

Delivering first class index solutions

Index tracking at UBS Asset Management



Why UBS-AM for indexing?

UBS Asset Management is a leading provider of index-tracking solutions and currently manage over USD 466bn¹ in assets for our clients. With more than 35 years' indexing experience, we manage assets across asset classes including USD 389bn in Equity & Alternatives and USD 77bn in Fixed income. Our dedicated 45-strong indexing investment team provide clients with 24-hour coverage and our portfolio managers have an average of 16 years' industry experience.

Wide product shelf and customizable client-specific solutions

We offer a wide range of index strategies across asset classes, including traditional, alternative beta, Environmental, Social and Governance (ESG), commodities, multi-asset, real estate and emerging market debt (EMD).

More than
50%
of our accounts are customized

But we specialize in providing customized solutions, with more than 50% of our index accounts being customized to suit clients' specific objectives.

A long history of developing solutions with and for clients includes the example of working with a Dutch pension fund and MSCI to develop the first non-USD optimized Minimum Volatility Index: MSCI World Minimum Volatility EUR optimized Index.

Expertise in alternative beta

We currently manage USD 53bn in index AUM benchmarked to alternative beta indices and index blends (as at 31 December 2020). Our index analysts and portfolio managers have researched alternative beta indices for 11+ years and managed index portfolios benchmarked to such indices for more than 10 years. We have developed our core in-house alternative beta analytical framework, allowing us to research, analyze, blend and implement alternative beta portfolios for our clients.

Tech-driven portfolio construction

We use our proprietary Portfolio Optimization Platform (POP) and Fixed Income Portfolio Management systems to create portfolios that incorporate clients' objectives, balance risk budget and trading cost, and fully integrate ESG factors.

Innovative approaches to product

We bring innovative solutions to clients based on extensive research on topics in the rules-based space, including intelligent indexing, alternative beta, and our award-winning UBS Climate Aware strategy.²

¹ UBS Asset Management as at 31 December 2020. Note: AUM reported in official UBS financial statements: USD 457bn. Difference to above quoted AUM due to exclusion of index element in multi-asset strategies.

² 2017 Fund Launch of the Year Award, Funds Europe



Long-standing experience in sustainable investing

We bring more than 10 years' experience of managing index portfolios tracking sustainable indices, and over USD 339bn of our AUM has ESG components, including USD 73bn index AUM tracking dedicated ESG/SRI standard and custom indices, of which more than USD 15bn is in our proprietary Climate Aware rules-based strategies. In addition, we actively engage with companies to drive change – voting on 10,000+ shareholder meetings in 2019! We are one of the largest providers of sustainable ETFs in Europe and offer customized and innovative solutions to meet specific client objectives.

As an example, UBS in collaboration with Solactive – an index provider – and the World Bank have created the world's first family of multilateral development bank (MDB) benchmarks and funds. This partnership has been featured in the World Bank's literature on innovative investment solutions.

Deep global resources, cost effective solutions

Our clients benefit from our global presence in all major trading hubs – and our strong relationships with both traditional and non-traditional index providers. All of these factors help us deliver cost-effective solutions for clients.

Optimally sized for flexibility

Mega-sized asset managers can be too large to move quickly – especially around index changes. We believe that our size brings economies of scale and allows us to be nimble when implementing index rebalances which has helped add value to clients' portfolios.

Different to other asset managers – we are part of a global bank

We benefit from the global UBS infrastructure – including massive IT investment, global property footprint and corporate compliance at the Group level. In addition, UBS-AM is backed by the UBS Group and its estimated USD 101.8bn of loss-absorbing capital and a 17.6% CET1 Capital adequacy ratio (as at 31 December 2020).

Our competitive edge

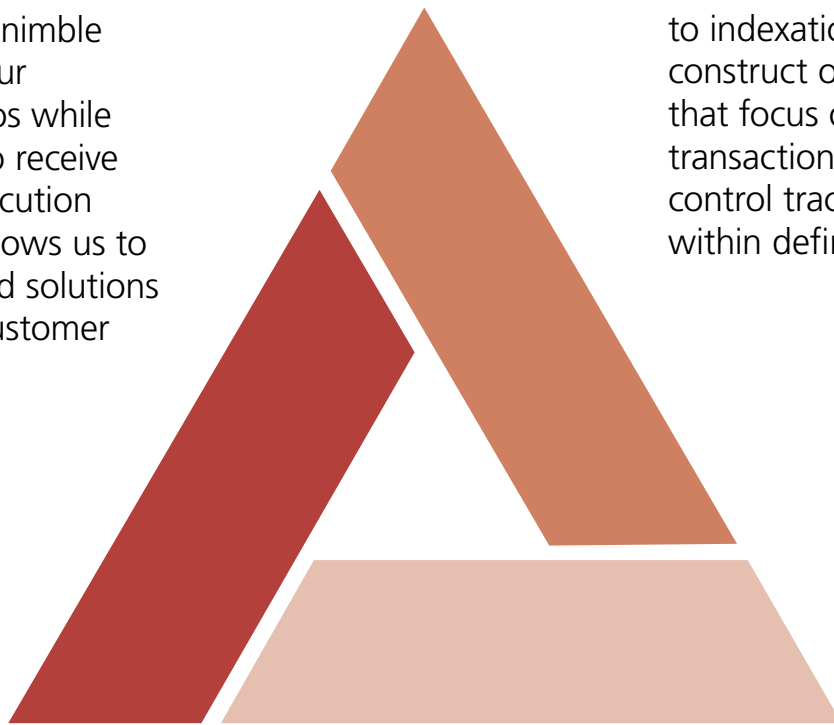
Size

The size of our business allows us to be nimble when trading our clients' portfolios while large enough to receive competitive execution prices. It also allows us to offer customized solutions and excellent customer service.

Approach

Minimizing turnover and transaction costs are paramount to successful indexation.

UBS-AM's approach to indexation seeks to construct optimal portfolios that focus on minimizing transaction costs and control tracking error within defined ranges.



Global resources

We are a truly global asset manager with a presence in all major financial centers worldwide.

UBS-AM Indexing – At a glance

USD 466bn

of Index AUM

>50%

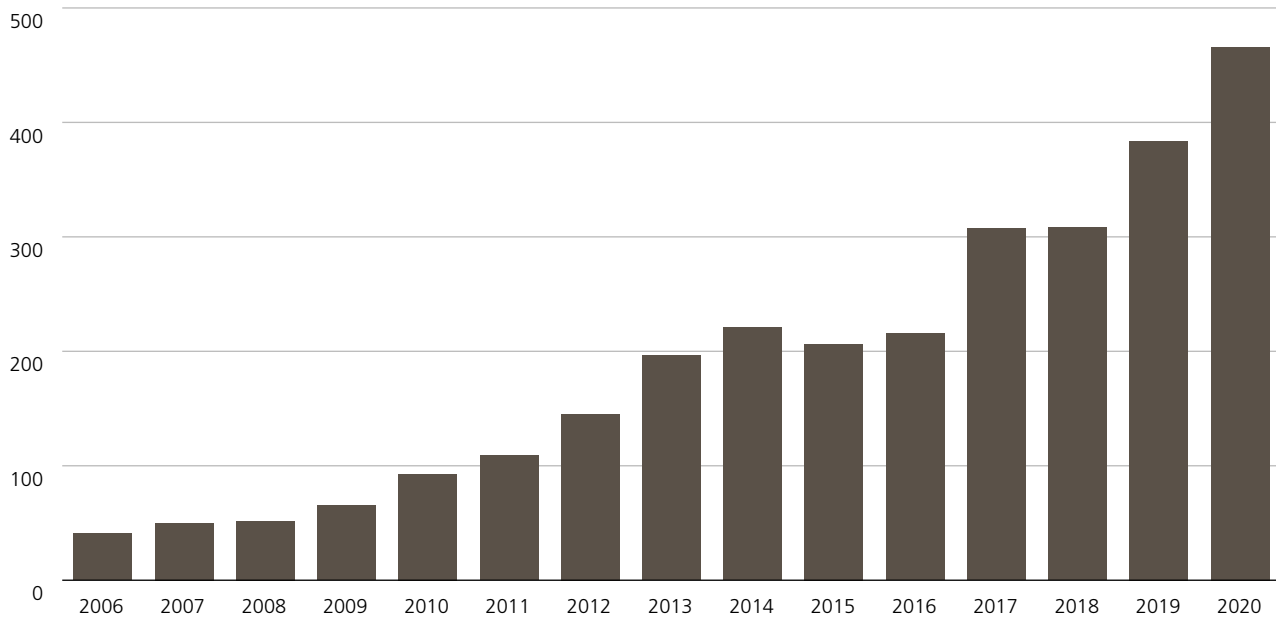
of Index AUM with customisation

#2

European index player³

Passive Manager of the Year, 2019 & 2020⁴

Total index AUM (USD bn)



Source: UBS Asset Management as at 31 December 2020. Note: AUM reported in official UBS financial statements: USD 457bn. Difference to above quoted AUM due to exclusion of index element in multi-asset strategies.

Clients in

33 countries

17.6%

CET1 Capital Ratio
(UBS AG)

USD 1.1trn

invested assets
(UBS-AM)

Source: UBS Asset Management, as at 31 December 2020. Note: AUM reported in official UBS financial statements: USD 457bn. Difference to above quoted AUM due to exclusion of index element in multi-asset strategies.

³ UBS Asset Management analysis of AUM from company disclosures, March 2020

⁴ Pensions Age, 2019, European Pensions Awards 2020

The Global Indexing Team at UBS Asset Management

Led by Ian Ashment, Head of Systematic and Index Investments, and Matthias Dettwiler, Head of Index Fixed Income, the Global Indexing Team is a stable group of more than 45 investment professionals and seasoned portfolio managers. The team includes 23 Index Equity and Alternatives and 11 Index Fixed Income portfolio managers with an average experience of 16 years providing 24 hour coverage.



Ian Ashment

Head of Systematic & Index Investments

Years of investment industry experience: 34 (as at 31 March 2020)

Ian Ashment is Head of Systematic & Index Investments at UBS Asset Management, responsible for managing more than USD 314 billion in index equity and commodities assets and quantitative equity strategies.

In addition to this role, he is a member of the UBS Asset Management Investment Management Committee, the EMEA Management Committee and the UK Management Committee. Prior to his current role, Ian was Global Head of Structured Beta & Indexing, responsible for index assets across all asset classes. Ian began his career at UBS Asset Management in 1985.

Ian is Chairman of the Board of Directors for UBS ETF Plc and a member of the board of directors for UBS (IRL) ETF Plc and UBS ETF Sicav. Ian is a member of the UBS Index Oversight Committee and of the Board of Directors of UBS Asset Management (UK) Ltd. He is also Chairman of the FTSE Russell EMEA Regional Advisory Committee and a member of the FTSE Policy Group, the MSCI Advisory Panel, and S&P Global Index Advisory Panel.



Matthias Dettwiler, CIIA

Head of Index Fixed Income and Head of Fixed Income Switzerland

Years of investment industry experience: 25 (as at 31 March 2020)

Education: Swiss Business School; University of St. Gallen (Switzerland), Executive MBA

Matthias Dettwiler is head of Index Fixed Income since 2012 where he has the overall responsibility for all index tracking fixed income portfolios globally including exchange traded funds.

Prior to being appointed to his Index Fixed Income role in November 2012, Matthias headed the FX and Global Bonds team in Zurich, and was responsible for implementing active and passive global bond strategies across Zurich-based portfolios. Matthias joined UBS in 1995 and joined fixed income portfolio management in 2000.

Matthias holds the 'Certified International Investment Analyst' designation and the 'Swiss Federal Diploma for Expert in Finance and Investment'. He is a member of the European Council of Bloomberg Barclays Indices and the FTSE EMEA Bond Index Series Advisory Committee. In addition, Matthias acts as Deputy Head of Investments for UBS Asset Management Switzerland AG.



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Americas

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