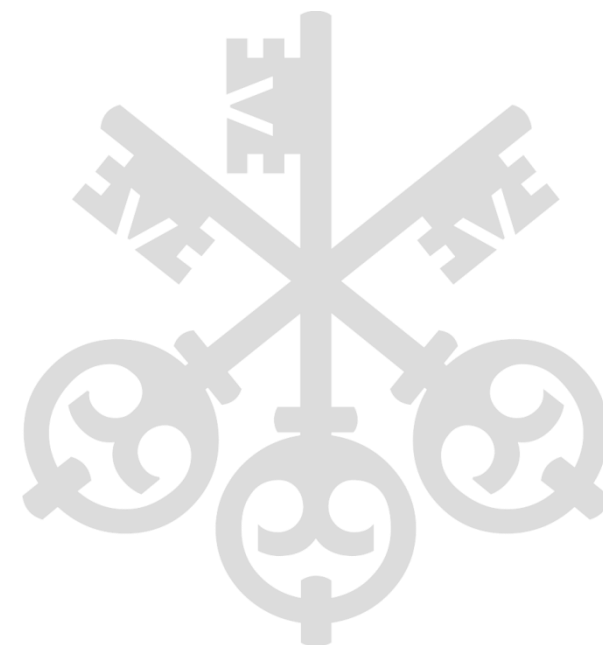


UBS Direct Urban

Capital increase planned for October / November 2022



Investment Pipeline UBS Direct Urban as at July 2022

Start investing in the urban future!



Building type	Place	Street	Project type	Total volume in m CHF	Completion/handover
Commercial property	Aarau	Ingelweid 5	Acquisition Existing property	7	4Q21
Commercial property	Thun	Bälliz 30	Acquisition Existing property	18	4Q21
Commercial property	Winterthur	Untertor 3 - 5	Acquisition Existing property	21	4Q21
Building plot	Männedorf	Seestrasse 103	New construction	27	3Q24
Total				73	

Capital increase amounting to roughly CHF 73 million planned for October / November 2022

Detailed terms and conditions will be published at the end of September 2022

Section 1

Swiss real estate market

Summary: Swiss real estate market 2H22

Economy



- The Swiss economic outlook for the coming quarters remains robust, but downward risks to this positive scenario are mounting (disruption of global supply chains, war in Ukraine, etc.). The potential lack of energy supply during the wintertime is another factor which could disrupt economic activity
- The acceleration of the inflation dynamic should soon reach a peak, as important base effects will start to fade away
- Despite the recent first hike by the Swiss National Bank, the room for higher policy interest rates is likely to remain limited both in terms of level and timing given the recent evolution of the macroeconomic environment

Swiss property market



- The Swiss market for direct real estate transactions remains currently very liquid and prices have not reacted to the compression of the risk premia
- The occupier market for rental housing properties continues to evolve positively thanks to retreating construction activity and highly dynamic absorption
- Future-proofed commercial properties (strong retail hotspots, office buildings in established CBD locations, etc.) are still enjoying robust tenant demand, whilst secondary assets are suffering from the consolidation of occupier demand which is ongoing in these sectors

Strategic considerations

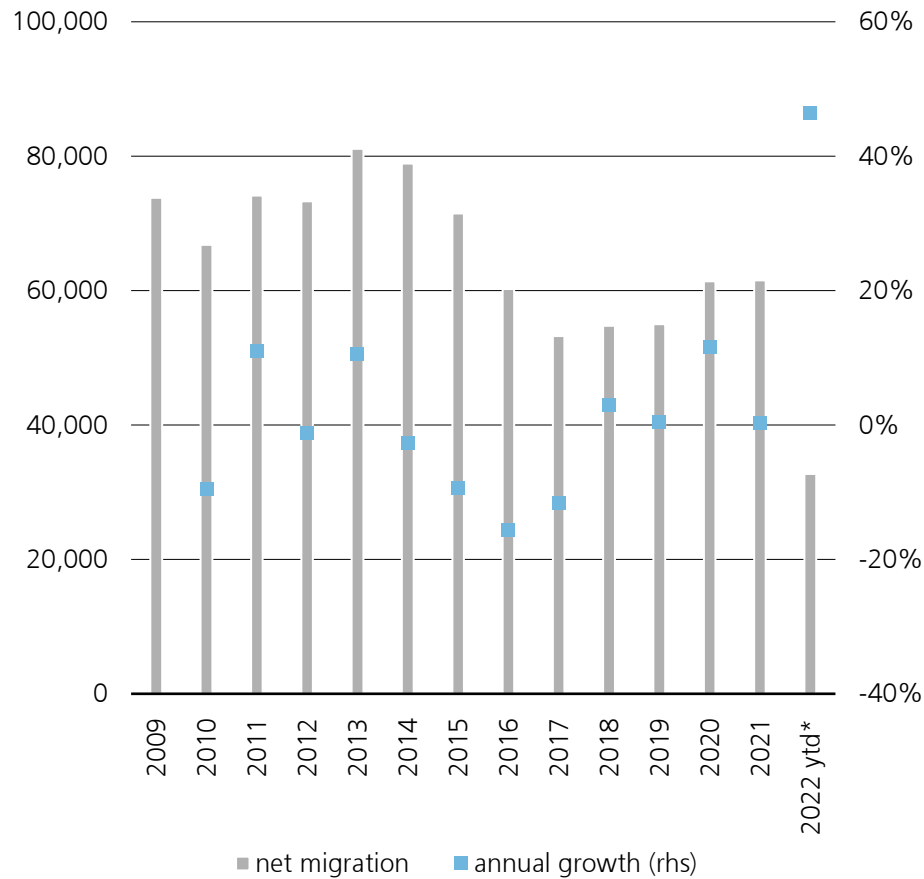


- The quality of the income return and the resilience of the rental growth prospects are gaining in importance in the current macroeconomic environment
- The quality of the locations, assets and tenants as well as rent contract structures (e.g. inflation indexation) are important elements to mitigate current downward risks
- Active management strategies of the invested property stock should also be considered in order to continue to generate added value in the current market environment
- ESG aspects are also gaining in importance in terms of energy costs and the long-term performance of properties

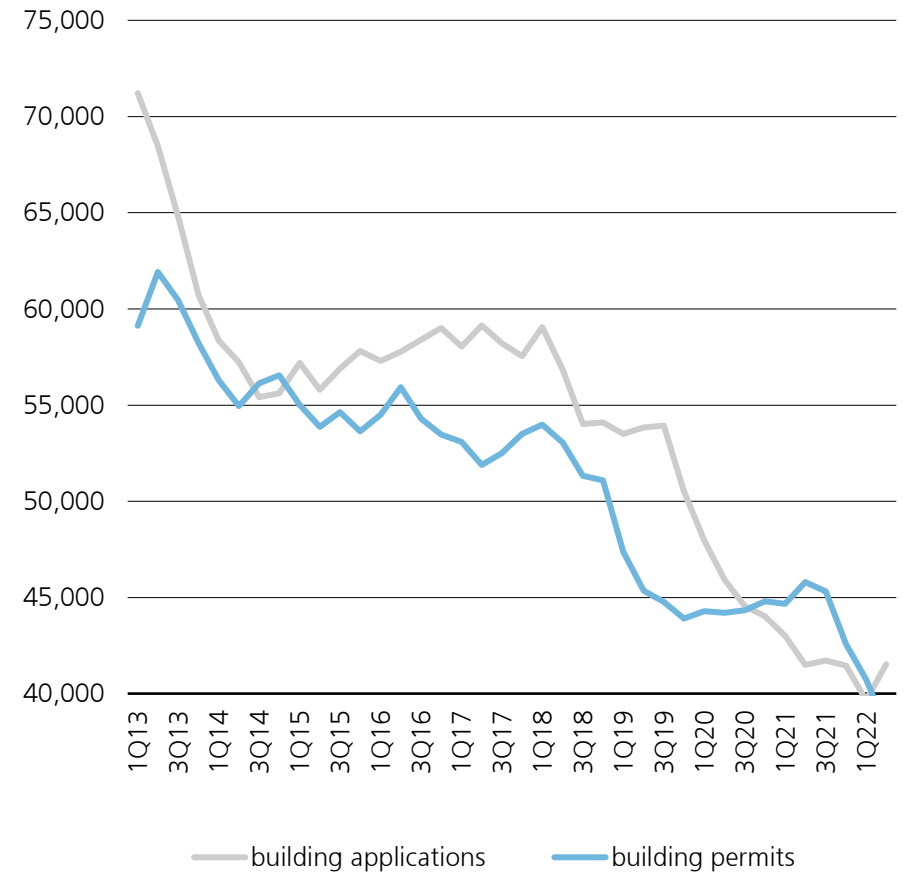
Source: UBS Asset Management, Real Estate & Private Markets (REPM), July 2022

Rental housing: positive development on the occupier market

Net migration into Switzerland (permanent population)



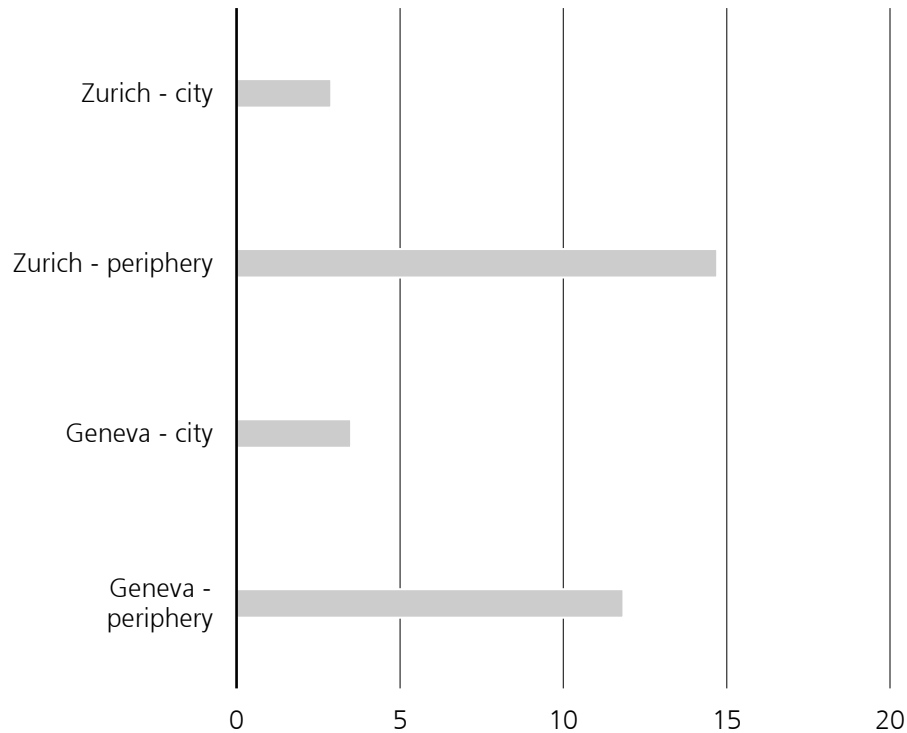
Planning activity in the Swiss housing market (12-month sum, number of dwelling units)



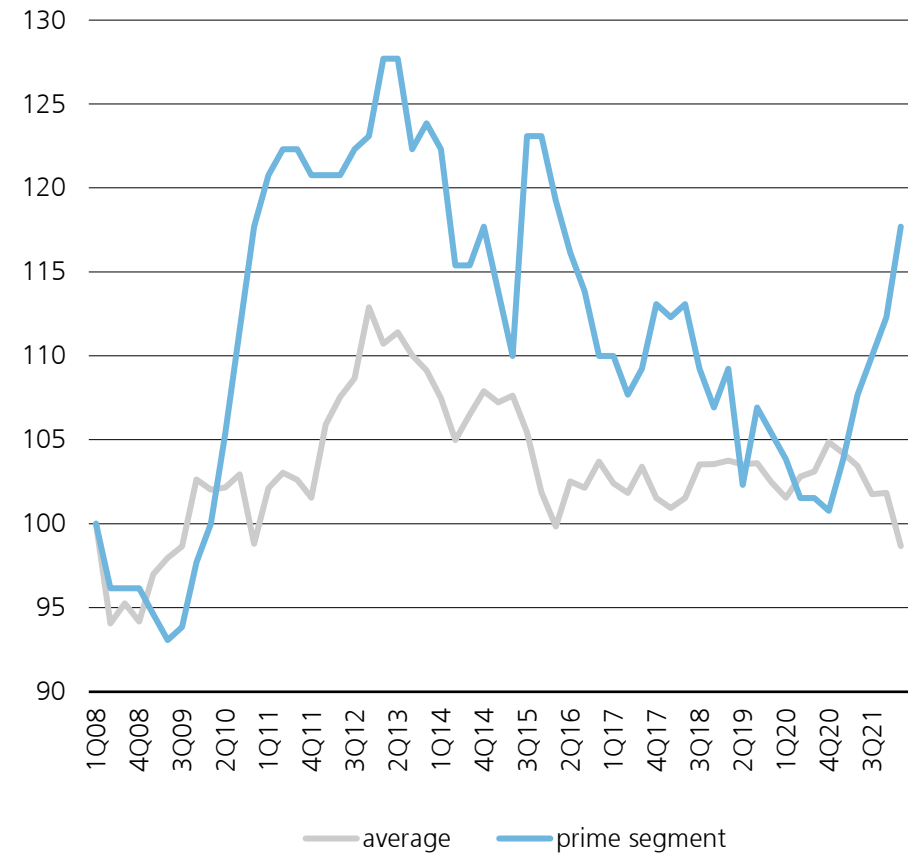
Source: State Secretariat for Migration SEM *(2022 YTD: data from January until May 2022); Bauinfo 2Q22; UBS Asset Management, Real Estate & Private Markets (REPM), July 2022

Commercial sectors: increasing heterogeneity

Availability rate in local office markets (% of stock)



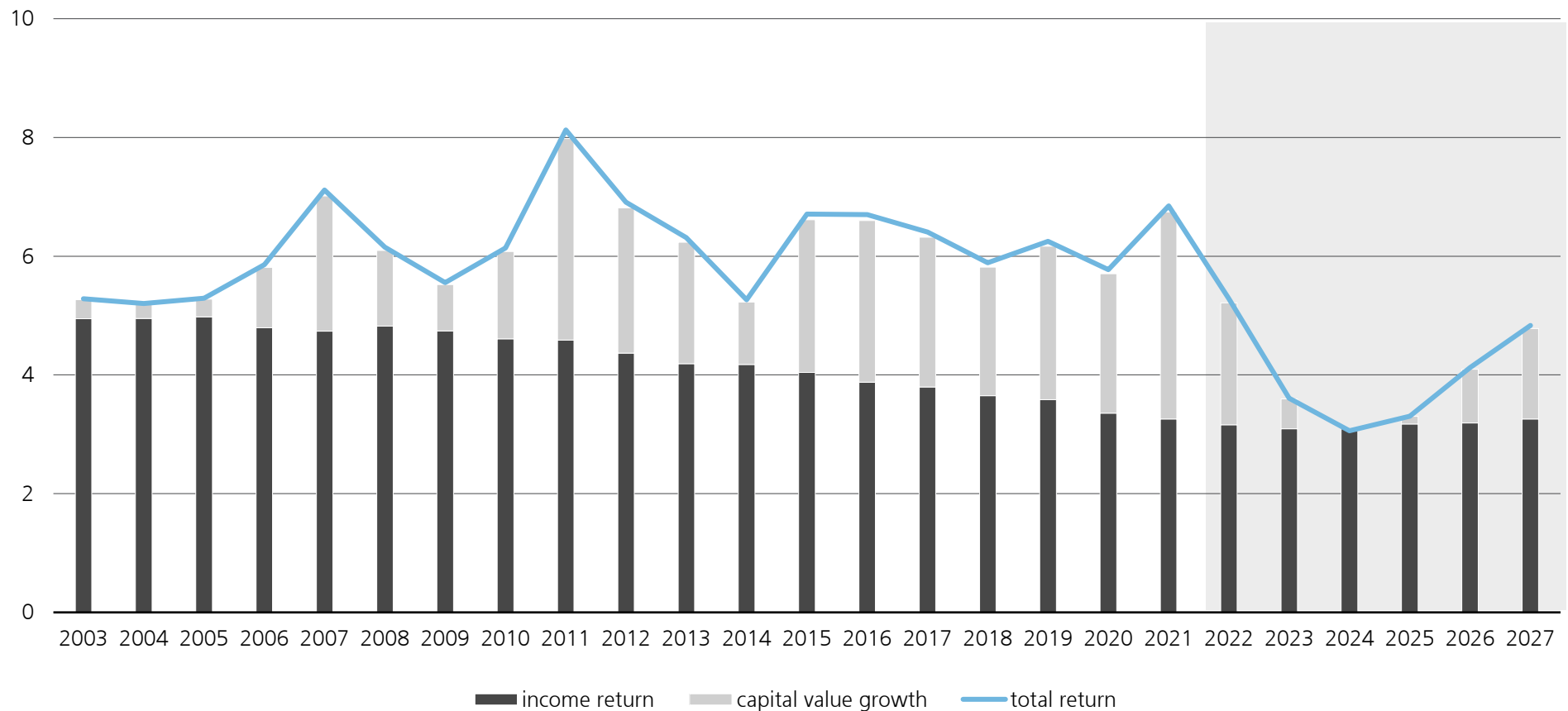
Retail rents by segment (index, 1Q08 = 100)



Source: JLL Research 1Q22, Wüest Partner 1Q22; UBS Asset Management, Real Estate & Private Markets (REPM), July 2022

Expected resilience of the Swiss real estate asset class

Expected returns in the Swiss real estate market (in % YoY, on the property level, mixed sectors, unlevered)



Source: MSCI / Wüest Partner, Oxford Economics; UBS Asset Management, Real Estate & Private Markets (REPM), July 2022
 Notes: **Expected / past performance is not a guarantee for future results.**

Section 2

UBS Direct Urban

Why UBS Direct Urban

Product

- A sustainable high-yielding Swiss real estate fund
 - Direct investments in urban regions
 - Tax advantages for investors based in Switzerland
 - Attractive performance as well as return on NAV and distribution yield
-

Portfolio

- Broadly diversified portfolio of residential buildings and commercial properties
 - Geographical concentration on selected agglomeration regions of primary and secondary centers as well as urban development areas
 - Growth through acquisitions of construction projects, existing properties and portfolios
 - Consistent implementation of the UBS sustainability strategy
-

Management

- Your partner for responsible real estate management since more than 75 years
- Reliable, imaginative, passionate
- Fund and competence teams with many years of experience
- Responsible real estate management through appreciation and value creation

Key data as per semi-annual report as at 31 december 2022

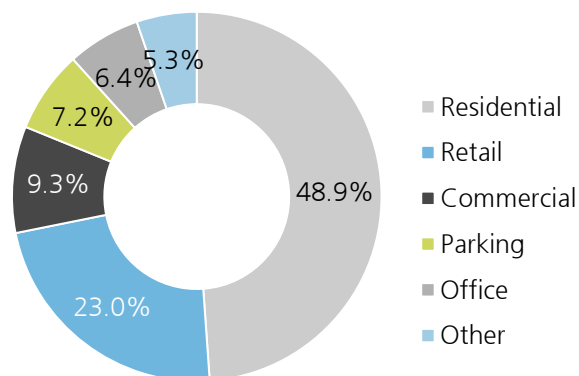
High-quality and diversified portfolio in urban locations

- Listed Swiss real estate fund with a direct investment strategy in residential, mixed-use and commercial properties across Switzerland
- Regional focus on agglomerations of primary and secondary centers and on urban development areas
- Focus on sustainable growth by always taking economic, ecological and social aspects into account in acquisitions, new buildings and renovations

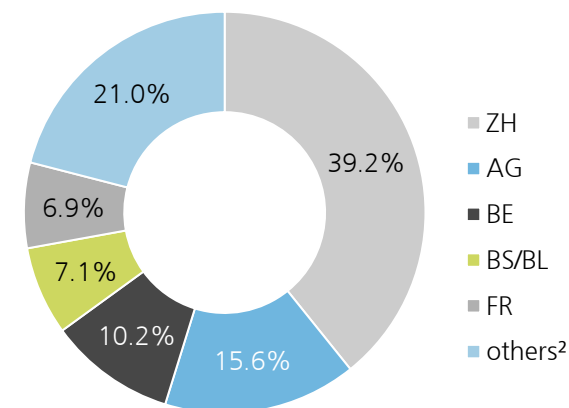
Key Figures

Year of launch	2012
Net asset value	CHF 417.1m
Market value	CHF 576.5m
Rental income*	CHF 17.7m
Rental default rate ¹	6.7%
Leverage ratio	25.5%
Total return on NAV*	4.1%
Performance	1.9%
Number of properties	23

Usage



Regions



Source: UBS Asset Management, Real Estate & Private Markets (REPM); *Data as at 30 June 2021;

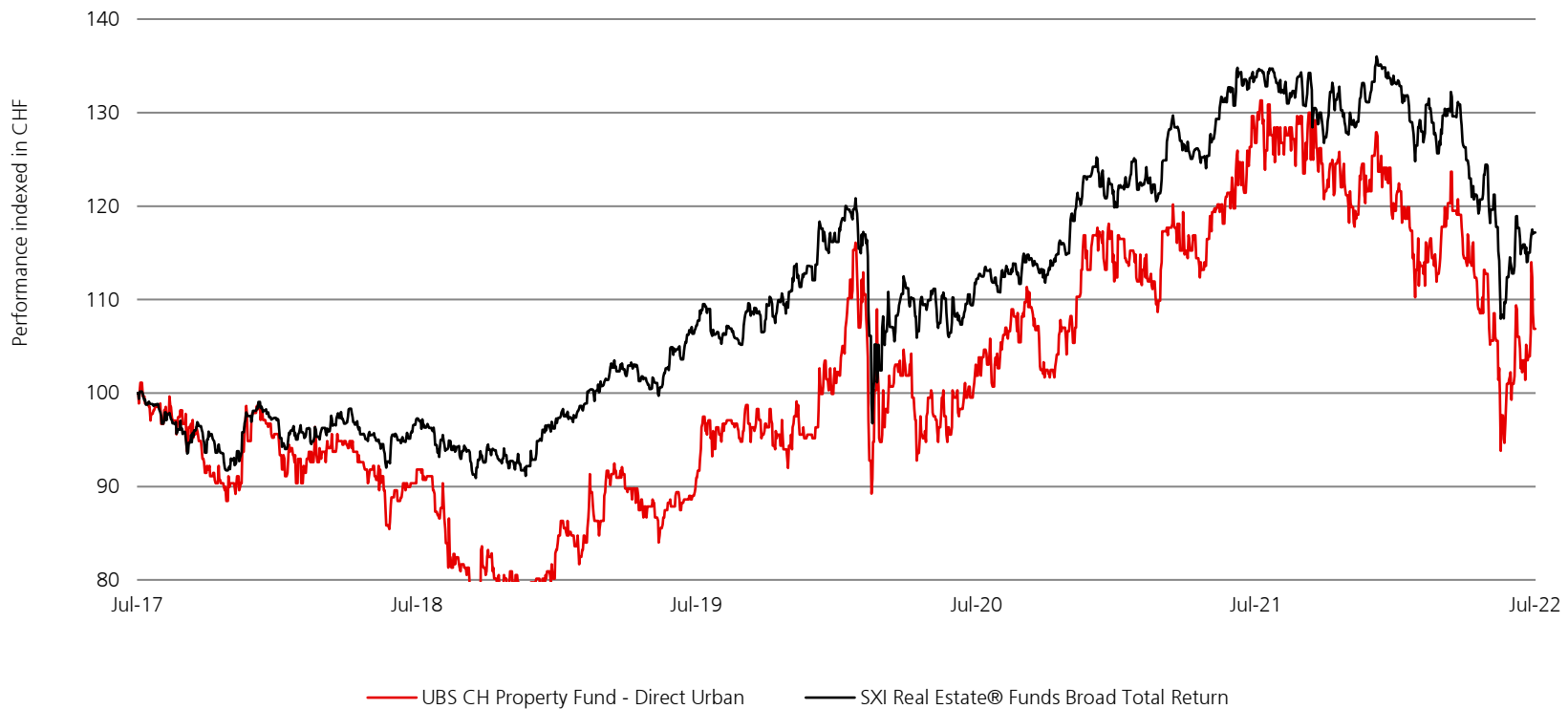
¹ Incl. granted rent waivers (COVID-19); without this effect, the reported vacancy rate would amount to 6.6% (instead of 6.7%) for the financial year.

² Other Regions: GE 6.3%, TI 6.2%, SH 3.6%, TG 3.1%, SG 1.8%

These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

Benchmark comparison

	Performance in % as at 31.7.2022						
	2018	2019	2020	2021	2022 YTD	5 years	avg p.a. 5 years
UBS DU	-18.5%	19.3%	22.8%	7.3%	-14.8%	6.9%	1.3%
BM	-5.3%	20.7%	10.8%	7.3%	-12.1%	17.2%	3.2%



Performance: Source: Datastream, UBS Asset Management; as at end of July 2022

These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

Update - SXI Real Estate® Funds Broad

data as at 31. July 2022

Name	Lanciert	Marktkap. (Mio)	Gewicht	Sektor	Region	Preis	NAV	Agio	Dvd- rendite	Perf. YTD	Perf. 2021	Perf. 2020	Perf. 3YR
UBS Sima	1950	9'348	16.7%	Gemischt	Deutsch-CH	130.50	101.56	28.5%	2.5%	-10.2%	8.5%	13.3%	12.2%
CS Siat	1956	3'435	6.1%	Gemischt	Deutsch-CH	209.40	160.81	30.2%	2.5%	-15.7%	9.8%	17.3%	12.2%
* CS LivingPlus	2007	2'878	5.1%	Wohnen	Deutsch-CH	138.00	111.99	23.2%	2.6%	-22.6%	8.2%	16.9%	1.1%
* CS Green	2009	2'850	5.1%	Gemischt	Deutsch-CH	145.20	118.04	23.0%	2.3%	-16.3%	6.8%	12.9%	5.9%
UBS Anfos	1956	2'901	5.2%	Wohnen	Deutsch-CH	81.70	61.65	32.5%	2.2%	-12.1%	5.5%	22.5%	15.1%
* Edmond de Rothschild RE SICAV	2010	1'960	3.5%	Gemischt	Genf / Waadt	142.60	123.12	15.8%	2.5%	-12.4%	12.3%	10.7%	18.1%
Immofonds	1969	1'931	3.4%	Wohnen	Deutsch-CH	550.00	368.57	49.2%	2.5%	-10.9%	18.3%	11.8%	31.3%
* SL REF ESG Swiss Properties	2015	1'967	3.5%	Gemischt	Deutsch-CH	121.40	112.86	7.6%	2.1%	-8.8%	6.8%	3.6%	5.7%
La Fonciere	1954	1'776	3.2%	Wohnen	Genf / Waadt	130.50	94.35	38.3%	1.7%	-13.6%	9.9%	12.9%	15.5%
UBS Foncipars	1943	1'824	3.3%	Wohnen	Genf / Waadt	128.00	94.62	35.3%	2.0%	-8.6%	9.2%	21.9%	27.5%
* Realstone Swiss Property Fund	2008	1'719	3.1%	Gemischt	Gemischt	128.10	124.92	2.5%	2.7%	-9.7%	1.3%	3.9%	-0.5%
Swisscanto REF Resp. IFCA	1968	1'563	2.8%	Wohnen	Gemischt	148.40	121.58	22.1%	2.4%	-13.4%	4.3%	24.9%	14.1%
Fonds Immobilier Romand	1997	1'601	2.9%	Wohnen	Genf / Waadt	210.00	154.32	36.1%	2.0%	-11.9%	8.0%	10.4%	10.1%
Schroder ImmoPLUS	1997	1'586	2.8%	Kommerziell	Gemischt	148.50	142.39	4.3%	3.2%	-9.2%	-0.9%	2.4%	-5.1%
CS Interswiss	1954	1'636	2.9%	Kommerziell	Gemischt	182.10	195.12	-6.7%	4.1%	-6.3%	-5.7%	3.3%	-3.8%
UBS Swissreal	1962	1'568	2.8%	Kommerziell	Deutsch-CH	63.65	62.14	2.4%	4.2%	-11.5%	2.6%	-3.5%	-7.2%
* Solvalor 61	1997	1'442	2.6%	Wohnen	Genf / Waadt	284.75	210.28	35.4%	1.9%	-13.7%	1.8%	18.4%	16.1%
* SF Sustainable Property	2010	1'119	2.0%	Wohnen	Gemischt	133.00	121.79	9.2%	2.6%	-9.5%	1.3%	10.3%	4.8%
Immo Helvetic	1997	1'235	2.2%	Wohnen	Deutsch-CH	220.60	179.26	23.1%	3.0%	-6.0%	13.1%	1.8%	12.2%
* Bonhote-Immobilier SICAV	2006	948	1.7%	Wohnen	Genf / Waadt	132.40	120.95	9.5%	2.4%	-16.3%	6.5%	10.4%	4.0%
Swissinvest RE Fund	2006	957	1.7%	Wohnen	Deutsch-CH	181.00	155.14	16.7%	2.5%	-17.4%	13.8%	12.7%	10.5%
* Patrimonium Swiss RE Fund	2007	938	1.7%	Wohnen	Genf / Waadt	164.00	148.01	10.8%	2.3%	-17.5%	7.6%	14.4%	15.3%
* CS Real Estate Fund LogisticsPlus	2014	947	1.7%	Kommerziell	Deutsch-CH	135.30	105.13	28.7%	2.9%	-9.8%	10.6%		
* Procimmo Swiss Commercial	2007	930	1.7%	Kommerziell	Genf / Waadt	156.00	148.47	5.1%	3.8%	-7.0%	11.2%	-5.8%	0.5%
* UBS Direct Residential	2006	783	1.4%	Wohnen	Deutsch-CH	16.85	14.31	17.7%	2.5%	-12.7%	5.5%	14.9%	16.7%
* Baloise Swiss Property Fund	2018	773	1.4%	Wohnen	Deutsch-CH	129.80	108.74	19.4%	2.3%				
SF Retail Properties	2015	696	1.2%	Kommerziell	Gemischt	114.50	102.34	11.9%	3.8%	-5.4%	8.2%	2.1%	7.1%
* CS Hospitality	2010	576	1.0%	Kommerziell	Gemischt	67.75	75.95	-10.8%	6.2%	-12.4%	12.5%	-19.4%	-11.1%
* Swisscanto REF Resp. Commercial	2010	477	0.9%	Kommerziell	Gemischt	91.65	101.63	-9.8%	4.5%	-17.2%	1.8%	4.6%	-6.7%
* Procimmo Swiss Commercial II	2015	483	0.9%	Kommerziell	Deutsch-CH	122.20	123.12	-0.7%	4.3%	-12.1%			
* UBS Direct Urban	2012	457	0.8%	Gemischt	Deutsch-CH	12.70	11.78	7.8%	2.6%	-14.8%	7.3%	22.8%	17.5%
* Helvetica Swiss Commercial Fund	2016	458	0.8%	Kommerziell	Deutsch-CH	105.40	113.79	-7.4%	5.0%	-4.1%	10.4%	-7.8%	
* Swiss Central City Real Estate	2018	418	0.7%	Gemischt	Deutsch-CH	109.90	108.33	1.5%	2.3%		17.4%	5.1%	14.9%
* Polymen Fonds Immobilier	2009	376	0.7%	Gemischt	Genf / Waadt	144.10	134.46	7.2%	4.2%	-11.1%	6.8%	7.5%	2.3%
* Dominicé Swiss Property Fund	2013	365	0.7%	Wohnen	Genf / Waadt	121.70	120.88	0.7%	2.5%	-4.9%	12.2%	-2.1%	7.6%
* Good Buildings Swiss RE Fund	2011	283	0.5%	Gemischt	Deutsch-CH	128.80	115.20	11.8%	3.1%	-10.0%	18.6%	10.5%	
* Swiss Romande Property Fund	2014	300	0.5%	Gemischt	Genf / Waadt	111.90	121.46	-7.9%	2.6%	1.7%	-0.2%	3.6%	5.6%
* Streetbox Real Estate Fund	2009	189	0.3%	Kommerziell	Genf / Waadt	439.00	329.01	33.4%	3.4%	-17.3%	2.4%	14.6%	1.3%
SF Commercial Properties	2016	194	0.3%	Kommerziell	Deutsch-CH	81.00	96.28	-15.9%	5.2%	-8.3%	5.3%	-8.9%	-11.1%
* Residentia	2009	170	0.3%	Gemischt	Tessin	106.50	115.03	-7.4%	2.3%	-6.2%	2.1%	-5.1%	-5.3%
TOTAL		56'059	100.0%				0	18.9%	2.7%	-12.1%	7.3%	10.8%	9.3%

* Liegenschaften im Direktbesitz des Fonds



Notes: Market cap. & weightings based on SIX data, prices based on Bloomberg data. NAV according to the latest company statement, adjusted for the dividends. Mixed means portfolio consists of more than one sector. Region and sector classification as well as Premium and Div. Yield calculation done by UBS Asset Management based on financial year statements. Performance is Total Return based on Bloomberg data. **Past performance is no guarantee for future results.**

Current highlight within the portfolio



Completion of «The Willow Yard» Pub: Residential and commercial building at Schulgutstr. 1,3/Grünaustr, 16, 18, 20 in Dietikon

- Completion of construction and handover at the end of June 2022
- (Main) opening: 19 August 2022
- Increasing the attractiveness of the Weidenhof and the entire Limmatfeld in Dietikon
- Sustainable value enhancement of the ground floor areas through higher footfall
- High-quality interior fittings manufactured in Ireland
- Rentable area excl. the outdoor seating area on the Rapidplatz spanning approx. 445m²
- Experienced operators with a long-term lease

Sustainability



GRESB-Rating 2021:
Standing investment: 4 stars
Development: 5 stars
Development: Awarded as «**Regional Sector Leader**»



248 MWh of solar power was generated within the financial year 20/21 by own solar power systems



Around 52% of our properties have a Minergie, DNGB or GEAKplus certification



Approx. 60% of our properties cover their energy demand with renewable energies

“ Acting sustainably today secures long-term economic success.

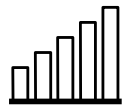
Stephan Pellegrini

Fund Manager

UBS Direct Residential



Convincing facts about Real Estate Switzerland



Approx. **25 bn**
CHF **Assets under Management**



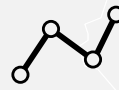
10
Real estate investment **products and external mandates**



1100+
Properties around Switzerland



~ 90
experienced employees
in Basel, Zurich and Lausanne



75+
Years of **track record**



UBS «Sima»
largest Swiss real estate fund



Sustainable
and diversified strategy



solid
Governance- & risk-structure



Oldest
Swiss real estate fund
UBS «Foncipars»

Our real estate investment products at a glance

	Investment focus	2018	2019	2020	2021	2022 ¹
Listed Funds						
UBS Direct Residential	Residential / all of CH	588	705	776	814	814
UBS Direct Urban	Mixed / all of CH	402	447	492	577	577
UBS «Anfos»	Residential / German-speaking CH	2607	2704	2808	2925	2940
UBS «Foncipars»	Residential / French-speaking CH	1432	1492	1607	1703	1703
UBS «Sima»	Mixed / all of CH	9326	9895	10307	11 028	11 028
UBS «Swissreal»	Commercial / all of CH	1907	1987	2051	2074	2074
Residentia ²	Residential / Italian-speaking CH				247	247
Investment trusts						
UBS AST-IS	Mixed / all of CH	2129	2308	2384	2491	2507
UBS AST-KIS	Commercial / all of CH	681	711	711	728	754
External mandates						
Mandate (external)	Mixed / all of CH	2913	2953	3141	3194	3194
Total Portfolio Real Estate Switzerland		21 985	23 202	24 277	25 781	25 838
Annual percentage change (%)		5,0	5,5	4,6	6,1	0,2

Source: UBS Asset Management, Real Estate & Private Markets (REPM); 2017-2021: Market values in mill. CHF;

¹ External Mandate, UBS Direct Residential, UBS Direct Urban, UBS «Foncipars», UBS «Sima», UBS «Swissreal» and Residentia as at 31.12.21; UBS «Anfos» as at 31.03.22; UBS AST-IS and UBS AST-KIS as at 31.07.2022

² Residentia: Real Estate Switzerland has taken over the fund management of Residentia as of 1 February 2021

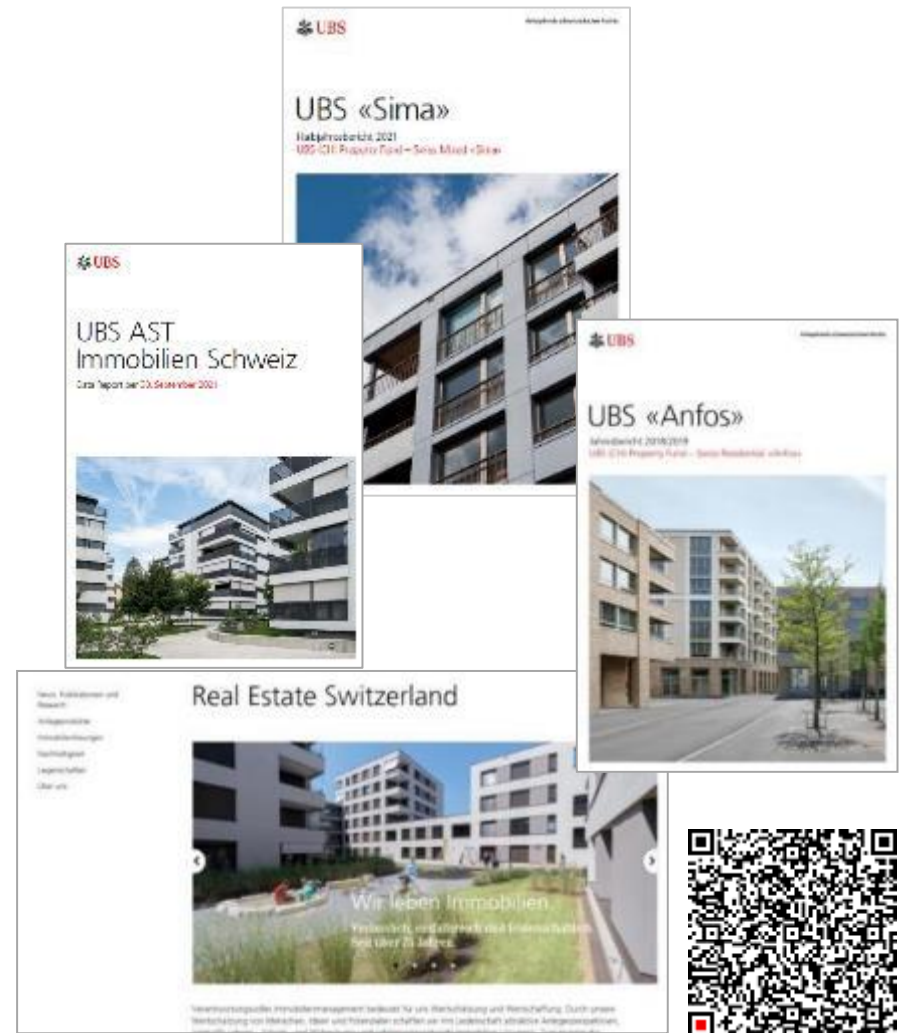
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