

A private investor perspective

Sustainability **matters**



Introduction

Sustainability matters for all investors. Whether you're primarily focused on financial returns or seeking to drive sustainable outcomes, environmental, social, and governance (ESG) considerations can highlight recognizable risks and present new investment opportunities. In the wake of the COVID-19 crisis and as we face a more uncertain future than at any time in recent history, corporations, governments, and their stakeholders all acknowledge the interdependence of capital markets, economies, environmental constraints, social trends, and human behavior. The latter three issues now have an increasingly important impact on markets and investment dynamics.

Private investors have particular latitude in determining what they consider important, how they deploy their capital, and the accountability they expect from their investment partners and investee organizations. Many individuals are moving beyond the question of *why* they should invest sustainably, and are now focused on *how* to best incorporate sustainability considerations into their investments in ways that support their overall objectives.

For those on the fence, we spotlight **three key reasons** why all investors—but particularly private investors—should consider sustainable investing (SI):

1. The time is now

Sustainable development is a long-term goal, but it has immediate relevance today as investors consider how to position their portfolios after COVID-19, participate in environment and climate-focused economic recovery packages, and respond to impending regulatory initiatives designed to emphasize sustainable finance.

2. ESG topics matter

Natural resource constraints, climate change consequences, and social issues (including growing inequality) serve both as potential risks and as disruptive opportunities that will affect all investment portfolios, whether intentionally SI-focused or not.

3. Returns and beyond

Sustainable investments aim to deliver competitive financial returns as well as meaningful contribution to, or alignment with, sustainable development goals. Greater transparency on sustainability metrics and the growing breadth of SI strategies can help investors better understand and manage the impact of their investments.

Authors

Andrew Lee
Rachel Whittaker
Michaela Seimen

Editors

Mark Boehme
Erin Jaimovich

Project management

John Collura
Matt Siegel

Design

Cheryl Seligman

Cover photo

Getty Images

This report has been prepared by UBS Financial Services Inc., UBS Switzerland AG, and UBS AG London Branch.
Please see important disclaimers and disclosures at the end of the document.

The time is now

While SI is not new, it's still "new-to-me" for many investors. Growing acknowledgment of the interaction between social and environmental topics and corporate financial performance has strengthened the case for incorporating sustainability considerations into investment portfolios. The COVID-19 pandemic has elevated the importance of how companies operate and accelerated the increasing relevance of ESG considerations to investors (see our report *Sustainable investing after COVID-19*, published in May 2020). We highlight below three dynamics (among many) that underscore the importance of sustainable investments in the current environment.

A significant societal mind shift is driving change

Two societal developments are contributing to the transformation of sustainable investing from a niche market into a mainstream investment strategy. First, **social movements** to address sustainability challenges are increasing in frequency. Efforts have most recently focused on climate change and racial inequalities, catalyzing changes in corporate behavior, government spending, and policy response. Second, **financial market regulators** have focused more and more on sustainable investing in recent years. In certain geographies, this has led to the development of new requirements intended to help investors navigate an investment landscape characterized by a lack of standardized definitions or taxonomy, by emphasizing transparency and comparability (see EU regulation case study on page 6).

Much of the coordination of social movements takes place online and on social media platforms, highlighting the crucial role that global connectivity has played in elevating sustainability in recent years. Commitments such as the Paris Agreement¹ and frameworks like the UN Sustainable Development Goals, which both officially came into force in 2016, were not the first such attempts to galvanize international support for sustainability. But they were the first to truly unite almost all nations behind a common goal, and they rode a wave of popular media support for environmental causes driven by global influencers such as former US Vice-President Al Gore, former US President Barack Obama, and, more recently, youth activist Greta Thunberg.

Based on this increased transparency and connectivity, all investors—private and institutional—are, or should be, evaluating how ESG topics impact their portfolios. Investors can now more easily consider whether they want to be part of the solution, driving capital toward more diverse companies or industries developing strategies to address climate change and other sustainability challenges. Sustainable investments offer investors a range of solutions designed to capture ESG considerations intentionally and systematically, embedding them directly into their investment philosophy and approach.

¹The Paris Agreement arose from the UNFCCC conference of the parties (COP 21) in Paris in 2015, and aims to unite all nations behind a common goal to limit global temperature rise this century below 2 degrees Celsius above pre-industrial levels.

Economic recovery spending to support sustainable investments

Governments across the globe have announced pandemic recovery spending plans of unprecedented scale that emphasize **renewables infrastructure and green spending**. A *Bloomberg New Energy Finance* report estimated that the world's top 50 economies were putting USD 583bn into boosting green efforts. The EU Recovery Plan, aligned with the EU Green Deal, will allocate 30% of its announced EUR 1.8tr budget to climate-related investment over the coming seven years to reboot the economy. In the US, Democratic presidential nominee Joe Biden has outlined a USD 2tr climate spending plan to be implemented if he is elected in November.

While the implications of some of these announcements may already be, at least to a degree, priced into markets, we expect these overall spending plans to add further momentum to sustainable industries such as renewable energy and energy-efficiency technologies. Investors looking for how to position ahead of these developments should consider sustainable or impact solutions focused in these areas. (See CIO Long Term Investment (LTI) themes *Renewable energy* and *Energy efficiency*.)

Forward-thinking investors increasingly focused on SI

Asset flows into sustainable investing funds have far outpaced asset flows into conventional funds in 2020 so far, despite the pandemic-driven market volatility. Asset inflows in the first half of 2020 even matched total SI flows seen in the whole of 2019.² As of June 2020, more than USD 1tr was invested in dedicated SI funds,² a significant increase in just 18 months from around USD 600bn at the end of 2018.

In our view, **this is not a bubble**. Some of the largest and most sophisticated global investors already invest sustainably, including both the world's largest sovereign wealth fund, Norway's USD 1.2tr Government Pension Fund Global, and the world's largest pool of retirement savings, Japan's USD 1.4tr Government Pension Investment Fund. Hedge funds and private markets funds also recognize the performance potential of focusing on sustainability-related risks and opportunities, and are at various stages of incorporating ESG and impact considerations into their investment processes. And among UBS's global family office clients, 73% report already investing at least *some* of their assets sustainably and more than a third (39%) expect to invest *most* of their assets sustainably in five years' time.³

Whether motivated by risk considerations or the desire to drive positive change, sustainability considerations are already being actively incorporated by many large institutional and individual investors.

²Morningstar

³UBS Global Family Office Report 2020

ESG topics matter

ESG factors have always influenced businesses and investors, but they were not necessarily obvious or given special consideration. Today, awareness of these topics and of their investment relevance has never been higher. Corporate incidents—ranging from a wildfire-induced bankruptcy to data privacy issues and supply chain issues and, most recently, a global pandemic that exposed unethical corporate behavior (see Human rights case study below)—have illustrated for investors the **tangible impact** of environmental or social risks on financial performance.

We see three main areas where ESG topics matter to investors:

- ✓ Managing investment and portfolio risk
- ✓ Participating in the upside potential of disruptive innovation
- ✓ Engaging with the prevailing social and political agenda

Investing with a sustainability focus can help investors understand how their investments will be affected by a changing physical world and evolving social trends, identify investment opportunities in sustainable industries that are experiencing increased demand or in certain cases invest to catalyze needed positive change. There are numerous approaches to investing sustainably, and—importantly—they are not mutually exclusive.

Managing risk

Some ESG factors have *direct*, quantifiable impacts on a company's business model and profitability. For example, additional capital expenditure may be needed in energy-intensive industries to replace manufacturing processes with more energy-efficient alternatives. Or in service-oriented industries, more stringent laws to protect employees in the aftermath of the pandemic could substantially increase workforce costs.

Other ESG factors may have an *indirect* influence on business models and competitive positioning. These may be more difficult to quantify, such as the value of a robust environmental management system that helps companies keep costs down and manage environmental risks, or the benefits of strong corporate governance. But over time these factors can affect the financial performance of companies, and the effects could materialize quite suddenly.

All investors need to explicitly consider material ESG factors in their decision-making. Numerous tools exist to help in making these evaluations, including ESG ratings that use standardized, rule-driven assessments to rank companies based on sustainability "performance" and research frameworks such as the Sustainability Accounting Standards Board (SASB) Materiality Map, which aims to help investors make better decisions by understanding the impact of ESG factors on a company's revenue potential, profitability, and cost of capital. Some investors develop their own frameworks for evaluating ESG factors. Most important is that any framework takes into account both the **financial and sustainability objectives** of the investment approach. Simply attaching a "sustainable" label to an investment can help to match investments with investor preferences, but that is not in itself the ultimate goal of SI.

For more information on the UBS GWM framework for evaluating ESG factors and our approach to integrating ESG into fundamental investment research, see the most recent version of the CIO publications *Sustainable investing topics* and *CIO corporate and country sustainability scores*, as well as individual sector reports on ESG materiality across sectors.

Case study

Human rights in the supply chain

Boohoo.com, a UK-based fast fashion retailer, is a recent and high-profile example of how social considerations can affect a company. In 2020, it faced swift investor action following a report alleging working conditions akin to modern-day slavery in its UK supply chain, including encouraging employees to flout pandemic-related lockdown and quarantine measures. Active fund managers requested action from the company and, after what was deemed to be an unsatisfactory response, proceeded to divest, which was followed by a plunge in Boohoo's share price.

Case study

Supportive regulation of sustainable investments

The European Commission in 2018 developed an action plan to finance sustainable growth. The plan comprises four key proposals:

- ✓ Developing a taxonomy of sustainable economic activities that covers climate change mitigation/adaptation, sustainable water use, waste management, pollution prevention, and biodiversity protection.
- ✓ Improving disclosure from fund managers about how ESG factors are integrated into decision-making and how sustainability risks are considered.
- ✓ Creating new low-carbon themed benchmarks to help investors compare the carbon footprint of their investments.
- ✓ Including ESG considerations into the advice that investment companies offer to their clients.

In practical terms, European investors can expect to see more detailed and more consistent information about sustainability in their investment options starting in 2021 and 2022. They will be asked about their sustainability preferences when they sign up with a new advisor. Fund management companies will have to report a standardized range of ESG metrics for all of their investment products, not only the dedicated SI funds. And funds that are marketed as sustainable will have to provide additional disclosure, including information about how closely they align with the sustainable taxonomy, and exactly how the fund promotes sustainability.

Participating in the upside potential of disruptive innovation

The drivers of many long term investment themes are inextricably linked with sustainability. Population growth, aging, and urbanization are all trends that exacerbate sustainability challenges such as access to food, clean water, healthcare, and education, as well as the impact of the sheer number of people living on the planet and using up its finite natural resources.

The scale of these challenges means that potential solutions can be commercially attractive while providing critical social or environmental benefit. These long-term sustainability or impact themes provide a roadmap for investors seeking to drive positive impact with their investment capital.

A few examples of key SI themes include:

- ✓ **Transition to a low carbon economy**, encompassing all the industries in the renewable energy and energy efficiency value chain. Many are technology-driven, seeking solutions that will disrupt the fossil fuel industry and enable a shift to a more efficient, less polluting, and less resource-intensive energy system. See the CIO LTI theme *Clean air and carbon reduction*.
- ✓ **Waste management**, including reducing plastic packaging volumes which are expected to more than quadruple by 2050 (95% of the value of such plastic is lost after one use). Innovative waste reduction solutions can also increase businesses' financial returns. See *Future of Waste*, published February 2020.
- ✓ **Shifting food consumption trends**, such as alternative proteins snagging market share, and the modernization

of the global food supply chain, a shift that has been accelerated by the risks of the global, just-in-time supply chains that were exposed in the coronavirus-triggered economic and travel lockdowns. See *The food revolution*, published July 2019.

The prevailing social and political agenda

As we stated earlier, SI is not new. But investor adoption and assets under management have both grown strongly in recent years. Much of this growth has been organic, driven by demand and new business opportunity. Regulatory attention has been, to date, mainly focused on improving ESG-related disclosure among public companies. For example, Hong Kong's Securities and Futures Commission has made it compulsory for public companies to report on ESG factors, and mainland China will introduce a similar requirement this year.

The introduction of regulation governing the investment industry's approach to SI is a **genuine milestone** in mainstreaming SI. Peer pressure and the desire for a "social license to operate" can be powerful drivers, but embedding requirements in law makes even the most ardent skeptics pay attention. The EU aims to be a first mover in this respect, with comprehensive regulation encompassing the development, marketing, and advisory process surrounding sustainable investment products. This seems likely to influence regulatory developments in other regions, and in the absence of local standards or taxonomies, the EU version could become the default.

Investors stand to benefit from improved transparency and accountability, as well as support for a growing range of SI opportunities.

Returns and beyond

Sustainable investments can deliver comparable or better financial performance

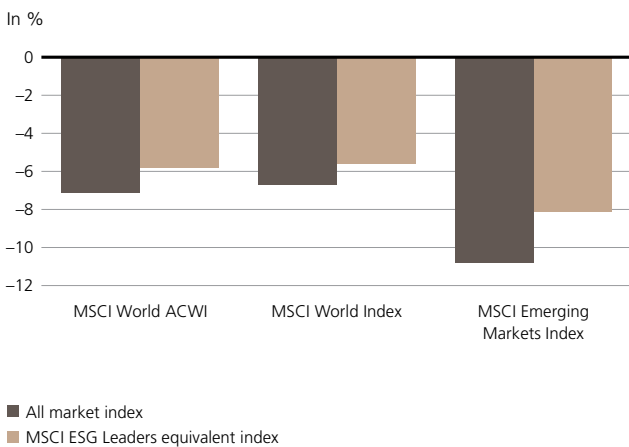
Sustainable investing strategies at the index, fund, and instrument levels have demonstrated **comparable or better financial performance** in 2020 than conventional equivalents in a volatile market environment. Seventy-two percent of self-declared SI funds ranked in the top half of their Morningstar categories for the first half of the year. Similarly, MSCI “ESG Leaders” indexes across geographies outperformed conventional indexes, as did indexes focusing on a range of sustainable themes. For more details on the drivers of SI out-

performance though the 2020 crisis, see *Sustainable investing after COVID-19*, published May 2020, and for SI bond instruments, in particular, see *Green bonds and global MDBs: Defensive during the crisis*, published April 2020.

Empirical evidence from the performance of SI indexes over the past decades supports our view that SI approaches are well positioned to continue performing in line with conventional investments over the whole economic cycle, delivering comparable risk-adjusted returns in the future and, in some cases, potentially outperforming.

Figure 1

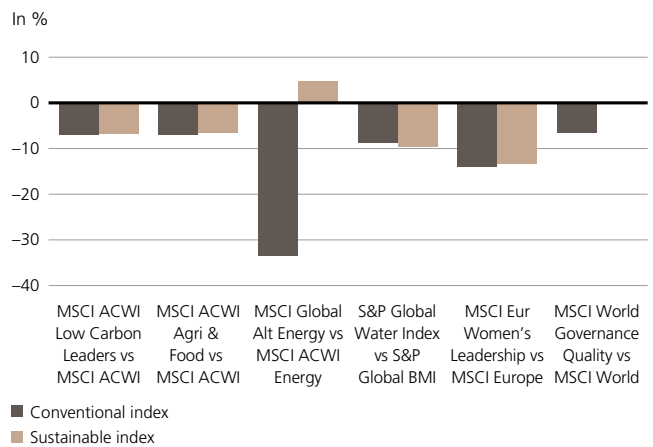
MSCI Leaders indexes outperformed all-market peers in the first half of 2020



Source: Thomson Reuters, UBS, as of 30 June 2020

Figure 2

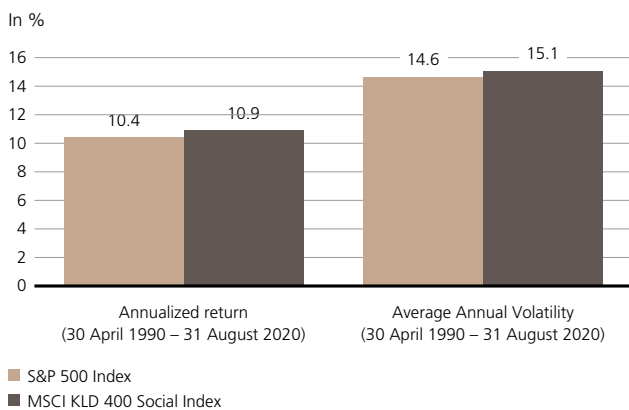
Indexes following sustainable themes outperformed conventional equivalents in the first half of 2020



Source: Thomson Reuters, UBS, as of 30 June 2020

Figure 3

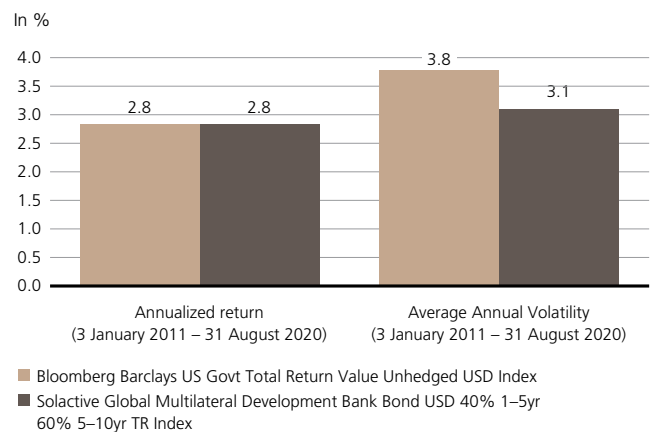
S&P 500 Index vs MSCI KLD 400 Social Index (“sustainable” US equity Index)



Source: Bloomberg, UBS, as of 31 August 2020

Figure 4

US Government Bond Index vs Multilateral Development Bank Bond 40% 1–5yr 60% 5–10yr TR Index



Source: Bloomberg, UBS, as of 31 August 2020

Different SI approaches and instruments have varying style, region, or market-cap biases that drive differences in performance across the economic cycle. This variation makes it possible to build a diversified portfolio of fully sustainable investments across asset classes, with the expectation that it should deliver risk-adjusted returns comparable to those of portfolios with conventional asset allocations. For more information on our SI Portfolio Approach, see the latest version of our publication *Investing for returns and for good*.

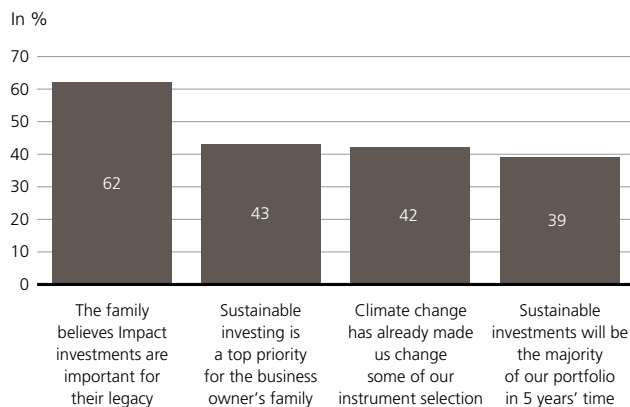
In reality, there is likely as much variation *within* the group of funds labeled sustainable as there is *between* the group of funds labeled sustainable and the group of those that are not. This means that **robust strategy selection** is absolutely essential, even more so than when selecting conventional strategies, since not only must the fund approach be attractive from an investment perspective, but the promised sustainability profile, exposure, or impact must also be legitimate and credible. As the market for SI funds both in public and in private markets continues to expand, and as innovation continues to drive competitive financial returns alongside sustainability returns (more so than in the past), we anticipate an increase in attractive investment opportunities that will be interesting to all investors, whether motivated by sustainability or not.

Sustainability and impact benefits

Investors increasingly seek more than just financial performance, and they have differing levels of intent and motivation with regard to understanding and managing the **impact of their investments** on society and the environment. For example, some investors aim to mitigate risks through avoidance of certain exposures, others aim for greater understanding of the positive or negative impact of their investments, and still others intentionally seek to drive positive change with their capital and active involvement.

Figure 5

What do family offices think about sustainable investing?



Source; UBS Global Family Office Report 2020

The 2020 UBS Global Family Office report found that 62% of family offices surveyed believe that utilizing impact investing is important for their legacy.

SI offers a range of solutions that can enable investors to achieve many of these sustainability or impact objectives, as well as the opportunity to access greater transparency on investments through sustainability reporting. In our view, these benefits should be appealing both to sustainability-focused investors and to returns-focused investors. For more detail on the different SI strategies and their sustainability benefits, refer to the latest version of our publication *Investing for returns and for good*, and the linked series of *SI Educational Primers*.

Conclusion

Investors increasingly show interest both in better understanding the positive and negative impacts of their investments on society and the environment, and in incorporating these considerations into how they construct and manage their portfolios. Sustainable investing offers solutions that are designed to address these motivations, and in so doing generate comparable or better long-term financial performance than conventional investments. Not all investors will choose to invest in dedicated sustainable investing strategies, but the expectations around sustainability considerations and transparency have increased and will only continue to do so. In our view, the quantity and quality of credible sustainable investing opportunities **continue to grow substantially**, with compelling options available for all investors, not just those who specifically target positive outcomes.

There is still much work to be done to mainstream sustainable investing solutions, in areas ranging from stronger commitment to integration by asset managers, to improved corporate disclosure of ESG information (beyond policy and raw data), to greater standardization of sustainability and impact metrics. More consistent and simplified definitions, clear fund labeling, and enhanced reporting are also needed to support investors in identifying and selecting the solutions that best match their individual sustainability objectives. But we see reasons to be optimistic. In our view, regulatory developments led by the EU, increased industry collaboration through various initiatives, and evolving investor demand and engagement are all helping to hasten progress on these issues.

The decision to invest sustainably **starts and ends with each** of us and what we hope to achieve with our capital, beyond financial returns. Sustainable investing offers the potential for positive social impact, in addition to competitive financial performance. Actual positive change requires engaged investors and forward-thinking company management teams that recognize the long-term benefits of addressing societal challenges through more responsible operations and/or sustainability-focused products and services. As more and more investors recognize the interdependence of financial returns and social and environmental issues, we expect to see increased mobilization of capital with the expectation that it can deliver returns both for investors, and for society at large.

Disclaimer

UBS Chief Investment Office's ("CIO") investment views are prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland) or its affiliates ("UBS").

The investment views have been prepared in accordance with legal requirements designed to promote the **independence of investment research**.

Generic investment research – Risk information:

This publication is **for your information only** and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or other specific product. The analysis contained herein does not constitute a personal recommendation or take into account the particular investment objectives, investment strategies, financial situation and needs of any specific recipient. It is based on numerous assumptions. Different assumptions could result in materially different results. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors. All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness (other than disclosures relating to UBS). All information and opinions as well as any forecasts, estimates and market prices indicated are current as of the date of this report, and are subject to change without notice. Opinions expressed herein may differ or be contrary to those expressed by other business areas or divisions of UBS as a result of using different assumptions and/or criteria.

In no circumstances may this document or any of the information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes (i) valuation or accounting purposes; (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees. By receiving this document and the information you will be deemed to represent and warrant to UBS that you will not use this document or otherwise rely on any of the information for any of the above purposes. UBS and any of its directors or employees may be entitled at any time to hold long or short positions in investment instruments referred to herein, carry out transactions involving relevant investment instruments in the capacity of principal or agent, or provide any other services or have officers, who serve as directors, either to/for the issuer, the investment instrument itself or to/for any company commercially or financially affiliated to such issuers. At any time, investment decisions (including whether to buy, sell or hold securities) made by UBS and its employees may differ from or be contrary to the opinions expressed in UBS research publications. Some investments may not be readily realizable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult to quantify. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS, into other areas, units, divisions or affiliates of UBS. Futures and options trading is not suitable for every investor as there is a substantial risk of loss, and losses in excess of an initial investment may occur. Past performance of an investment is no guarantee for its future performance. Additional information will be made available upon request. Some investments may be subject to sudden and large falls in value and on realization you may receive back less than you invested or may be required to pay more. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information.

Tax treatment depends on the individual circumstances and may be subject to change in the future. UBS does not provide legal or tax advice and makes no representations as to the tax treatment of assets or the investment returns thereon both in general or with reference to specific client's circumstances and needs. We are of necessity unable to take into account the particular investment objectives, financial situation and needs of our individual clients and we would recommend that you take financial and/or tax advice as to the implications (including tax) of investing in any of the products mentioned herein.

This material may not be reproduced or copies circulated without prior authority of UBS. Unless otherwise agreed in writing UBS expressly prohibits the distribution and transfer of this material to third parties for any reason. UBS accepts no liability whatsoever for any claims or lawsuits from any third parties arising from the use or distribution of this material. This report is for distribution only under such circumstances as may be permitted by applicable law. For information on the ways in which CIO manages conflicts and maintains independence of its investment views and publication offering, and research and rating methodologies, please visit www.ubs.com/research. Additional information on the relevant authors of this publication and other CIO publication(s) referenced in this report; and copies of any past reports on this topic; are available upon request from your client advisor.

Options and futures are not suitable for all investors, and trading in these instruments is considered risky and may be appropriate only for sophisticated investors. Prior to buying or selling an option, and for the complete risks relating to options, you must receive a copy of "Characteristics and Risks of Standardized Options". You may read the document at <https://www.theocc.com/about/publications/character-risks.jsp> or ask your financial advisor for a copy.

Investing in structured investments involves significant risks. For a detailed discussion of the risks involved in investing in any particular structured investment, you must read the relevant offering materials for that investment. Structured investments are unsecured obligations of a particular issuer with returns linked to the performance of an underlying asset. Depending on the terms of the investment, investors could lose all or a substantial portion of their investment based on the performance of the underlying asset. Investors could also lose their entire investment if the issuer becomes insolvent. UBS Financial Services Inc. does not guarantee in any way the obligations or the financial condition of any issuer or the accuracy of any financial information provided by any issuer. Structured investments are not traditional investments and investing in a structured investment is not equivalent to investing directly in the underlying asset. Structured investments may have limited or no liquidity, and investors should be prepared to hold their investment to maturity. The return of structured investments may be limited by a maximum gain, participation rate or other feature. Structured investments may include call features and, if a structured investment is called early, investors would not earn any further return and may not be able to reinvest in similar investments with similar terms. Structured investments include costs and fees which are generally embedded in the price of the investment. The tax treatment of a structured investment may be complex and may differ from a direct investment in the underlying asset. UBS Financial Services Inc. and its employees do not provide tax advice. Investors should consult their own tax advisor about their own tax situation before investing in any securities.

Important Information About Sustainable Investing Strategies: Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and portfolio construction. Strategies across geographies and styles approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or Sustainable Investing considerations may

inhibit the portfolio manager's ability to participate in certain investment opportunities that otherwise would be consistent with its investment objective and other principal investment strategies. The returns on a portfolio consisting primarily of sustainable investments may be lower or higher than portfolios where ESG factors, exclusions, or other sustainability issues are not considered by the portfolio manager, and the investment opportunities available to such portfolios may differ. Companies may not necessarily meet high performance standards on all aspects of ESG or sustainable investing issues; there is also no guarantee that any company will meet expectations in connection with corporate responsibility, sustainability, and/or impact performance.

Distributed to US persons by UBS Financial Services Inc. or UBS Securities LLC, subsidiaries of UBS AG. UBS Switzerland AG, UBS Europe SE, UBS Bank, S.A., UBS Brasil Administradora de Valores Mobiliarios Ltda, UBS Asesores México, S.A. de C.V., UBS Securities Japan Co., Ltd, UBS Wealth Management Israel Ltd and UBS Menkul Degerler AS are affiliates of UBS AG. UBS Financial Services Incorporated of Puerto Rico is a subsidiary of UBS Financial Services Inc. **UBS Financial Services Inc. accepts responsibility for the content of a report prepared by a non-US affiliate when it distributes reports to US persons. All transactions by a US person in the securities mentioned in this report should be effected through a US-registered broker dealer affiliated with UBS, and not through a non-US affiliate. The contents of this report have not been and will not be approved by any securities or investment authority in the United States or elsewhere. UBS Financial Services Inc. is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.**

External Asset Managers / External Financial Consultants: In case this research or publication is provided to an External Asset Manager or an External Financial Consultant, UBS expressly prohibits that it is redistributed by the External Asset Manager or the External Financial Consultant and is made available to their clients and/or third parties.

For country information, please visit ubs.com/cio-country-disclaimer-gr or ask your client advisor for the full disclaimer.

Version B/2020. CIO82652744

© UBS 2020. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.