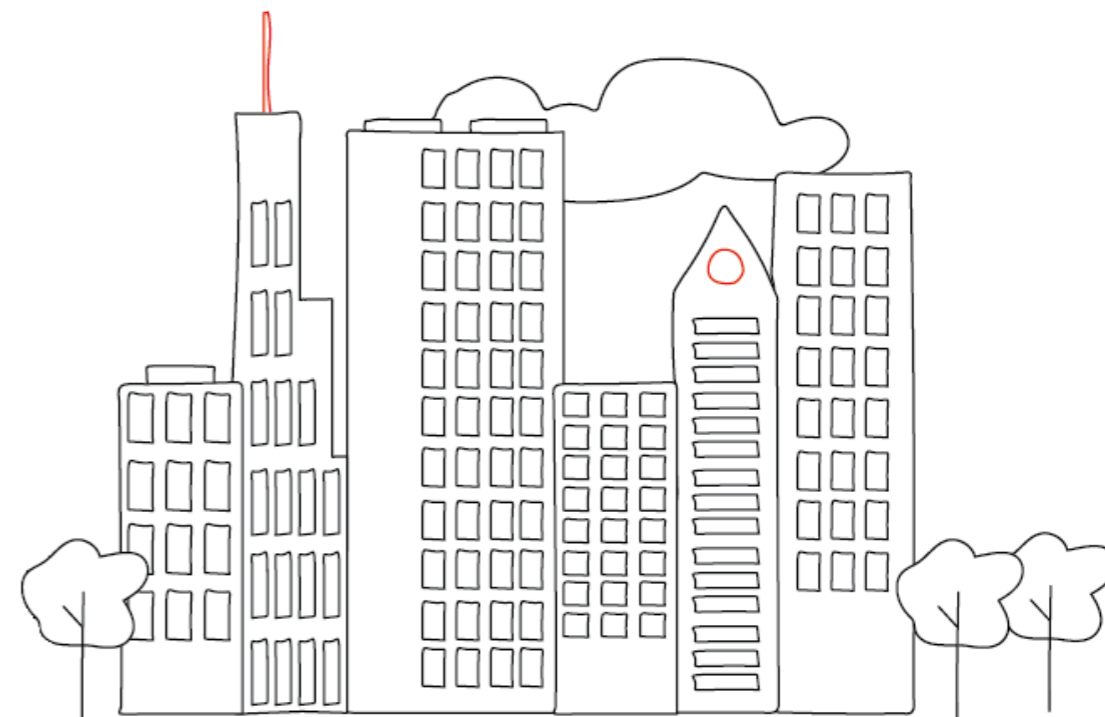


UBS AST 3 Global Real Estate (ex CH)

2Q22 Update



Agenda

1

Welcome
and introduction

Andreas Keller
Team Head Institutional Clients,
Institutional Client Coverage Switzerland

2

House view and
market outlook

Fergus Hicks
Real Estate Market Strategist,
Real Estate & Private Markets

3

AST 3 Global Real Estate
portfolio review

Paul Guest
Senior Portfolio Strategist, Multi-Managers
Real Estate, Real Estate & Private Markets

4

Q&A

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Section 6	UBS AST 3 Global Living	27
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Section 1

Introduction

Figures that speak for themselves



~5,699

CHF million NAV¹



25.4%

low leverage²



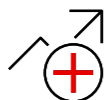
75.1%

open-ended³ +
cash & other net assets



2.11%

standard deviation
since inception⁵



2.3%

distribution return⁴

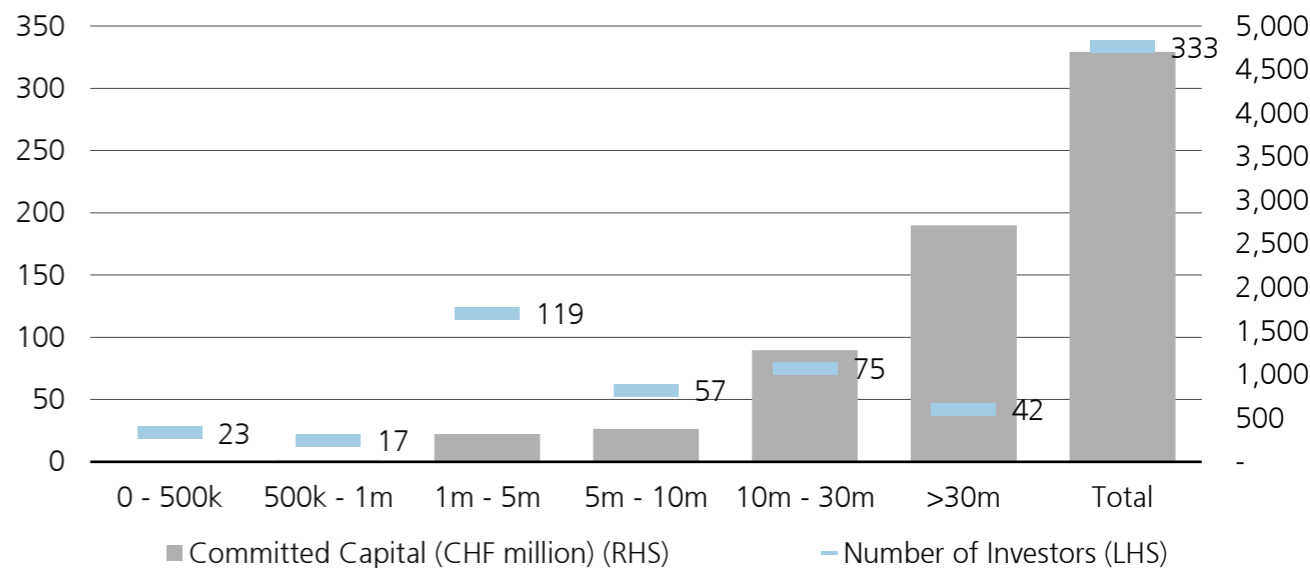


6.94%

return since inception⁵

A sizeable client base

Real subscriptions – investor structure



> Total capital committed (in CHF / m)⁶: CHF 4,704.0

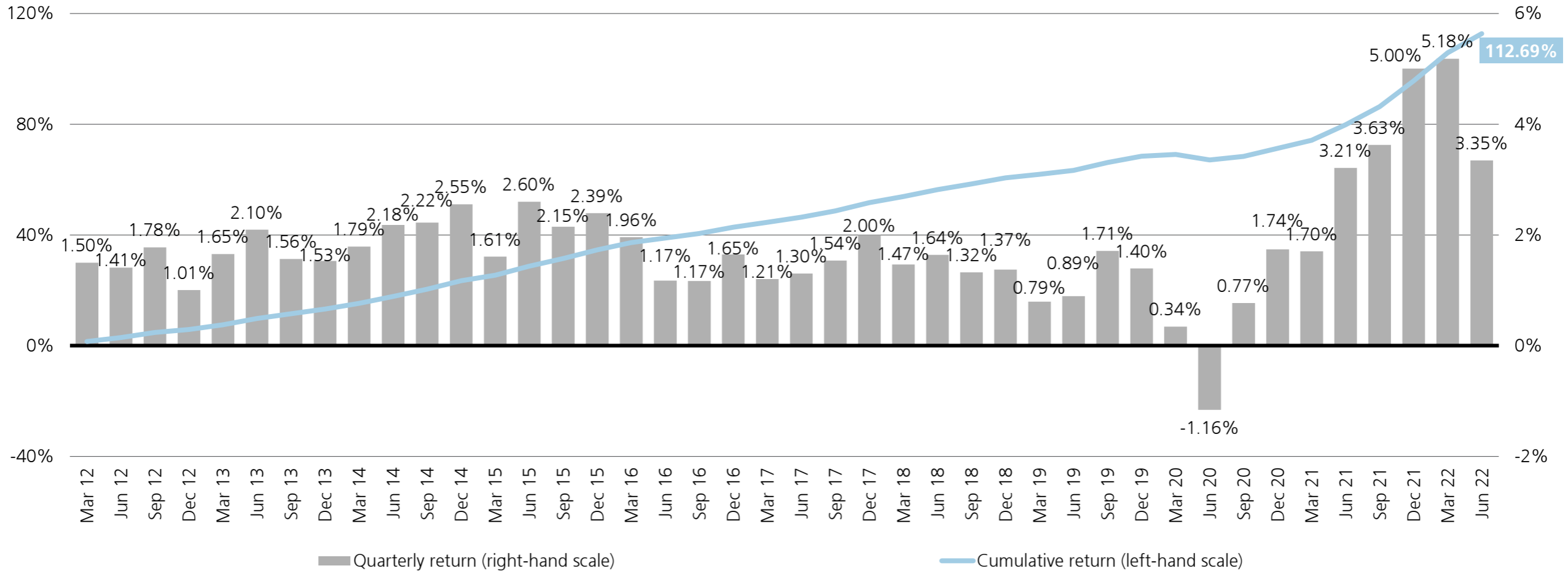
> Total number of investors⁶: 333

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

Note: All data as at 30 June 2022, unless otherwise stated; Past/expected performance is not necessarily an indicator of future results. **1** Excludes capital inflows received at the end of the current quarter, if any. Unless otherwise stated, all figures, performance estimates and charts include the additional net capital inflows received and the forward investment activities made in anticipation of these capital inflows at the end of the current quarter, if any. **2** Based on invested capital to underlying funds. **3** Excludes the semi-open-ended allocation. **4** Annual distribution return for the I-A2 share class as at 30 June 2022. Total target return is 5-6% per annum over a market cycle, net of underlying fund fees, expenses and FX hedging cost, before UBS management fee. **5** Total return performance for the I-A2 share class, including distributions, to 30 June 2022. Performance may differ across share classes due to distributions, fees and expenses. Past performance is not a reliable indicator of future results. Inception date is 30 June 2011 for the I-A2 share class. **6** Capital committed calculated as total subscriptions less redemptions. This includes capital inflows received at the end of the quarter, if any, and the corresponding investors

A convincing performance track record

I-X share class



Return: 7.45% p.a. since inception¹

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

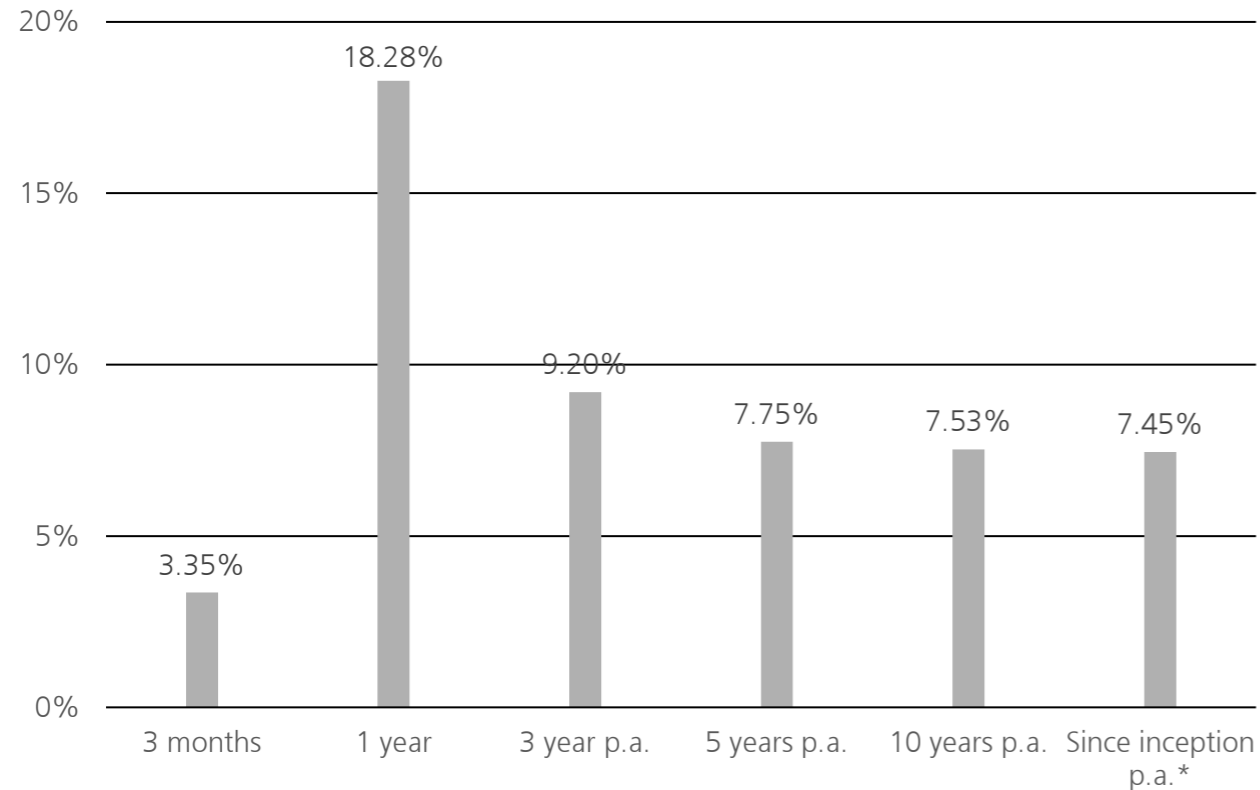
Note: All data as at 30 June 2022, unless otherwise stated; performance refers to I-X share class. Past performance is not indicative of future results.

¹ in CHF, past performance is not indicative of future results; Inception date is 31 December 2011 for the I-X share class.

Key factors for our performance

Positive performance in 41 out of 42 quarters since inception¹

Total returns to 30 June 2022 for the I-X share class²



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

Note: All data as at 30 June 2022, unless otherwise stated; Past performance is not indicative of future results; total returns performance, including distributions to 30 June 2022.

¹ In CHF; Past performance is not indicative of future results. ² Total return from tranche I-A2. Performance data based upon charges of underlying funds and management fees of UBS Asset Management.

* Inception date is 31 December 2011 for the I-X share class

Prudent investment decisions

- Portfolio constructed to outperform over the various cycles
- Seeking investment opportunities with attractive liquidity profiles and discounted entry pricing
- Overweight exposure to the pandemic-resilient residential, industrial/logistics, and healthcare sectors

Global expertise

- Locally-based portfolio managers with expertise in underwriting real estate and managers
- Demonstrated capability in executing new fund formations and creating investment options outside of the standard market fund universe
- Strong governance and risk management framework

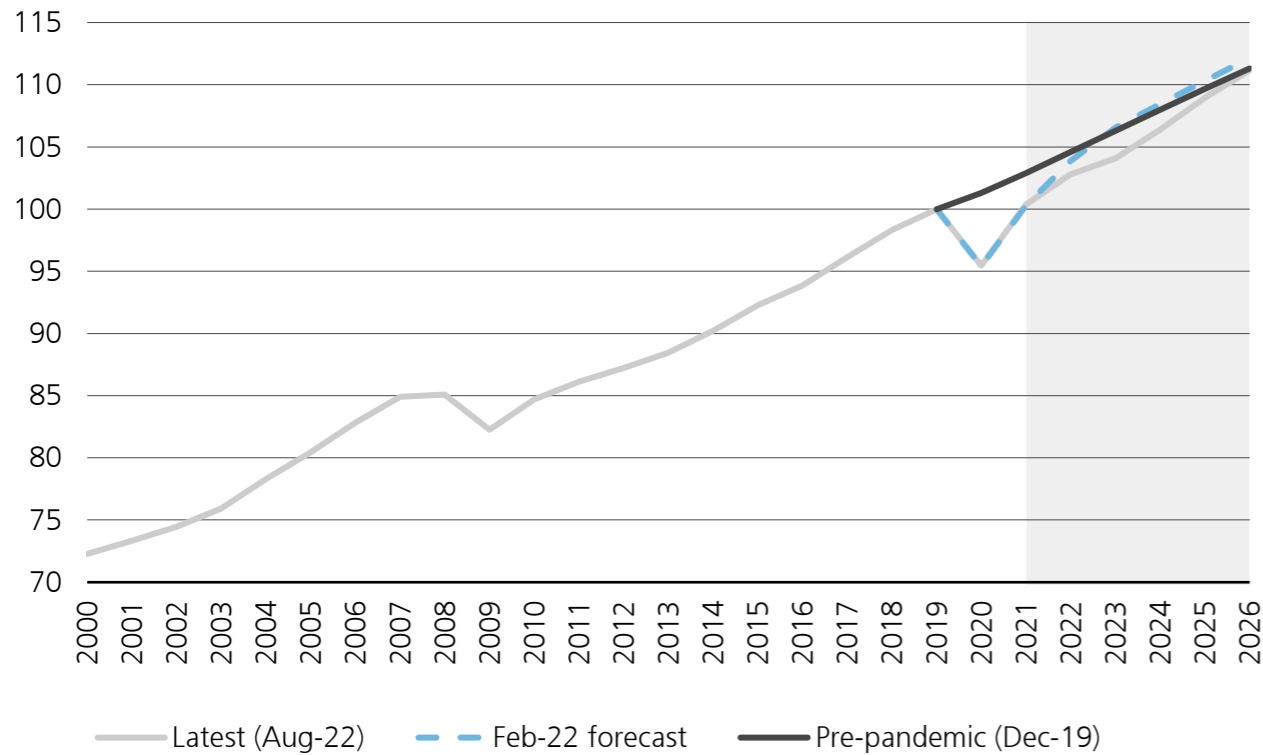
Section 2

House view and market outlook

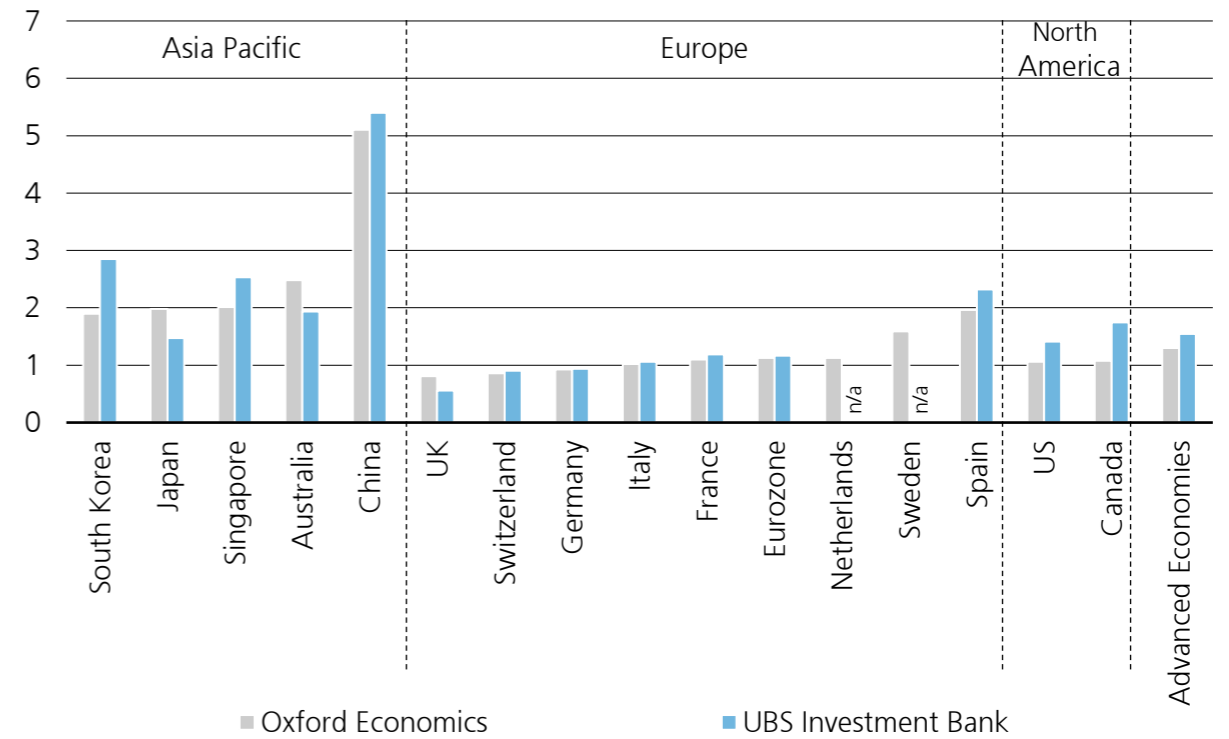
Base case is for soft landing for economy

But sharper downturn and recession a significant risk

Forecast of advanced economies GDP (index, 2019 = 100)



GDP growth forecasts for 2023 (% YoY)

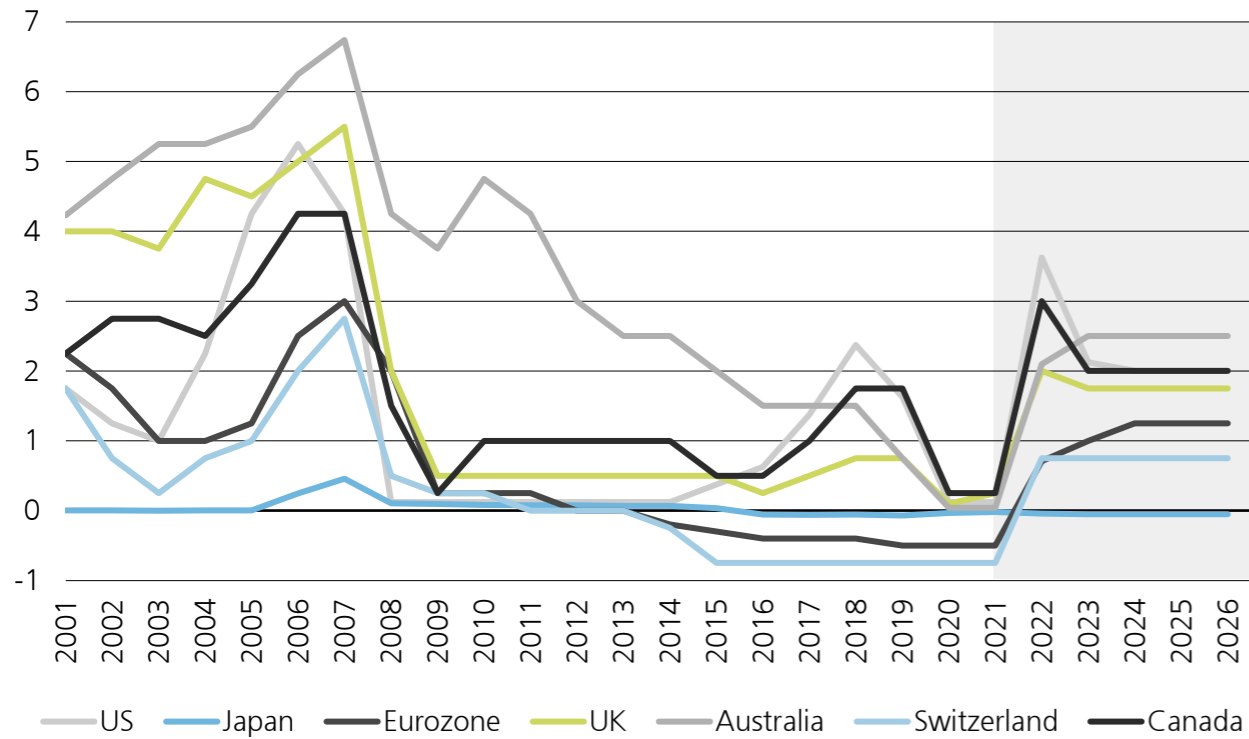


Sources: Oxford Economics; UBS Investment Bank; UBS Asset Management, Real Estate & Private Markets (REPM), August 2022

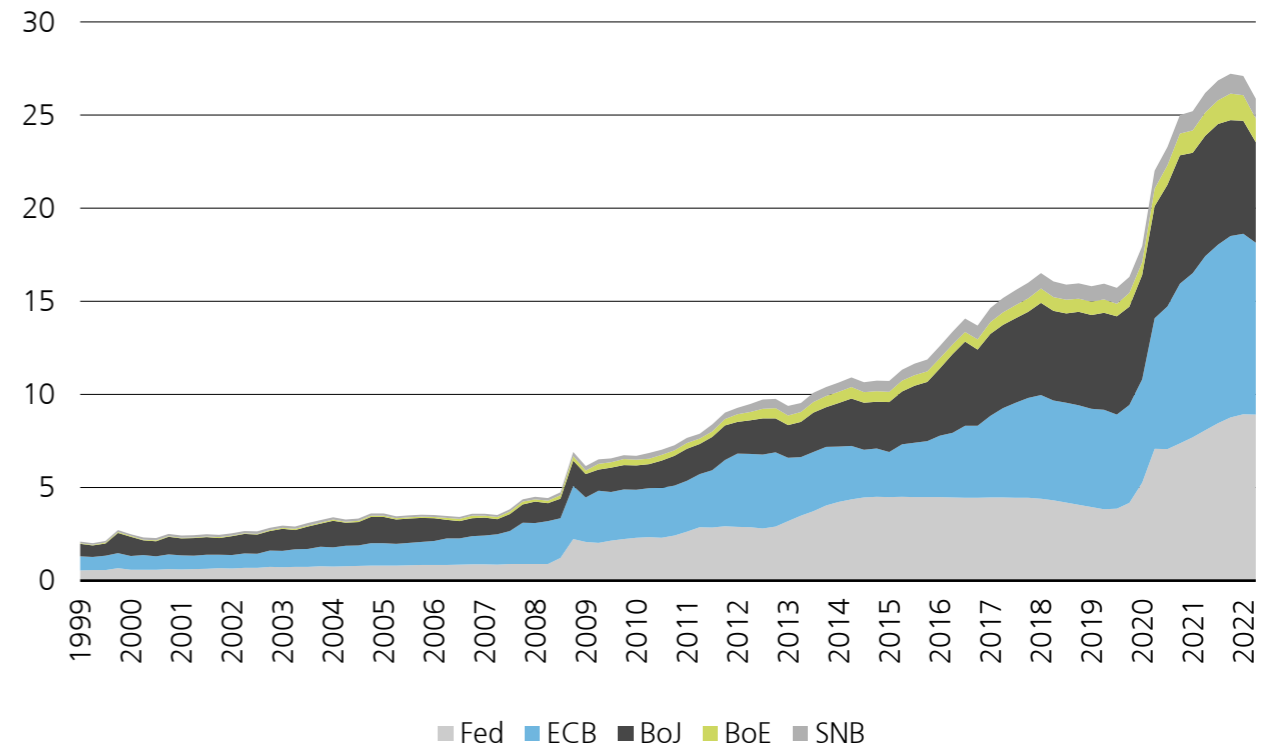
Central banks implementing aggressive policy tightening

Only in Japan are interest rates expected to remain around zero

Central bank policy rates (year-end, %)



Central bank balance sheets (by quarter-end to 2Q22, USD trillions)

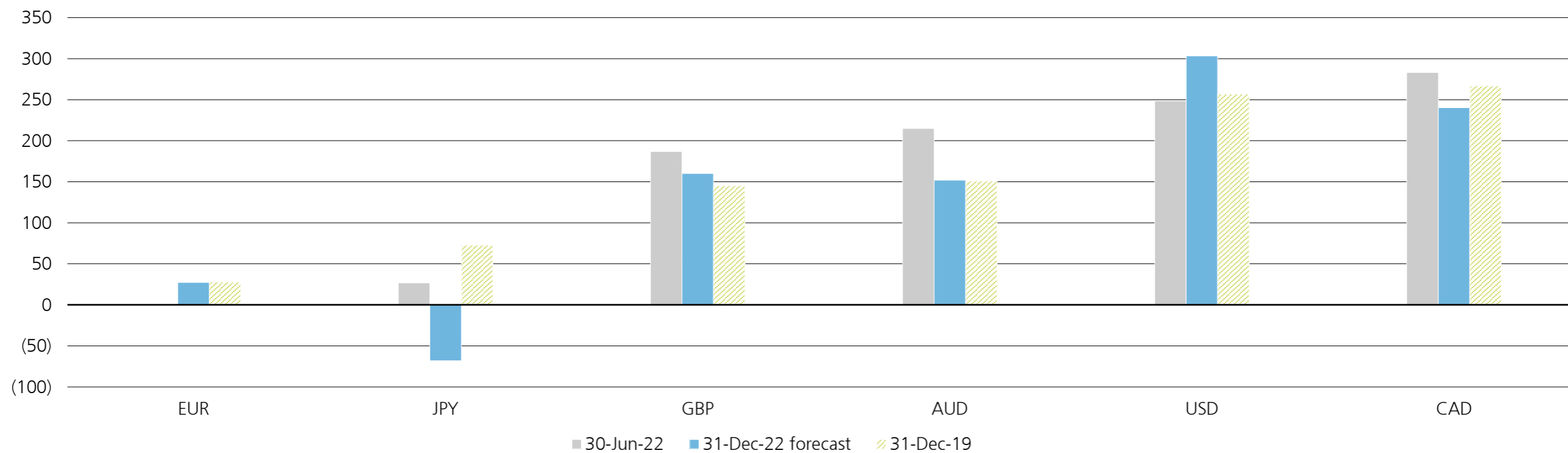


Sources: Oxford Economics; Thomson Refinitiv Datastream; UBS Asset Management, Real Estate & Private Markets (REPM), August 2022

Hedging costs back around pre-pandemic levels

And forecast to rise to 300bps against USD by year end

Hedging costs by currency for CHF implied by three-month interbank rates (bps, p.a.)



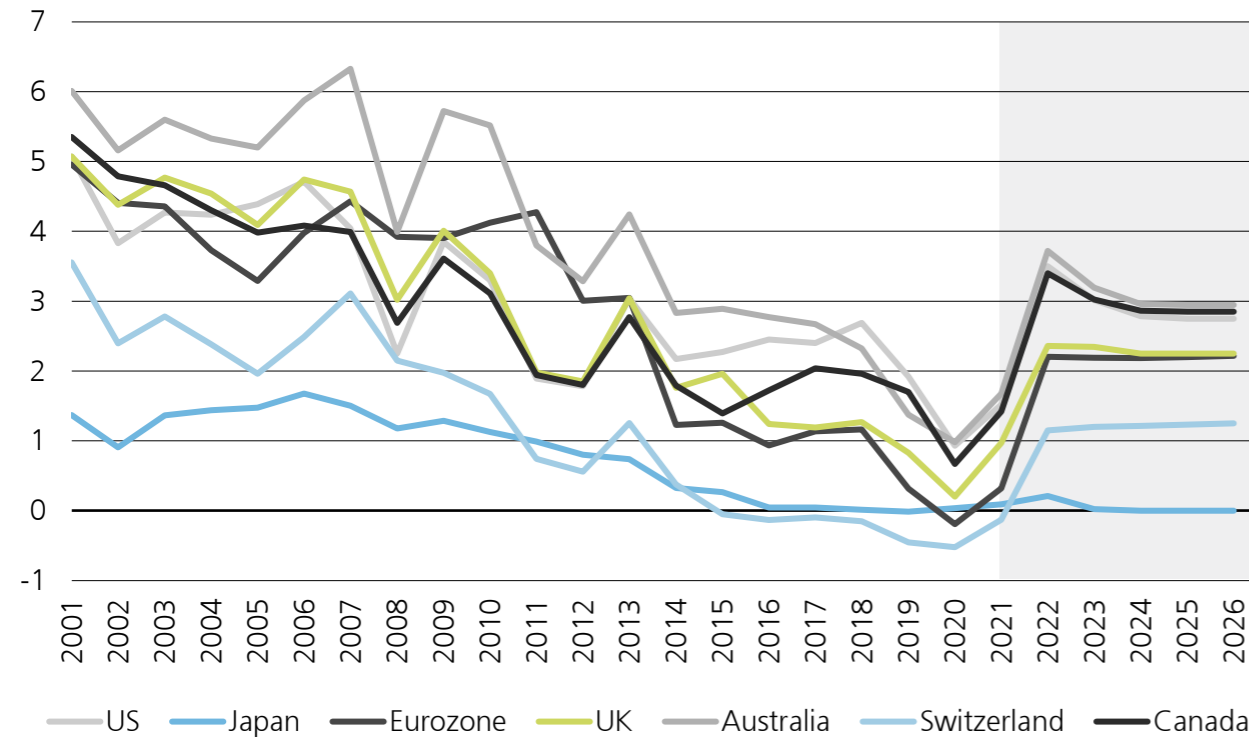
Sources: Oxford Economics; UBS Asset Management, Real Estate & Private Markets (REPM), August 2022

Note: Past performance is not a guarantee for future results.

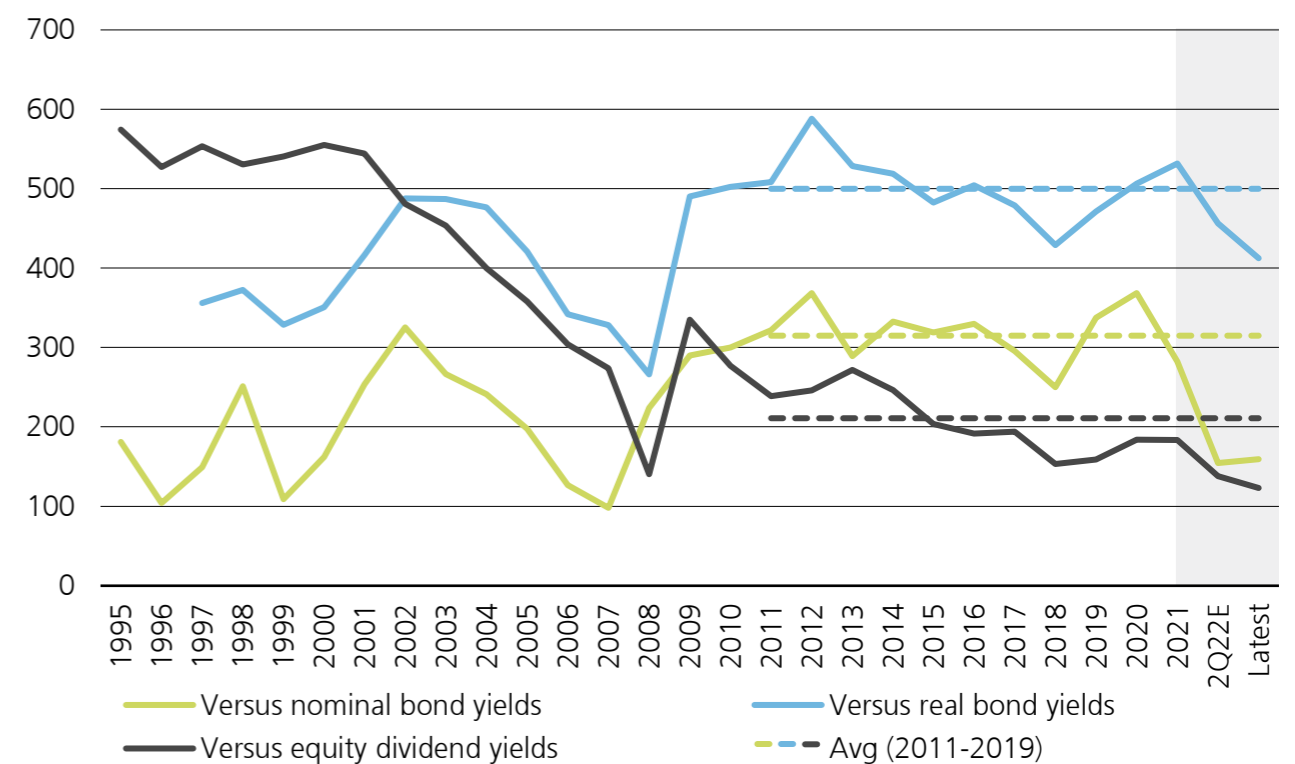
Sharp rises in bond yields have reduced property spreads

But remain positive and significantly above Global Financial Crisis lows against real bond yields

10-year government bond yields (year-end, %)



Global all property net operating income yield spreads (bps)



Sources: MSCI; NCREIF; Oxford Economics; Thomson Refinitiv Datastream, UBS Asset Management, Real Estate & Private Markets (REPM), August 2022

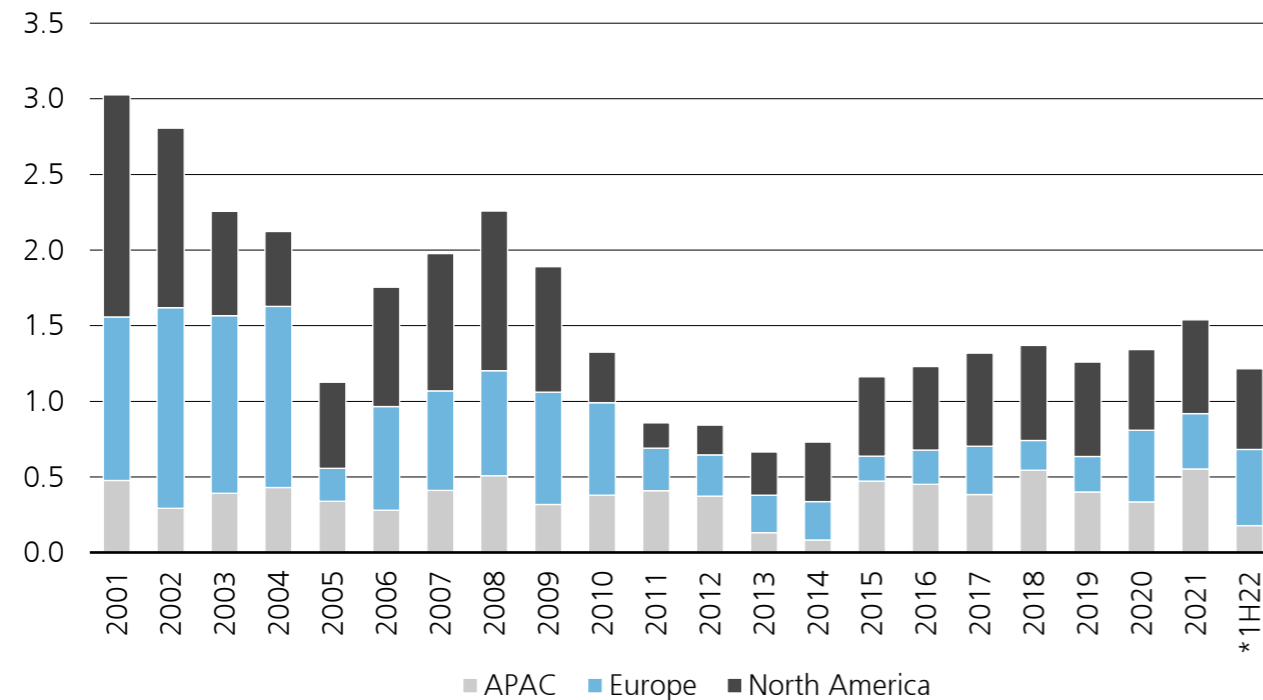
Note: Eurozone 10-year bond yield refers to GDP weighted average; latest refers 2Q22 NOI yield estimate versus average nominal bond / real bond / equity dividend yields for 10 working days to 29 July.

Past performance is not a guarantee for future results.

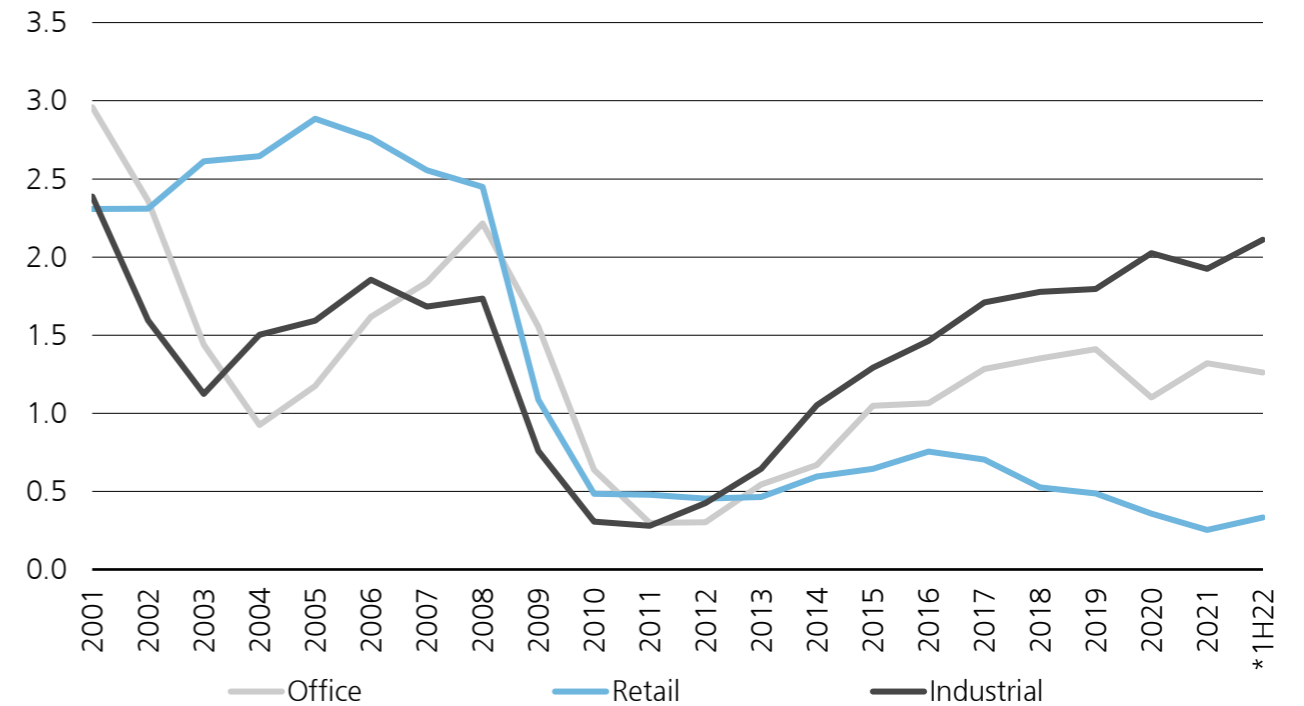
Supply side is more balanced than prior to the Global Financial Crisis

Developers have typically required pre-lets and there has been less speculative development

Estimated annual growth in global office stock with contribution by region (%)



Estimated annual growth in US real estate stock by sector (%)



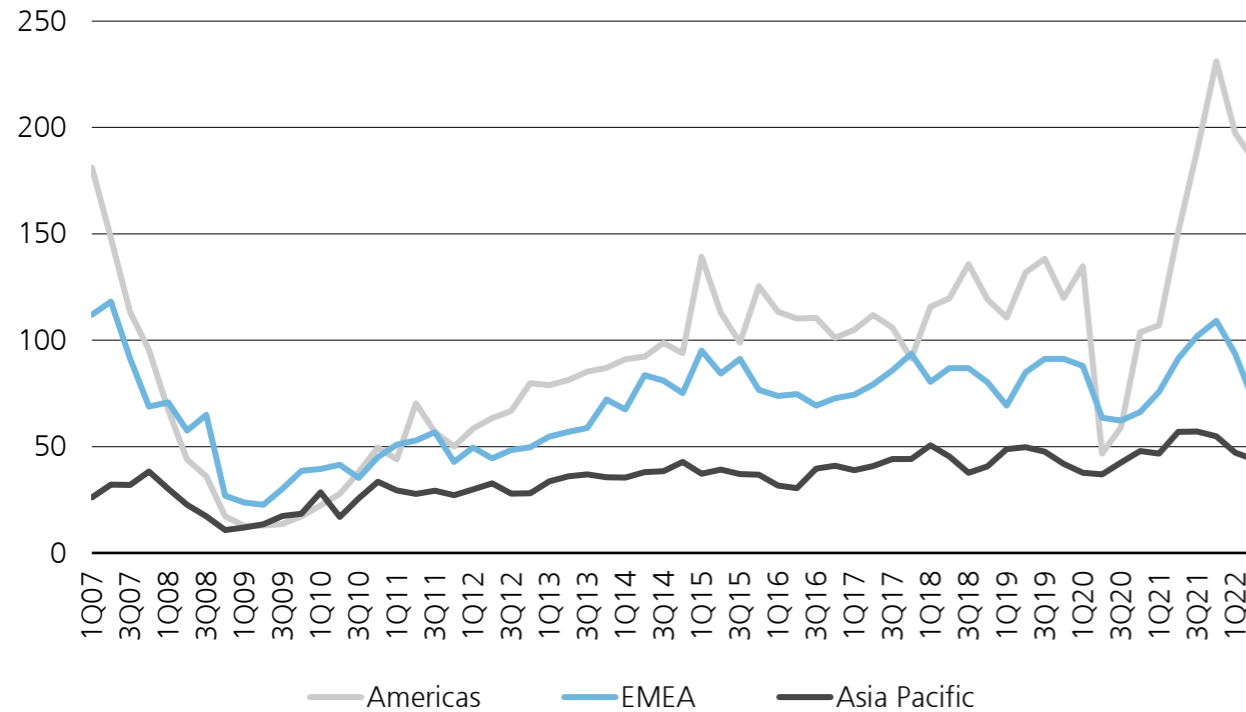
Sources: CBRE; PMA; UBS Asset Management, Real Estate & Private Markets (REPM), August 2022

Note: 1H22 annualized; Asia Pacific includes 18 markets, Europe 43 markets and North America 72 markets. Past performance is not a guarantee for future results.

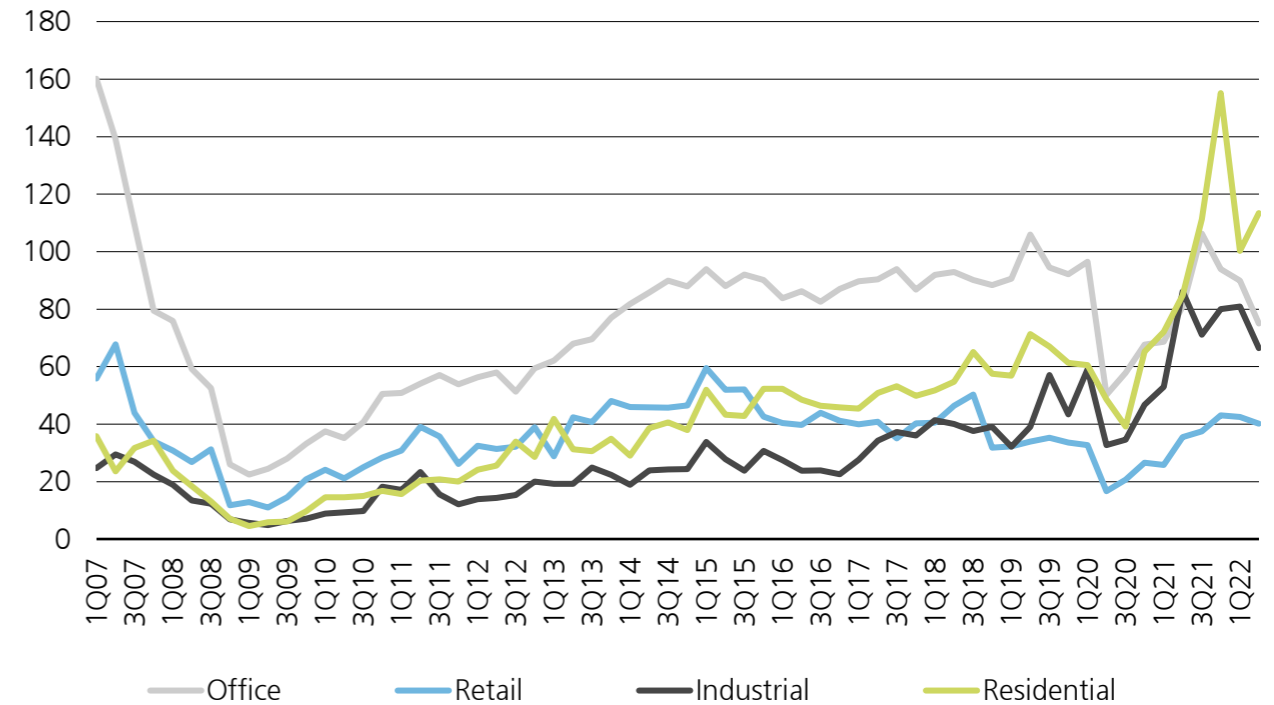
Transaction volumes have eased following a sharp bounce-back in 2021

We expect market uncertainty to curb investment activity in the second half of the year

**All property transaction volumes excluding land sales
(quarterly, USD billions, seasonally adjusted, to 2Q22)**



**Global transaction volumes excluding land sales
(quarterly, USD billions, seasonally adjusted, to 2Q22)**



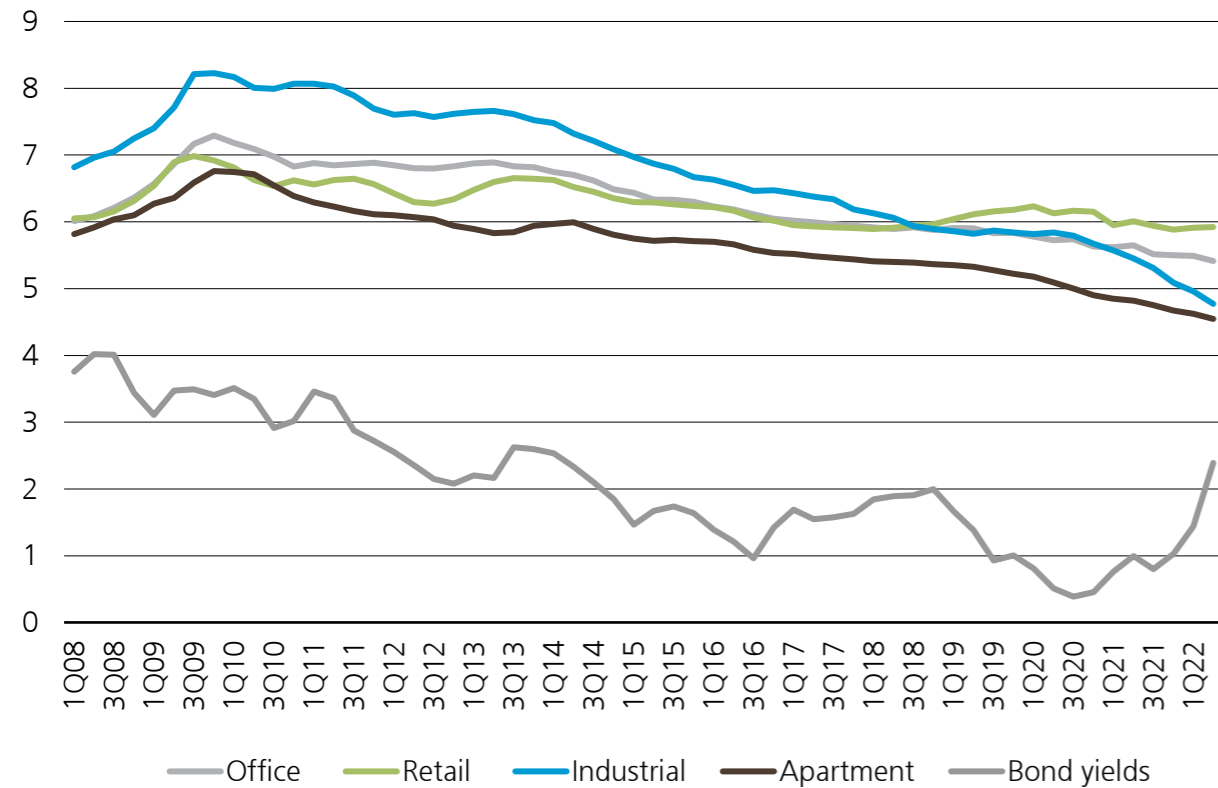
Sources: MSCI; UBS Asset Management, Real Estate & Private Markets (REPM), August 2022

Note: Transaction volumes based on independent reports of income-generating properties and portfolios of USD 10 million and greater, converted to USD at prevailing rates in the relevant period. Past performance is not a guarantee for future results.

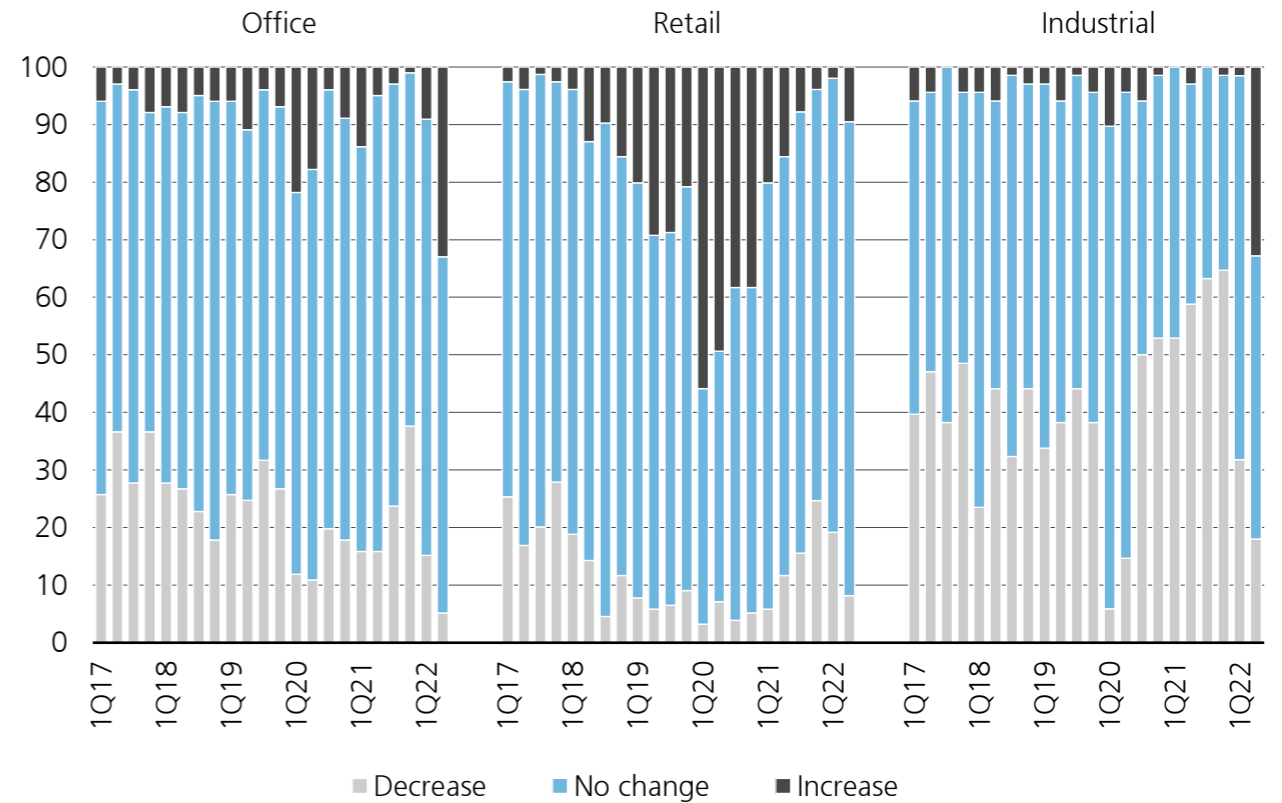
Office and retail cap rates flat in 2Q22 while residential and industrial fell

Rises in prime yields reported in significant minority of office and industrial markets

Global real estate transaction cap rates (12-mth average, %, to 2Q22)



Global prime yield / cap rate movements (QoQ, % of markets, to 2Q22)



Sources: CBRE; MSCI; NCREIF; PMA, UBS Asset Management, Real Estate & Private Markets (REPM), August 2022

Note: Transaction cap rates refer to MSCI global all property and bond yields refer to the advanced economies; global prime cap rates and yields from a consistent sample of 323 market sectors across the main property types. Past performance is not a guarantee for future results.

Section 3

Executive summary

Executive summary

High conviction sectors continued to outperform – Property value growth remained dynamic in 2Q

- **All regional allocations** kept posting **strong returns** in 2Q, with the **US** (46.3%, AST 3 GRE's largest single country exposure) and the UK (9.1%) showing a particularly robust picture
- Exposure to **alternative/specialty sectors** (industrial/logistics globally and US residential) **continued to outperform**
- **2Q22 return was 3.35% QoQ** (I-X share class), lower than the record 1Q22 (5.18% QoQ) figure but **substantially higher than long-term average** (1.81% QoQ since inception)

Favorable sector positioning

Over 66% of the portfolio is allocated to sectors/industries that are critical to providing daily needs/essentials and are supported by favorable long-term trends

- **Industrial** (35.9%, marginally lower from 36.1% as of 1Q22) – occupier market fundamentals remain strong
- **Residential** (23.3%, slightly lower from 23.7% as of 1Q22) – bias towards strongest growth markets; occupier market fundamentals for senior housing and student accommodation strengthening
- **Life science** (7.1%, slightly up from 6.9% as of 1Q22) - represents over 2/3 of the AST 3 GRE's 'Others' allocation and has longer-term valuation support from key structural trends: ageing populations and increased R&D spending

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

AST 3 GRE key features

Highly diversified global portfolio with a core risk profile; constructed to offer stable, income-driven returns over multiple market cycles, in a liquid format

Outlook & Key takeaways

Defensive sectors expected to outperform the average property market

- The macroeconomic environment remains uncertain with an elevated inflation, rising interest rates and risks of an economic slowdown. Keeping this in mind, we continue to shift the portfolio allocation towards uncorrelated or even counter-cyclical sectors such as residential and life sciences, while reducing the focus on cyclical sectors such as traditional office to enhance the defensiveness of AST3 GRE's property values
- AST 3 GRE's favorable market/sector allocations and attractive investment pipeline expected to drive outperformance vs. the broader market

2Q22 performance attribution (I-X share class)

AST 3 GRE total return attribution	2Q22	Trailing 12 months through 2Q22
Capital return	2.65%	16.10%
Income return	0.64%	2.87%
Net FX impact	0.05%	-0.64%
Other costs	-0.01%	-0.11%
Subscription dilution	0.02%	0.06%
Official reported return	3.35%	18.28%

- Property value growth remained dynamic though lower than in the very strong 1Q22
- Income return continues to show a robust picture
- FX hedging costs are expected to increase, but are important for minimizing performance volatility

Geography	Weight (invested)	2Q22 returns (post-LTH)	
		Low	High
APAC Funds	20.1%	-1.2% ¹	8.3%
US Funds	46.6%	0.6%	7.2%
European Funds	17.9%	0.3%	5.7%
UK Funds	6.6%	3.8% ²	6.1%
Cash & others	8.8%	-	-
Total	100.0%	-1.2%²	8.3%

- Alternative/specialty (industrial/logistics globally and US residential) funds continued to be the top performers
- Most of the underlying funds delivered positive performance except for ones in the process of winding down or going through an initial J-curve period

Source: UBS Asset Management, Real Estate & Private Markets (REPM), underlying fund managers, August 2022

Note: Target fund returns are based on fund reported returns or calculated based on est. NAV of AST 3 GRE invested capital in target fund, which may differ from final fund reported returns released later in the quarter.

Past performance is not indicative of future results.

LTH = Look-through hedging

¹ The newly launched underlying fund is going through an initial J-curve period and accounts for 0.34% of AST 3 GRE on an invested basis.

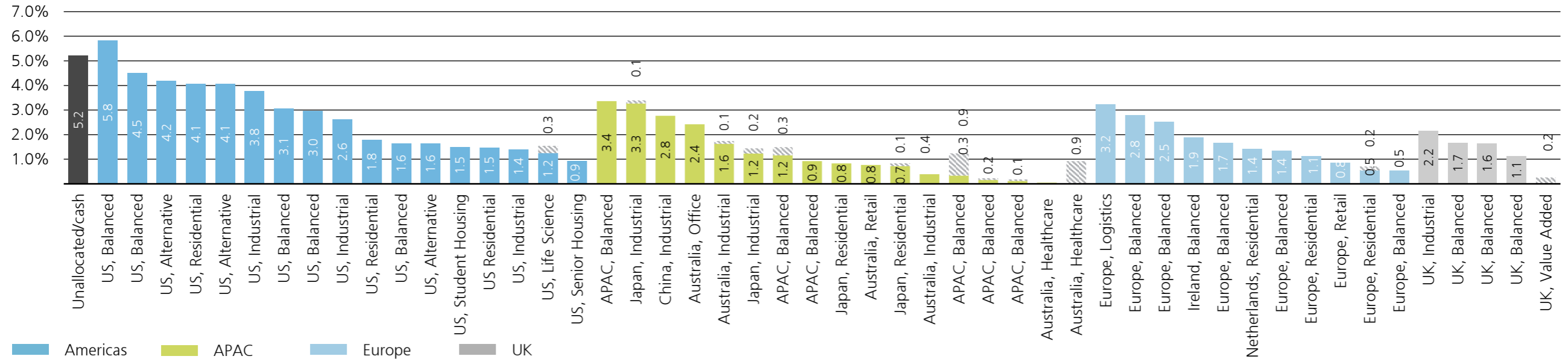
² The statistics excludes a small investment in a newly launched UK specialist fund which currently accounts for about 0.02% of the AST 3 GRE portfolio on an invested basis. The fund posted a -5.4% total performance QoQ in light of the initial J-curve period.

Section 4

Portfolio review



Portfolio review – fund snapshot



Number of investments	50
Underlying property value (CHF billion) ¹	340.41
Approx. number of properties ¹	7,900+

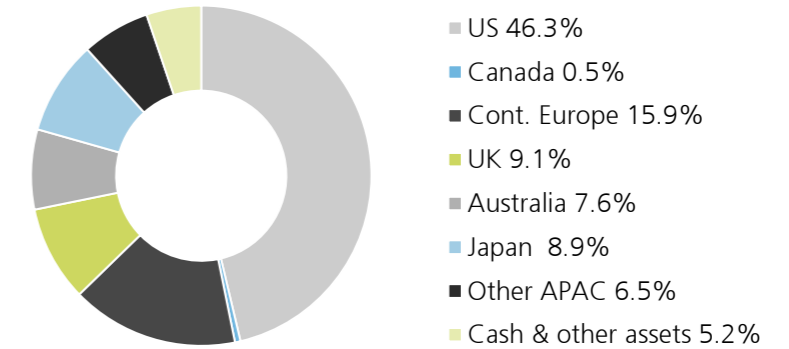
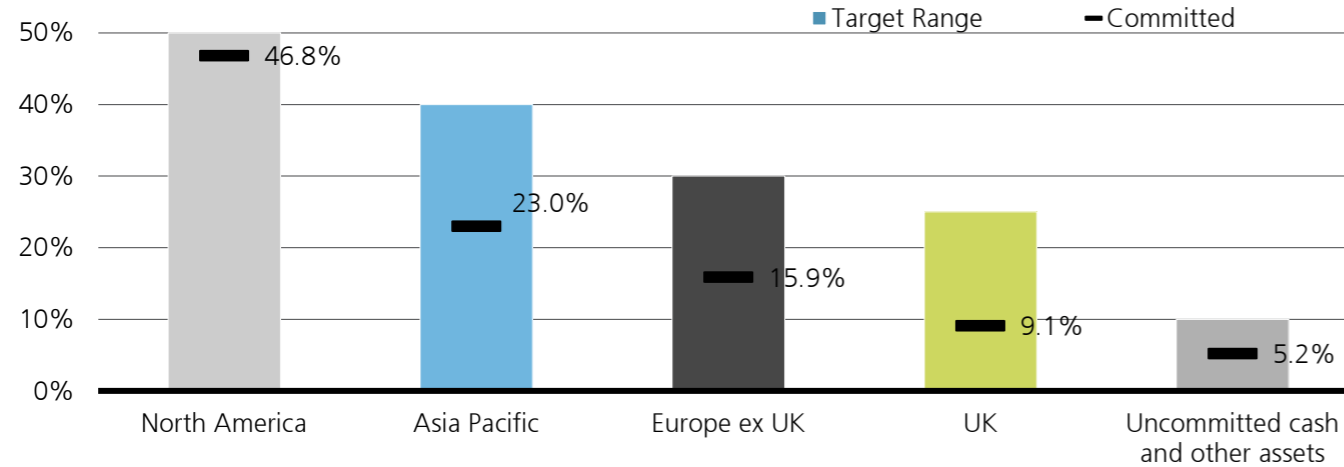
Approx. number of tenants ¹	37,000+
Occupancy rate (%) ¹	93.6
Weighted average lease expiry (years) ¹	5.5

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

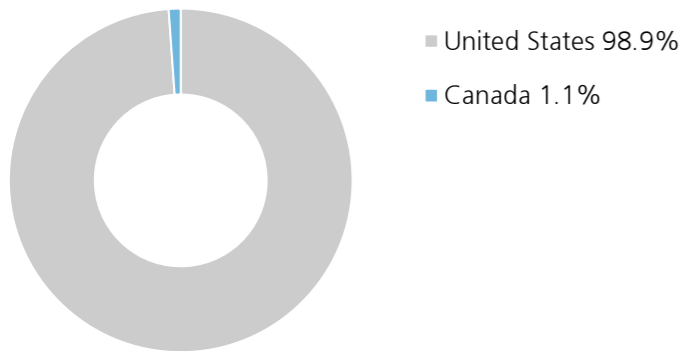
Note: All data as at 30 June 2022, unless otherwise stated. ¹ Represents the capital invested and committed as a percentage of the NAV and undrawn open commitments from investors, if accepted, as at report date. Committed refers to undrawn capital obligations made to underlying funds. Figures in the charts do not always sum to 100% due to rounding. The weighted average lease expiry calculation excludes the residential specialist funds.

Portfolio review – regional allocation

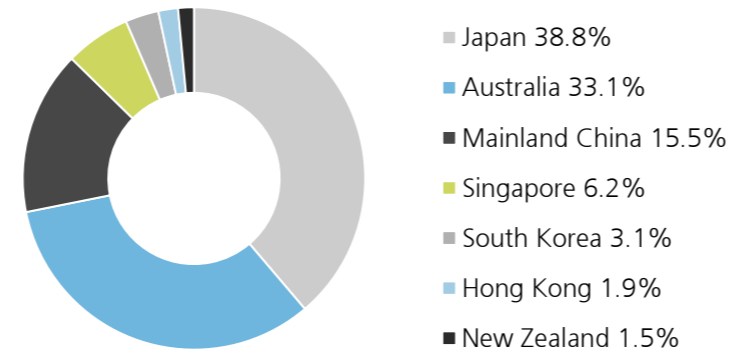
Based on committed capital as at 30 June 2022 (excluding non-binding commitments)



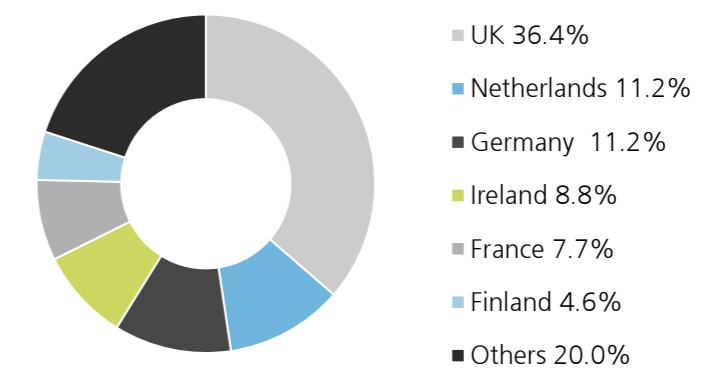
Americas breakdown



APAC breakdown

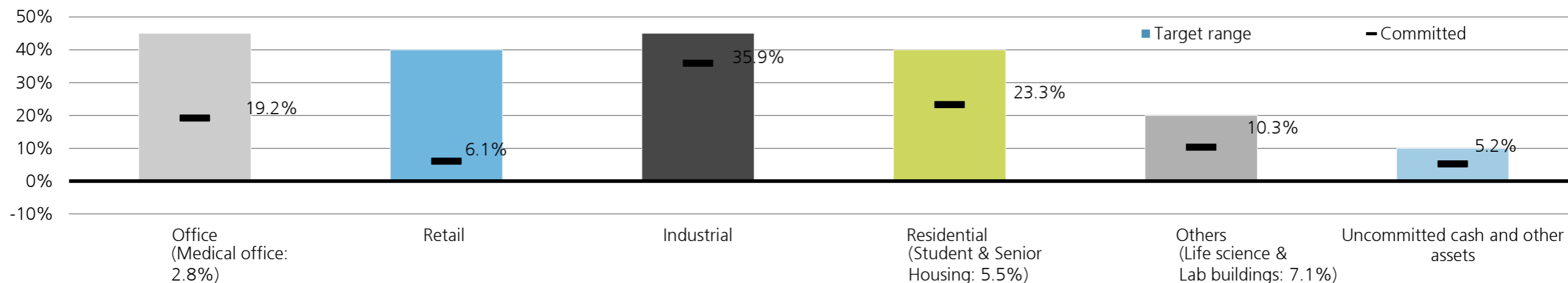


European breakdown

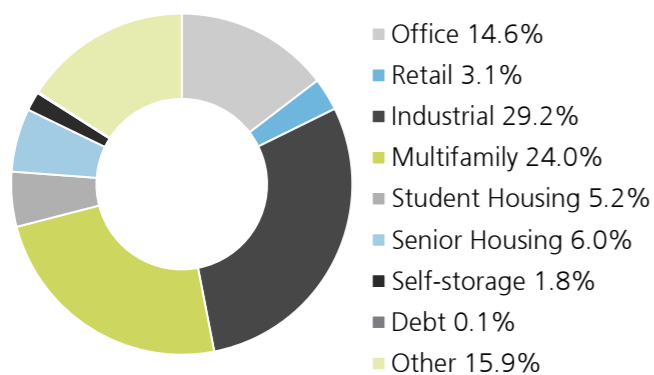


Portfolio review – sector allocation

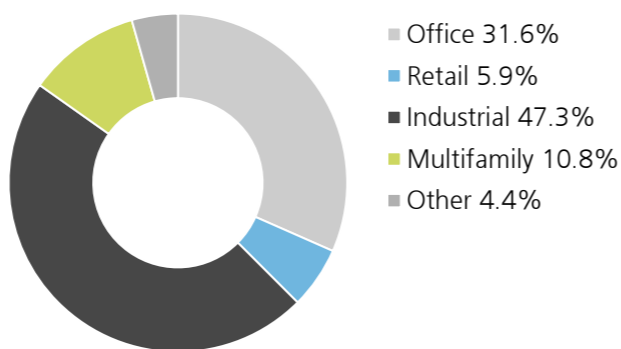
Based on committed capital as at 30 June 2022 (excluding non-binding commitments)



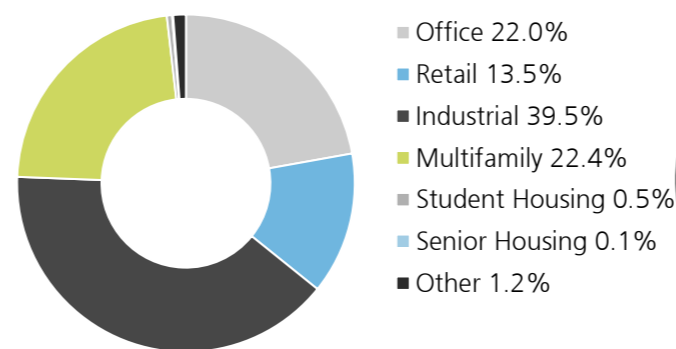
Americas breakdown



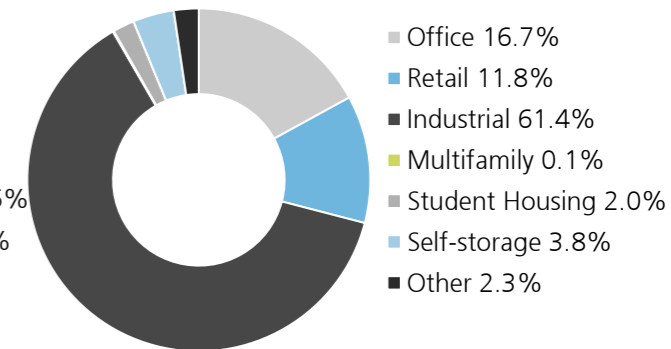
APAC breakdown



Cont. Europe Breakdown



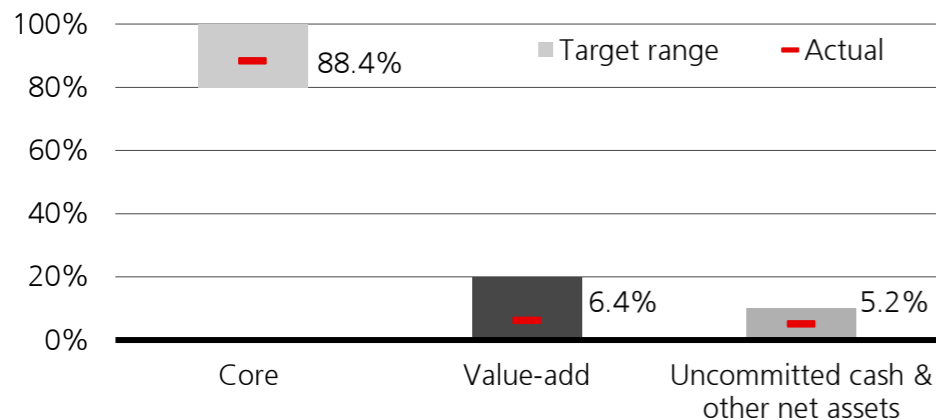
UK Breakdown



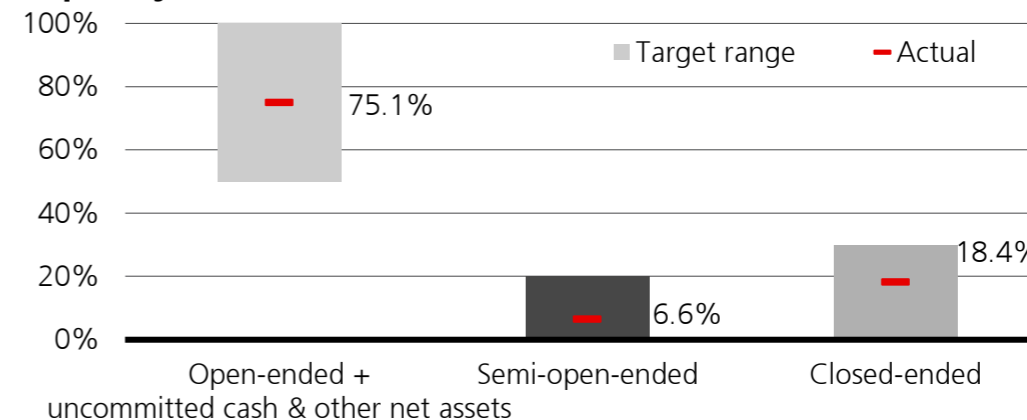
Portfolio review – risk and liquidity

Based on committed capital as at 30 June 2022 (excluding non-binding commitments)

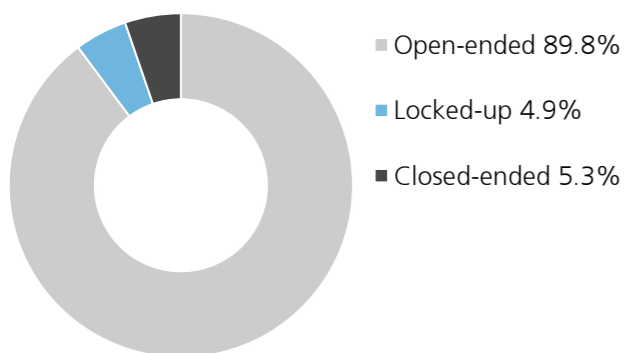
Risk allocation



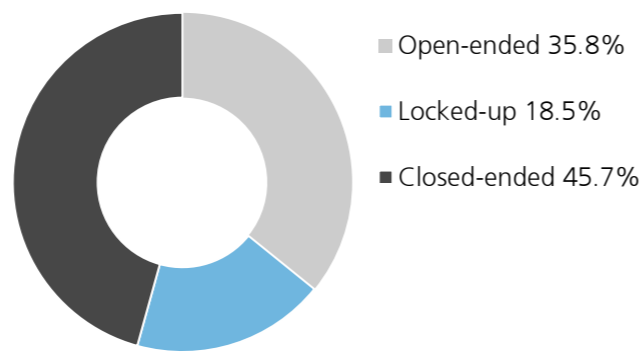
Liquidity allocation



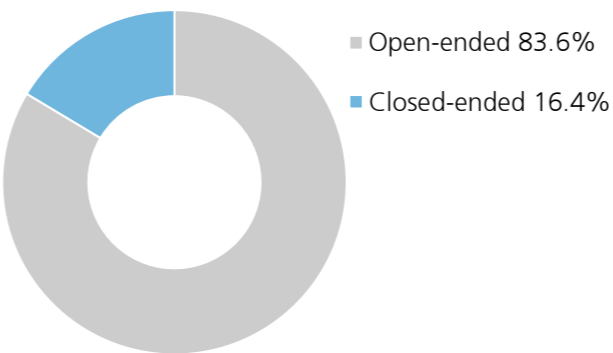
Americas breakdown



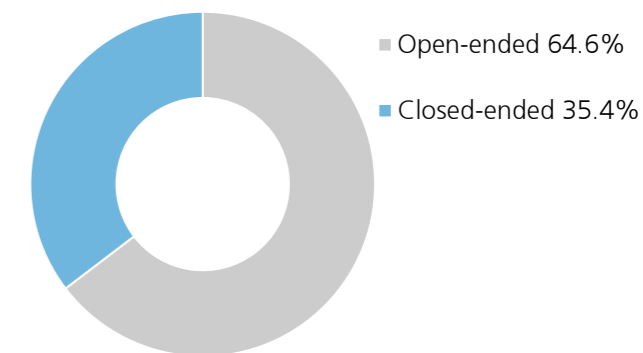
APAC breakdown



Cont. Europe Breakdown



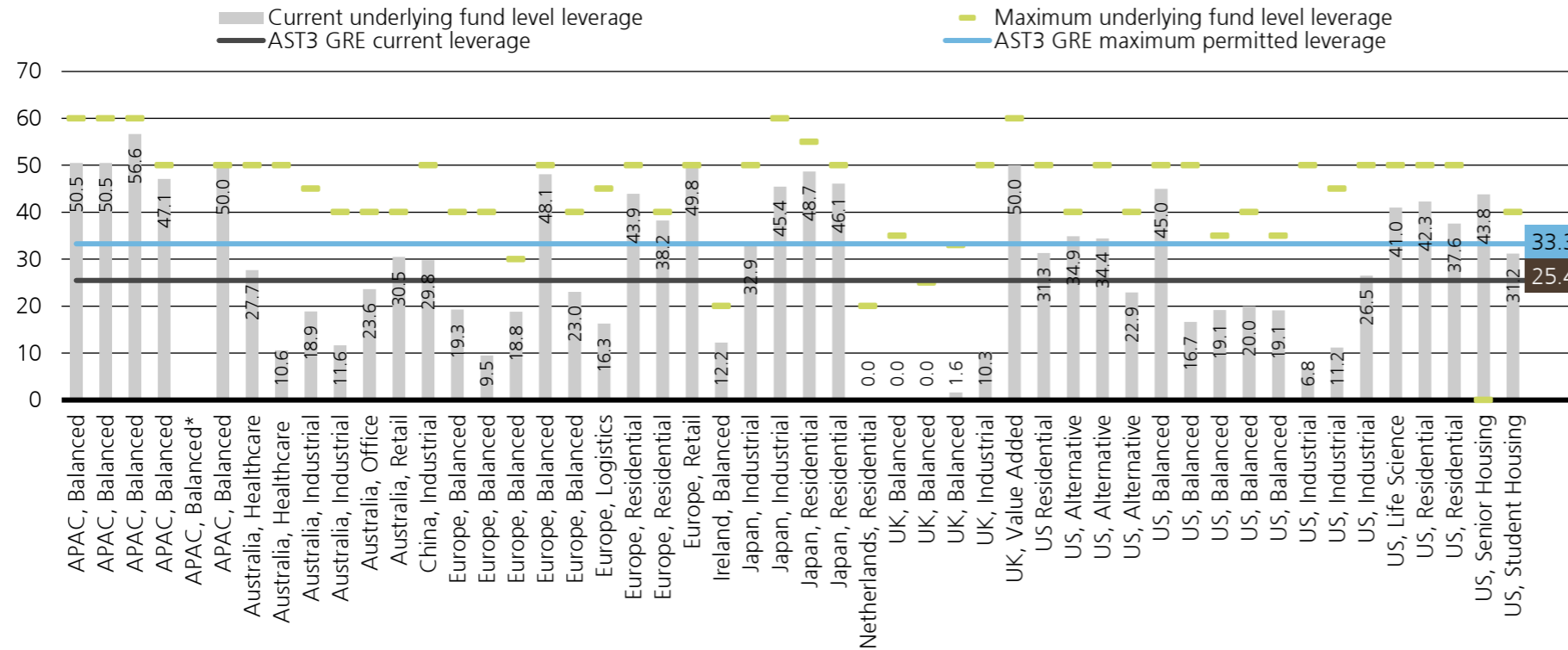
UK Breakdown



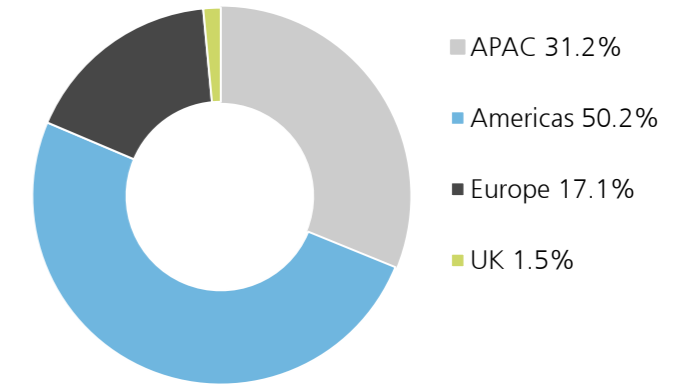
Portfolio review – leverage

Based on invested capital as at 30 June 2022 (excluding non-binding commitments)

AST 3 GRE's current look-through leverage based on invested capital is 25.4%, which is below the maximum permissible leverage of 33.3%



Regional contribution



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

Notes: Based on look through data of underlying funds. Committed represents underlying fund commitments that are associated with the current Fund NAV.

* Due to certain confidentiality agreements with the fund, specific information relating to the portfolio may not be disclosed.

Specialist opportunity – Singaporean office/retail co-investment

Summary of key terms

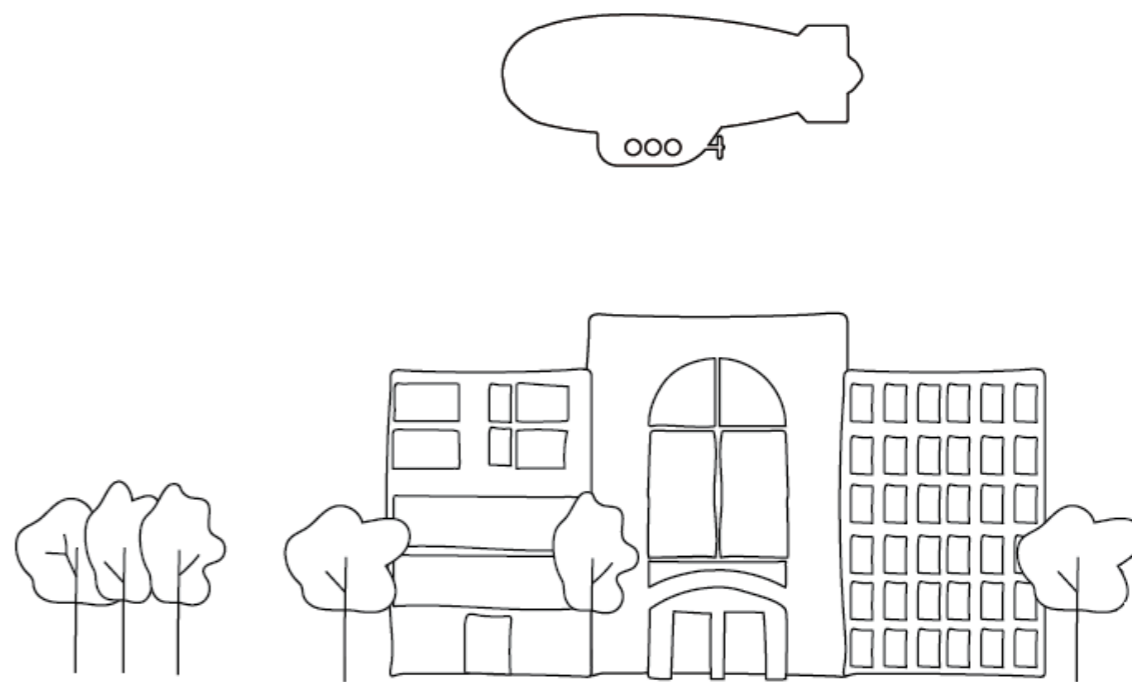
Location	Singapore CBD
Sector	Mixed-use (office/retail)
Structure	Co-investment alongside an APAC Balanced Fund
Risk profile	Value-add
Expected hold period	5 years
Target LTV	60%
Target returns¹	11.7%
Investment strategy	<ul style="list-style-type: none">• The business plan is to renovate and reposition the mixed-use site into a vibrant, modernized asset with Class A office space and destination retail• Singapore office rents appear to have bottomed out and is expected to see positive rent growth over the next 3-5 years. This is on the back of stock withdrawals as the Singapore CBD is undergoing a transformation that will reduce forward supply• The asset is in an excellent location with future upside potential. On the western side of the CBD, the asset is on two main arterial roads with a new MRT tunnel stated to complete in 2024, providing the asset with direct covered access to two MRT stations• Defensive entry price given limited bid process under a tight timeframe. Entry price is estimated to be equivalent to current CBD land values and 15% below estimated market pricing• A good inflation hedge: amidst the current inflationary environment, the co-investment is anticipated to provide a good hedge against inflation risks as rents in the asset are expected to increase with the re-rating of the asset post-renovation and typical leases in Singapore tend to be relatively short



Source: UBS Asset Management, Real Estate & Private Markets (REPM), August 2022. Multi-Managers Real Estate (MMRE) and underlying fund manager. Information as of latest available, unless otherwise stated. For information purposes only, UBS cannot be held liable for the accuracy of this information. 1 Based on the MMRE underwriting and applicable fees. The target returns presented herein are hypothetical, have been prepared for illustrative purposes only, and do not constitute a forecast of future returns. Note: Case studies for illustration purposes only

Section 5

Additional information



Established, simple and transparent process

Subscription and redemption

Subscription:

- Quarterly subscription possible
- Subscription via an established, simple and transparent process, similar to the Investment Foundation Real Estate Switzerland
- Example of a subscription in August 2022:

Redemption:

- Quarterly redemption possible
- Equal treatment of investors with the same redemption date
- Redemption of entitlements with 12 months notice
- Example of a quickest possible redemption for June 2022¹:



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

¹ According to the regulations, a notice period of up to 24 months can be determined. In particular cases specified in the prospectus and if justified, the redemption and disbursement can be postponed up to two years following the trading day for which the redemption was actually requested. For important reasons, further postponements are possible after notification of the investors and with approval by the supervisory commission.

² This only happens when the quarter end NAV is not attached with a Material Uncertainty clause.

Section 6

UBS AST 3 Global Living

Why AST Living?

Four key characteristics

- 1 Compelling fundamentals**
Real estate, and residential real estate in particular is well-positioned to offer stable returns via low structural vacancy rates. Short lease lengths typical to living sector also offers inflation protection in the current environment through the ability to re-set rents
- 2 Unique strategy – first of its kind**
Get access to the first diversified global living strategy exclusively for Swiss investors, and benefit from MMRE's restricted access & preferred terms when sourcing investment opportunities
- 3 Tailored for Swiss pension funds**
Complies with BVV2 regulation regarding foreign real estate leverage requirements. UBS MMRE is a leader in global real estate investments under the AST structure, managing CHF 8.2bn AuM on behalf of 334 pension funds¹
- 4 MMRE track record**
UBS MMRE has a strong track record worldwide in the residential and living sectors, and a strong presence across global residential markets. UBS MMRE has invested USD 5.7bn in living assets with since inception performance of 10.89% p.a.²



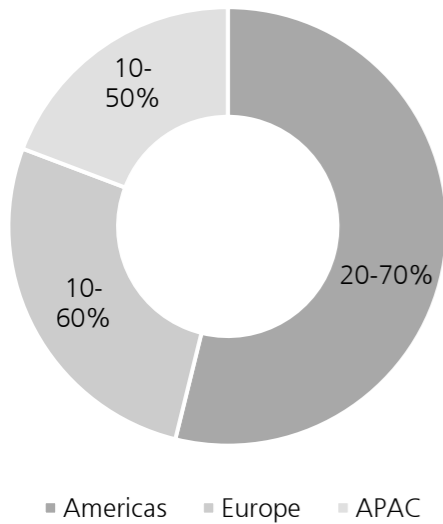
Source: UBS Asset Management, Real Estate & Private Markets (REPM) Notes: Past performance is not indicative of future results. **UBS has no obligation to launch this fund**

¹ Across commingled fund & separate accounts, as at 30 September 2021

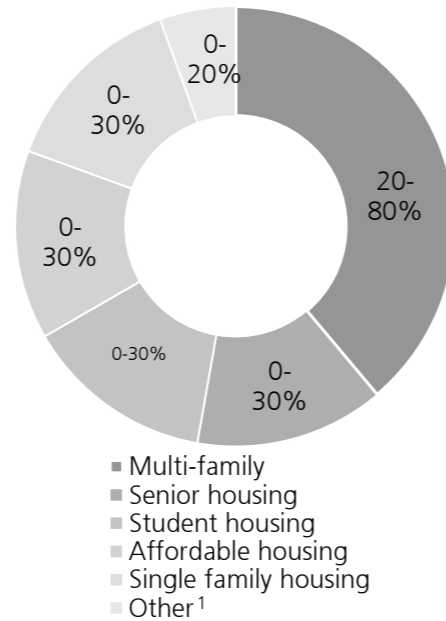
² Total return performance data is based on most recent fund valuations as of 31 December. Total return performance including distributions, measured in annualized IRR. Refers to target investments where respective exposure to residential sector is in excess of 50

AST 3 Global Living – Strategy

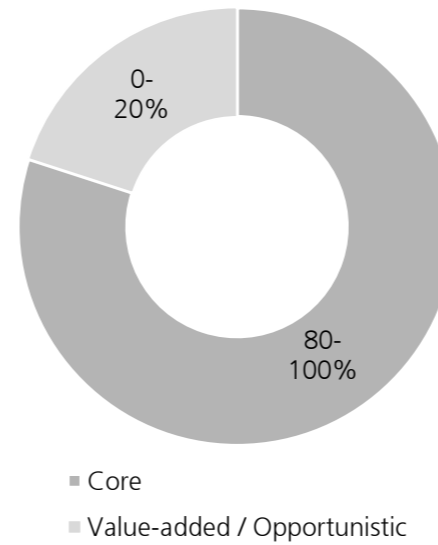
Diversified portfolio of the living sector



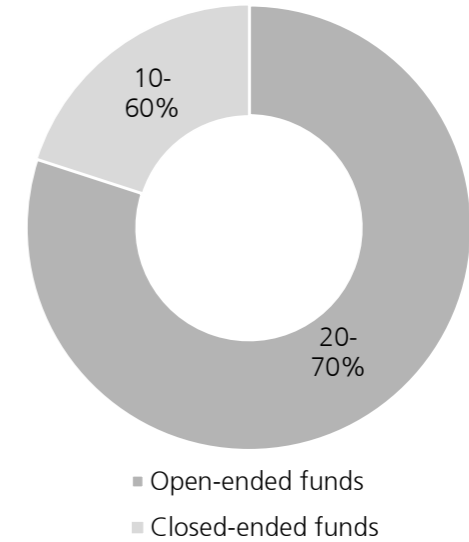
Allocation to existing MM-RE funds speeds up capital deployment



A focus on of Core/Core+ investments for recurring and stable income generation



2-year lockup fund



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

Notes: The above limits do not apply during the build-up period of the portfolio. **UBS has no obligation to launch this fund**

¹ 'Other' bucket will only include investments in target funds with majority look-through exposure to living / residential sector, but may have limited exposure to other commercial sectors.

Strategy encompasses a holistic living thematic

Residential themes supported by macro fundamentals complementary to clients existing Swiss holdings

Multi-Family Apartments

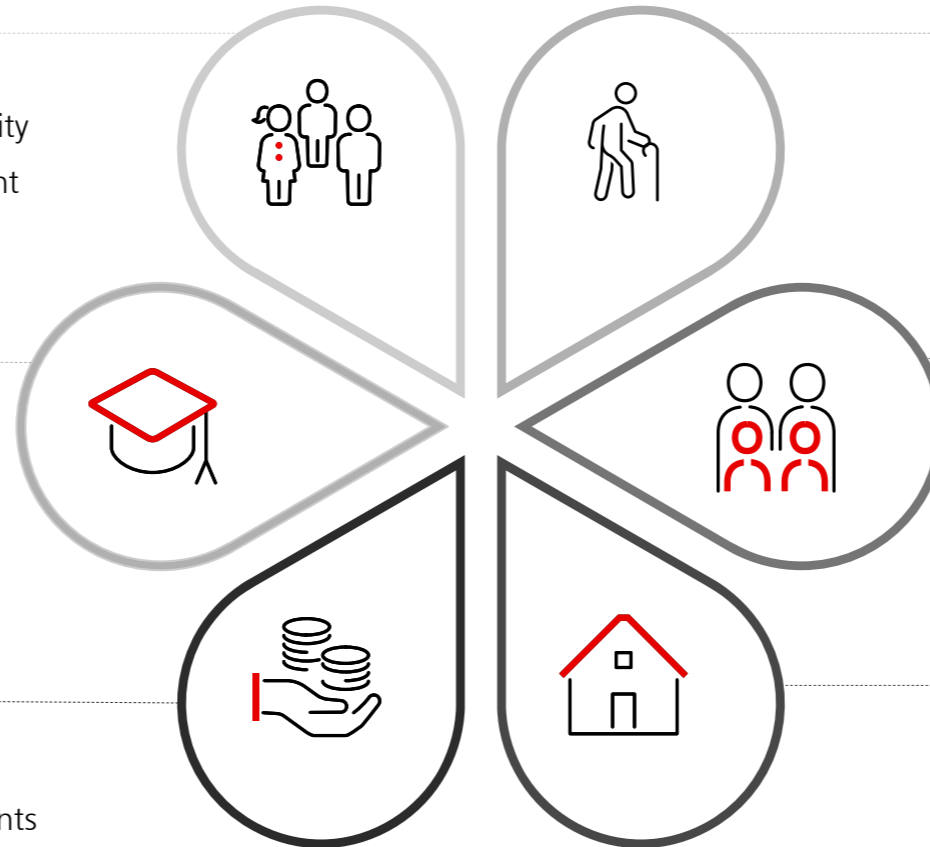
- Shrinking households increases demand
- Changing work patterns demand flexibility
- Poor affordability drives propensity to rent

Student Housing

- Face-to-face interaction is essential for students and their courses
- Student housing is undeveloped in some countries, such as parts of Europe

Affordable Housing

- Positive social impact of improving living conditions of lower income households
- Opportunities to partner with governments



Senior Housing

- Aging population supports the case for senior housing investment
- Tap into housing for the elderly and housing suitable for medical needs

Single Family

- Stretched affordability makes family homes unaffordable
- Some need short term housing due to transient nature of work

Manufactured Housing

- An alternative affordable housing solution for those on low incomes
- A less developed institutional market

Source: UBS Asset Management, Real Estate & Private Markets (REPM); May 2022.

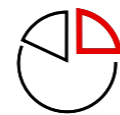
UBS has no obligation to launch this fund

Executive summary

UBS AST 3 Global Living (UBS AST 3 GL), a UBS managed residential thematic fund, taking advantage of the undersupply of living accommodation globally



UBS Multi-Managers Real Estate ('MMRE') is a leader in global real estate investments via the AST structure, managing **CHF 8.2bn AuM**, on behalf of 334 pension funds



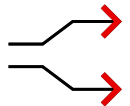
Minimal overlap anticipated with AST 3 GRE vehicle as AST 3 GL grows, through differentiated portfolio construction & ability to do specialist living co-investments



Strong track record worldwide in the residential and living sectors with USD 5.7bn AuM



Income focused fund, targeting 2-3% distribution yield & **net return of 4-6%²**



Provides **diversification** with low or negative correlations to other asset classes



Compelling market fundamentals driven by global demographic and macroeconomic drivers



Rapid capital deployment by allocating to existing funds and securing a strong pipeline of opportunities, leveraging UBS's scale, expertise and relationships



ESG opportunities via exposure to affordable housing. Improving access to credit & housing and advancing social stability in cities

Source: UBS Asset Management, Real Estate & Private Markets (REPM); May 2022. **UBS has no obligation to launch this fund**

Notes: **1** Across commingled fund & separate accounts, as at 30 September 2021. **2** Target returns presented herein do not constitute a forecast of future returns. There is no assurance that the fund will achieve its target performance. Target fund level returns applying foreign investor surcharges at the property level. Net return after any investor level WHT.

Section 7

Risk information

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Source for all data and charts (if not indicated otherwise): UBS Asset Management.

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