Public

EU Sustainability Disclosures for EU-Investors

Under the EU Sustainable Finance Disclosure Regulation (EU 2019/2088) (SFDR) we are required to make the following disclosures where one of our non-EU funds is managed by UBS Fund Management (Switzerland) AG and marketed to EU investors:

1. Integration of Sustainability Risk: Sustainability risks are financial risks that are defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment (art. 2 para. 22 SFDR). UBS believes that sustainability risks may affect the performance of investment portfolios. To enhance the long-term performance of clients' investments, UBS integrates sustainability risk into its investment decision making process *where relevant*. The integration of sustainability risk is implemented in line with UBS AM's policies governing the creation of investment research views, portfolio construction and product selection.

2. Remuneration: UBS's approach to compensation globally is underpinned by the Total Reward Principles, which establish a framework with a focus on conduct and sound risk management practices. Employees are assessed and rewarded for their performance against a range of financial and non-financial goals, including risk management. Where applicable (which may include where UBS Fund Management (Switzerland) AG's employees are working on non-EU funds that are marketed into the EU), the risk management goal will include a consideration of sustainability risk. Where sustainability risks form part of an employee's performance objectives, they are considered in the qualitative performance assessment, which, in turn, is one of the factors that determines an employee's total remuneration.

3. No Consideration of Adverse Impacts of Investment Decisions on Sustainability Factors: UBS Fund Management (Switzerland) AG does not consider any principal adverse impacts (PAI) of investment decisions on sustainability factors as set out in SFDR and do not currently intend to do so in the future. Considering that the UBS Fund Management (Switzerland) AG's offering is predominantly targeted at the Swiss market, and that only some products are marketed to EU investors and/or may consider certain adverse impacts in the investment decision, it would be disproportionate to apply the PAI framework as defined in SFDR at the entity level.

UBS Fund Management (Switzerland) AG
Asset Management
Postfach 4473
4002 Basel

www.ubs.com
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