Principal Adverse Impacts Statement
UBS Asset Management (Deutschland) GmbH (529900L4W16Y2U5XA746) June 2025

Summary

UBS Asset Management (Deutschland) GmbH, (LEI: 529900L4W16Y2U5XA746) considered for the years 2022 to 2024 Principal Adverse Impacts (**"PAI"**) of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of UBS Asset Management (Deutschland) GmbH (hereinafter also known as **"UBS AM D"** or **"the Management Company"**).

For the years 2022 to 2024 UBS AM D did publish the PAI statements on a voluntary basis along ESG frameworks of UBS Group and UBS Asset Management by consolidating all products under its management responsibility.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

The EU Sustainable Finance Disclosure Regulations (**"SFDR"**) aims to provide more transparency on sustainability-related topics so that investors can make informed investment decisions. SFDR requires specific disclosures on how UBS AM D considers PAI, which are defined as the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee concerns, respect for human rights, anti-corruption, and anti-bribery matters.

UBS AM D performs portfolio management and has delegated portfolio management for some mandates to UBS Asset Management (**"UBS-AM"**), a business division of UBS Group AG. However, the Management Company remains ultimately responsible for the portfolio management function, hence, the delegation is subject to supervision and monitoring from the Management Company. In order to achieve this, the Management Company has implemented a robust oversight control framework.

The assessment of PAI is performed for all funds and discretionary portfolio management mandates managed by UBS AM D and includes both, sustainable and non sustainable strategies. The indicators provided in section 2 are based on PAI data from 8 May 2025.

UBS AM D actively considers certain PAI indicators as part of its sustainable investing strategies (SFDR Article 8 / 9). **"Article 8"** & **"Article 9"** are references to the specific product level disclosures prescribed by the EU regulation on sustainability related disclosures in the financial services sector (SFDR). Products have been positioned into these strategies during the reference period and will continue to be so in the future.

The availability and accessibility of reliable market data to compute the PAI indicator is still a challenge for the industry. UBS AM D will seek to improve data coverage as industry practice emerges and will assess indicators in order to have as broad a coverage as possible for future consideration into the investment process.

UBS acknowledges that the PAI framework and data are still evolving, however the following three key changes have been observed during the last three years:

1. Business Transactions
   In 2024, mandates of Credit Suisse were transferred to UBS AM D

2. Changes in the sector tilts
   In 2024, we observed a shift from carbon intense sectors (Materials, Energy) towards low carbon sectors (IT); this shift off-set the effect of a significant increase of Carbon footprint and GHG intensity in the Industrials sector.

3. Methodology changes
   UBS has changed the calculation methodology for some PAIs in this report compared to previous reports; details in Section 3.2 of this report.

Considering these key changes, UBS AM D's PAI figures have improved in the Carbon footprint and GHG intensity of investee companies in relative terms. Other PAIs have remained roughly at the same level. The data coverage increased in 2024 compared to previous years and remains very low only for one of the PAI indicators (Emissions to water).

If investors wish to better understand ESG and sustainability related aspects of their investments, we recommend to consult the product specific documentation rather than this report at the level of the Management Company.

Effective 31 March 2025, UBS AM D decided it will no longer produce PAI reports at the legal entity level, after careful consideration of several key factors including:

- UBS AM D is responsible for portfolio management of mandates of other management companies which might apply their proprietary Sustainability framework
- As PAI indicators and related planned actions are aggregated across all products under UBS AM D's governance, UBS-AM D believes that this information is not useful to investors; and
- UBS AM D has seen a low level of interest in PAI statements at the legal entity level.

UBS-AM and UBS AM D will continue to monitor relevant market developments and may adapt its stance in the future.