the responsible Portfolio Managers and Trading. Portfolios undergo regular post-trade compliance checks.

Thematic: Our dedicated Sustainable Equities team manages thematic strategies focusing on the themes of energy efficiency, environment, social improvement and health care and demographics. For these specialist strategies, ESG criteria are used to define the universe.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

☑ Negative/exclusionary screening

Screened by

☑ Product

☐ Activity

☐ Sector

☐ Country/geographic region

☐ Environmental and social practices and performance

☐ Corporate governance

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	Description

In our actively managed equity portfolios, UBS Global Asset Management has implemented a process to prevent investments in companies involved in the production, use, repair, offering for sale, sale, distribution, trade, storage, or transfer of anti-personnel mines and cluster munitions / sub-munitions.

☐ Positive/best-in-class screening

☐ Norms-based screening

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

We use an external advisor to identify companies involved in the production, sale or distribution of anti-personnel mines and cluster munitions / sub-munitions. The Controversial Weapons Committee of UBS Global Asset Management reviews the screening list of the external advisor on a regular and, if needed, ad hoc basis and decides on all changes. Changes are implemented by the responsible Portfolio Managers and Trading. Portfolios undergo regular post-trade compliance checks.

LEI 07	Mandatory	Core Assessed	PRI 1

LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

☐ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.

☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar

☐ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies

☑ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions

☐ A periodic review of the quality of the research undertaken or provided is carried out

☐ Other, specify

☐ None of the above

(B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1

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LEI 09.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.

☑ Environmentally themed funds

☑ Socially themed funds

☐ Combination of themes

LEI 09.2	Describe your organisation's processes for sustainability thematic funds. [Optional]

Our dedicated Sustainable Equities team manages a range of strategies that integrate material sustainability factors with a rigorous fundamental investment process. These strategies are focused on the themes of energy efficiency, environment, social improvement and health care and demographics. We use ESG criteria to define the universe (sustainable corporate strategy, environmental impact, social guidelines, corporate governance including disclosure and transparency, and risk management). Once we have defined the universe we follow a fundamental bottom-up stock picking approach.

(C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	○ We systematically review the potential significance of environmental issues and investigate them accordingly ◉ We occasionally review the potential significance of environmental issues and investigate them accordingly ○ We do not review environmental issues
Social	○ We systematically review the potential significance of social issues and investigate them accordingly ◉ We occasionally review the potential significance of social issues and investigate them accordingly ○ We do not review social issues
Corporate Governance	◉ We systematically review the potential significance of corporate governance issues and investigate them accordingly ○ We occasionally review the potential significance of corporate governance issues and investigate them accordingly ○ We do not review corporate governance issues

Communication

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PRI Principles for Responsible Investment

LEI 18	Mandatory	Core Assessed	PRI 2,6

LEI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

◉ We disclose it publicly

Provide URL

http://www.static-ubs.com/global/en/asset_management/responsible_investment/_jcr_content/par/columncontrol/col1/linklist/link.1863607786.file/bGluay9wYXRoPS9jb250ZW50L2RhbS9zdGF0aWMvYXNzZXRfbWFuYWdlbWVudC9nbG9iYWwvZXNnLWludmVzdG1lbnQtcG9saWNpZXMucGRm/esg-investment-policies.pdf

Provide URL

http://www.ubs.com/global/en/asset_management/responsible_investment/global-ex-us.html

LEI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

○ Yes

◉ No

LEI 18.3 Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.

Reporting to public	Reporting to clients/beneficiaries
◉ Broad approach to ESG incorporation	○ Broad approach to ESG incorporation
○ Detailed explanation of ESG incorporation strategy used	◉ Detailed explanation of ESG incorporation strategy used

LEI 18.4 Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
○ Quarterly or more frequently	◉ Quarterly or more frequently
◉ Between quarterly and annually	○ Between quarterly and annually
○ Less frequently than annually	○ Less frequently than annually
○ Other, specify	○ Other, specify

○ We disclose it to clients and/or beneficiaries only

○ We do not proactively disclose it to the public and/or clients/beneficiaries

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UBS Global Asset Management

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Direct - Listed Equity Active Ownership

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PRI Principles for Responsible Investment

Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3

LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via internal staff
Collaborative engagements	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via collaborative engagements
Service provider engagements	☐ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☑ We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

◉ Yes

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LEA 03.2	Describe how you identify and prioritise engagements.

Our analysts and portfolio managers have regular meetings with company executives. These give us the opportunity to judge the success of the 'outputs' of governance (strategy, acquisitions, operational performance). We review the 'inputs' to governance (such as board committee structures) ahead of the annual shareholder vote and on an ad-hoc basis as appropriate. We use external services to help us with our analysis where relevant. If the above analysis reveals cause for concern, we will meet with the chairman and/or other board members of the company in order to better understand what is behind our concerns. Each engagement is regularly reviewed and its success assessed.

○ No

LEA 04	Mandatory	Core Assessed	PRI 2

LEA 04.1	Indicate if you define specific objectives for your engagement activities.

◉ Yes

- ○ Yes, for all engagement activities
- ◉ Yes, for the majority of engagement activities
- ○ Yes, for a minority of engagement activities

○ No

LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.

◉ Yes

- ◉ Yes, in all cases
- ○ Yes, in the majority of cases
- ○ Yes, in the minority of cases

LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.

Through ongoing review and monitoring of the company's performance and outcomes.

○ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2

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LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- ○ Yes
- ◉ No

LEA 06	Mandatory	Core Assessed	PRI 2

LEA 06.1	Indicate if the collaborative engagements in which you are involved have defined objectives.

- ◉ Yes
  - ○ Yes, for all collaborative engagement activities
  - ◉ Yes, for the majority of collaborative engagement activities
  - ○ Yes, for a minority of collaborative engagement activities
- ○ No

LEA 06.2	Indicate if you monitor the actions companies take following your collaborative engagements.

- ◉ Yes
  - ◉ Yes, in all cases
  - ○ Yes, in the majority of cases
  - ○ Yes, in the minority of cases

LEA 06.3	Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Through ongoing review and monitoring of the company's performance and outcomes.

- ○ No

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2

LEA 10.1	Indicate if you track the number of companies you engage with.

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Type of engagement	Tracking engagements
Individual / Internal staff engagements	○ Yes, we track the number of our engagements in full ◉ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements
Collaborative engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements

Communication

LEA 15 | Mandatory | Core Assessed | PRI 2,6

LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

○ We disclose it publicly

◉ We disclose it to clients and/or beneficiaries only

LEA 15.3 Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

Engagement information disclosed

☐ Details of the selections, priorities and specific goals of engagement

☑ Number of engagements

☑ Breakdown of engagements by type/topic

☐ Breakdown of engagements by region

☐ An assessment of the current status of the engagement

☐ Outcomes that have been achieved from the engagement

☑ Other information

For some engagements, outcomes that have been achieved from the engagement, but this does not apply for all engagements

LEA 15.4 Indicate how frequently you typically report engagements information

○ Disclosed continuously (prior and post engagements)

◉ Disclosed quarterly

○ Disclosed annually

○ Disclosed every two years or less

○ Other, specify

○ We do not proactively disclose it to the public and/or clients/beneficiaries.

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(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2

LEA 17.1 Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

○ We use our own research or voting team and make our own voting decisions without the use of service providers.

◉ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- ○ the service provider voting policy signed off by us
- ◉ our own voting policy
- ○ our clients requests or policy
- ○ other, explain

○ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

○ We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2 Additional information.[Optional]

Proxy voting decisions are taken by internal staff. These may be analysts, portfolio managers or specialist corporate governance professionals. These are based upon UBS policy and principles.

LEA 21	Mandatory	Core Assessed	PRI 2

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LEA 21.1 Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

○ Yes, in most cases

◉ Sometimes, in the following cases:

- ☐ votes in selected markets
- ☑ votes on certain issues (all markets)
- ☐ votes for significant shareholdings (all markets)
- ☐ other, explain

○ No

○ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22 | Mandatory | Core Assessed | PRI 2

LEA 22.1 For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

◉ We do track or collect this information

Votes cast (to the nearest 1%)

%

91

Specify the basis on which this percentage is calculated

○ of the total number of ballot items on which you could have issued instructions

◉ of the total number of company meetings at which you could have voted

○ of the total value of your listed equity holdings on which you could have voted

LEA 22.2 If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

The principal reasons why we may choose not to vote a meeting are: shareblocking, share re-registration requirements, power of attorney requirements, physical attendance required at the meeting and prohibitive local agent costs.

○ We do not track or collect this information

Communication

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LEA 26	Mandatory	Core Assessed	PRI 2,6

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

◉ We disclose it publicly

provide URL

http://www.ubs.com/global/en/asset_management/responsible_investment/uk_disclaimer_two.html

provide URL

http://vds.issproxy.com/Policy.php?CustomerID=441

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

○ Yes

◉ No

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Reporting to the public	Reporting to clients/beneficiaries
Indicate how much of your voting record you disclose	**Indicate how much of your voting record you disclose**
○ All voting decisions	◉ All voting decisions
◉ Some voting decisions	○ Some voting decisions
○ Only abstentions and opposing vote decisions	○ Only abstentions and opposing vote decisions
○ Summary of votes only	○ Summary of votes only
Indicate what level of explanation you provide	**Indicate what level of explanation you provide**
○ Explain all voting decisions	◉ Explain all voting decisions
○ Explain some voting decisions	○ Explain some voting decisions
◉ Only explain abstentions and votes against management	○ Only explain abstentions and votes against management
○ No explanations provided	○ No explanations provided

LEA 26.4 Indicate how frequently you typically report voting information.

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Reporting to the public	Reporting to clients/beneficiaries
○ Continuously (primarily before meetings)	○ Continuously (primarily before meetings)
○ Continuously (soon after votes are cast)	○ Continuously (soon after votes are cast)
○ Quarterly or more frequently	◉ Quarterly or more frequently
◉ Between quarterly and annually	○ Between quarterly and annually
○ Less frequently than annually	○ Less frequently than annually
○ Other, specify	○ Other, specify

LEA 26.5	Describe any other differences in the information being disclosed. [Optional]

In public reporting, explanations are given for abstentions and votes against management for UK listed companies.

○ We disclose it to clients/beneficiaries only

○ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

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PRI Principles for Responsible Investment

UBS Global Asset Management

Reported Information

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Direct - Fixed Income

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PRI Principles for Responsible Investment

ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1

FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☑ Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	%
	100

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

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FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.

Integration: due to the nature of the fixed income asset class, ESG issues are only integrated to a certain extent in our processes. For our fixed income strategies, credit analysts integrate ESG risk factors as and when relevant into their research process as we believe that these risk factors should be assessed and incorporated in company-level analysis.

Screening: for our actively managed corporate fixed income portfolios, UBS Global Asset Management has implemented a process to prevent investments in companies involved in the production, use, repair, offering for sale, sale, distribution, trade, storage, or transfer of anti-personnel mines and cluster munitions / sub-munitions. UBS Global Asset Management uses an external advisor to identify relevant companies. The Controversial Weapons Committee of UBS Global Asset Management reviews the screening list of the external advisor on a regular and, if needed, ad hoc basis and decides on all changes. Changes are implemented by the responsible Portfolio Managers and Trading. Portfolios undergo regular post-trade compliance checks.

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1

FI 06.1	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

☑ Negative/exclusionary screening

Screened by

☑ Product
☐ Activity
☐ Sector
☐ Country/geographic region
☐ Environmental and social practices and performance
☐ Corporate governance

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	Description

For our actively managed corporate fixed income portfolios, UBS Global Asset Management has implemented a process to prevent investments in companies involved in the production, use, repair, offering for sale, sale, distribution, trade, storage, or transfer of anti-personnel mines and cluster munitions / sub-munitions.

☐ Positive/best-in-class screening

☐ Norms-based screening

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

UBS Global Asset Management uses an external advisor to identify relevant companies. The Controversial Weapons Committee of UBS Global Asset Management reviews the screening list of the external advisor on a regular and, if needed, ad hoc basis and decides on all changes. Changes are implemented by the responsible Portfolio Managers and Trading. Portfolios undergo regular post-trade compliance checks. The screening list we apply is considered the intellectual property of the external advisor and thus is not disclosed. However, we answer requests by clients regarding specific holdings.

FI 07	Mandatory	Core Assessed	PRI 1

FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

☐ Comprehensive research is undertaken or sourced to determine issuers' ESG performance

☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☐ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar

☐ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies

☑ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions

☐ A periodic review of the quality of the research undertaken or provided is carried out

☐ Other, specify

☐ None of the above

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FI 07.2	Additional information. [Optional]

The Controversial Weapons Committee of UBS Global Asset Management reviews the screening list of the external advisor on a regular and, if needed, ad hoc basis and decides on all changes.

(C) Implementation: Integration of ESG factors

FI 11	Mandatory	Core Assessed	PRI 1

FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	○ We systematically review the potential significance of environmental issues and investigate them accordingly ◉ We occasionally review the potential significance of environmental issues and investigate them accordingly ○ We do not review environmental issues
Social	○ We systematically review the potential significance of social issues and investigate them accordingly ○ We occasionally review the potential significance of social issues and investigate them accordingly ◉ We do not review social issues
Corporate Governance	○ We systematically review the potential significance of corporate governance issues and investigate them accordingly ◉ We occasionally review the potential significance of corporate governance issues and investigate them accordingly ○ We do not review corporate governance issues

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6

FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

◉ We disclose it publicly

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	Provide URL

http://www.static-ubs.com/global/en/asset_management/responsible_investment/_jcr_content/par/columncontrol/col1/linklist/link.1863607786.file/bGluay9wYXRoPS9jb250ZW50L2RhbS9zdGF0aWMvYXNzZXRfbWFuYWdlbWVudC9nbG9iYWwvZXNnLWludmVzdG1lbnQtcG9saWNpZXMucGRm/esg-investment-policies.pdf

FI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

◉ Yes

FI 18.3	Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

◉ Broad approach to ESG incorporation

○ Detailed explanation of ESG incorporation strategy used

FI 18.4	Indicate how frequently you typically report this information.

○ Quarterly or more frequently

○ Between quarterly and annually

◉ Less frequently than annually

○ Other, specify

○ No

○ We disclose it to clients/beneficiaries only

○ We do not proactively disclose it to the public and/or clients/beneficiaries

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PRI Principles for Responsible Investment

UBS Global Asset Management

Reported Information

Public version

Direct - Property

PRI disclaimer

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PRI Principles for Responsible Investment

Overview

PR 05	Mandatory	Core Assessed	PRI 1-6

PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

- ◉ Yes
- ○ No

PR 05.3 Additional information. [Optional]

The policy applies to our Global Real Estate (GRE) investment area's mandates to manage direct real estate,
funds directly or indirectly managed by GRE and listed securities funds managed by GRE.

Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6

PR 06.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- ◉ Yes

PR 06.2 Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

☑ Policy and commitment to responsible investment

- ○ Always
- ◉ In a majority of cases
- ○ In a minority of cases

☑ Approach to ESG issues in pre-investment processes

- ○ Always
- ◉ In a majority of cases
- ○ In a minority of cases

☑ Approach to ESG issues in post-investment processes

- ○ Always
- ◉ In a majority of cases
- ○ In a minority of cases

- ○ No

Pre-investment (selection)

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PRI Principles for Responsible Investment

PR 08	Mandatory	Gateway	PRI 1

PR 08.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

◉ Yes

PR 08.2 Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

The responsible ownership and operation of real estate can have a significant positive impact not only on the environment but also on the financial performance of an investment. Environmental and social risks are incorporated into the evaluation criteria when acquiring or developing properties.

The steps taken will vary depending on the region. For example, in Continental Europe and the UK, we evaluate the sustainability performance of all new acquisitions during the technical due diligence process prior to completion. The results are presented to the internal UBS investment committee which makes the final decision about the investment proposal presented by the Portfolio Manager and the Acquisition Manager.

In the US, physical (which includes operating systems) and environmental evaluations are part of the standard scope of work for due diligence of all property acquisitions.

In all cases the results are presented to the internal UBS investment committee, which approves or rejects the investment proposal presented by the acquisition team.

○ No

PR 10	Mandatory	Core Assessed	PRI 1,3

PR 10.1 Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.

ESG issues

☑ Environmental

List up to three typical examples of environmental issues

Water consumption, managing water waste

Building materials during building renovations and developments

Energy consumption and efficiency

☑ Social

List up to three typical examples of social issues

Disability access

Health and safety

☑ Governance

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	List up to three typical examples of governance issues

Internal property construction guidelines

Tenant leases

Selection, appointment and monitoring third-party property managers

PR 13	Mandatory	Core Assessed	PRI 4

PR 13.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

◉ Yes

PR 13.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

☑ Selection process of property managers incorporated ESG issues

- ○ For all third party property managers
- ◉ For a majority of property managers
- ○ For a minority of property managers

☑ Contractual requirements when appointing property managers includes ESG issues

- ◉ For all third party property managers
- ○ For a majority of property managers
- ○ For a minority of property managers

☑ Monitoring of property managers covers ESG responsibilities and implementation

- ○ For all third party property managers
- ◉ For a majority of property managers
- ○ For a minority of property managers

PR 13.3	Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

Property management firms are generally selected by an RFP process that includes multiple firms. Our philosophy is to hire the best in class firm in each market for each property type, and we do not have a bulk contract with any one provider. Standard ESG factors are included in the evaluation process.

Property management firms are generally monitored in quarterly reviews. We set targets by individual property type and by fund. Performance monitoring against ESG targets is part of the contract and the quarterly reviews.

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PR 13.4	Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

All of our property managers have been instructed to improve the efficiency of our properties and to implement sustainable measures. The measures vary by property type, but energy efficiency, water savings and recycling are encouraged for all properties. Key Performance Indicators (KPIs) are used to measure the following: integral planning of maintenance cost and projects; reduction of energy and water consumption; optimisation of lifecycle costs; security and environment.

The owner will provide the property manager with best practice ideas and expects that the property manager will check the feasibility for implementation at the property and then agree with the owner on how to proceed.

The property manager should manage the property in a sustainable way with the ultimate aim to reduce CO2 emissions in the lifecycle of a property. In this context the property manager should also encourage all suppliers to contribute to this objective. This may involve the following approaches and activities:
- Increasing the share of renewable energy in utility contracts
- Favouring regional suppliers who are close by for example less than 50 km to reduce suppliers travelling long distance.
- Favouring suppliers who are proactive with respect to sustainable management, e.g. who are certified for quality and environmental management systems such as ISO 9001, ISO 14001
- The use of clean environmentally-friendly products.
- Implementing recycling programs

The property owner carries out a yearly sustainability rating of assets. The property manager shall provide the necessary data at the owner's request (as far as this data is available) and shall help the owner to analyse the data in order to draw conclusions and develop measures for improvements.

○ No

Post-investment (monitoring and active ownership)

Overview

PR 14	Mandatory	Gateway	PRI 2

PR 14.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

◉ Yes

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PR 14.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

☑ We consider ESG issues in property monitoring and management

☑ We consider ESG issues in property developments and refurbishments

☑ We consider ESG issues in property occupier engagements

☐ We consider ESG issues in community engagements related to our properties

☐ We consider ESG issues in other post-investment activities, specify

PR 14.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]

We provide policy guidelines to our property managers to implement sustainability measures. Property agents have to submit their annual budget including investment on sustainability measures. The approved budget is monitored on a quarterly basis.

With regard to occupier engagement, our standard leases require our tenants to abide by all sustainability rules and regulations for the properties, including recycling, construction practices and disposal of pre-existing materials.

○ No

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3

PR 15.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

○ >90% of property assets

◉ 51-90% of property assets

○ 10-50% of property assets

○ <10% of property assets

(in terms of number of property assets)

PR 15.2	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

ESG issues

☑ Environmental

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List up to three example targets per issue

Energy efficiency

Water consumption

☑ Social

List up to three example targets per issue

Accessibility

Health and safety

☐ Governance

☐ We do not set and/or monitor against targets

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2

PR 17.1

Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.

○ >90% of active developments and refurbishments

◉ 51-90% of active developments and refurbishments

○ 10-50% of active developments and refurbishments

○ <10% of active developments and refurbishments

○ N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2

Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.

☐ Minimum environmental site selection requirements

☑ Minimum environmental site development requirements

☑ Sustainable construction materials

☑ Minimum water efficiency requirements

☑ Minimum energy efficiency requirements

☐ Energy generation from on-site renewable sources

☐ Waste management plans at sites

☑ Health and safety management systems at sites

☑ Construction contractors comply with sustainability guidelines

☐ Other, specify

Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2

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PR 18.1 Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.

- ○ >90% of occupiers
- ○ 51-90% of occupiers
- ◉ 10-50% of occupiers
- ○ <10% of occupiers

(in terms of number of occupiers)

PR 18.2 Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- ☑ Distribute a sustainability guide to occupiers
- ☐ Organise occupier events focused on increasing sustainability awareness
- ☐ Deliver training on energy and water efficiency
- ☐ Deliver training on waste minimisation
- ☑ Provide feedback on energy and water consumption and/or waste generation
- ☐ Provide feedback on waste generation
- ☐ Carry out occupier satisfaction surveys
- ☐ Other, specify

Communication

PR 23 | **Mandatory** | **Core Assessed** | **PRI 6**

PR 23.1 Indicate if your organisation proactively discloses ESG information on your property investments.

- ○ Disclose publicly
- ◉ Disclose to clients/beneficiaries only

PR 23.2 Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- ☑ Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- ☐ Other property reporting standards, specify
- ☐ No property specific reporting standards are used

PR 23.4 Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ☐ ESG information on how you select property investments
- ☑ ESG information on how you monitor and manage property investments
- ☑ Information on your property investments' ESG performance
- ☐ Other, specify

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PR 23.5	Indicate your organisation's typical frequency of disclosing ESG information to the your clients/beneficiaries.

- (●) Quarterly or more frequently
- ( ) Semi annually
- ( ) Annually
- ( ) Every two years or less frequently
- ( ) Ad-hoc, specify

( ) No proactive disclosure to the public or to clients/beneficiaries

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PRI Principles for Responsible Investment

Overview

INF 05	Mandatory	Core Assessed	PRI 1-6

INF 05.1 Indicate if your organisation has a responsible investment policy for infrastructure.

- ◉ Yes
- ○ No

Fundraising of infrastructure funds

INF 06	Mandatory	Core Assessed	PRI 1,4,6

INF 06.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- ◉ Yes

INF 06.2 Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

☑ Policy and commitment to responsible investment

- ◉ Always
- ○ In a majority of cases
- ○ In a minority of cases

☑ Approach to ESG issues in pre-investment processes

- ◉ Always
- ○ In a majority of cases
- ○ In a minority of cases

☑ Approach to ESG issues in post-investment processes

- ◉ Always
- ○ In a majority of cases
- ○ In a minority of cases

INF 06.3 Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]

Our Fund placement documents discuss the key principles inherent in consideration of ESG matters. Our data room of Fund materials (which each potential investor is provided access to) includes details of our approach to ESG matters and a copy of our ESG Framework Policy.

- ○ No

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PRI Principles for Responsible Investment

Pre-investment (selection)

INF 08	Mandatory	Gateway	PRI 1

INF 08.1 Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.

◉ Yes

INF 08.2 Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection. [Optional]

The Infrastructure investment team takes account of ESG factors (1) during due diligence when reviewing investment opportunities, (2) when making new investments and (3) while actively managing infrastructure assets. Initial screening involves a review of relevant ESG factors using, typically, public sources of information on the industry or company factors. Due diligence then involves additional investigation of matters raised in internal and external (technical and other specific advisers) review of the investment opportunity - usually based on greater access to company and operational records of the business. Investment decision then considers if the investment complies with our investment guidelines on ESG matters. To the extent that the investment meets all guidelines, then we assess any reputational issues for fund investors or UBS as a consequence of the investment.

Upon acquisition, during the asset management period, our team monitors ESG issues of underlying companies and reports ESG issues on monthly asset management review calls.

○ No

INF 10	Mandatory	Core Assessed	PRI 1,3

INF 10.1 Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

ESG issues

☑ Environmental

List up to three typical examples of environmental issues

Energy efficiency

Disposal of waste

Water efficiency

☑ Social

List up to three typical examples of social issues

Health and safety

Human Capital Management

Corporate conduct

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☑ Governance

	List up to three typical examples of governance issues

Protection / exercise of shareholders' rights

Engagement and co-operation with stakeholders

Timely / accurate disclosure

INF 10.2	Additional information. [Optional]

The list of Environmental and Social issues considered largely depends on the nature of the investment and the sector in which it is based. For example, an investment in electricity generation plants requires detailed review of emissions, emission standards and efficiency of plant design. Investment in a waste process business will require detailed review of waste handling procedures, end destination of processed waste, efficiency of waste processing facilities and natural environment impacts of disposal of treated/sorted wastes.

Selection, appointment and monitoring of third-party operators

INF 13	**Mandatory**	**Core Assessed**	**PRI 4**

INF 13.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

◉ Yes

INF 13.2	Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

☑ Selection process of third-party operators incorporates ESG issues

- ◉ For all third-party operators
- ○ For a majority of third-party operators
- ○ For a minority of third-party operators

☑ Contractual requirements when appointing third-party operators includes ESG issues

- ○ For all third-party operators
- ◉ For a majority of third-party operators
- ○ For a minority of third-party operators

☑ Monitoring of third-party operators covers ESG responsibilities and implementation

- ○ For all third-party operators
- ◉ For a majority of third-party operators
- ○ For a minority of third-party operators

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INF 13.3	Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional]

Selection of third-party operators depends on the nature of the investment. In instances where we are responsible for the development and formation of a new project, we will have direct responsibility for the engagement of third party operators. In such circumstances we have direct control over the appointment, the contractual structure and establishment of the monitoring framework for the third party operator. In instances where we acquire an existing business, with an existing operating structure, we ensure that the corporate policies of the investee company are in accord with our fund policies, and we seek to ensure management comply with such policies through our governing role with the investee company.

INF 13.4	Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional]

Operating& regulatory framework - organizational experience and expertise, corporate policies, environmental policies, accreditation with industry bodies, operational record against national and international standards of practice, employment policies, suitably licensed to operate

Reporting framework - e.g. environmental performance standards, occupational health and safety reporting (such as contractor near misses and LTIs), governance framework for the operator

Performance objectives - e.g. contractual terms which penalize poor environmental performance

○ No

Post-investment (monitoring and active ownership)

Overview

INF 14	Mandatory	Gateway	PRI 2

INF 14.1	Indicate if your organisation, and/or operators, consider ESG issues in post-investment activities relating to your infrastructure assets.

◉ Yes

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INF 14.2	Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

☑ We consider ESG issues in the monitoring and operation of infrastructure

☑ We consider ESG issues in infrastructure maintenance

☑ We consider ESG issues in stakeholder engagements related to our infrastructure

☑ We consider ESG issues in other post-investment activities, specify

See 14.3 below

INF 14.3	Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

ESG principles are embedded in our processes when actively managing investments in our portfolio. In our view, delivery against a robust ESG framework reflects good management, delivers lower risk investments, greater community and employee support, and over the long term, stronger financial returns. We assess the ESG credentials of our investee companies by benchmarking their policies, actions and procedures against our ESG objectives. Notably, given the diverse nature of our existing and potential future investments, such criteria have regard to relevant local, regional and global best practice and the nature of the business, operations, surrounding environment and community in which the investee company operates. Key categories reviewed include: (1) Environmental: Climate change, Environmental management systems and compliance, Environmental efficiency (waste, water, energy) (2) Social: Workplace Health and Safety, Human capital management, Corporate conduct, Stakeholder management (3) Governance: protection / exercise of shareholders' rights, engagement and co-operation with stakeholders, disclosure

○ No

Infrastructure monitoring and operations

INF 15	Mandatory	Core Assessed	PRI 2

INF 15.1	Indicate the proportion of infrastructure assets where your organisation, and/or operators, included ESG performance in investment monitoring during the reporting year.

◉ >90% of infrastructure assets

○ 51-90% of infrastructure assets

○ 10-50% of infrastructure assets

○ <10% of infrastructure assets

(in terms of number of infrastructure assets)

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PRI Principles for Responsible Investment

INF 15.2 Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

☑ Environmental

List up to three example targets per issue

Energy efficiency

Water usage

Waste efficiency

☑ Social

List up to three example targets per issue

Workplace health and safety

Human capital management

☑ Governance

List up to three example targets per issue

Protection / exercise of shareholders' rights

Engagement and cooperation with stakeholders

Timely/accurate disclosure

☐ We do not set and/or monitor against targets

INF 15.3 Additional information. [Optional]

We have board seats for all the infrastructure companies we own a stake in. We regularly review and monitor ESG issues with management.

INF 16 | **Mandatory** | **Additional Assessed** | **PRI 2**

INF 16.1 Indicate if you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

◉ Yes

INF 16.2 Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

◉ >90% of infrastructure investees

○ 51-90% of infrastructure investees

○ 10-50% of infrastructure investees

○ <10% of infrastructure investees

○ 0% of infrastructure investees

(in terms of number of infrastructure investees)

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PRI Principles for Responsible Investment

INF 16.3	Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]

In instances where we are responsible for the development and formation of a new project or company, we will have direct responsibility for the establishment of corporate and procurement policies which have a direct impact on management of ESG issues. In instances where we acquire an existing business, with an existing operating structure, we ensure that the corporate policies of the investee company are in accord with our fund policies. We maintain oversight of all our investments through board appointments and participation in management working groups through which we are able to oversee management compliance with such policies.

○ No

Infrastructure maintenance

INF 18	Mandatory	Core Assessed	PRI 2

INF 18.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.

◉ >90% of active maintenance projects

○ 51-90% of active maintenance projects

○ 10-50% of active maintenance projects

○ <10% of active maintenance projects

○ N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

INF 18.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]

We ensure that the corporate policies of the investee company are in accord with our Fund policies. We maintain oversight of all our investments through board appointments and participation in management working groups through which we are able to oversee management compliance with such policies when maintaining our infrastructure assets.

Communication

INF 22	Mandatory	Core Assessed	PRI 6

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INF 22.1 Indicate if your organisation proactively discloses ESG information on your infrastructure investments.

○ Disclose publicly

◉ Disclose to clients/beneficiaries only

INF 22.3 Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

☑ ESG information on how you select infrastructure investments

☑ ESG information on how you monitor and manage infrastructure investments

☑ Information on your infrastructure investments' ESG performance

☐ Other;specify

INF 22.4 Indicate your organisation's typical frequency of disclosing ESG information to the your clients/beneficiaries.

◉ Quarterly or more frequently

○ Semi annually

○ Annually

○ Every two years or less frequently

○ Ad-hoc; specify

○ No proactive disclosure to the public or to clients/beneficiaries

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