

European Opportunity Sustainable European Opportunity Unconstrained

Concentrated Alpha Equity

Max Anderl

Head of Concentrated Alpha Equity



Unique value proposition



People

- **Independent investment boutique** leveraging the global infrastructure of UBS Asset Management
- **Lean and nimble** team with access to **extensive** internal and external **resources**
- **Stable** and **experienced** team



Process

- **Bottom-up** stock selection using a differentiated 3-circle process
- Focus on **high active share**
- **Process unchanged** since 2004 **but constantly enhanced** over time e.g. A.I./Big Data in quant models



ESG

- Collaborate with our Sustainable Investing team of 20 experts to **identify material ESG risks and opportunities** in the portfolio and **carry out company engagements**
- Internal equity team has been managing a Global Sustainable Equity strategy for 23 years
- In addition to decades of strong governance, **ESG integration framework introduced** into process at end 2017
- We have established **global corporate governance principles** as well as our own **Voting guidelines**



Performance

- **Proven track record** in varying market environments
- **Strong risk-adjusted returns**
- **Good downside capture** and volatility in line with benchmark

Source: UBS Asset Management.

Section 1

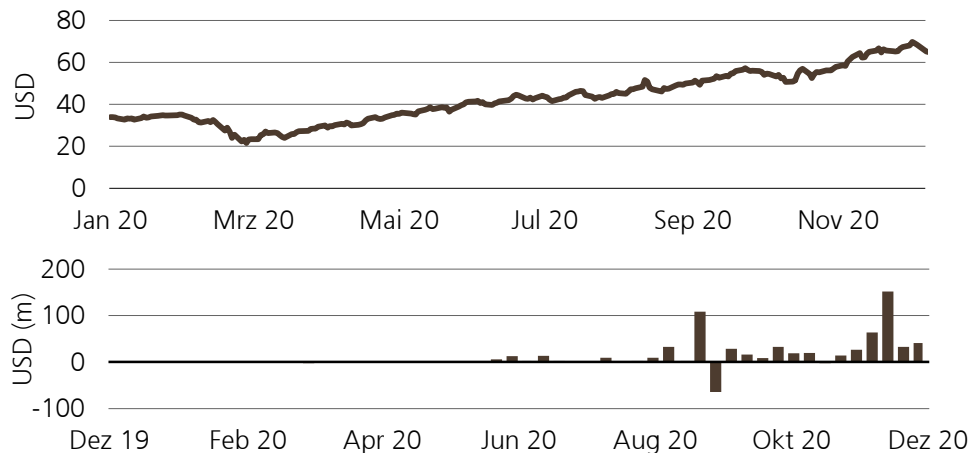
Outlook

Financial markets boosted by COVID-19 in 2020

Easiest financial conditions in history

- Surprisingly COVID was a good catalyst for financial asset returns in 2020 as most asset classes ended the year in positive territory
- US companies have raised USD 175bn in new IPOs, while around USD 3trn of corporate bonds trade with negative yields
- First day returns of IPOs averaged 40% in 2020 attracting further inflows, many SPACs (Special Purpose Acquisition Vehicles) went up post IPO even without any acquisition announcements
- Bitcoin back to all-time highs
- Thanks to the easiest financial conditions in history

Renaissance IPO ETF – Last Price and Fund Flows



Source: Bloomberg, FactSet, UBS Asset Management, as of January 2021.

Goldman Sachs US Financial Conditions Index

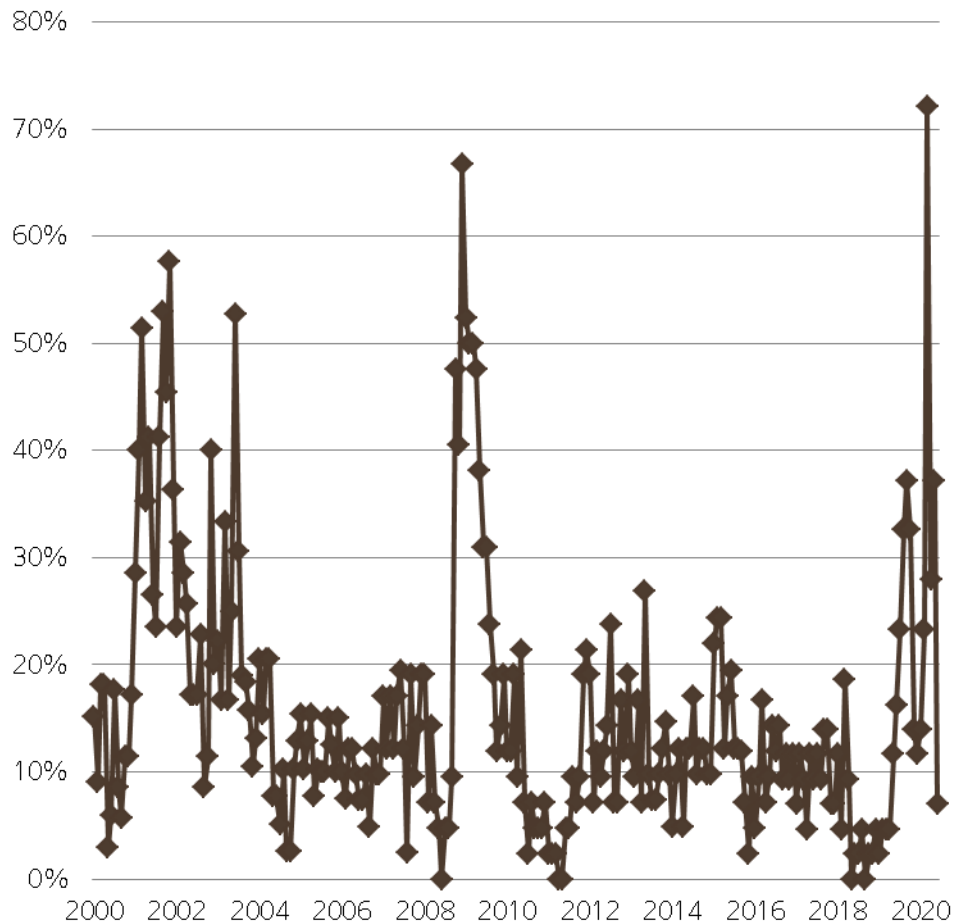


Bitcoin Price (USD)



Global support by central banks

% of central banks easing globally



World weighted average policy rate (%)



Source: UBS Investment Bank, as of 15 June 2020.

US money supply

US money supply M2 (YoY %)



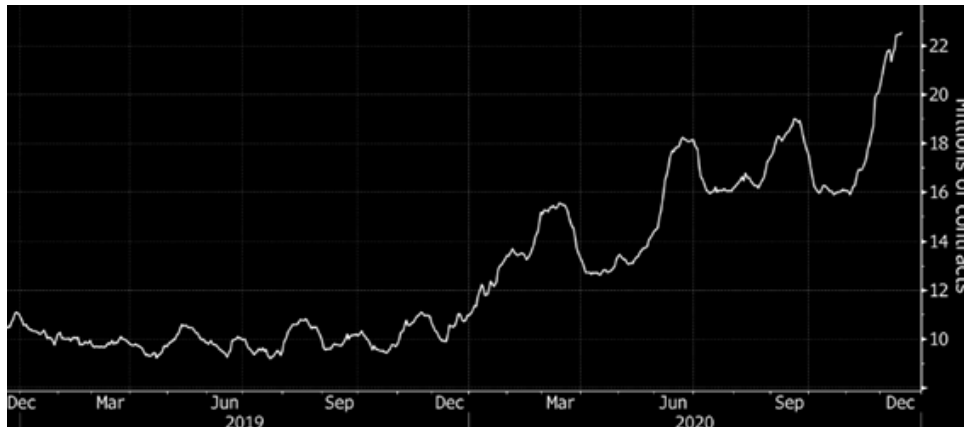
Source: FactSet, as of 22 January 2021.

End of year risk-on trade in Q4

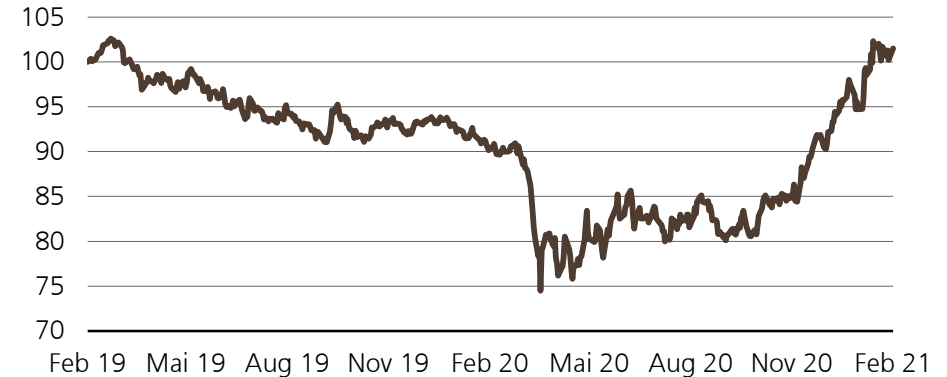
Less of a value/growth rotation, more of a risk-on move

- November and December were neither value nor growth as some suggest
- It was much more of a pure risk-on move with strong performance from the most shorted stocks, small cap and high beta stocks
- Large participation of retail investors
- Mainly using short term call options as the preferred "investment" method

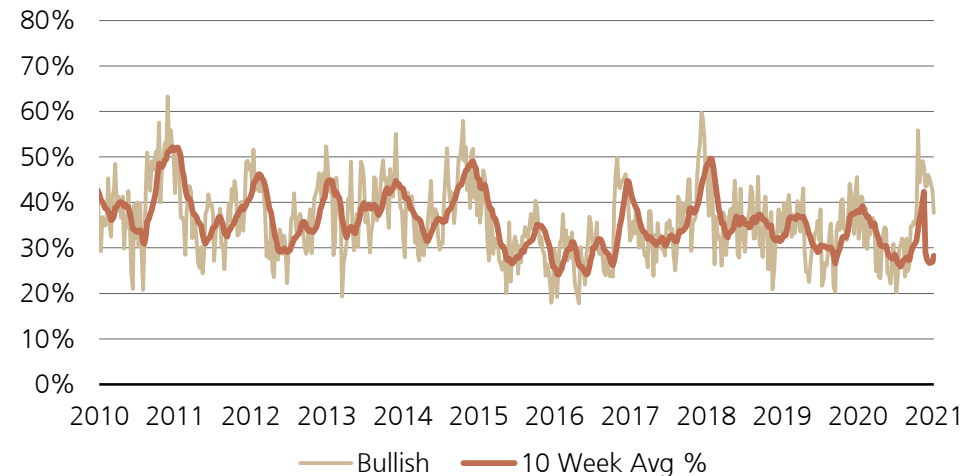
Call options traded on stocks and indices at all time highs



Russell 2000 vs. S&P 500 (USD, %)



AII Investor Sentiment Survey - Bull

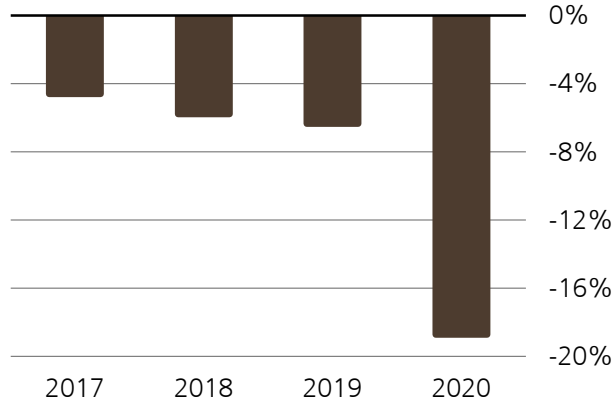


Source: Bloomberg, FactSet, UBS Asset Management, as of 31 January 2021.

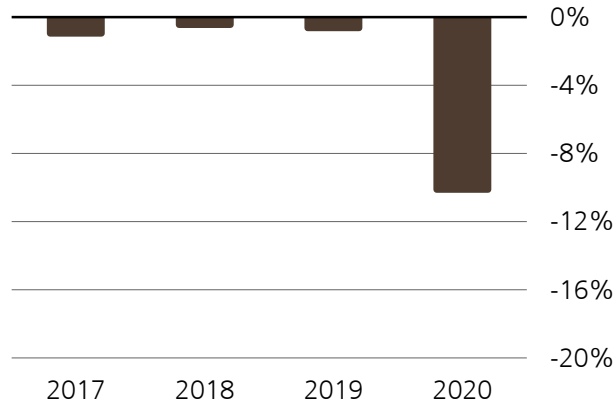
Stimulus overhang?

Budget balance as a share of GDP

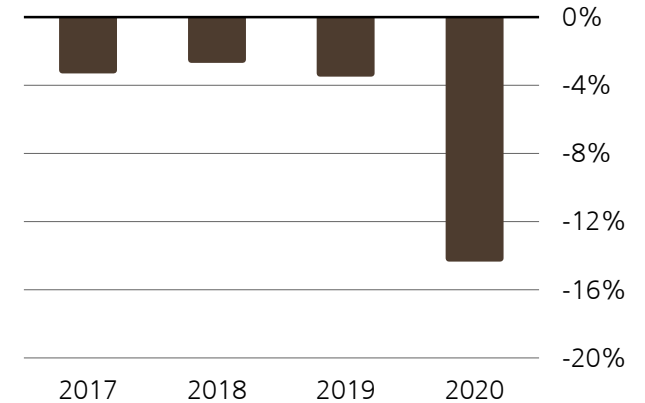
US



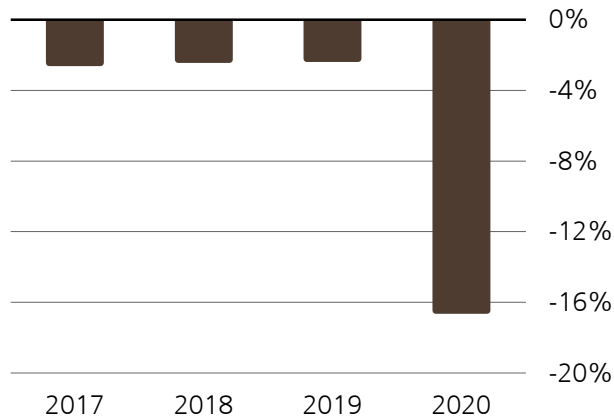
Euro Area (average)



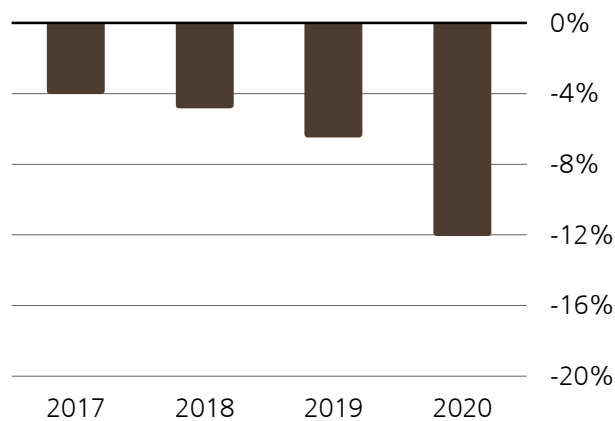
Japan



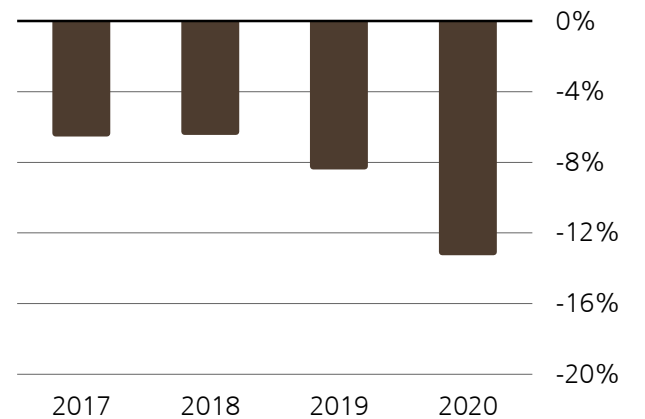
UK



China



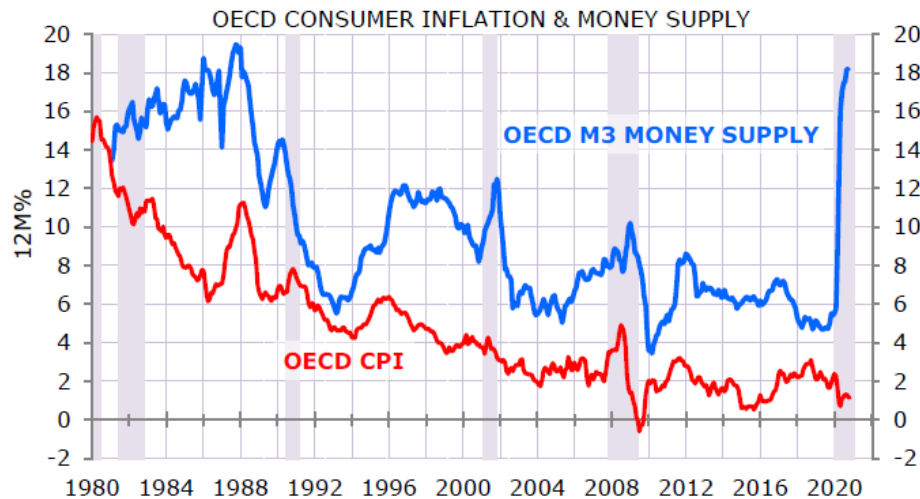
India



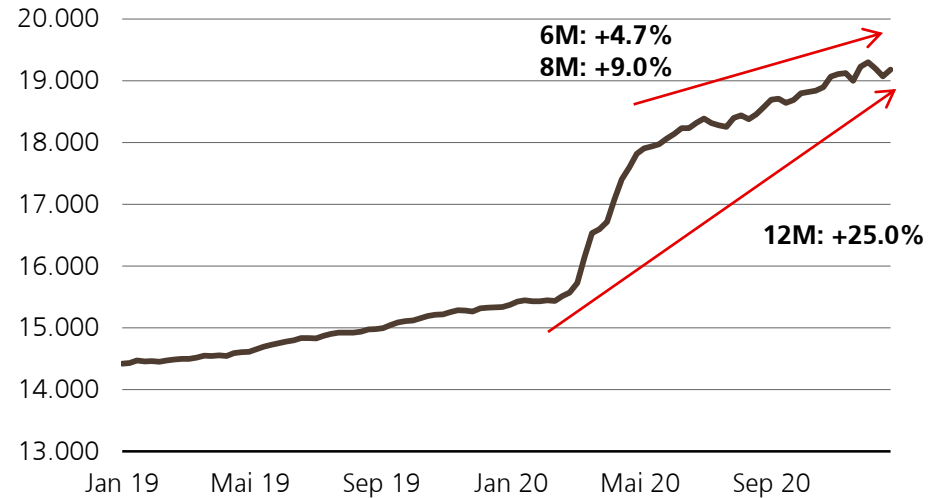
Source: IMF Fiscal Monitor, as of October 2020.

Money growth does not always cause inflation

If money drives inflation we will have a problem



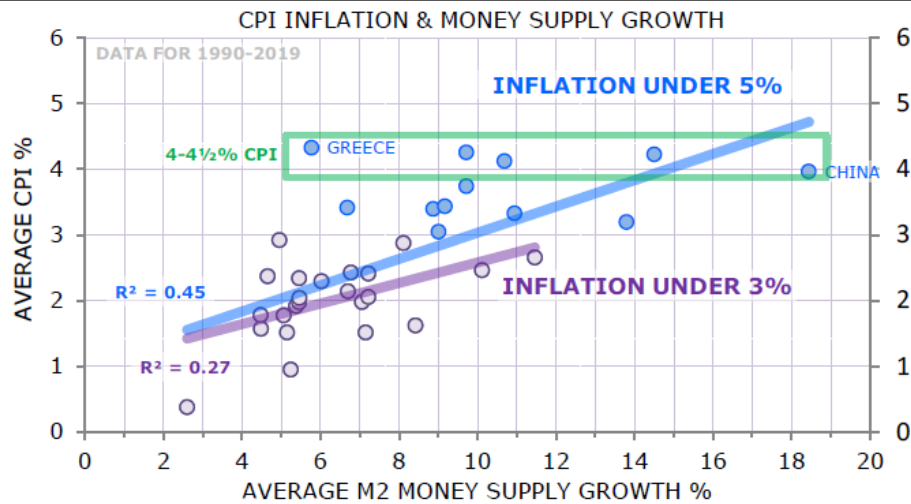
US M2 Money Supply (USD, billions)



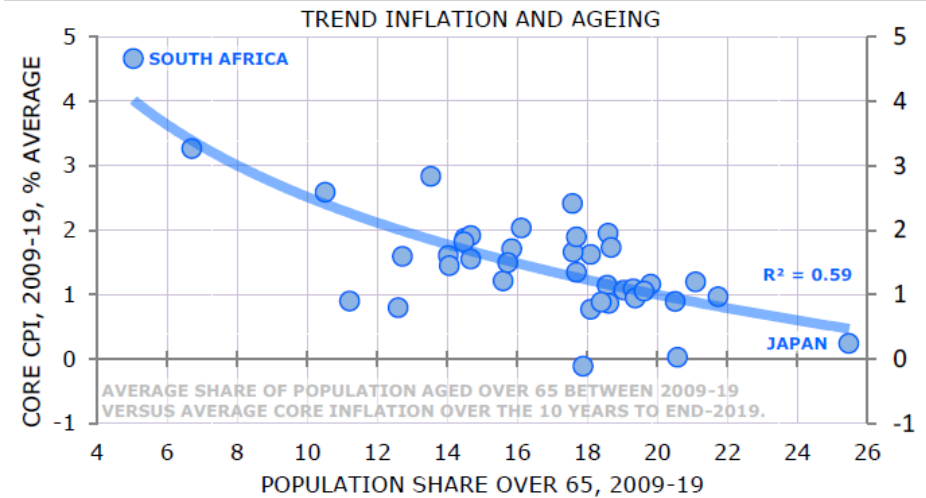
Source: OECD, NBER, Minack Advisors as at 13 January 2021. Thomson Reuters Datastream as at 4 January 2021.

Money growth alone does not guarantee inflation

At low inflation, money matters less



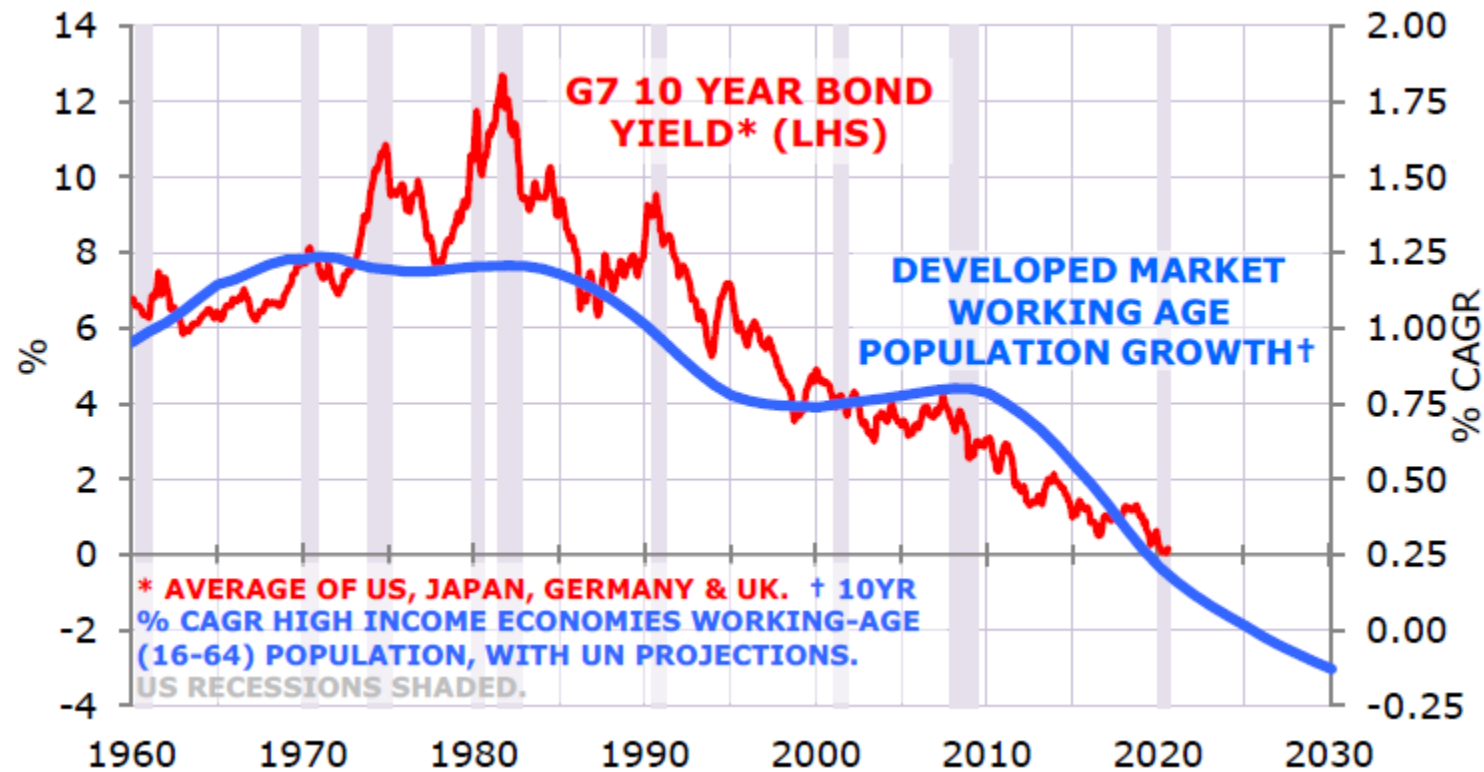
The deflating effects of old age



Source: IMF, World Bank, Minack Advisors as at 13 January 2021.

Demographics are deflationary

Long-end sovereign yields and working age population



Source: Minack Advisors, as of 30 September 2020.

Section 2

Team, Philosophy and Process

Concentrated Alpha Equity Team

Independent investment boutique formed in 2004 within UBS AM

Investment Team



Max Anderl, CFA

Lead Portfolio Manager

(New stocks and portfolio construction)

Years of industry experience: 21
Years with UBS: 20



Jeremy Leung, CFA

Deputy Portfolio Manager

(Reviews existing holdings)

Years of industry experience: 15
Years with UBS: 13



Nicole Lim, CFA

Equity/ESG Specialist

(Strategy communications & ESG)

Years of industry experience: 7
Years with UBS: 7

Investment operations

Order generation, short locates and fees,
cash monitoring and flows.



Robert Howard
Team Leader

Years of industry experience: 36
Years with UBS: 33



David Legg

Years of industry experience: 37
Years with UBS: 37



Howard Rowlinson

Years of industry experience: 23
Years with UBS: 22

Leveraging the full global resources of UBS AM:

- Equity analysts & portfolio managers
- Equity specialists & client support
- Centralised trading desks globally
- IT & operational portfolio management
- Dedicated ESG resources
- Independent risk monitoring
- Legal & Compliance
- 3,000+ individuals



Business management

Investment screens, support on company research notes, client reporting and regulatory admin.



Marie Anderson
(Reviews existing holdings)

Years of industry experience: 2
Years with UBS: 2



Alison Charles

Years of industry experience: 14
Years with UBS: 12



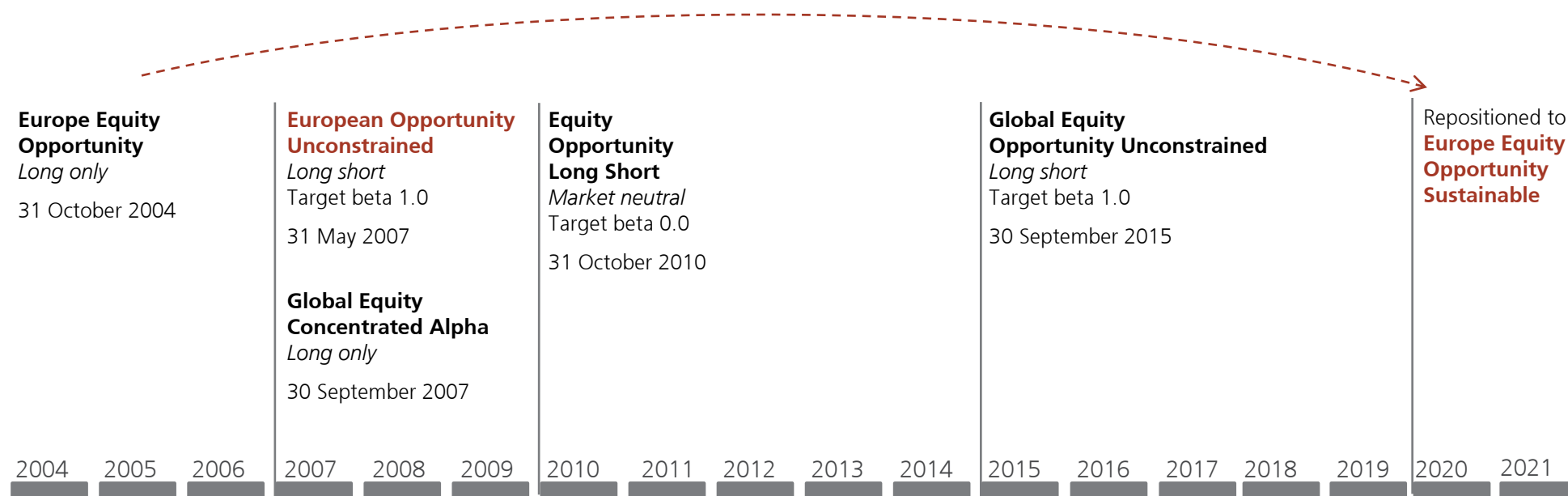
April Robbins

Years of industry experience: 25
Years with UBS: 22

Source: UBS Asset Management.

Stable team managing European equities for over 16 years

Our strategies



Our people

Neil Mears

Max Anderl

Jeremy Leung

Max Anderl took charge of idea generation and portfolio construction as lead portfolio manager after Neil Mears retired. He had been working with Neil in UBS since 2000.

Jeremy Leung assumed Max's previous role as deputy PM, having already worked with Neil and Max as a member of the broader equities team within UBS since 2007.

Concentrated Alpha Equity strategy shelf

	Global Equity Concentrated Alpha (Global Opportunity)	Global Opportunity Unconstrained	Europe Equity Opportunity Sustainable	European Opportunity Unconstrained	Euro Equity Concentrated Alpha (Euro Countries Opportunity)	Equity Opportunity Long Short
Inception	30 September 2007	24 September 2015	31 October 2004	31 May 2007	31 October 2004	31 October 2010
AUM (EUR)	12.4 billion	120 million	1.4 billion	672 million	947 million	167 million
Geography	Global	Global	Europe	Europe	Eurozone	Global
Benchmark¹	MSCI World etc.	MSCI World etc.	MSCI Europe etc.	MSCI Europe etc.	MSCI EMU etc.	Absolute Return
Portfolio approach	Long only	Long short	Long only	Long short	Long only	Long short
ESG approach	ESG integrated	ESG integrated	Sustainable focused	ESG integrated	Sustainable focused	ESG integrated
Typical Long weights	1.5 – 4% (max 10%)	1 – 4 % (max 10%)	1.5 – 4% (max 10%)	1 – 4 % (max 10%)	1.5 – 4% (max 10%)	1 – 3% (max 10%)
Typical Short weights	–	0.5 – 1.5% (max 3%)	–	0.5 – 1.5% (max 3%)	–	1 – 3% (max 3%)
Average exposures²						
Average gross exposure	–	~170%	–	~170%	–	~180% (max 250%)
Average net exposure	100%	100%	100%	100%	100%	Avg. 30 – 40% ³
Typical beta range ²	0.8 – 1.0 – 1.2	0.8 – 1.0 – 1.2	0.8 – 1.0 – 1.2	0.8 – 1.0 – 1.2	0.8 – 1.0 – 1.2	0.1 – 0.3

Average Market Cap Exposures²

Large cap
>USD10 billion
70 – 100%

Mid cap
USD1–10 billion
0 – 25%

Small cap
<USD1 billion
<5%

Note: As at 31 December 2020. The table shows mostly typical exposures, not hard limits. Exposures may be outside of these limits for sustained periods. Absolute means that returns are not linked to a benchmark. Note that returns on absolute type investments can still be negative compared to initial investment values.

1 Customisable and carve out benchmarks are available for segregated mandates e.g. Global ex Japan, MSCI ACWI etc.

2 Exposures and beta are typical expected ranges but may vary considerably over time depending on market conditions and manager views.

3 Typical average over a full market cycle with maximum limits of -30% to +70% allowable.

Competitive long term performance track record

And strong downside protection in falling markets

			1 year		3 years		5 years		10 years	
(Net performance, %)			Return	% rank	Return	% rank	Return	% rank	Return	% rank
Global Opportunity (CH)	★★★★★	USD	19.6	16	43.5	3	79.2	9	172.7	1
MSCI World		USD	15.9		35.1		77.8		156.3	
Value added		USD	+3.7		+8.4		+1.4		+16.4	
Global Opportunity Unconstrained (Lux)	★★★★★	USD	22.3	10	46.1	2	65.3	31		
MSCI World		USD	15.9		35.1		77.8			
Value added		USD	+6.4		+11.0		-12.5			
European Opportunity Sustainable (Lux)	★★★★★	EUR	9.9	5	31.6	2	33.9	5	129.0	3
MSCI Europe		EUR	-3.0		9.3		23.6		84.7	
Value added		EUR	+12.9		+22.2		+10.3		+44.3	
European Opportunity Unconstrained (Lux)	★★★★★	EUR	10.2	4	34.6	1	25.7	17	181.0	1
MSCI Europe		EUR	-3.3		9.0		22.6		84.1	
Value added		EUR	+13.5		+25.6		+3.1		+96.9	
Euro Countries Opportunity (Lux)	★★★★★	EUR	9.8	3	21.6	3	36.0	5	126.2	2
MSCI EMU		EUR	-1.0		8.4		27.3		82.7	
Value added		EUR	+10.8		+13.2		+8.7		+43.6	
Equity Opportunity Long Short (Irl)		EUR	+11.9	23	+23.2	16	-2.0	60		
(Absolute return, no benchmark)										

Same investment philosophy and process successfully applied for over 16 years in Europe and over 13 years in Global

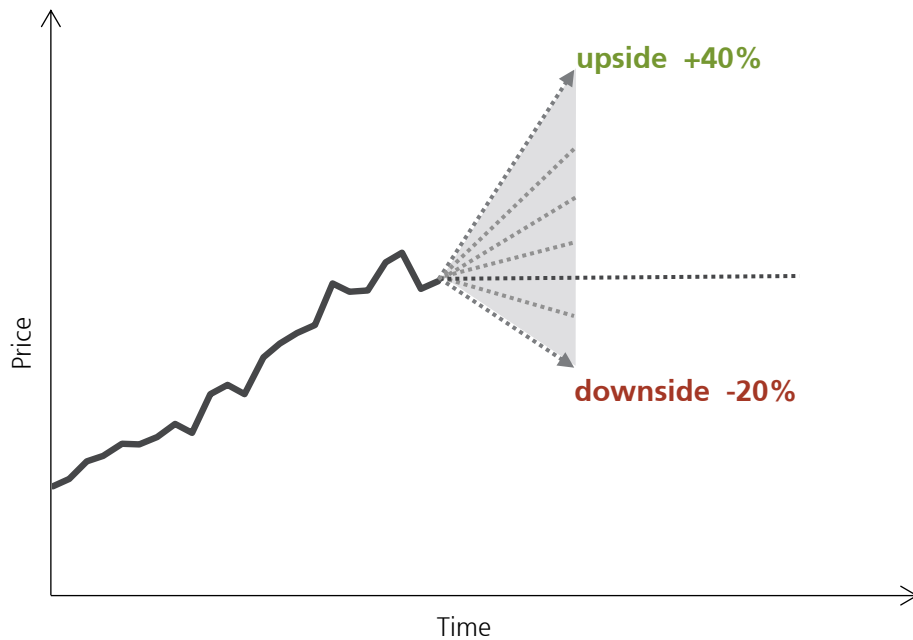
Source: UBS Asset Management, net of fee returns as of 31 December 2020. Morningstar ratings and peer rankings are based on the Q share class returns. **Past performance is not indicative of future results.**

Investment philosophy: risk vs reward

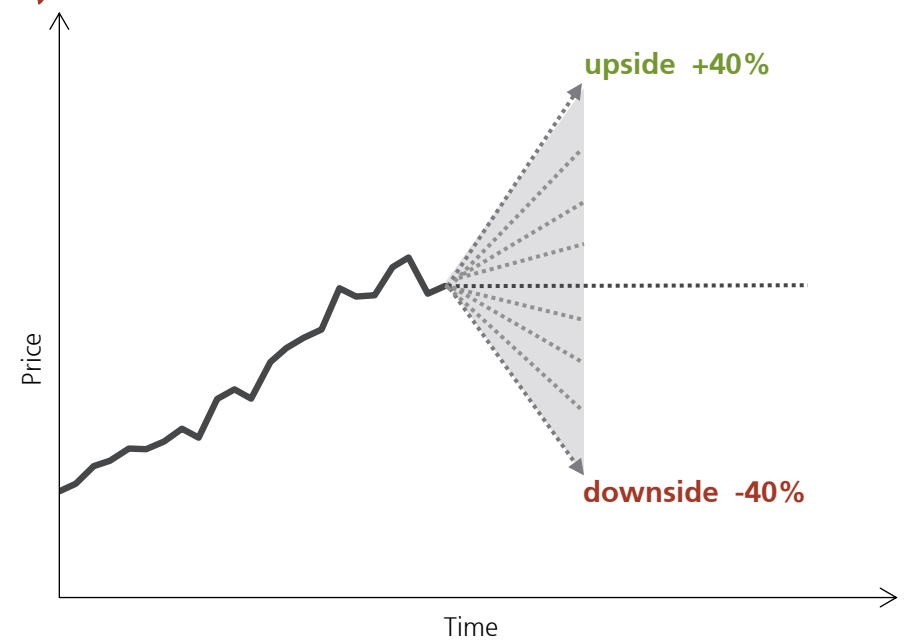
- We believe that market inefficiencies can be exploited, i.e. the market tends to **overestimate the upside** and **underestimate the downside**.
- We see ourselves as **core investors**, we seek the best risk vs reward stocks with **good upside potential** and **limited downside risk** independent of investment factor or style.



Positive risk vs reward: higher upside potential relative to downside



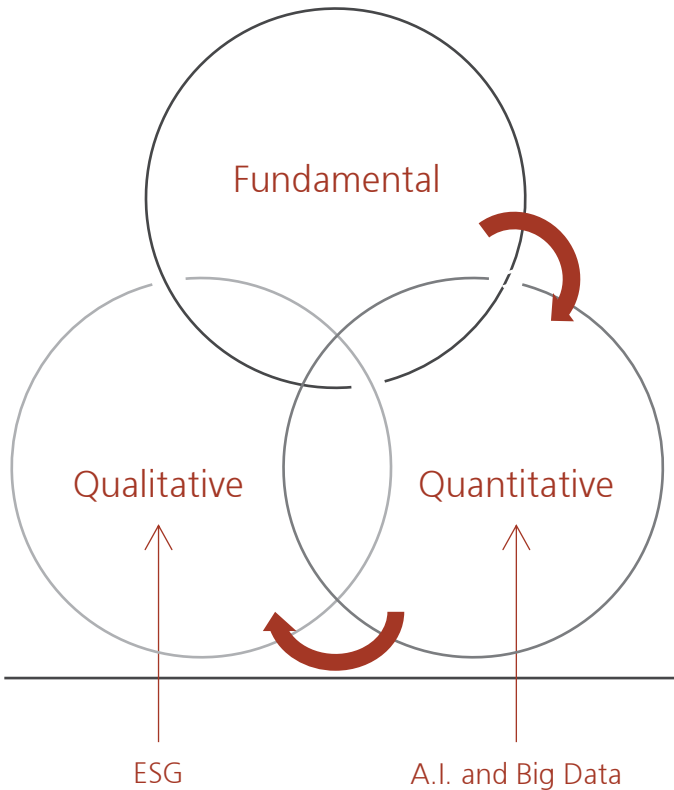
Neutral or negative risk vs reward



For illustrative purposes only

Overview of investment process

Idea generation: Three circles



Portfolio construction and risk

- Bottom up stock selection process
- Disciplined yet flexible approach
- High active share
- Holistic approach to risk
- Uncorrelated information sources

Target active share

Europe long-only: 75 – 80%
Unconstrained: >100%

For illustrative purposes only.

Section 3

Sustainability focus

“ Sustainability means being able to meet our needs t
without compromising the ability of future generati
to meet their own needs.

”



UBS-AM Sustainable and Impact Investing team

An experienced and global investment team with average industry experience of 17 years

Head of SI



Michael Baldinger
Head of Sustainable
and Impact Investing

31 years industry experience
(11 years SI specific)



Guillaume Kintz, CFA
ESG Methodology Lead

6 years industry experience
(3 years SI specific)

SI Research & Stewardship



Christopher Greenwald
Head of SI
Research
and Stewardship

14 years industry
experience
(14 years SI specific)



Francis Condon
SI Research Analyst

32 years industry experience
(16 years SI specific)



Henrike Kulmann
SI Research Analyst

13 years industry experience
(13 years SI specific)



Karianne Lancee
SI Research Analyst

11 years industry experience
(7 years SI specific)



Marissa Blankenship
SI Research Analyst

20 years industry experience
(12 years SI specific)



Valeria Piani
SI Strategic Engagement
Lead

17 years industry experience
(12 years SI specific)



Paul Clark
Head of Stewardship

33 years industry experience
(20 years SI specific)



Rachael Atkinson
SI Stewardship Analyst

18 years industry experience
(9 years SI specific)



Emiliano Torracca
SI Stewardship Analyst

12 years industry experience
(12 years SI specific)



Jason Rambaran
SI Stewardship Analyst

6 years industry experience
(6 years SI specific)



Matteo Passero
SI Stewardship Analyst

3 years industry experience
(3 years SI specific)

SI Investment Specialists



Martijn Oosterwoud
Head of SI Investment
Specialists

22 years industry experience
(12 years SI specific)



Amy Farrell
SI Investment Specialist

26 years industry experience
(10 years SI specific)



Karsten Guettler
SI Investment Specialist

16 years industry experience
(10 years SI specific)



Eveline Maechler
SI Investment Specialist

2 years industry experience
(1 year SI specific)

SI Business Strategy



Christine Gugolz
SI Business Strategy

20 years industry experience
(10 years SI specific)








Gillian Dexter
SI Content Strategy

30 years industry experience
(17 years SI specific)







Cassie Carbaugh
SI Marketing Specialist

5 years industry experience
(2 year SI specific)

 New York
 Zurich
 Amsterdam
 London
 San Francisco

Source: UBS Asset Management, as at 31 December 2020. Note: May not represent reporting lines.

Sustainability Focused approach in investing

	Exclusion 	ESG Integration 	Sustainability Focus 	Impact 
Definition	Exclusion of certain sectors or companies based on specific ESG criteria	Integration of material ESG factors into the financial analysis used by Portfolio Managers	Strategies with sustainability playing a significant role in the investment process	Investments in companies intending to generate positive social and environmental impact
Key requirements	Norms-based or values-based exclusions	Access to and consideration of material ESG information	Tilts toward SI themes, negative and/or positive screening	Measure and understand impacts of investments
Stewardship	Exercising shareholder rights by proxy voting and (pro-)actively engaging with companies to discuss material ESG issues			
Measurement and reporting	Measure and report ESG and/or Impact performance of companies and investment portfolios			

Source: UBS Asset Management, for illustrative purposes only.

Note: Global Sustainable Investment Alliance, 2018 Global Sustainable Investment Review. The sum of these individual strategies, after adjusting for double counting since some assets are managed using more than one strategy, results in the sustainable assets under management included in the 2018 GSIA report. "Exclusions" includes the sum of the GSIA categories of Norms-based screening and Negative / exclusionary screening. "Sustainability Themed" includes the sum of the GSIA categories of Positive / best-in-class screening and Sustainability themed investing. "Impact" includes the GSIA category of Impact / community investing. "Stewardship" includes the GSIA category of Corporate engagement / shareholder action.

A step further for Sustainability Focused strategies

Additional requirements:



- Minimum ESG standards excluding most risky/controversial companies as flagged by risk dashboard



- Minimum exclusions applied to standard universe in addition to the controversial weapons
 - Tobacco, adult entertainment, coal mining, thermal coal-fired power stations



- Substantial majority of selected securities are above average on ESG so that the portfolio has a superior:
 - SI profile relative to benchmark
 - Carbon profile relative to benchmark



- Engagement is prioritized with ESG improvers

Source: UBS Asset Management, 2020, for illustrative purposes only.

Proprietary UBS ESG Risk Dashboard

Proprietary methodology to identify and monitor ESG risks across four dimensions

UBS ESG Risk Dashboard

- Consensus score built from internal and external sources
- Over 10,000 companies covered
- One clear actionable signal leading to prioritization of research and company engagement

Example – for illustration purposes only

Company	Sector	ESG Risk Signal ¹	Sector-relative ESG risk		Identification of “Outliers”	
			UBS ESG Consensus Score ²	Absolute ESG Risk ³	Governance Risk ⁴	Controversies ⁵
A	Life & Health Insurance	● No	4.0	Medium	8.2	Pass
B	Retail – Consumer Discretion	● Yes	3.7	Medium	0.0	Pass
C	Interactive Media & Services	● Yes	6.5	Severe	1.5	Fail
D	Technology Hardware, Services	● No	4.2	Medium	10.0	Watch List
E	Diversified Consumer Services	● Yes	2.1	Low	5.0	Pass
F	Software & Services	● No	9.3	Low	10.0	Pass
G	Beverages	● Yes	1.6	High	3.0	Pass
H	Retail – Consumer Discretion	● No	3.4	High	4.0	Watch List

Source: UBS Asset Management, as of 2020. For illustrative purposes only.

Note: This information should not be considered a recommendation to purchase or sell any particular security. The table above does not represent the full coverage of the UBS ESG Proprietary Risk Dashboard.

1 Scale: yes/ no; 2 Scale: 0-10 with 10=best ESG score; 3 5-level scale from negligible to severe; 4 Scale: 0-10 with 10=best G-score; 5 Scale: Pass/ Watch List/ Fail

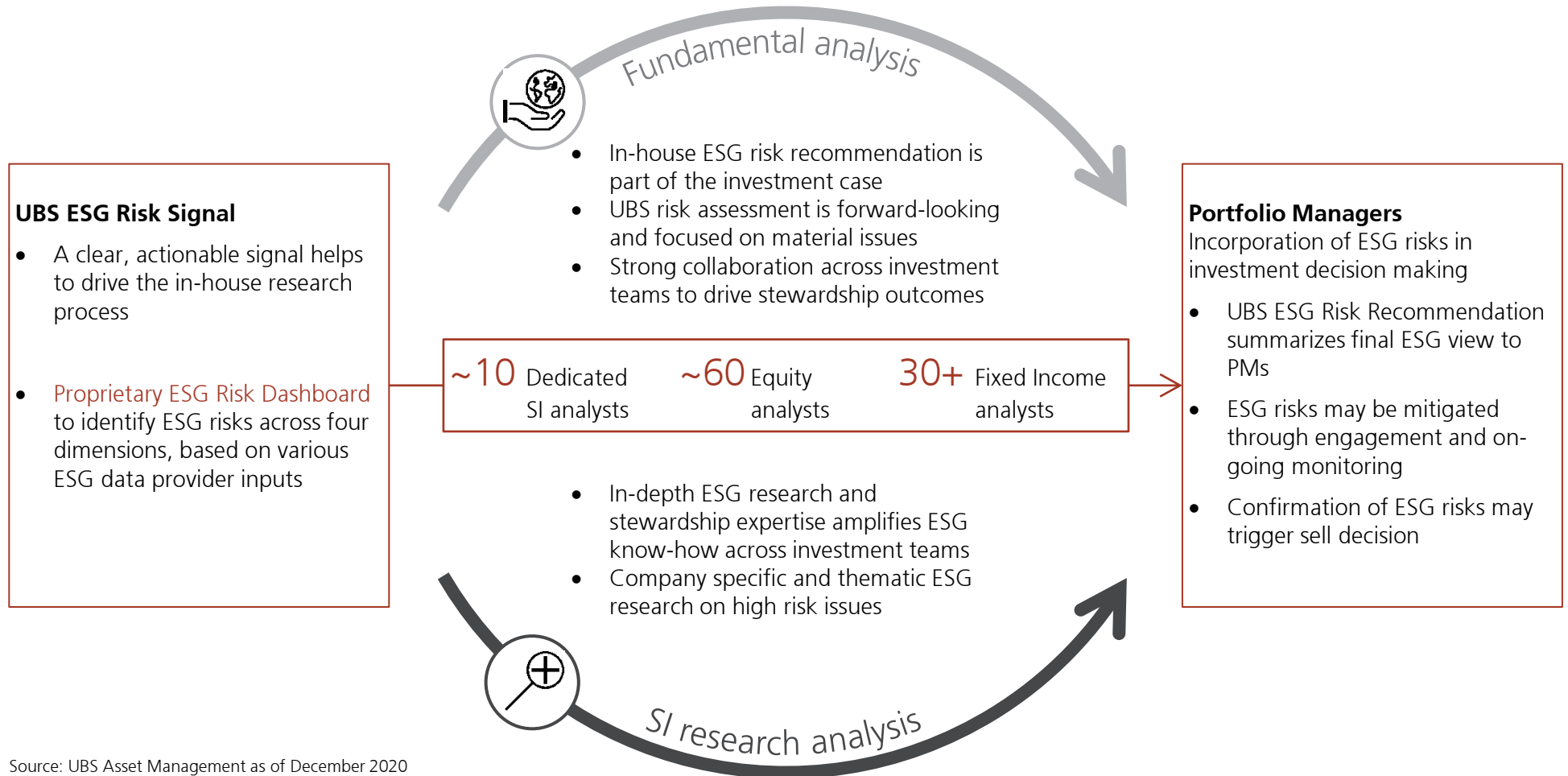
Standardized ESG integration across asset classes

ESG factors integrated into mainstream strategies utilizing a systematic risk-based research process

ESG data inputs

In-house research

Investment decision making



Source: UBS Asset Management as of December 2020

Engagement example: Online pharmacy retailer

Lack of ESG disclosure but strong management team committed to creating value over time



Identify

- The company screens for **elevated ESG risk** on our ESG Risk Dashboard because of a **low consensus score** driven by a lack of disclosure in company reporting on social and governance issues.



Review

- The SI research team identified that while **improvements on disclosure** around ESG risks can be made, there were **no major red flags**.
- Corporate governance practices were considered in line for the maturity of the company, despite noting **improvement potential on remuneration**.



Decide

- We engaged with the company to evaluate the strength of ESG risk management practices and **shared best practice examples**, including of peers, to enhance ESG disclosure practices.
- We determined that the company's appeal to investors could be enhanced through **greater transparency on sustainability metrics** and **improvements in third-party ratings**.



Mitigate

- We voted against remuneration policy in 2020 AGM citing expectations to **better align executive pay** with clearly disclosed and stretching performance hurdles, in addition to greater transparency.
- While we will **continue to monitor progress**, management has confirmed its commitment to take our feedback on board and to greater levels of sustainability disclosure.



Source: UBS Asset Management, as of 2021.

What steps are we taking to address climate change?

If no actions are taken, by 2100 our planet will experience the highest temperature it has ever seen in human history¹

Awareness

- A global UBS-AM survey of 600 institutional investors showed most asset owners believe that **environmental factors will matter more than traditional** financial criteria over the next five years²
- In the private wealth space, a survey of clients showed that the majority think sustainable investing **will become the norm in the next decade**³

Regulation

- Major regulatory shifts are underway, such as the EU taxonomy on sustainable finance, encouraging investors to **take account of ESG factors in their investment processes**
- In 2017, the Task Force on Climate-related Financial Disclosures (TCFD) explicitly advised investors and companies **to undertake climate change scenario analysis** as a way of understanding their climate risk



Climate Aware framework

- UBS-AM has developed the **Climate Aware framework** to help investors align their portfolios to their chosen climate solution and is developing a suite of dedicated products across asset classes

¹ IPCC, 2018: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related greenhouse gas emissions pathways, in the context of strengthening the global response to the threat of climate change sustainable development, and efforts to eradicate poverty. Masson-Delmotte, et al.

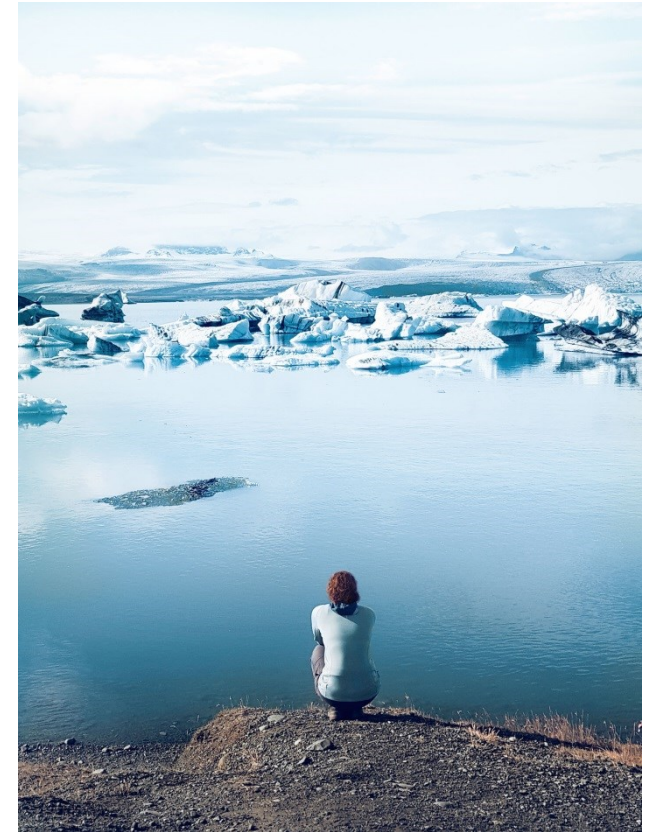
² ESG: Do you or Don't you? UBS Asset Management, Responsible Investor, June 2019

³ UBS Investor Watch: Return on values, 2018

UBS' collaboration with investors

Climate Action 100+

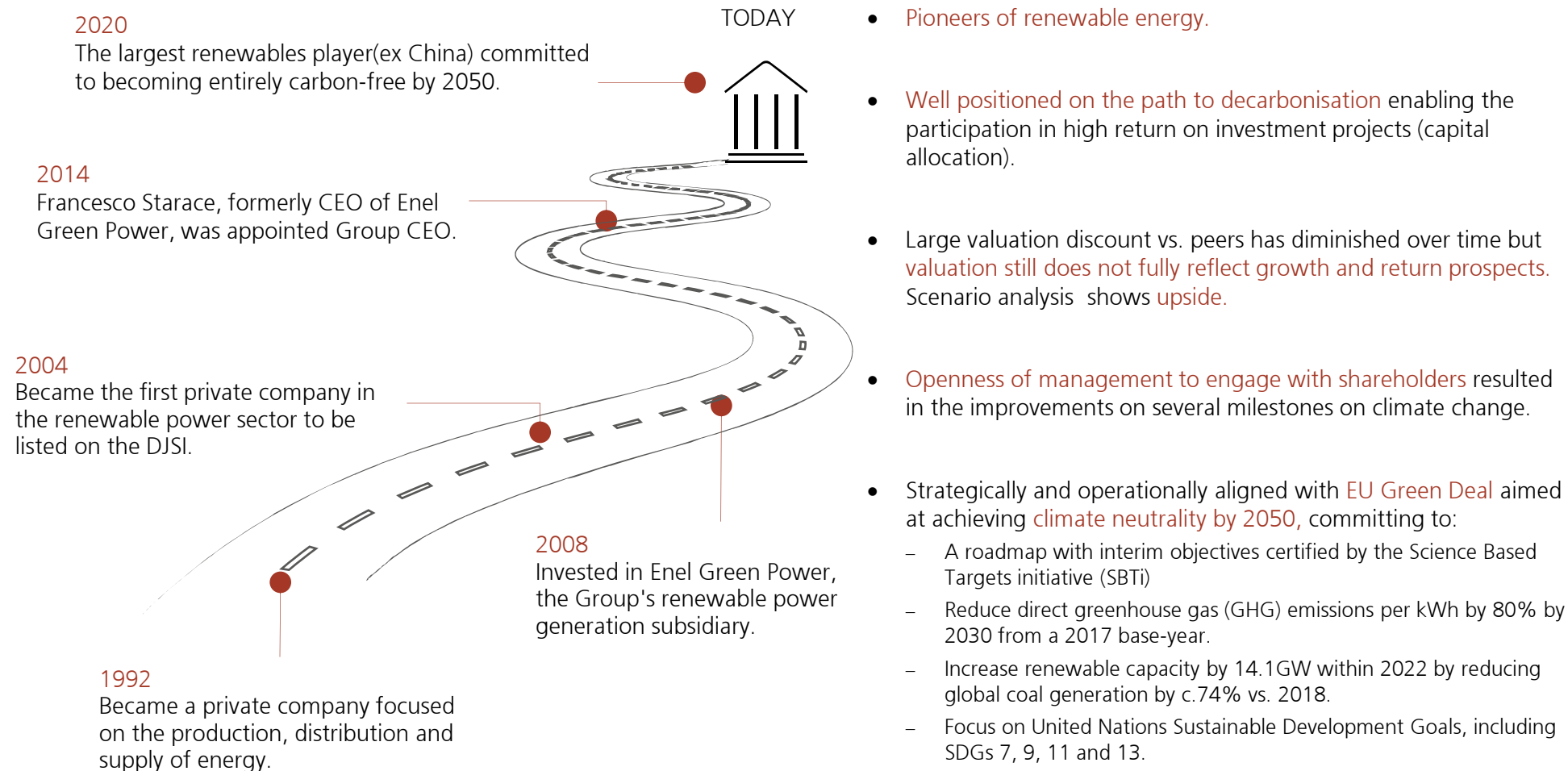
- A five-year investor-led initiative to engage more than 100 of the world's largest corporate greenhouse gas emitters
- Launched in December 2017 and now has the support of 450 investors, representing over USD 40 trillion of assets under management
- Aims to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change risks
- Coordinated by the Asian Investor Group on Climate Change (AIGCC), Ceres Investor Network on Climate Risk and Sustainability, the Investor Group on Climate Change (IGCC), the Institutional Investor Group on Climate Change (IIGCC) and the Principles for Responsible Investment (PRI)
- We are active participants in 29 coalitions and leading on 8 (60% of engagement target list)



Source: www.climateaction100.org

Climate study: European utility company Enel

Sustainability, digitisation and clean energy



Source: UBS Asset Management, as of 2021.

Section 4

European Opportunity Sustainable

Objectives: European Opportunity Sustainable

Investment goals & risk parameters

Investment goal

- Seek to outperform MSCI European Equity Index over a market cycle

How we aim to achieve this goal

- Typical active risk: Up to 12%
- Typical active share: 75 – 80%
- Up to 10% in any one stock

Note: Typical active risk data are indicative only. The actual active risk level will vary according to market conditions and our views. Active risk is an ex-ante forecast calculated using BARRA or other suitable system based on the final valuations of the last working day of each month. The ex-ante Active risk is an indicative forecast only and may not reflect the realised (ex-post) Active risk experienced by the Portfolio. Active risk levels are reported to clients on a quarterly basis.

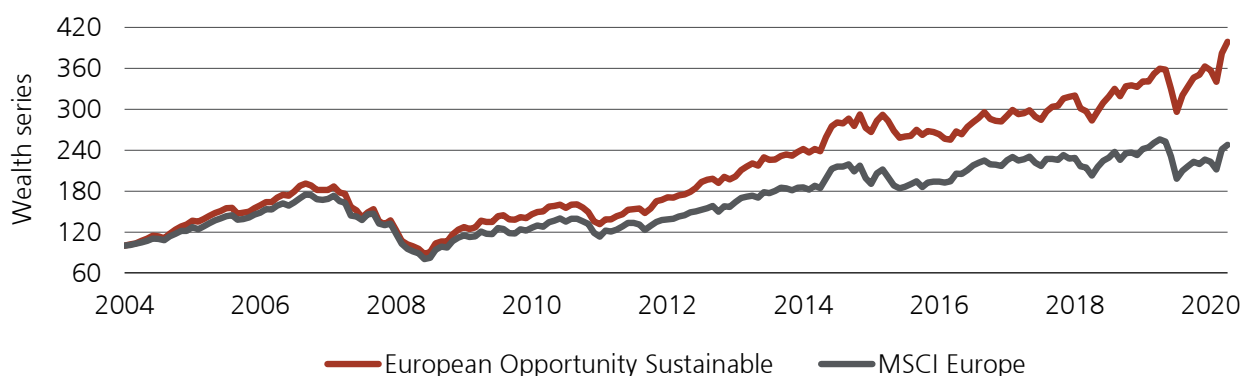
There is no assurance that the investment goal will ultimately be realized and the possibility of loss does exist. There is no guarantee that the investment strategy will perform as expected.

Strong net of fee returns across various time periods

UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) Q-acc
As of 31 December 2020

Morningstar Rating™: ★★★★★

% return	Net of fees				Gross of fees		
	Return	MSCI Europe	Value added	Quartile Ranking ²	Return	MSCI Europe	Value added
3 months	11.5	11.1	+0.3		12.1	11.1	+0.9
1 year	9.9	-3.0	+12.9	1	11.0	-3.0	+14.0
3 years (cumulative.)	31.6	9.3	+22.2	1	35.6	9.3	+26.3
5 years (cumulative.)	33.9	23.6	+10.3	1	40.9	23.6	+17.3
10 years (cumulative.)	129.0	84.7	+44.3	1	153.5	84.7	+68.9
SI ¹ (cumulative.)	158.6	87.2	+71.4		193.2	87.2	+106.0



Portfolio characteristics	SI ¹
Beta	0.9
Active risk ³	4.4%
Volatility ⁴	
Fund	14.1%
Benchmark	15.3%

Source: UBS Asset Management

Note: **Past performance is not a guide to future performance.** Historical active risk is not a guide to the future. See attached disclosure information. Active risk levels will vary according to market conditions and our views. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. Portfolio characteristics are shown net of fees

1 Since inception of Q-acc share class 30 June 2008, annualised

2 Morningstar rankings to 31 December 2020.

3 Active risk is the standard deviation of the difference between the monthly composite and benchmark returns, based on logarithmic returns. Active risk is annualised for periods greater than one year.

4 Annualised standard deviation based on monthly logarithmic returns

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1st decile ranking fund vs. peers across all major periods

European Opportunity Sustainable

- Good entry point into a product with proven successful long term track record
- Lower downside volatility than the benchmark
- Good upside and downside capture
- Long term attribution shows strong stock picking spread across most sectors

Peer group rankings

Time period	Percentile ranking	Actual ranking
1 year	5 / 100	23 / 531
3 years	2 / 100	7 / 452
5 years	5 / 100	19 / 373
10 years	3 / 100	8 / 287

Morningstar™ ratings for Luxembourg based funds

- U – X (★★★★★)
- Q (★★★★★)
- P (★★★★★)

Top decile ranking fund versus peers over all major periods

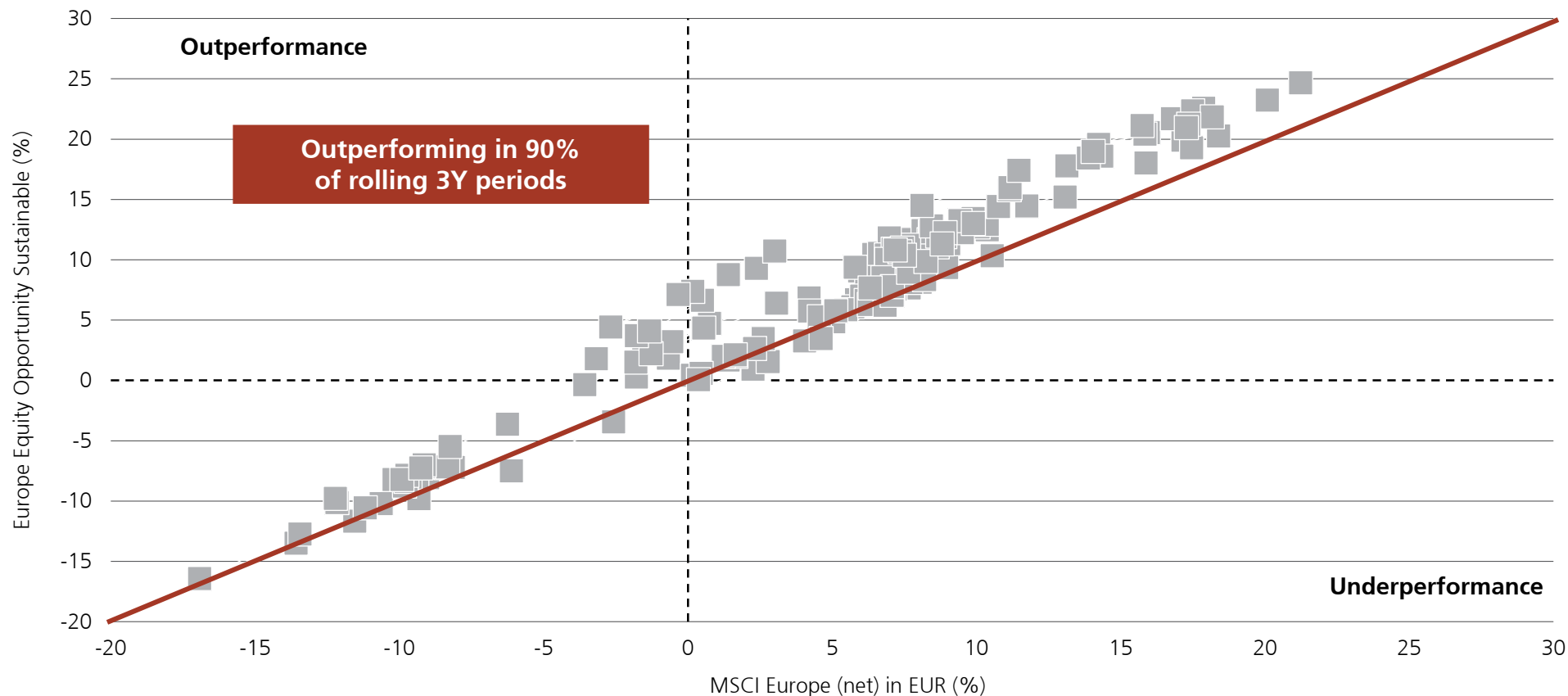
Source: Morningstar rankings based on UBS (Lux) European Opportunity Q-acc vs the Morningstar Europe Large-Cap Blend Equity universe as at 31 December 2020.
Past performance is not a guide to the future.

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Outperforming in 90% of rolling three-year periods

Europe Equity Opportunity Sustainable vs. MSCI Europe

Monthly data 31 October 2004 – 31 December 2020

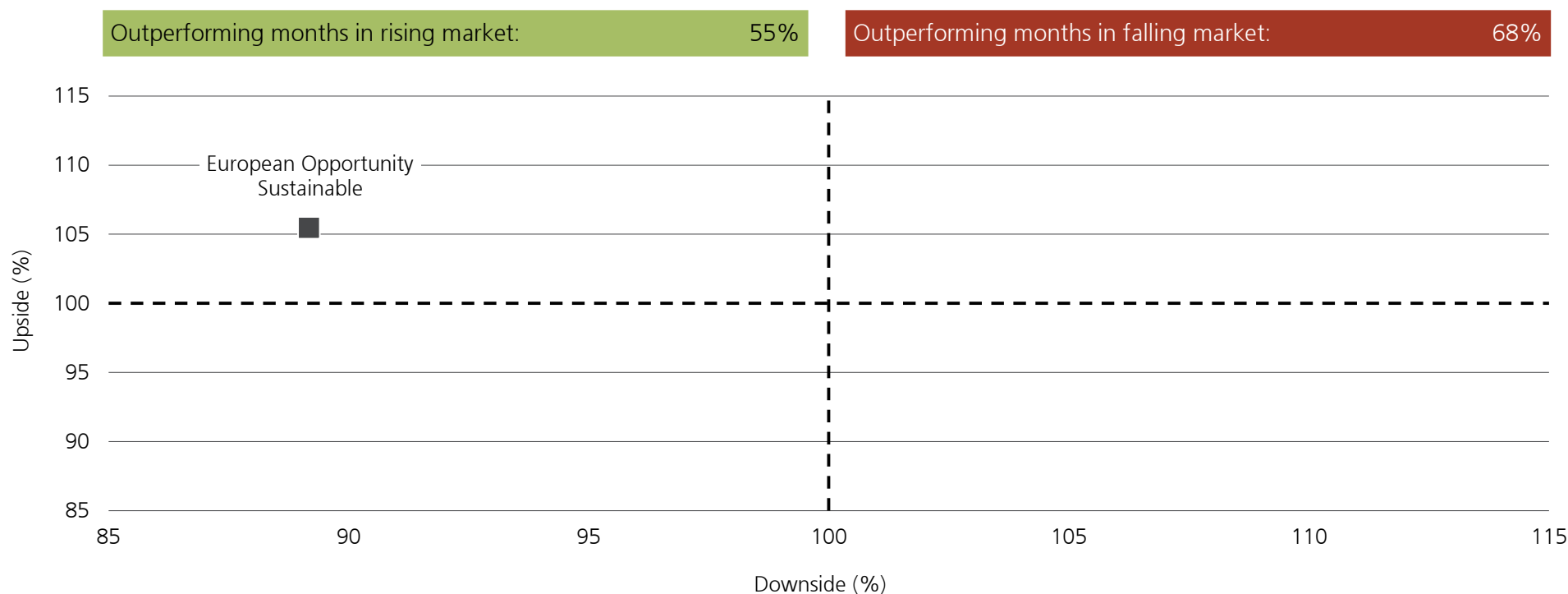


Source: UBS Asset Management.

The returns shown above are based on currently available information and are subject to revision. **Past performance is no guarantee of future results.** Performance figures are gross of fees. Please see attached disclosure information. Returns in EUR.

A look at upside/downside performance

Since inception (31 October 2004 to 31 December 2020)



Source: UBS Asset Management. Data as of 31 December 2020.

UBS Asset Management European Opportunity inception date of November 2004.

Upside Market Capture Ratio – A measure of the manager's performance in up markets relative to the market itself. A value of 110 suggests the manager performs ten percent better than the market when the market is up during the selected time period. The return for the market for each period is considered an up market if it is greater than or equal to zero. The Upside Capture Ratio is calculated by dividing the return of the manager during the up market periods by the return of the market during the same periods.

Downside Market Capture Ratio – A measure of the manager's performance in down markets relative to the market itself. A value of 90 suggests the manager's loss is only nine tenths of the market's loss during the selected time period. A market is considered down if the return for the benchmark is less than zero. The Downside Capture Ratio is calculated by dividing the return of the manager during the down market periods by the return of the market during the same periods.

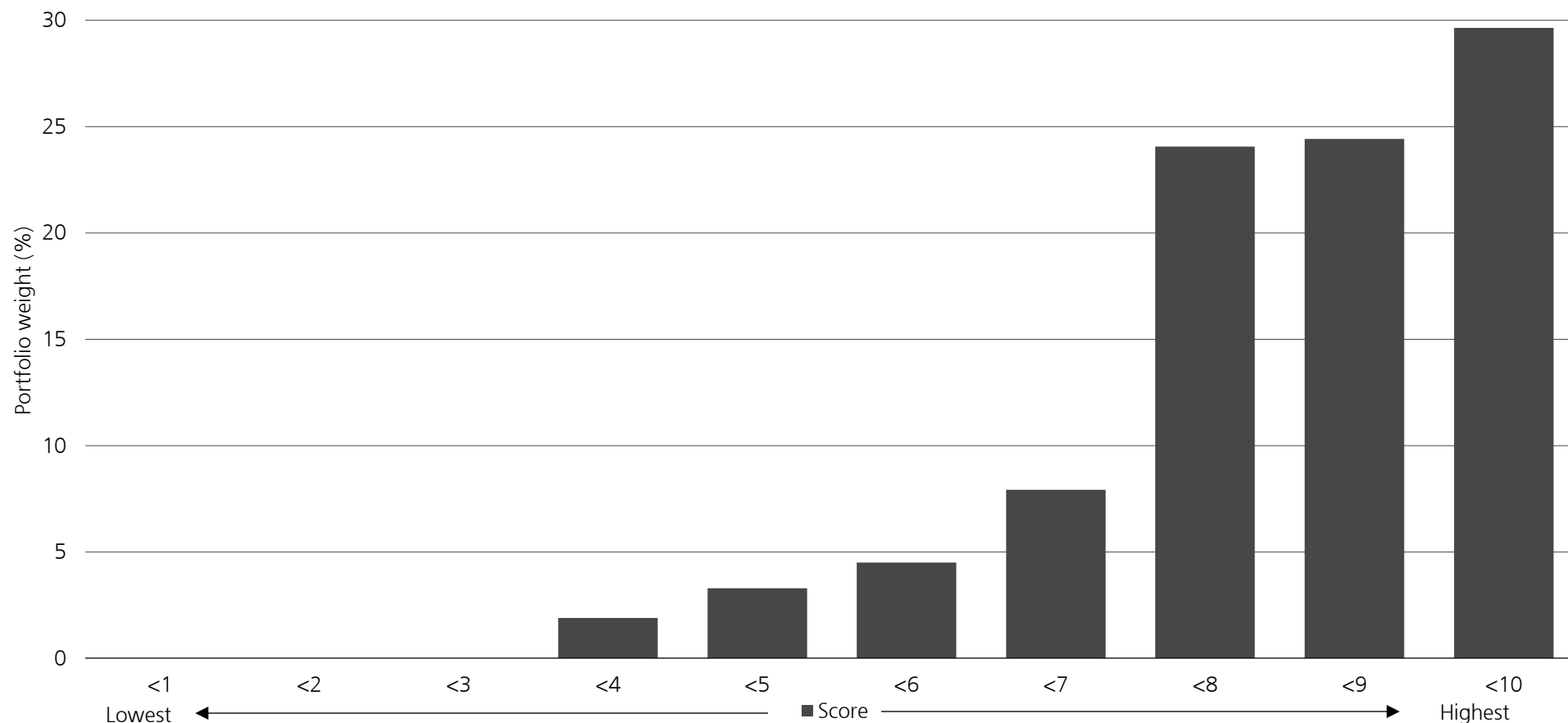
The returns shown above are based on currently available information and are subject to revision. **Past performance is no guarantee of future results.**

Performance figures are gross of fees. Please see attached disclosure information. Returns in EUR. Benchmark used for calculation is the MSCI Europe Index. Information is supplemental to the UBS Equity Europe Opportunity Composite.

91 % of portfolio ranks above average on ESG

European Opportunity Sustainable

ESG Consensus Score¹: averaged across UBS, MSCI, Sustainalytics



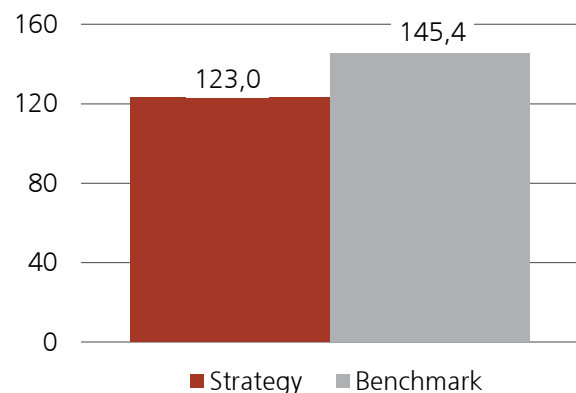
Source: UBS Asset Management, Morningstar, MSCI, as of 31 January 2021. **Past performance does not guarantee future results.**

1 ESG consensus scores is the equal-weighted score across UBS, MSCI and Sustainalytics (1/3 each). Above average defined as a score greater than 5. The portfolio has 4.3% of stocks that do not have a rating.

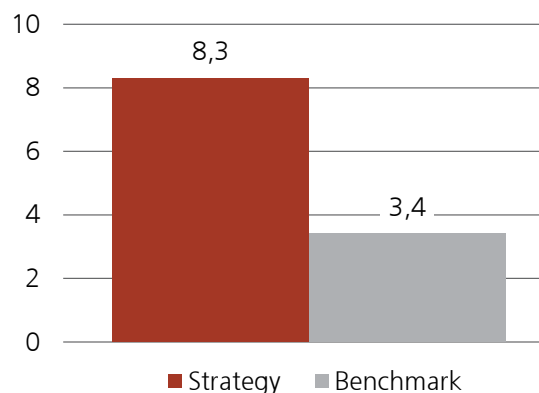
Well positioned for a greener future

Less carbon intensive vs. benchmark, with 2.5x more green revenues and 1/3 less brown revenues

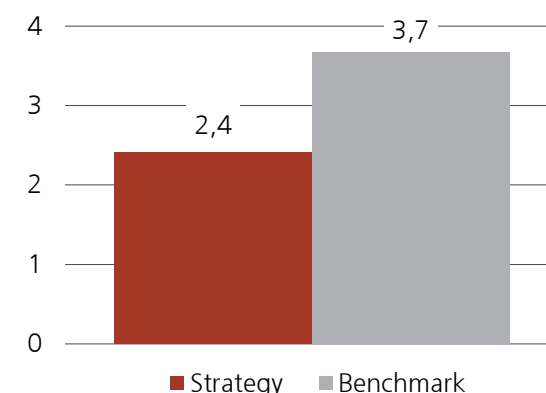
Weighted average carbon intensity (CO₂e/USDm sales)



Green vs. brown revenues (% exposure)



Brown revenues (% exposure)



Definitions:



Carbon intensity
(tCO₂e/USDm sales):

- Carbon emissions per million sales generated by portfolio companies. The lower the better.
Scopes 1 & 2: All direct greenhouse gas (GHG) emissions occurring from sources owned or controlled by the institution and indirect GHG emissions generated in production of electricity, heat, steam consumed by the institution.



Green revenues (%):

- Proportion of revenue with exposure to "green" activities including alternative energy, energy efficiency, green building, pollution protection and sustainable water. The higher the better.



Brown revenues (%):

- Proportion of revenue with exposure to "brown" activities including thermal coal extraction, conventional oil and gas, unconventional oil and gas, oil and gas refining, liquid fuel based power generation, natural gas based power generation, thermal coal based power generation, nuclear based power generation. The lower the better.

Source: UBS Asset Management, MSCI, as of 31 January 2021. **Past performance does not guarantee future results.**

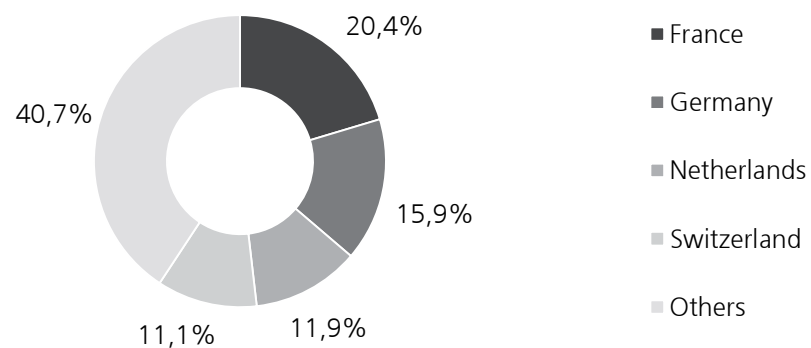
Portfolio structure

As at 31 January 2021

Top 10 holdings

	%
Nestlé	4.4
LVMH	3.5
Roche	3.3
ASML	3.3
Sanofi	2.8
Siemens	2.7
Novo Nordisk	2.7
Schneider Electric	2.6
Rio Tinto	2.3
Enel	2.3

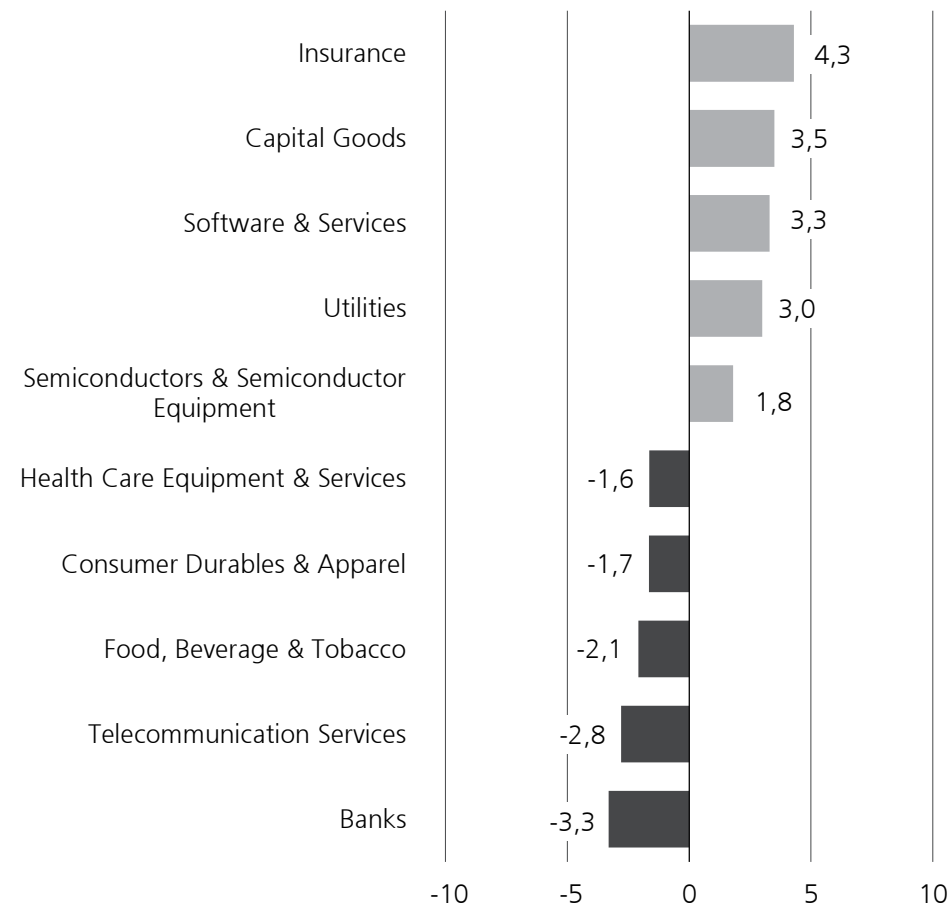
Holdings by investment domicile



Source: UBS Asset Management

Note: This information should not be considered a recommendation to purchase or sell any particular security

Active positions by industry group (%)



Section 5

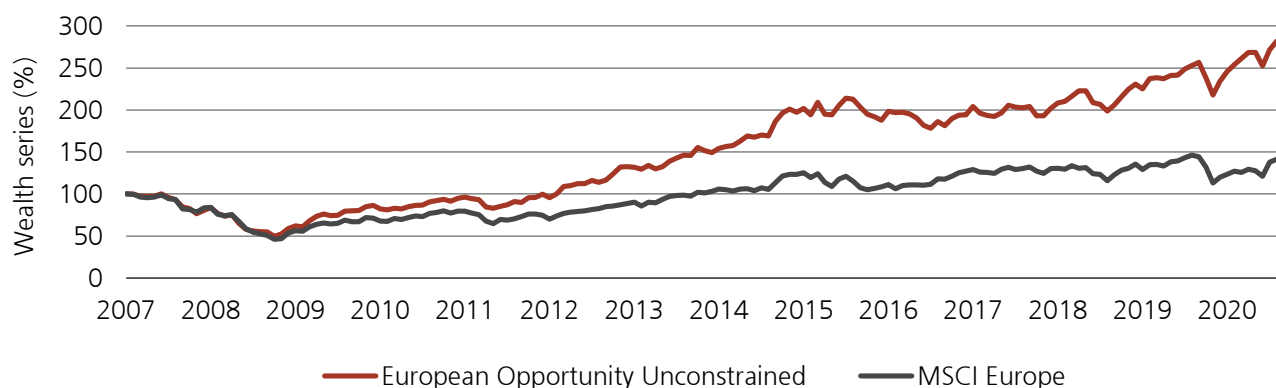
European Opportunity Unconstrained

Strong net of fee returns

UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR) Q-acc
As of 31 December 2020

Morningstar Rating™ : ★★★★★

% return	Net of fees				Gross of fees		
	Return	MSCI Europe	Value added	Quartile Ranking ²	Return	MSCI Europe	Value added
3 months	4.7	10.8	-6.1		5.0	10.8	-5.8
1 year	10.2	-3.3	+13.5	1	11.3	-3.3	+14.6
3 years (cumulative)	34.6	9.0	+25.6	1	38.9	9.0	+29.9
5 years (cumulative)	25.7	22.6	+3.1	1	32.4	22.6	+9.8
10 years (cumulative)	181.0	84.1	+96.9	1	211.3	84.1	+127.2



Portfolio characteristics	SI ¹
Beta	0.8
Active risk ³	7.9%
Volatility ⁴	
Fund	12.8%
Benchmark	14.1%

Source: UBS Asset Management

Note: Please note that historical active risk is not a guide to the future. Active risk levels will vary according to market conditions and our views. **Past performance is not a guide to future results.** See attached disclosure information. Portfolio characteristics are shown net of fees. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

1 Since inception of Q-acc share class 31 May 2013, annualised

2 Morningstar rankings to 31 December 2020.

3 Active risk is the standard deviation of the difference between the monthly composite and benchmark returns, based on logarithmic returns. Active risk is annualised for periods greater than one year.

4 Annualised standard deviation based on monthly logarithmic returns

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1st percentile ranking vs. peers over 3 and 10 years

UBS (Lux) Equity SICAV - European Opportunity Unconstrained

- Good entry point into a product with proven successful long term track record
- Lower downside volatility than the benchmark
- Good upside and downside capture
- High active share since inception
- Long term attribution shows strong stock picking spread across most sectors

Peer group rankings

Time period	Percentile ranking	Actual ranking
1 year	4 / 100	21 / 531
3 years	1 / 100	2 / 452
5 years	17 / 100	63 / 373
10 years	1 / 100	1 / 287

Morningstar™ ratings for Luxembourg based funds

- U – X (★★★★★)
- Q (★★★★★)
- P (★★★★★)

Source: Morningstar rankings based on UBS (Lux) Equity SICAV European Opportunity Unconstrained Q-acc vs the Morningstar Europe Large Cap Blend universe as at 31 December 2020. **Past performance is not a guide to the future.**

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Top percentile ranking fund over 3 and 10 years

Summary

Concentrated Alpha

Independence



- Independent investment boutique within UBS Asset Management
 - Access to the global infrastructure (ESG, compliance, trading, IT, distribution)
 - But full freedom in investment decisions, with direct accountability and clear alignment of interests with clients

Innovative holistic approach



- Innovative approach to portfolio construction – combining fundamental, qualitative and quantitative factors
- Diverse and uncorrelated information sources
 - > 20,000 companies in HOLT
 - > 1,800 valuation models by >70 internal analysts
 - > 200 external independent research providers
 - > 9,000 quant profiles in 5 different quant models
 - > 10,000 companies in ESG risk dashboard
- Holistic approach to risk

Track record



- Strong performance record
 - In varying investment environments
 - Volatility in line with the benchmark

Loyal clients



- Sophisticated and long term clients:
 - Sovereign Wealth Funds
 - Corporate clients
 - Pension funds
 - Others

For illustrative purposes only

Appendix A

Additional information

Idea generation: Three circle process

Diverse information sources in 10 investment tools

1. HOLT:

Scenario analysis tool (upside vs downside risk) based on an economic value added (EVA) model

2. 70+ internal analysts and portfolio managers:

Local access to research, proprietary discounted cash flow (DCF) model and GEVS

3. 200+ independent external analysts:

Carefully selected research providers with restricted access and limited client base

9. ESG (internal & external):

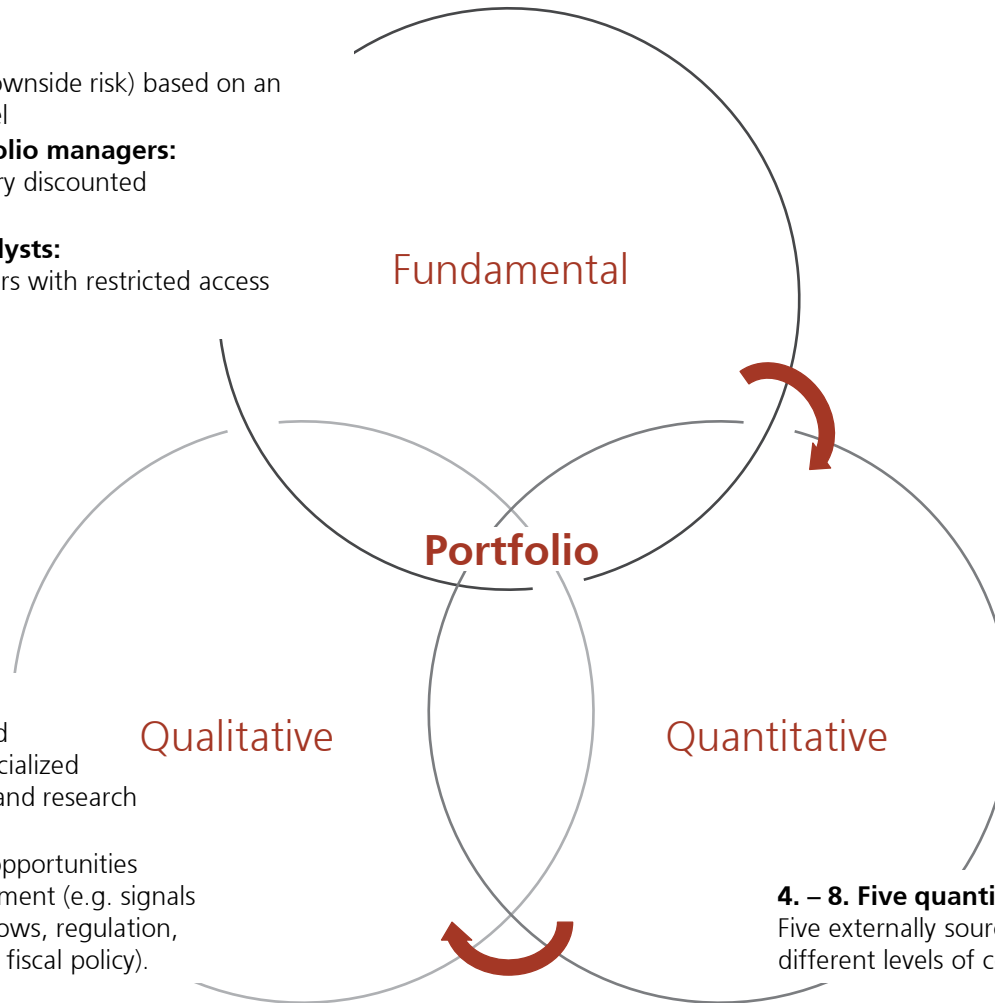
Dedicated team of Sustainable and Impact Investing analysts with specialized expertise; access to external data and research

10. Market intelligence:

Awareness of potential risks and opportunities relating to the investment environment (e.g. signals from other asset classes, money flows, regulation, structural changes, monetary and fiscal policy).

4. – 8. Five quantitative models:

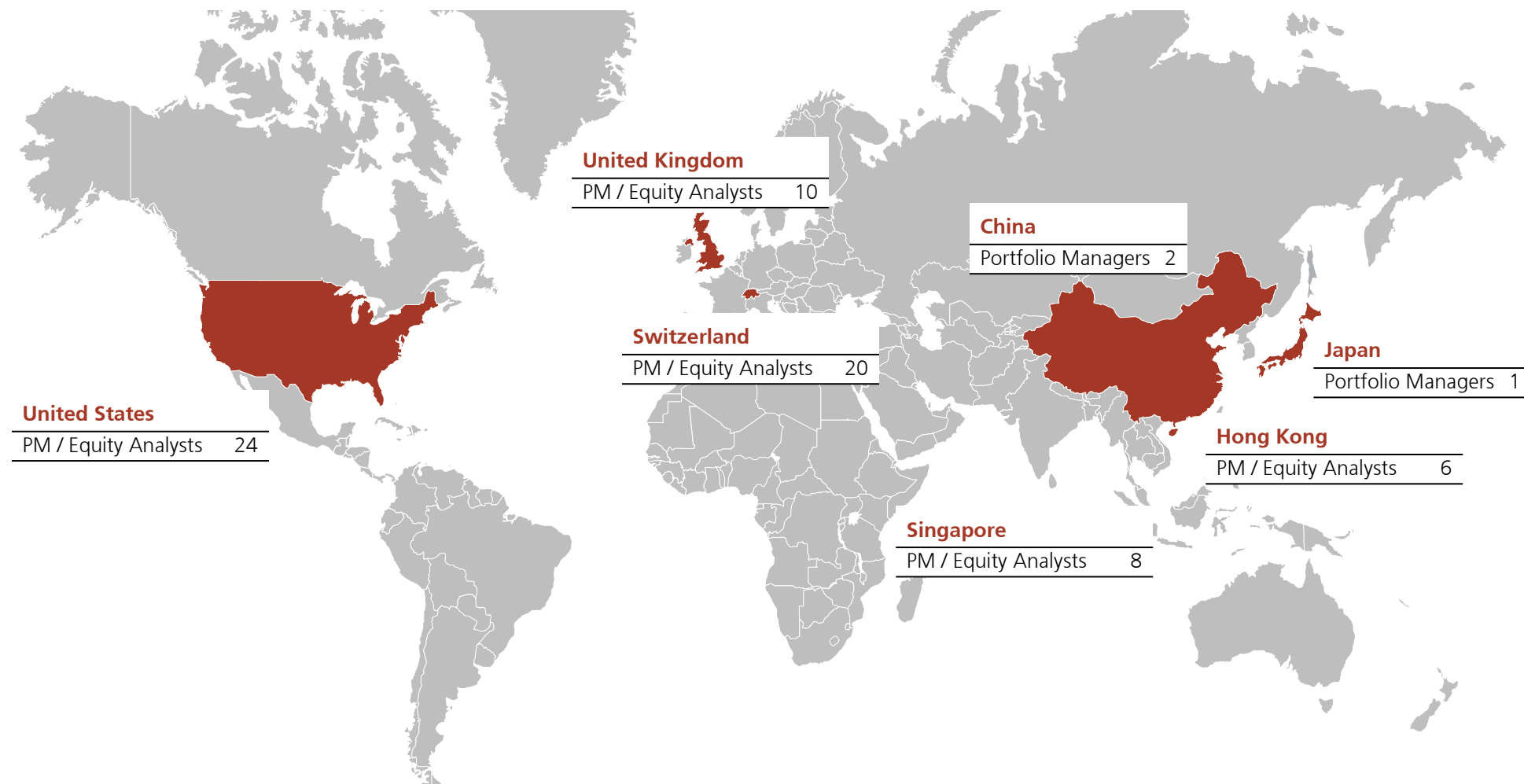
Five externally sourced bespoke quant models, based on different levels of complexity, turnover and time horizon.



Source: UBS Asset Management.

Strong internal global research platform

Over 70 equity analysts and PMs in major financial locations around the world



Source: UBS Asset Management, as of 30 September 2020.

Note: Total includes Associate PM's but excludes the Concentrated Alpha Equity PM team.

Selective use of high quality independent research

Independent research providers¹

	Number of analysts
Accounting research	3
AlphaValue	31
Asian Economics	10
Asset allocation research	4
CFRA	20
Empirical Research Partners	5
European long short equities	6
Finance sector specialist	32
Global long short equities	4
Global IT Research	3
Global long short stock research	26
Independent global idea generator	9
Independent pharma and telecoms	19
Japanese long short specialist	2
Management CV	5
Short ideas provider	1
Specialised value idea provider	2
Strategy research	1
US long short equities	6
Short Research	2
Global Long Short Research	4
Global IT Long Short ideas	1
US long short equities and macro	30
Equity arbitrage specialist	9
Equity commodity specialist	4
TOTAL	239

Around **240** independent¹
external analyst resources globally with
restricted access and limited client base



Source: UBS Asset Management, as of 31 December 2020

¹ Defined as research providers outside of UBS who do not provide brokerage or investment banking services.

Portfolio construction and risk management

Eligible stock for inclusion in portfolio



Sizing decision based on combination of:

1. Risk versus reward opportunity
 2. Volatility of cash flow returns
 3. ESG profile
 4. Liquidity profile
-



Balancing of overall portfolio risk exposures

- Cyclical/Defensive
 - ESG portfolio profile
 - FX and commodities
-

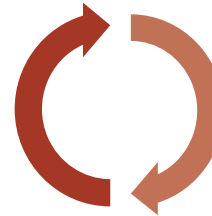


High active share portfolio



Sell discipline:

- Shift in risk reward
 - Source of cash
 - Thesis violation
 - Stock specific theses check
-



Constant risk management monitoring:

- Risk exposures
 - Active share and active risk
 - Liquidity profile
 - Investment oversight meetings
-

Source: UBS Asset Management. For illustrative purposes only.

UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) Q-acc

Key data

Fund name:	UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) Q-acc
Fund type	Open-end
Launch date	23 June 2008
Currency of account	EUR
Accounting year ends	30 November
Issue/Redemption	Daily
Swing pricing	Yes
Flat fee	0.99% p.a.
Benchmark	MSCI Europe (r) ¹
EU savings tax	Not affected
Securities no.	3932880
ISIN	LU0358043668
Bloomberg	UBSLEBP LX
Total product assets	EUR 465 million as at 30 November 2020
Registered countries	Austria, Cyprus, Denmark, Finland, France, Germany, Greece, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom

¹ Up to 31 January 2006, MSCI Europe gross dividends reinvested, from 1 February 2006 net dividends reinvested. Assets data from UBS Fundgate.

UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR) Q-acc

Key data

Fund name	UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)
Fund type	Open-end
Launch date	5 April 2013 for Q-acc share class. Inception date of strategy 31 May 2007.
Currency of account	EUR
Accounting year ends	31 May
Issue/Redemption	Daily
Swing pricing	Yes
Flat fee	1.02% p.a.
Benchmark	MSCI Europe (net div reinvested)
EU savings tax	Not affected at distribution, not affected at sale/redemption
Securities no.	19817651
ISIN	LU0848002365
Bloomberg	UBSOEQA LX
Total product assets	EUR 671 million as at 31 December 2020
Registered countries	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom

Source: UBS Asset Management

European Opportunity Unconstrained

Key benefits for investors

- Access to European Equity markets via a largely **unconstrained portfolio** across the capitalisation spectrum
- Benefit from a manager with **substantial freedom to implement best ideas** based on extensive research using varying approaches including the **ability to hold short positions**
- Profit from a specialised boutique-like investment team with a **proven investment process** and successful **track record**

Investment goals

Seek to outperform MSCI Europe Index over a market cycle

How we aim to achieve this goal:

Typical active risk: Up to 12%

- Typical average 8%
- Between 4% - 9%¹
- Historic maximum 11.0%

Typical active share²: >100%

Average exposures³:

Approximately 100 – 150% long, 0 – 50% short

No sector or country exposure limits

	Typical	Max ⁴
Individual stock weights		
Longs	1.0 – 4.0%	10%
Shorts	0.5 – 1.5%	3%
Beta ³	0.8 – 1.2	

For explanations on financial wordings please refer to the glossary at www.ubs.com/glossary or contact for further information your UBS client advisor.

Note: Typical active risk data are indicative only. The actual active risk level will vary according to market conditions and our views. Active risk is an ex-ante forecast calculated using BARRA or other suitable system based on the final valuations of the last working day of each month. Active risk levels are reported to clients on a quarterly basis.

1 Historic range since inception (31 May 2007) 80% of the time

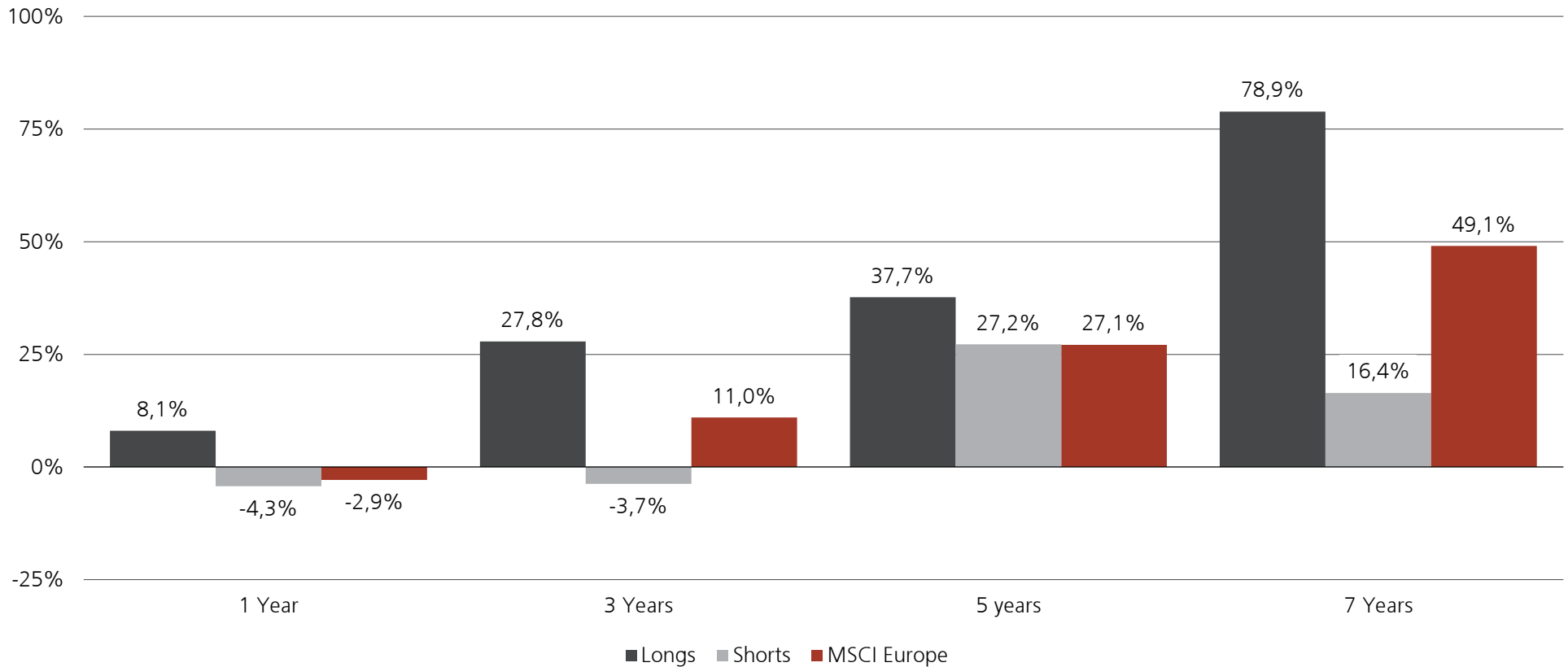
2 Active Share measures the share of portfolio holdings that differ from the benchmark

3 Exposures and beta are typical expected ranges but may vary considerably over time depending on market conditions and manager views

4 Reduction below maximum will be done in a price sensitive matter. This may take time to execute

European Opportunity Unconstrained

Long and short portfolio absolute returns



Source: Wilshire Gross of Fees in EUR. UBS Asset Management. Data to 31 December 2020.

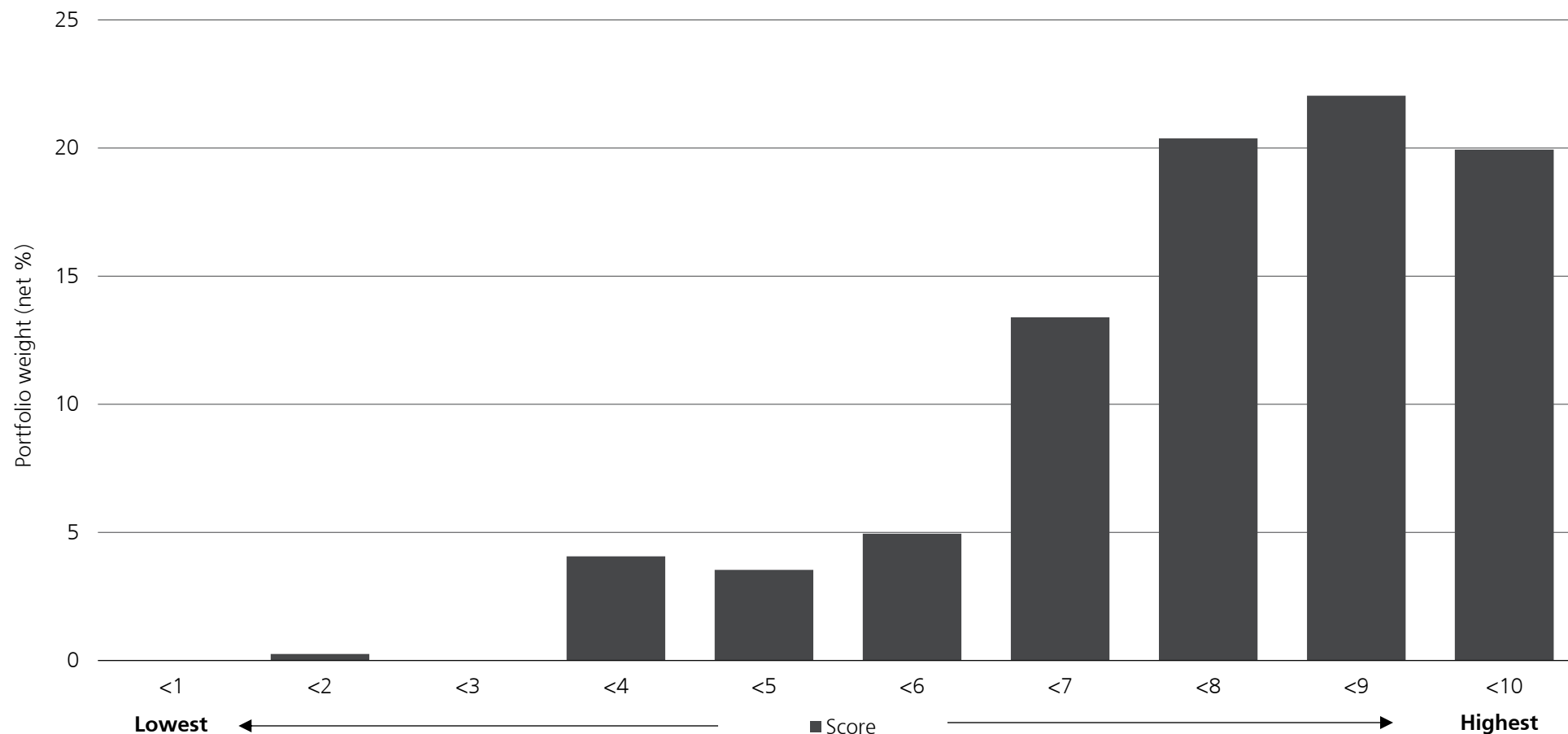
Note: Based on weighted average returns of longs and shorts as independent portfolios. Returns are cumulative and absolute. **Past performance is not a guide to the future.**

Absolute means that returns are not linked to a benchmark. Note that returns on absolute type investments can still be negative compared to initial investment values

81 % of the long book rank above average on ESG

European Opportunity Unconstrained – long-only positions re-scaled to 100% of total book

ESG Consensus Score¹: averaged across UBS, MSCI, Sustainalytics



Source: UBS Asset Management as of 31 January 2021. **Past performance does not guarantee future results.**

Note: ESG scores by UBS, MSCI and Sustainalytics are each given a 1/3 weighting. Above average defined as a score greater than 5. The holdings above represent long positions only and exclude short positions, on which we do not take an active ESG view. The portfolio has 4.1% of stocks that do not have a rating

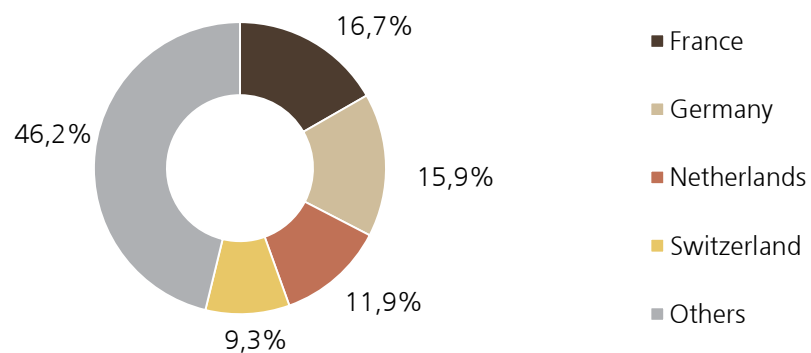
Portfolio structure

As at 31 January 2021

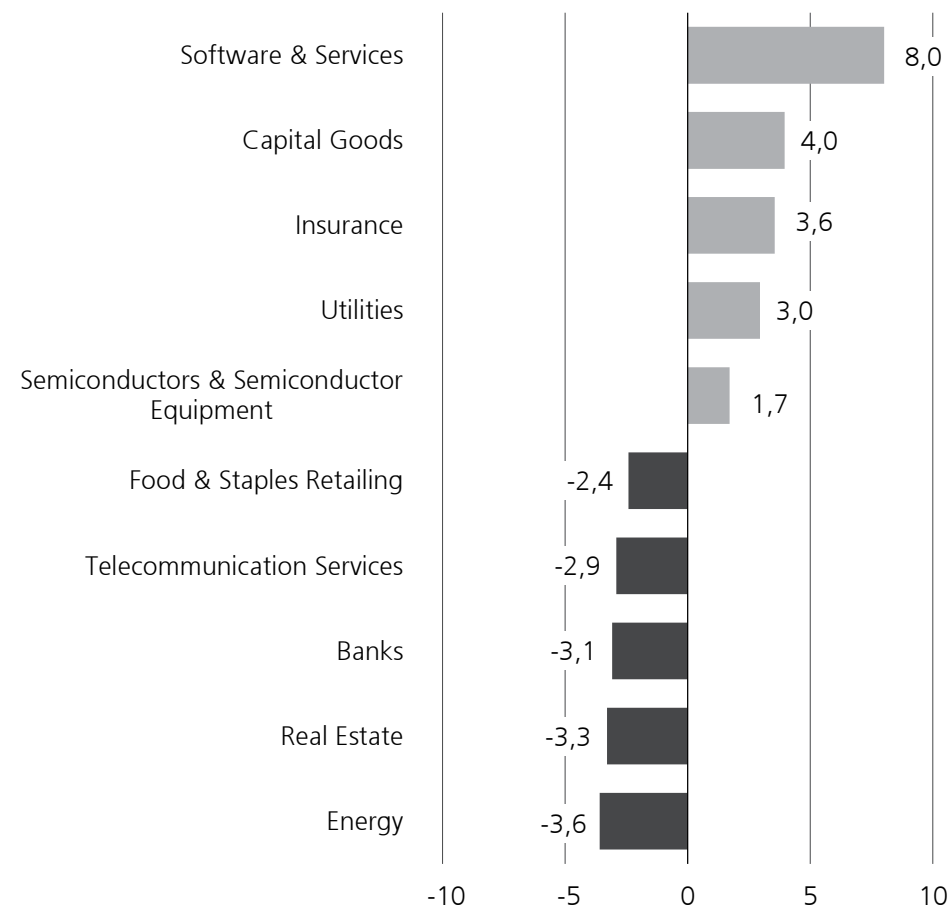
Top 10 holdings by stock

	%
LVMH	3.8
Nestlé	3.5
Sanofi	3.4
ASML	3.3
Siemens	3.0
Roche	2.9
Novo Nordisk	2.8
Schneider Electric	2.6
Sampo	2.5
Enel	2.4

Holdings by investment domicile



Active positions by industry group (%)



Source: UBS Asset Management

This information should not be considered as a recommendation to purchase or sell any security.

Why UBS-AM for Sustainable and Impact investing

Leading investor initiatives around the world seek to establish standards for best practices in responsible investing

Key differentiators



Commitment from the top

- UBS Group is committed to align sustainable practices across all businesses
- Ranked first globally in Sustainable and Impact Investing¹
- Bringing sustainability mainstream with USD 488bn in core sustainable investments²

Leading provider of sustainable offerings

- Fastest growing European asset manager globally in SI focused AUM³
- Leading European Sustainability ETF provider with over 16bn SI ETF⁴
- A/A+ ratings from UN PRI across all assessment modules⁵

Innovation and performance

- Developed award winning Climate approach with leading UK pension fund⁶
- Broad range of 40+ SI Focused strategies across equities and fixed income

Standardized ESG integration



Analyze ESG data inputs

- Utilize proprietary risk dashboard to drive in-house research process with our proprietary methodology

In-house research

- Dedicated SI Research Analysts collaborate across Equities and Fixed Income analysts to create ESG risk recommendations that are forward-looking and materially relevant

Investment decision making

- ESG risks are considered throughout portfolio construction process
- ESG risks maybe be mitigated through ongoing monitoring and engagement

Proactive investment stewardship



Driving performance

- Investing in impactful companies that support UN SDGs
- Quality engagements fundamentally linked to integration and the investment thesis
- Majority of meetings with senior management and directors of the board

Proxy voting

- Combining voting strengths as Europe's second largest passive manager to drive engagement outcomes⁷

Strong external collaboration

- Active collaborative engagement in coordination with Climate Action 100+

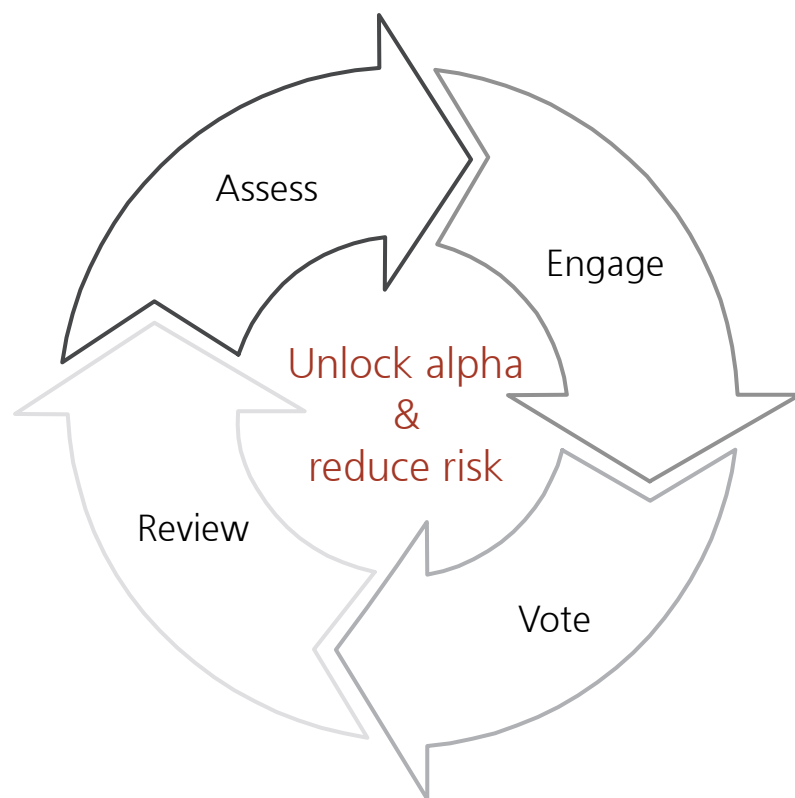
1 2020 Awards from Euromoney, Environmental Finance, PWM The Banker; 2 Sustainable investments across UBS Group, UBS 2019 GRI Annual Report;

3 Growth in absolute AUM, Source: Morgan Stanley, May 2020 and Morningstar; 4 UBS AM SI Market share: 26.5%, Source Morningstar September 2020; 5 2020 UN PRI Assessment results;

6 2017 Fund Launch of the Year Award, Funds Europe; 7 UBS Asset Management analysis of AUM from company disclosures, March 2020

Transparent and proactive investment **stewardship**

Leveraging our strength as a large, diversified asset manager to drive positive, material change



Core part of the investment process

- Grounded in driving performance and avoiding downside risks
- High quality engagements on sustainability issues with senior executives and board members

Combined strengths across active and index strategies

- Seeking to maximize outcomes by combining insights from active investments with voting power of index linked strategies¹
- Stewardship approach pursued consistently across fixed income and equities on behalf of UBS-AM looking to maximize impact of engagement outcomes

Strong external collaboration

- Helping to further ESG best practices across the investment industry
- Leading within the Climate Action 100+ coalition
- Concrete outcomes including:
 - Repsol's Net Zero commitment (first in the industry)
 - Equinor's alignment of strategy with Paris Agreement

¹ In 2019, UBS AM voted on 10,000+ company shareholder annual meetings, with 1,400+ meetings with companies and 358 proactive engagements

Engagement example: Utility company Enel

Engagement objectives and progress over time

Engagement objectives	Progress to date	Notes
Governance: Appoint a board director with stronger sustainability expertise	Achieved	A new board member with strong renewables background has been appointed through the minority shareholders slate.
Governance: Increase weight of CO2 reductions in LTIP and add an absolute emissions target linked to coal phase out.	Achieved	The company has moved renewable metrics from STIP to LTIP and kept an emissions reduction target. Total weight of climate metrics in LTIP: 25%
Capital allocation – coal phase out: More visibility regarding closure dates and Italy post-2022	Partially achieved	Enel has the ambition to phase out coal power plants by 2030. The current plans still shows 5,6 GW remaining in Italy in 2022.
Business model: Provide more information on scenario analysis in collaboration with the International Centre for Theoretical Physics (ICTP) and implications for strategy	In progress	Enhanced disclosure for both physical and transition risk. More disclosure needed on how these risks are embedded in risk management and business strategy. Scenario analysis to expand beyond Italy and Spain.
Capital allocation – grid modernisation & firming: Enhance disclosures on progress made with digitalizing the grid	In progress	



Source: UBS Asset Management, as of 2021.

Maximilian Anderl, CFA

Head of Concentrated Alpha Equity Managing Director



Years of investment
industry experience: 21

Education: University of
Innsbruck (Austria), MS;
University of St Gallen
(Switzerland) and
Stockholm School of
Economics (Sweden),
Lic.oec.HSG

Maximilian Anderl is Head of Concentrated Alpha Equity and is the lead portfolio manager for the Global and European Concentrated Alpha long only and long / short strategies.

Maximilian has worked on the Concentrated Alpha team and its distinctive approach and strategies since its inception in 2004, becoming head of that team in March 2011.

Maximilian joined the European Equity Team in London in 2002, having joined UBS Asset Management, Zurich, in 2000 as an equity fund manager. In that role he was responsible for the retail funds and European client mandates.

Prior to joining UBS, Maximilian worked in academic research, university teaching, research and development and corporate finance for the pharmaceutical industry.

Maximilian is a Regular Member of the CFA Society of the UK and the CFA Institute.

Note: As at March 2020

Jeremy Leung, CFA

Portfolio Manager – Concentrated Alpha Equity
Executive Director



Years of investment
industry experience: 15

Education: Tufts University
(US), BS; London School of
Economics and Political
Science (UK), MSc

Jeremy Leung is a member of the Concentrated Alpha Equity team. He is responsible for supporting the investment process and strategy communication for the team.

Prior to undertaking his role in March 2011, Jeremy was a Quantitative Analyst within the Equities Group. He was responsible for conducting quantitative and fundamental research for the Group's investment teams. He also worked extensively on the Group's fundamental equity valuation model.

Prior to joining UBS in 2007, Jeremy worked as a consultant for FactSet Research Systems. He was responsible for providing advice and support to large investment managers across Europe on various analytical tools for investing.

Jeremy is a Regular Member of the CFA Society of the UK and the CFA Institute.

Note: As at March 2020

Nicole Lim, CFA

Equity/ESG Specialist, Concentrated Alpha Equity
Director



Years of investment
industry experience: 7

Education: University of
Bath, (UK), BSc (Hons)

Nicole Lim is a member of the Concentrated Alpha equity team. She is responsible for strategy communication to clients and ESG.

Prior to undertaking this role, Nicole was an Associate Equity Specialist primarily covering European, Global and UK Equities based in London. She was responsible for supporting the marketing and communication of these strategies to existing and prospective clients globally. In this role, she also served as one of the key contact points in supporting distribution and consultant teams on the marketing of a range of products across the wider UBS equity shelf, including Concentrated Alpha equity.

Nicole began her financial career as a 14-month industrial placement trainee within UBS Asset Management in July 2012, before returning to university to conclude her studies in Economics.

She holds the Investment Management Certificate (IMC) and is a Regular Member of the CFA Society of the UK and the CFA Institute. She has also passed the CFA UK Certificate in ESG Investing exam.

Note: As at August 2020.

Performance: Equity Europe Opportunity Sustainable

GIPS Disclosure

UBS Asset Management (the Firm) claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. UBS Asset Management has been independently verified for the periods January 1, 2002 through December 31, 2018. The verification reports are available upon request. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a Firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Performance : Equity Europe Opportunity
November 01, 2004 Through December 31, 2019
Amounts and returns expressed in EUR (EURO)

Year	Gross Asset-Weighted Return (%)	Net Asset-Weighted Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	# of Portfolios End of Period	Total Composite Assets End of Period (millions)	Asset Weighted Dispersion (%)	Composite Assets as % of Firm Assets
2004*	7.13	6.75	4.73	N/A	N/A	1	754	N/A	0.21
2005	34.32	31.62	26.68	N/A	N/A	1	1,832	N/A	0.40
2006	18.52	16.13	19.62	N/A	N/A	1	1,326	N/A	0.27
2007	3.20	1.10	2.69	9.47	8.86	1	1,221	N/A	0.27
2008	-43.70	-44.84	-43.65	17.58	17.02	1	363	N/A	0.11
2009	37.77	35.00	31.60	21.08	20.65	1	538	N/A	0.16
2010	15.26	12.94	11.10	21.32	21.30	2	977	0.01	0.25
2011	-9.03	-10.86	-8.08	15.77	17.00	2	608	0.03	0.15
2012	22.22	19.74	17.29	11.75	13.31	2	579	0.02	0.14
2013	26.07	23.52	19.82	11.55	12.53	2	716	0.24	0.17
2014	8.15	5.97	6.38	8.71	9.16	2	1,051	0.18	0.21
2015	18.68	16.32	8.69	11.45	12.73	3	1,306	0.04	0.25
2016	-5.46	-7.33	2.58	12.04	13.24	3	935	0.04	0.17
2017	9.92	7.77	10.24	12.18	13.14	3	753	0.04	0.12
2018	-3.63	-5.53	-10.57	9.88	10.10	3	563	0.04	0.09
2019	26.86	24.38	26.05	9.66	10.23	3	595	0.11	0.08

* Performance Presented for Nov, 2004 through Dec, 2004. No statistics are annualized.

** 3 yr standard deviations are based on the gross returns

- Very active asset management based on a concentrated equity composite that invests in selected European companies. Compelling active security selection. Small and mid cap equities are added to the composite. Market exposure may also deviate from that of the benchmark to take account of market valuation. The Composite Creation Date is 31 Oct 2004. The actual benchmark for this composite always reflects the best match to the investment strategy. Benchmark changes over time are necessary to underline this fact. The benchmark is MSCI Europe (r); Up to 31.1.2006, MSCI benchmark with gross dividends reinvested, from 1.2.2006 with net dividends reinvested.
- The Firm is defined as all actively and passively managed institutional and retail accounts of UBS Asset Management ("the Firm") throughout the world. The Firm was inception in January 01, 2002 following the reorganisation of the asset management divisions of UBS AG under a single Asset Management brand. The performance record prior to 2002 is that of the local asset management division which managed the composite, and has been prepared in compliance with GIPS from the inception date of this composite. Each of the entities comprising the Firm definition is an affiliate of UBS AG. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
- Performance is calculated on a time-weighted return basis, taking into account the accrued interests and dividends. The monthly composite return is presented asset-weighted using beginning-of-period weights. Multi-period returns are calculated by geometric linking of monthly composite returns. Investment Transactions are accounted for on a trade date basis. Where applicable, returns are shown net of non-recoverable withholding tax.
- The composite aims to deliver a consistent performance with a limited downside risk. Derivatives can be used to increase returns and to limit the risk of losses. They are only used in the course of ordinary management of portfolio assets and to hedge the currency risk exposure. The maximum leverage which can be applied is limited to an exposure up to 200% of the underlying portfolio values. Leverage in the sense of short sales may not be used.
- The rates of return are presented both net and gross of fees. Due to the graduated nature of fees, as account size increases, the annual percentage fee may decline. The calculation of net and gross returns as well as the nature of fee may differ across the regional performance offices. a) Return values are calculated net of fees. The gross returns are calculated based on all fee components excluding transaction costs by adding the daily fee components to the underlying net return. b) The rates of return are presented both gross and net of investment management and custody fees. Portfolio Management Fee agreements do cover the portfolio management fee, bundled fee contracts do cover portfolio management and custody fee. Both fee agreements do not cover transaction costs. c) The rates of return are presented both net and gross of investment management fees. Net of fee performance reflects the deduction of the highest fee charged, as described in Part II of Form ADV. Net of fee returns are calculated by geometrically deducting the deannualized highest annual management fee from each monthly gross return and geometrically linking the monthly returns for each period. d) The performance results are presented gross of management and custodian fees but after all trading expenses. Where a net return is also presented, this is calculated net of management fees and all trading expenses. This composite has a max. flat fee of 250 bps p.a. (this represents the highest possible standard fee for this composite). Due to the varying client segmentation the charged fee for this composite can differentiate. The flat fee includes all charges for portfolio management, custody, and other administrative fees. The only costs not covered are transaction costs incurred in the administration of the fund's assets (brokerage fees in line with the market, fees, duties, etc. as well as any applicable taxes). The mandates using the flat fee concept represent 96% (2018: 95%, 2017: 96%, 2016: 97%, 2015: 97%, since inception to 2014: 100%) of the total composite assets as per 31.12.2019.
- Composite dispersion represents the consistency of the Firm's composite performance results with respect to the individual portfolio returns within the composite. Presented is the asset-weighted dispersion (standard deviation) of the portfolios within the composite. Only portfolios in the composite for each full time period are included in the dispersion calculation and no dispersion is presented for composites consisting of only a single portfolio. The 3 year annualized ex-post standard deviations are based on monthly returns, shown starting with the first full 3 year calendar period.
- A complete list of all Firm composite descriptions is available upon request. The composite's past performance is not necessarily an indication of how it will perform in the future.

Performance: UBS Equity European Opportunity Unconstrained

GIPS Disclosure

UBS Asset Management (the Firm) claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. UBS Asset Management has been independently verified for the periods January 1, 2002 through December 31, 2018. The verification reports are available upon request. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a Firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Performance : UBS Equity European Opportunity Unconstrained June 01, 2007 Through December 31, 2019

Amounts and returns expressed in EUR (EURO)

Year	Gross Asset-Weighted Return (%)	Net Asset-Weighted Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	# of Portfolios End of Period	Total Composite Assets End of Period (millions)	Asset Weighted Dispersion (%)	Composite Assets as % of Firm Assets
2007*	-6.81	-6.84	-6.86	N/A	N/A	1	40	N/A	0.01
2008	-40.74	-40.77	-43.65	N/A	N/A	1	21	N/A	0.01
2009	44.30	43.26	31.20	N/A	N/A	1	44	N/A	0.01
2010	13.68	13.45	11.94	21.18	21.30	1	300	N/A	0.08
2011	0.69	-1.56	-8.50	15.76	16.98	1	31	N/A	0.01
2012	25.00	21.97	16.92	11.78	13.33	1	37	N/A	0.01
2013	28.39	25.79	19.77	12.21	12.54	1	371	N/A	0.09
2014	15.70	13.36	6.76	10.36	9.15	1	1,767	N/A	0.36
2015	25.70	23.17	9.27	12.17	12.63	1	5,160	N/A	0.98
2016	-12.46	-14.23	2.03	13.10	13.24	1	2,864	N/A	0.52
2017	8.86	6.67	10.24	13.37	13.16	1	1,335	N/A	0.22
2018	-1.94	-3.93	-10.57	11.22	10.22	1	733	N/A	0.12
2019	27.19	24.62	26.05	10.46	10.23	1	739	N/A	0.10

* Performance Presented for Jun, 2007 through Dec, 2007. No statistics are annualized.

** 3 yr standard deviations are based on the gross returns

- Unlike traditional equity composites, this composite is also permitted to take short positions in overvalued equities up to 50%. The composite's freed up as a result of short sales are reinvested in undervalued equities. The market exposure for the composite is typically between 80% to 120%. The investment objective is to outperform the benchmark by 3% to 5% (gross of fees) over a full market cycle of 5-7 years. The composite has an ex-ante tracking error of up to 15%. It is usually between 6% and 12%. All investments are subject to market fluctuations and therefore have specific risks, which can significantly increase under unusual market conditions. The Composite Creation Date is 31 May 2007. The name for this composite was changed in January 2011 - from UBS (Lux) Inst. Sicav - European Opp 130/30 to UBS Equity European Opp 130/30. The name for the composite was changed again in January 2012 to UBS Equity European Opportunity Unconstrained. The Composite Creation Date is 31 May 2007. The actual benchmark for this composite always reflects the best match to the investment strategy. Benchmark changes over time are necessary to underline this fact. The benchmark is MSCI Europe (net div. reinv.).
- The Firm is defined as all actively and passively managed institutional and retail accounts of UBS Asset Management ("the Firm") throughout the world. The Firm was inception in January 01, 2002 following the reorganisation of the asset management divisions of UBS AG under a single Asset Management brand. The performance record prior to 2002 is that of the local asset management division which managed the composite, and has been prepared in compliance with GIPS from the inception date of this composite. The composites are administrated out of UBS Asset Management Basel office. The firm, UBS Asset Management - Fund Management Switzerland has complete discretion for all investment activities within the fund. As per January 1st, 2010 the three Firms: UBS Global Asset Management Switzerland - Retail Fund Management, UBS Global Asset Management Switzerland - Institutional Fund Management and UBS Global Asset Management Switzerland - AST Fund Management were merged into UBS Global Asset Management - Fund Management Switzerland. The Firm includes all traditional UBS branded Wholesale, Institutional and AST Funds domiciled in Switzerland or Luxembourg. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. As per October 5th, 2015 the company name was changed from UBS Global Asset Management to UBS Asset Management. This change of the firm's name does not impact the definition and scope of the GIPS firm or the composites.

Year	Total Risk %	Derivative Risk %
2014	204.7	105.7
2015	203.2	103.0
2016	215.0	116.6
2017	220.4	119.8
2018	202.3	102.2

- Explanation of the table above: All figures presented are fully in-line with the KKV-FINMA guideline on the use of derivative instruments for collective investments. The Total Risk is the sum of the direct investment exposure and the derivative risk. The direct investment exposure is calculated as the market value of all direct investments, excluding cash and other liquid assets. The derivative risk is the sum of the net credit-, currency- and market-risk. The market risk consists of equity-, interest- and commodity-risk. Derivative financial instruments are only used in the course of ordinary management of portfolio assets and to hedge the currency risk exposure. Investment Transactions are accounted for on a trade date basis.
- Performance is calculated on a time-weighted return basis, taking into account the accrued interests and dividends. Where applicable, returns are shown net of non-recoverable withholding taxes.
 - The performance is calculated net-of-fees. The gross-of-fee returns are calculated based on all fee components excluding transaction costs. This composite has a 100% flat fee of max. 250 bps p.a. (this represents the highest possible standard fee for this composite). Due to the varying client segmentation the charged fee for this composite can differentiate. The bundled fee includes all charges for portfolio management, custody, and other administrative fees. The only costs not covered are transaction costs incurred in the administration of the fund's assets (brokerage fees in line with the market, fees, duties, etc. as well as any applicable taxes).
 - Composite dispersion represents the consistency of the Firm's composite performance results with respect to the individual portfolio returns within the composite. Presented is the asset-weighted dispersion (standard deviation) of the portfolios within the composite. Only portfolios in the composite for each full time period are included in the dispersion calculation and no dispersion is presented for composites consisting of only a single portfolio. The 3 year annualized ex-post standard deviations are based on monthly returns, shown starting with the first full 3 year calendar period.
 - A complete list of all Firm composite descriptions is available upon request. The composite's past performance is not necessarily an indication of how it will perform in the future.

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