

# Global Stewardship Policy

Our approach to responsible ownership



# Our approach to responsible ownership

# Global Stewardship Policy

## What is Responsible Ownership?

Responsible Ownership, or Investor Stewardship, describes the activities undertaken by investors to monitor and, where necessary, intervene on matters that may affect the long-term value of investee companies.

It seeks to build relationships between companies and their shareholders to foster healthy dialogue on a variety of issues such as strategy, performance, risk, capital structure and corporate governance, including culture and remuneration.

Stewardship responsibilities go beyond the traditional financial analysis performed by many investors and seek to ensure that companies are sustainable and run for the long-term benefit of all stakeholders, as well expecting investors to work with others in the investment chain to improve best practice and transparency.

## Our Stewardship commitment

We believe that active ownership by investors can contribute to the long term sustainability and success of companies.

We regard stewardship as an integral part of our fiduciary duty and in this regard our commitment is to take an active approach to stewardship, through a clear and structured program encompassing integration of ESG factors into investment decision making, engagement, proxy voting and advocacy. In doing so we strive to align our approach with our clients own investment beliefs, policies and requirements.

To further demonstrate our commitment we are signatories to stewardship codes of best practice in several countries (see appendix), as well as being a signatory of the UN supported Principles of Responsible Investment (PRI).

As a global large scale investment manager with a number of different investment areas and a range of strategies within each area, the extent of stewardship activities may necessarily vary to some extent across the firm.

## Our stewardship strategy

Stewardship is relevant for both active and index (rules based) investments. In the case of actively managed strategies, it facilitates enhanced investment decisions for long-term value creation.

Stewardship linked to passive strategies often represents one of the most significant instruments by which institutional investors can express their views on company performance and drive long-term value creation while tackling negative externalities which could cause inefficiencies within financial markets.

The organization of our stewardship activities is based upon four pillars:

**Thematic engagements:** these are focused on specific themes considered material, analyzed by available internal and external research and aligned with the overall sustainability and sustainable investment strategy of UBS-AM. Engagements are usually identified by taking into consideration the current performance of companies on the relevant topic, sectors where the issue has a high relevance, and the potential for influence and financial exposure across investment strategies. The research supporting our thematic engagements follow internal scorecards developed by our sustainable investing and stewardship analysts around the issue of concern. This research is used to assess the performance of companies at the beginning and the end of the engagement program.

**Reactive engagements:** these are focused upon companies which are involved in serious breaches of international standards. The United National Global Compact Principles are considered as a general reference framework to define cases of concern, and we have developed a process using third party research to identify red flags across portfolios and strategies. After an initial screening, we take into account the public reporting on the case, communications by the company involved, reports by NGOs and other third parties, and the results of investigations by other investors where these are available. Our engagement list includes cases that are material, relevant, or represent systematic management failure.

The purpose of our engagement is to influence companies so they effectively close and remedy identified breaches and address any management failures so as to avoid repeating the mismanagement or mistake in the future.

**Engagements around proxy voting decisions:** these are undertaken ahead of an AGM or other shareholder meeting to help inform our voting decisions and/or to communicate to companies about our views. While many voting decisions are taken based on internal and external research without the need for dialogue with management, in some circumstances it is important to interact with the board to gain a more detailed understanding of the vision and nature of items included for votes. These conversations can help shed light on board member candidates, remuneration policies, board effectiveness and the company's reaction to specific shareholders' resolutions. Cases for proxy voting engagements are usually identified based on financial exposure, seriousness of the concern and complexity of the item up for vote

**Proactive engagements:** these are engagements principally undertaken by our investment analysts and portfolio managers on specific issues related to the business strategy and/or sustainability risks and opportunities that may have a positive or substantial impact on valuation models. These discussions with corporate management are conducted with the goal of collecting more information and influencing corporate practices to trigger better financial performance in the long term. The identification of companies for this type of engagement is strictly linked to the importance of long-term issues in the formulation of the investment case.

## Integrating stewardship within the wider investment process

The separation of ownership (by shareholders) and management (by employees) of a company can make it harder to operate a business when differing interests conflict. We have a strong interest in ensuring that companies in which we invest on behalf of clients are successful and to support this we expect a high level of governance standards and corporate practices.

Through our stewardship activities we seek to develop a relationship with investee companies, together with an understanding of mutual objectives and concerns.

We recognize the importance of material corporate governance, environmental and social factors (ESG) to companies and believe that these factors are helpful to the investment process, by broadening the range of data being considered.

They may have a direct impact on the future revenues and costs of companies, and thereby the long-term risk adjusted rate of return to investors and their beneficiaries or clients. For this reason, where possible, we seek to protect and enhance the value of clients' assets by ensuring that such factors are assessed and integrated into our overall company research and active investment decision making process, including in our estimation of cash flows, valuation metrics and growth opportunities.

Our approach to stewardship and the consideration of ESG factors involves research, data analysis, and engagement. We are particularly keen to engage early with companies in order to minimize the loss of shareholder value. In this regard the corporate engagement undertaken as part of our investment process improves the knowledge of, and confidence in, companies in which we invest on behalf of clients. Our meetings with companies are typically held with the company's Chair, Lead Director, Chief Executive or Finance Director and Head of Sustainability.

These meetings enable us to have discussions about topics such as corporate strategy and help us make an assessment of management performance. They also give us an opportunity to outline what our expectations are, to explain our views on important issues and to monitor a particular company's development over time.

## Researching and monitoring investee companies

Different legal and cultural frameworks across global markets influence the way in which stewardship is implemented and monitored.

More specifically, we acknowledge that across the world the approach to corporate governance and sustainability issues might differ. However, through our engagement process, we encourage companies to adopt the highest standards of board leadership and executive management.

We believe that strong governance drives corporate behavior and an effective approach to environmental and social issues. If such matters are well managed they should lead towards both better corporate performance and improved shareholder value over the long term.

In particular we encourage company board members to ensure that at all times:

- The whole board is fully involved in developing the business strategy, including defining major business decisions (e.g., mergers and acquisitions);
- Satisfy themselves that the company's leadership is effective;
- Appropriate management succession plans are in place;
- They receive all the information necessary to hold management to account;
- The interests of executives and shareholders are aligned;

- The financial audit is independent and accurate;
- The brand and reputation of the company is protected and enhanced.

It can be difficult to judge the quality and effectiveness of a board from outside the boardroom and we believe that continual monitoring is an essential component of stewardship.

While annual shareholder meetings give us the opportunity to send a message to boards about any concerns that we may have, our commitment to talking with companies on ESG issues on behalf of our clients goes beyond just a once a year vote.

Our approach involves the following:

- Use of internal information shared upon our proprietary databases, external specialist sell-side broker research and ESG rating tools;
- Review of the 'inputs' to governance (such as board committee structures);
- Meetings with company executives and non-executive board members led by both sustainable investing staff analysts and portfolio managers. These give us the opportunity to judge the success of the 'outputs' of governance – such as the strategy, acquisitions, capital allocation and operational performance.
- Assessment of the quality of explanations given for any deviations from relevant corporate governance codes;
- Monitoring of corporate developments through company announcements and market news sources;

This approach enables us to identify the factors that drive the company's value and key risks.

### **Prioritization and objectives**

Our engagement is prioritized and undertaken dependent on the circumstances and the issues to be discussed. All of our engagements are undertaken with a clear objective in mind. Where we have a significant holding in a company, or have identified an issue with the strategic direction of the company or the performance of management, we will seek to discuss our concerns with the company. Our engagement may be routine in nature or may be based around specific transactional circumstances, as outlined above. Many of our engagements last several years and for this reason we do not outsource any of our engagement activity.

Our engagements may relate to the governance practices of companies, or focus on longer term sustainability trends that have a material impact on company performance, such as climate change, environmental management and human capital management.

Other key topics include:

- Strategy - including the use of capital;
- Operational and financial performance;
- Quality of the board;
- Risk management;
- Remuneration;
- Reputation;
- Ethics & culture.

Depending on the issue and whether the engagement activity is reactive or part of on-going discussions, our engagement with issuers can take the form of written communication, conference calls, or face-to-face meetings.

We maintain a comprehensive database of our meetings with companies and our voting activities shared across investment teams globally. We review progress over time and follow-up on issues identified.

During the course of our corporate engagements, whilst we would manage our communication with our investee companies to avoid such circumstances, there may be exceptional cases where we are provided with information that is not fully public. We may be willing to be made insiders, subject to:

- Our agreement;
- It being for a limited period only;
- It being of benefit to our clients.

In such cases, we will strictly safeguard such information and will comply with applicable regulatory requirements and UBS internal procedures.

## Our escalation strategy

We judge companies on issues linked to long term value creation and responsiveness to issues raised. There may be occasions when, despite discussions with companies, our concerns have not been sufficiently addressed and shareholder value is at risk. If a company fails to meet our expectations and we are not satisfied through our regular engagement process with the explanations provided, we will seek to escalate our approach. In the first instance, this is likely to be through further discussions with the chairman or other senior non-executives.

In making decisions as to whether to escalate our engagement we will consider the following:

- The circumstances which have led to our concern;
- The materiality of the potential negative impact;
- Best practice standards, including national guidelines;
- Any explanation provided by the company;
- The significance of the issue for our clients;
- Any pattern of concerns over a period of time;
- The likelihood of success.

If a company consistently fails to meet our expectations, or if a company's ESG disclosures are insufficient to allow for investors to gain an appropriate understanding of a company's sustainability-related risks, we may decide to vote against management proposals at the shareholder meeting, including the election of board candidates.

We acknowledge that such direct intervention is invariably high profile and runs the risk of adverse publicity which may aggravate the situation. We endeavor at all times to keep these discussions and actions confidential.

Should no progress be made over a period of time we may choose to divest all or some of the shares held on behalf of our clients.

## Collaboration with other investors

The significant nature of many of our investments provides us with access to the management and boards of companies and as a general rule our preference is to engage privately and directly with our investee companies. However we see a strong benefit in working with other investors, particularly where we believe the effectiveness of engagement and the chance of success can be increased.

Prior to undertaking any collaboration with other investors we will first evaluate that:

- Any action with other investors is permitted by law and/or regulation;
- There is general agreement amongst investors on issues of concern and potential solutions;
- Engagement will be private and that any public statements have our prior explicit authorization;
- We have the resources to actively contribute to the collaboration and influence the dialogue with target companies.

Where we identify that the views of other stakeholders will enhance our understanding of a particular topic or company we will seek to have either direct dialogue, or meet through industry working groups.

We are active members of various formal and informal investor groups (see appendix). This enables us to be aware of best practice in the area of corporate governance, social and environmental matters and improve communication with other stakeholder groups.

As well as discussions with companies and other stakeholders we also review and comment, where relevant, upon public policy and market developments, to protect our clients' interests, improve the market infrastructure and share best practice.

## Our commitment to companies

We believe in building relationships with the corporate management we engage with. We are asking our investee companies to be responsive to our invitations for dialogue and provide material and forward looking information to us. Equally, companies can expect the following behavior from us to allow for meaningful and effective conversations:

**Solid preparation:** before entering into dialogue with a company, we will review and analyze the most up-to-date and relevant information on financial and ESG performance provided by the company. We will also access third party research on issues considered material for the specific company and sector.

**Local and sectorial expertise:** before starting dialogue with a company, we will look for internal expertise and views on relevant local markets and sectors across teams.

**Connection with investment decision:** during our meetings with corporate management, we will explain how the information collected will be taken into consideration in investment decisions. Whenever possible both our sustainable and stewardship team and investment staff will co-join meetings with companies. In any situation, the information collected during engagement meetings will be made available internally through a shared platform.

**Feedback:** during and after meetings, we will provide feedback on current company actions and plans to solve any existing concerns. Companies can also ask our opinions on areas of interest for them. After initial conversations, we will share with management our engagement objectives.

**Best practice:** whenever relevant, we will share best practice examples from peers that have shown leadership and good performance on material ESG matters. Equally, we will praise the companies we engage with for any innovative practice and solution in relation to ESG challenges and opportunities.

**Commitment:** we will allocate adequate resources and time for our dialogue with companies. If we believe that corporate practice should improve in order to trigger long-term value, we will engage with the management and the board on a continuous basis and over a certain period of time.

**Collaboration:** as part of our commitments to support investor networks and drive the ESG agenda in financial markets, we will monitor other investors' activities on engagement and join efforts whenever beneficial for us and investee companies.

## Voting and shareholder rights

We regard voting at shareholder meetings as a vital component of our overall approach to effective stewardship of our clients' assets. Voting is not an end in itself, but is an important part of our oversight role. It enables us to voice our opinion to a company on a broad range of topics and is a way of encouraging boards to listen to and address investor concerns.

We exercise voting rights on a global basis on behalf of our clients and seek to vote in all circumstances as long as there is no conflict with the efficient management of client portfolios. As previously explained we will engage with boards ahead of general meetings where appropriate, subject to the need to issue voting instructions to fit in with voting deadlines.

Where we have concerns with a company arising from our stewardship and engagement activities, or in relation to a particular resolution that we believe is not in the interests of our clients, we may choose not to support a particular proposal. This includes resolutions put forward by both company management and outside parties.

To the largest extent possible we vote our shares in companies consistently across investment strategies and in alignment with our proxy voting policy. We fully document any deviation from the application of our policy including the rationale for such deviation.

Due to the nature of our investment approach, we will not generally request an extraordinary general meeting, however may decide to file, or co-file, shareholder resolutions at pre-announced meetings. We may also choose to support proposals put forward by other investors.

Where we decide not to support the board of companies linked to significant holdings, we will seek to inform privately the company in advance of the AGM whenever possible. More generally, we do not disclose our voting intentions publicly, or to third parties, ahead of a shareholder meeting.

Our voting process is incorporated within our external procedure operational validation review. On a periodic basis our approach is audited by UBS Group Internal Audit and any issues of concern reported to senior management in order to be resolved via our operational risk event remediation process.

Our Voting Policy is available online:

<http://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

## Attendance at shareholder meetings

Given the nature of our global investments, it is generally impractical for us to physically attend a shareholder meeting. However, where we believe that it is in our clients' best interests we may occasionally attend, choose to speak, or vote directly at a shareholder meeting. When doing so, we will seek to inform a company in advance.

## Use of voting services

In order for us to meet our stewardship responsibilities it is essential that we have access to accurate information regarding the corporate governance structure and practices of companies in which we invest.

Taking into account the number of companies in which we hold shares on behalf of our clients across global markets we use the services of a specialist provider experienced in obtaining information regarding shareholder meetings held by listed companies. Such providers are able to supply the agenda of meetings, current and historical background to each item to be voted upon and provide commentary regarding a company's governance practices.

The vendor we have chosen to partner with for this service, Institutional Shareholder Services (ISS), has both the long-term experience and global coverage we regard as being critical for this important task. Using the services of a specialist provider means we are able to focus upon determining what is in our clients' best interests when deciding how to vote, and to engage effectively with companies.

We do not delegate final voting decisions to a third-party and retain full discretion when determining how to vote our clients' shares. We use the services of ISS and other research providers to supplement our own assessments. Our voting decisions are determined according to UBS-AM's principles and not based upon the policy of any of the proxy advisory service.

## Voting on stock lending positions

If we judge a vote to be particularly contentious we may recall any shares lent where we have discretion to do so. This will also be subject to the economic interests of our client portfolios. We do not borrow shares for the purpose of gaining additional voting rights.

## Conflicts of interest

UBS Asset Management is a wholly owned subsidiary of UBS Group AG, a leading financial services group, with shares publically listed in Switzerland and the USA.

We are committed to acting in a consistent and transparent manner. Our principal objective when considering how to vote, or whether to engage with a company, is to fulfil our fiduciary duty by acting in the interests of our clients at all times. Situations where actual and potential conflicts of interest can arise include where:

- The interests of one client conflict with those of another client of UBS-AM;
- UBS-AM invests on behalf of our clients in publically listed shares of UBS Group AG;
- The listed company whose shareholder meeting is being voted upon is a client of UBS-AM;
- Affiliates within the wider UBS Group act as advisor to the company;
- The interests of an employee of UBS-AM directly conflict with the interests of a client of UBS-AM.

UBS-AM has implemented the following guidelines to address conflicts of interests that arise in connection with our exercise of voting rights on behalf of clients:

- We exercise voting rights in line with UBS principles and retain a record of any deviation from UBS policies;
- Where UBS-AM is aware of a conflict of interest in voting a particular proxy, the Stewardship Committee will be notified of the conflict in the event that we intend to deviate from the UBS voting policy and shall review the intended vote to ensure that it remains consistent with UBS Principles;
- This includes where UBS-AM is invested into publically listed shares of UBS Group on behalf of our clients;
- In the event that UBS-AM are responsible for voting rights over a client portfolio that is invested into units of a publically traded UBS investment or mutual fund any such voting rights will not be exercised in the event that the fund announces a meeting of unitholders. In such cases any voting rights must be exercised directly by the external client or end benefit;
- Our proxy voting decisions will not be influenced by our general business, sales or marketing, with impacted functions remaining outside of our voting decision process;
- UBS-AM and its affiliates engaged in banking, broker-dealer and investment banking activities ("Affiliates") have policies in place prohibiting the sharing of certain sensitive information. UBS officers are not permitted to discuss voting intentions with an Affiliate and if they are contacted by an Affiliate contrary to our policy, the contact will refer the matter to our Compliance & Operational Risk group. The Chair of the Stewardship Committee will be advised, who will in turn advise the Chief Risk Officer. In specific circumstances our Compliance group may discuss the matter with their counterparts at an Affiliate;
- UBS provides specific and periodic training for employees outlining their responsibilities in relation to conflicts of interest;
- Where UBS Group has provided seed capital to a fund of UBS Asset Management (UK) Ltd any voting rights arising from such capital will not be exercised;
- In accordance with UK FCA requirements we maintain a list of identified conflicts of interests, the nature of the conflict of interest and our procedure for managing the conflict.



## Reporting of our Stewardship activities, including Voting Disclosure

We aim to provide transparency of our stewardship activities through regular reporting to our clients and via other information reported publicly online. We maintain a record of our voting, engagement and other stewardship activities.

We report to our clients on the voting and corporate engagement activities we have undertaken on a quarterly basis. We also publically publish an annual stewardship report. Where practical our reports include both qualitative and quantitative information.

At all times we are mindful that our engagement activity, especially while still current, may be confidential or sensitive and we may not choose to fully disclose all information, particularly if we feel that this may hinder the outcome of our discussions with companies.

Our approach to implementing the PRI is published on our website together with the relevant assessment report. Our aggregated voting record is disclosed on a quarterly basis and our voting reports include where we have abstained or voted against the board including the reason for doing so, as well as examples of key votes.

For our regulated funds in the USA, Canada and Australia we also disclose our annual voting record on a fund-by-fund basis.

Stewardship and voting information is available on our website at the following link:

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

## Appendix 1 – Our commitment to stewardship codes

UBS Asset Management are signatories of, or given commitment to, the following codes of best practice in relation to investment stewardship. This document outlines how we meet the requirements of these programs.

International Corporate Governance Network (ICGN) Global Stewardship Principles

UK Stewardship Code

Japanese Stewardship Code

Hong Kong SFC Principles of Responsible Ownership ISG Stewardship Framework (USA)

Australian FSC Standard 23 on Principles of Internal Governance and Asset Stewardship

Taiwan Stewardship Principles for Institutional Investors

## Appendix 2 – Our commitment to industry initiatives and best practice

UBS Asset Management are currently a member of, or supporting, the following global groups and initiatives: Asian Corporate Governance Association (ACGA)

Global Real Estate Sustainability Benchmarks (GRESB)

EFAMA Stewardship, Market Integrity and ESG Investment Standing Committee International Corporate Governance Network (ICGN)

Institutional Investor Group on Climate Change (IIGCC)

National Association of Real Estate Investment Managers (NAREIM) - Sustainability and Investment Management Working Group

Principles for Responsible Investment (PRI)

Sustainable Accounting Standards Board (SASB) UK Investor Forum

US Green Building Council

Workforce Disclosure Initiative (WDI)

Financial Stability Board's Taskforce on Climate-related Financial Disclosure (TCFD) Transition Pathway Initiative (TPI)

Farm Animal Investment Risk & Return (FAIRR)

Access to Medicine Index



# Sustainability Research and Stewardship team

Within our Sustainable and Impact Investing department the research and stewardship team is responsible for conducting and supporting ESG integration and stewardship activities across asset classes, including the execution of proxy voting. Our sustainability research analysts are specialized by topics and sectors and lead on providing specific company analysis and thought leadership research on sustainability topics.

SI analysts conduct direct engagement with companies under the thematic, reactive and proxy voting pillars (see overview above) and provide support to investment teams across all strategies to structure engagement cases and relevant objectives. The research and stewardship team collaborates closely with our Global Sustainable Equity (GSE) team which is responsible for developing and managing active equity strategies with explicit ESG/SI mandates. Both the SI and GSE teams represent UBS Asset Management in initiatives aimed at advancing ESG topics and sustainable investing.

## **Contact information**

For more information regarding our Stewardship activities please contact us at: [dl-si-research-stewardship@ubs.com](mailto:dl-si-research-stewardship@ubs.com)

UBS Asset Management is a large-scale asset manager, providing traditional, alternative, real estate, infrastructure and private equity investment solutions to private clients, financial intermediaries and institutional investors worldwide. With a number of investment areas and a range of strategies within each area, the approach to ESG issues necessarily varies across the firm and, to some extent, across countries/regions according to local market customs and client needs.

This document focuses on our approach utilized for the overwhelming bulk of our traditional equity capabilities. Our general approach described here is subject always to any client-specific instructions or restrictions and/or following any local laws or standards applicable in the domiciles of assets or funds.

This document is for Professional Clients/qualified investors only. It is not to be distributed to or relied upon by Retail Clients under any circumstances. This document does not replace portfolio and fund-specific materials. Commentary is at a macro or strategy level and is not with reference to any registered or other mutual fund.

This document outlines our general policies on the issues discussed. These may be subject to change according to specific circumstances. This document is issued by UBS Asset Management (UK) Ltd and is intended for limited distribution to the clients and associates of UBS Asset Management. Use or distribution by any other person is prohibited. Copying any part of this publication without the written permission of UBS Asset Management is prohibited. The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the document. UBS AG and /or other members of the UBS Group may have a position in and may make a purchase and /or sale of any of the securities or other financial instruments mentioned in this document. Care has been taken to ensure the accuracy of its content, but no responsibility is accepted for any errors or omissions herein. This document contains statements that constitute "forward-looking statements". While these forward-looking statements represent our judgments and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. This document is a marketing communication. Any market or investment views expressed are not intended to be investment research. The document has not been prepared in line with the requirements of any jurisdiction designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The information contained in this document does not constitute a distribution, nor should it be considered a recommendation to purchase or sell any particular security or fund. The opinions expressed are those of UBS Asset Management and are subject to change without notice. Furthermore, these views are not intended to predict or guarantee the future performance of any individual security, asset class, markets generally, nor are they intended to predict the future performance of any UBS Asset Management account, portfolio or fund. Any obligation to update or alter forward-looking statements as a result of new information, future events, or otherwise is disclaimed. You are advised to exercise caution in relation to this document. The information in this document does not constitute advice and does not take into consideration your investment objectives, legal, financial or tax situation or particular needs in any other respect. Investors should be aware that past performance of investment is not necessarily indicative of future performance. Potential for profit is accompanied by possibility of loss. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. Source for all data and charts (if not indicated otherwise): UBS Asset Management.

**Hong Kong:** This document and its contents have not been reviewed by any regulatory authority in Hong Kong. No person may issue any invitation, advertisement or other document relating to the interests whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the interests which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) and the Securities and Futures (Professional Investor) Rules made thereunder.

**Republic of China:** This document and its contents have not been reviewed by, delivered to or registered with any regulatory or other relevant authority in the Republic of China (R.O.C.).

This document is for informational purposes and should not be construed as an offer or invitation to the public, direct or indirect, to buy or sell securities. This document is intended for limited distribution and only to the extent permitted under applicable laws in the Republic of China (R.O.C.). No representations are made with respect to the eligibility of any recipients of this document to acquire interests in securities under the laws of the Republic of China (R.O.C.).

Singapore: This document and its contents have not been reviewed by, delivered to or registered with any regulatory or other relevant authority in Singapore. This document is for informational purposes and should not be construed as an offer or invitation to the public, direct or indirect, to buy or sell securities. This document is intended for limited distribution and only to the extent permitted under applicable laws in Singapore. No representations are made with respect to the eligibility of any recipients of this document to acquire interests in securities under the laws of Singapore.

**APAC:** This document and its contents have not been reviewed by, delivered to or registered with any regulatory or other relevant authority in APAC. This document is for informational purposes and should not be construed as an offer or invitation to the public, direct or indirect, to buy or sell securities. This document is intended for limited distribution and only to the extent permitted under applicable laws in your jurisdiction. No representations are made with respect to the eligibility of any recipients of this document to acquire interests in securities under the laws of your jurisdiction. Using, copying, redistributing or republishing any part of this document without prior written permission from UBS Asset Management is prohibited. Any statements made regarding investment performance objectives, risk and/or return targets shall not constitute a representation or warranty that such objectives or expectations will be achieved or risks are fully disclosed. The information and opinions contained in this document is based upon information obtained from sources believed to be reliable and in good faith but no responsibility is accepted for any misrepresentation, errors or omissions. All such information and opinions are subject to change without notice. A number of comments in this document are based on current expectations and are considered "forward-looking statements". Actual future results may prove to be different from expectations and any unforeseen risk or event may arise in the future. The opinions expressed are a reflection of UBS Asset Management's judgment at the time this document is compiled and any obligation to update or alter forward-looking statements as a result of new information, future events, or otherwise is disclaimed. You are advised to exercise caution in relation to this document. The information in this document does not constitute advice and does not take into consideration your investment objectives, legal, financial or tax situation or particular needs in any other respect. Investors should be aware that past performance of investment is not necessarily indicative of future performance. Potential for profit is accompanied by possibility of loss. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

**Australia:** This document is provided by UBS Asset Management (Australia) Ltd, ABN 31 003 146 290 and AFS License No. 222605.

Source for all data and charts (if not indicated otherwise): UBS Asset Management. The key symbol and UBS are among the registered and unregistered trademarks of UBS.

**UK:** UBS Asset Management (UK) Ltd is a subsidiary of UBS AG. Registered in England and authorised and regulated by the Financial Conduct Authority: UBS Asset Management (UK) Ltd, UBS Asset Management Funds Ltd. Telephone calls may be recorded.

**US:** Services to US clients for any strategy herein are provided by UBS Asset Management (Americas) Inc. UBS Asset Management (Americas) Inc. is registered as an investment adviser with the US Securities and Exchange Commission («SEC») under the Investment Advisers Act of 1940.

The key symbol and UBS are among the registered and unregistered trademarks of UBS. © UBS 2019. All rights reserved. 26917A