

Great results!

September 2018 | Real Estate & Private Markets (REPM)



UBS Asset Management's Real Estate & Private Markets business posted strong results in this year's GRESB real estate, real estate debt and infrastructure assessments.

Following on from previous years' strong results, REPM's sustainability efforts continue to be recognized by the industry, with improved performances across the board in the 2018 Global Real Estate Sustainability Benchmark (GRESB) assessments against a more competitive environment.

In total, we submitted 21 of REPM's flagship funds – across real estate equity, real estate debt and infrastructure globally – including Switzerland, Japan, Germany, the UK and US – representing 96% of REPM's direct pooled assets under management¹.

2018 GRESB Real Estate Assessment

Globally, seven real estate funds achieved 5-star status, the highest recognition available. In particular, our German logistics fund retained its 'Sector Leader' status amongst its European and Global industrial non-listed real estate peer groups, while our Japanese retail fund was also named 'Sector Leader' in the listed Asia retail segment. Amongst its 72-strong UK diversified peer group, our UK commercial property fund retained its top position for the second consecutive year.

2018 GRESB Infrastructure Assessment

REPM's two global infrastructure funds once again delivered strong results. Our first global infrastructure fund achieved the highest GRESB assessment rating in the globally diversified Infrastructure Funds peer group, and REPM's second global fund came in third.

At the individual asset level, for the second year running, a UBS asset secured the 'Asset Sector Leader' award for outstanding leadership in sustainability. Namely, Saubermacher was the number one infrastructure asset amongst the 280 assets ranked by GRESB worldwide. Saubermacher is a leading European waste management company which pursues the concept of "Zero Waste" (i.e. recycling an ever higher percentage of waste and aiming to reduce total waste material to zero). Last year, Colgar Wind Farm, a 111-turbine generator farm in Western Australia achieved the same recognition.

2018 GRESB Debt Assessment

Our UK and US real estate debt funds remain strong performers with the UK fund second amongst its UK peer group.

Commenting on REPM's success, Thomas Wels, Head of REPM, said: "Our results this year confirm that sustainability is a key component of successful real estate management and reflects the work of our teams on the ground globally who implement responsible investing policies daily."

Overall REPM delivered a strong performance in the 2018 GRESB assessments with broad recognition of the sustainable performance of the business's funds and assets. We recognize our responsibility to reduce environmental impacts and set the necessary high standards for corporate governance. Our results this year acknowledge our capabilities in bringing sustainability to the forefront of our business decision-making, both in absolute terms and relative to our industry peers.

Below is a summary of REPM's results in this year's assessments:

Fund description	Award	GRESB Rating (1-star = Lower quintile; 5-stars = Upper quintile)
Japan		
Open-end core Japanese industrial and infrastructure	Green Star	4-stars
Open-end core Japanese retail	Green Star	5-stars Sector Leader
Open-end core Japanese office	Green Star	5-stars
Switzerland		
Open-end core Swiss diversified I	Green Star	3-stars
Open-end core Swiss diversified II	Green Star	2-stars
Open-end core Swiss diversified III	Green Star	3-stars
Open-end core Swiss residential I	Green Star	4-stars
Open-end core Swiss residential II	Green Star	4-stars
Open-end core Swiss residential III	Green Star	3-stars
Open-end core Swiss retail I	Green Star	2-stars
Open-end core Swiss retail II	Green Star	3-stars
Germany		
Open-end core European office and retail	Green Star	5-stars
Open-end core European office	Green Star	5-stars
Open-end core German logistics	Green Star	5-stars Sector Leader
USA		
Open-end core US commercial property	Green Star	5-stars
Open-end value add US diversified	Green Star	4-stars
UK		
Open-end core UK commercial property	Green Star	5-stars 1st in Peer-Group
Debt		
Closed-ended UK debt fund	Green Star	4- stars
Open-ended US debt fund	Green Star	4- stars
Infrastructure		
Closed-end global infrastructure fund I	Upper quintile	5-star equivalent ² Sector Leader
Closed-end global infrastructure fund II	Upper quintile	5-star equivalent ²

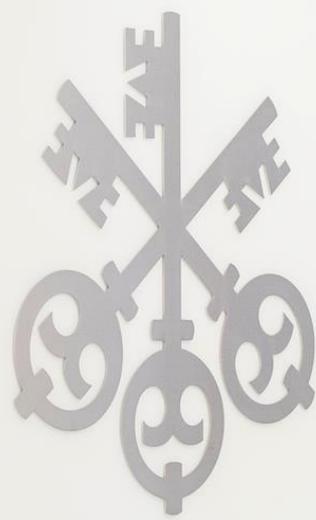
Note: 1. Of assets under management for all funds eligible to participate in the GRESB Assessments. Scores based on 2018 GRESB Assessment and UBS Asset Management, Real Estate & Private Markets. 2. The 2018 GRESB Infrastructure Assessment does not have 5-stars. The upper quintile performance of REPM's funds reflects the equivalent of 5-stars.

What is GRESB?

GRESB assesses the sustainability performance of real asset sector portfolios and assets in public, private and direct sectors worldwide. It offers ESG data, Scorecards, Benchmark Reports and portfolio analysis tools. The Assessments collect information regarding the sustainability performance of companies, funds and assets, including information on performance indicators, such as energy, GHG emissions, water and waste.

In 2018 GRESB assessed 904 real estate funds and property companies, 75 infrastructure funds, 280 infrastructure assets and 25 debt portfolios.

More than 75 institutional investors use GRESB data and analytical tools to engage with investment managers to enhance and protect shareholder value. GRESB Investor Members represent over USD 18 trillion in institutional capital.



For more information please contact

UBS Asset Management
Real Estate & Private Markets (REPM)

Sustainability Workgroup
David Hirst
+44 2079015783
david.hirst@ubs.com

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