Statement by the Directors in performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

The Company is required to comply with Section 172 (1) of the Companies Act 2006. Section 172 (1) is a part of the section of the Act which defines the duties of a company director and concerns the "duty to promote the success of the Company" for the benefit of its stakeholders whose interests are in the future success of the Company. Stakeholders include shareholders, employees, suppliers and the local communities affected by the Company's activities.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to:
– likely consequences of any decisions in the long-term;
– the interests of the company's employees;
– need to foster the company's business relationships with suppliers, customers and others;
– impact of the company's operations on the community and environment;
– maintaining a reputation for high standards of business conduct, and
– a need to act fairly between members of the company.

The following paragraphs summarise how the Directors discharge their duties:

Strategy and consideration of consequences of decisions for the long term

The global Asset Management (AM) business has a highly differentiated global client offering, providing investment management products and services, platform solutions and advisory support to institutions, wholesale intermediaries, wealth management clients and retail via the direct dealing offerings.

Our vision is to be a leading asset manager of global scale and with investment excellence at our core, meeting client needs through all seasons. Our strategic priorities aim to deliver a differentiated and scalable offering across traditional and alternatives; customized client solutions at scale whilst remaining focused on delivering at scale and efficiency as well as our talent and culture.

Purpose and Culture

UBS's purpose statement is: **"Reimagining the Power of Investing, Connecting people for a better world"**. Everything we do as a firm starts with our purpose. It is why we do what we do, and in this respect, our culture is decisive in achieving our ambitions and is grounded in our three keys to success: our Pillars, Principles and Behaviours. We therefore engage with our employees and seek to build an even more diverse and inclusive organisation. Likewise, embracing flexibility and agile ways of working and our intentional focus on simplification and efficiency support a transformation that will generate significant benefits for our clients and for our employees.

There is a direct link between staff behaviours and compensation as the core behaviours form part of the annual year end performance assessment process. This captures all UBS Group employees. Further, there is a UBS Group remuneration committee which is responsible for reviewing compensation of staff. The non-executive directors of the Company (see

governance below) also have a high-level overview to ensure reward is consistent with behaviour. Since December 2019, the board and senior managers are subject to the 'Senior Managers and Certification Regime' under the Financial Services and Markets Act 2000.

Governance

The Company benefits from having two independent non-executive directors which enables independent constructive challenge. There is also an annual board effectiveness self-assessment that is undertaken for the Board and the various underlying sub-committees. The Audit Committee for the Company is chaired by a non-executive director.

Engaging with our Customers

The Client Coverage team is responsible to deliver the best of the combined UBS Asset Management capabilities to our clients globally, and to implement best practices in the active development of our book of business. To achieve this, the Client Coverage team stay close to clients, and focus on driving forward strategic priorities, capitalizing on opportunities to deliver solutions in the Active Equities and Fixed income as well as in Passive and Customized Index, Alternatives and Sustainability spaces. The client base primarily includes pension funds, insurance companies, consultants, corporates, endowments, Private Banks, and sovereign institutions such as central banks, sovereign wealth funds, national pension funds and other government agencies.

Engaging with our Employees

As noted above, all employees of the Company are contractually employed by UBS AG or UBS Business Solutions AG, UK Branch. A monthly charge is allocated from UBS Asset Management Holding Ltd to UBS Asset Management Funds Ltd for all those employees that performs activities on behalf of the Company. As part of UBS Group the Company complies with all internal policies and regulations.

Engaging with our Shareholder

The Company's shareholder is UBS Asset Management Holding Ltd. As part of UBS Group, the Company complies with internal policies and regulations which ensure that the shareholder is informed of the Company's activities on matters such as strategy, performance and governance. Activities of the Company are reported in joint board meetings on a quarterly basis.

Engaging with our Suppliers

The Company engages external companies or individuals for a wide variety of goods and services to effectively run its business. The Company leverages the comprehensive UBS Third Party Risk Management Framework (TPRM) covering all external arrangements (including outsourcing/offshoring as well as intra-group arrangements) to ensure all contractual arrangements are identified, assessed, and comply with applicable regulatory requirements and guidance.

Engaging with Community and Environment

The Company, as part of the UBS Group, recognises that its long-term success depends on the health and prosperity of the communities within which it operates.

Through local execution and partnerships, the UBS Group endeavours to deliver business and community impact by identifying innovative and high-quality programs that are aligned to its business. This includes a strong focus on education and skills development, providing focused financial and human support, including employee volunteering programs and client participation, where appropriate.

Engaging with our Regulators

There is an open and ongoing dialogue with the FCA that keeps them informed of the key activities and strategic developments of the Company.