



Seeing in a new way

Sustainable and impact investing with UBS Asset Management



What is sustainable investing?

Sustainable investing represents one of the most significant investment advances of the 21st century.

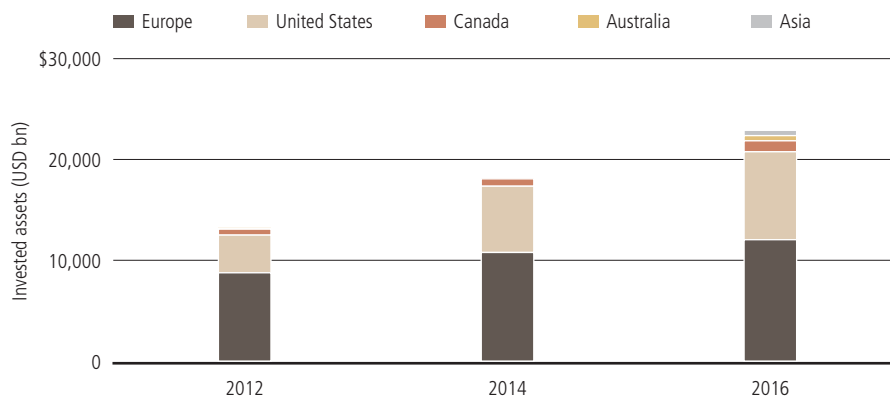
Traditional investing relies solely on financial information. Sustainable investing broadens the scope of information to include material, non-financial data, referred to as Environment, Social and Governance (ESG) factors. ESG factors help you, as long term investors, understand how a company interacts with its employees and customers, the larger community and the environment. Sustainable investing at its best can give investors a forward-looking perspective by providing greater insight into the potential upside and downside of your investments. The new tools and transparency of sustainable investing offer long-term investors the opportunity to build strong portfolios and generate better, and more sustainable, returns.

Sustainable investing is the fastest growing segment of the investment universe today. From 2012 to 2016, sustainable assets under management grew 64%, from \$14 trillion to \$23 trillion. No longer considered a niche form of investing, sustainable investing has gone mainstream and for good reason—sustainable data gives investors a “new set of eyes” for evaluating potential investments.

Sustainable investing seeks positive impact and positive returns. We believe that sustainable investing adds value to your portfolios within the same risk-return profile. That is why we have made a strategic decision to bring sustainable investing into the mainstream of our offering to all clients, building on a strong legacy of over twenty years of sustainable investing experience.



Moving ahead: aligning values with investments



Source: US SIF; The Forum for Sustainable and Responsible Investment. From the 2016 Report on Sustainable and Responsible Investing. Global Sustainable Investment Alliance, 2012, 2014 and 2016 Global Sustainable Investment Review; Eurosif.

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It isn't just about saying no

Yesterday's responsible investors took an exclusionary approach, staying away from "sin stocks" like alcohol, tobacco, weapons and gambling companies. Today, sustainable investors are more constructive, adopting a positive screening approach by examining the tangible assets on a company's balance sheet (i.e., buildings, machinery) as well as those intangible assets captured by ESG.

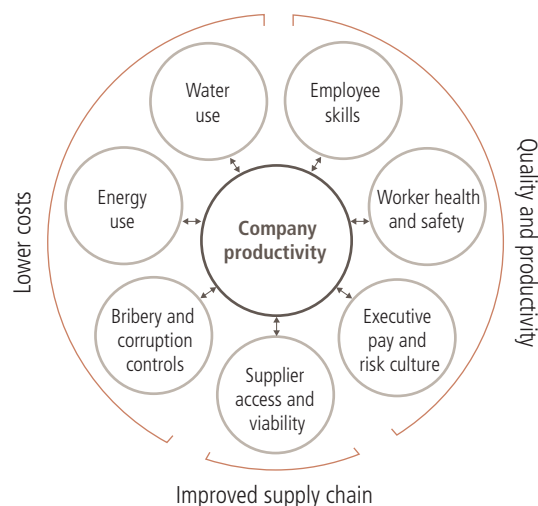
It is about broadening the scope of information

Intangible assets are generally not captured in company financial statements. By evaluating ESG data alongside traditional financial metrics, investors seek to derive the most complete assessment of a company's intrinsic value. The key is developing a forward-looking view of the potential impact of sustainability on that company's future financial performance. The result is a more holistic

and better informed view of a company and how it will perform over time.

We apply our proprietary, multi-stage, forward-looking cash flow model to document our internal analysts' independent views of a company's intrinsic value. In addition, our analysts factor in material ESG data on each company to capture more elusive information that may contribute to a company's intrinsic value and future performance.

Sustainable investors consider the big picture when evaluating companies



Sustainability factors create operating efficiencies, support value creation and create brand equity

Source: UBS Asset Management.

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Case study

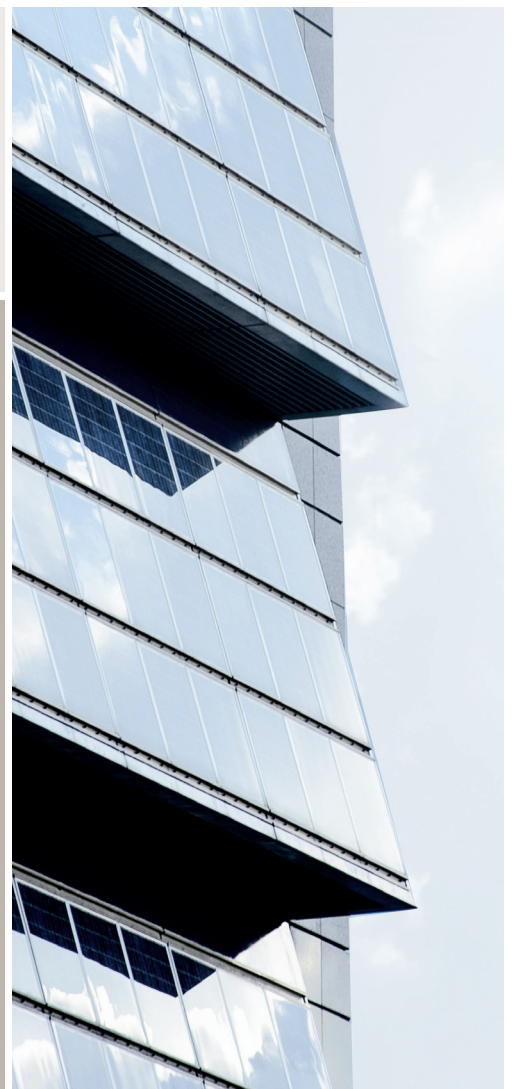
Microsoft will be one of the largest buyers of solar power in 2018.

Would you have guessed that Microsoft will be one of the largest consumers of clean energy this year? Well, according to Bloomberg, Microsoft's announcement in March of this year that it will buy 315 megawatts of solar power as part of the largest purchase of photovoltaic energy in the US will make it the number two among companies buying clean energy, only behind AT&T.

In an example of the breadth of companies embracing sustainable practices, Microsoft has set a goal of having 60% of the energy it uses to power its vast datacenters supporting cloud investing come from either wind, solar or hydropower by early in the next decade. Currently, roughly 44% of the energy powering its data centers comes from these sources.

"Across the tech sector we need to recognize that datacenters will rank by the middle of the next decade among the large users of electrical power on the planet," Microsoft says.

The opportunity set for sustainable investors is widening as companies improve their Environment, Social and Governance practices.



At UBS, we are working with leading academic institutions to develop metrics that capture the impact on health, water and air quality.

Investing for positive change

Impact Investing: making every investment create an impact

Impact investing, at its core, is making investments with the dual goal of having a social and environmental impact while seeking long-term, sustainable financial returns. Impact investments allow individuals, not-for-profits, corporations and institutional investors to allocate their capital in sound investments across all regions and asset classes, while seeking to address the world's most pressing problems. These global challenges are

outlined by the United Nations Sustainable Development Goals (SDGs), a universally accepted set of objectives that cover poverty, hunger, health, water, education and gender equality.

Impact investing upends the myth that smart investing is not compatible with doing social and environmental good: impact investing is proving that there is widespread interest in using investible capital to achieve positive outcomes on social and environmental issues that used

to be seen as the provenance of philanthropic organizations.

One of the key requirements of impact investing is providing clear information on intentionality and then measuring and reporting on the effects investments have on the environment and on people. The framework required for transparent measurement of impact requires science-based models to quantify sustainability data and outcomes.





Our goal is to provide you with sustainable investing solutions that both align with your values and meet your financial goals.

Engaging for impact, engaging for change

Sustainable and impact investors are engaging directly with companies through conversations with management and members of the board of directors. This post-investment, two-way dialogue is designed to educate companies about best practices in their sectors and encourage them to report on sustainability metrics. By aligning with company management, shareholders can help influence company strategy to align with positive social and environmental outcomes.

The world is changing, and the attitudes of consumers, employees, investors and society at large are changing as well. These stakeholders are demanding more of companies. Further, social media has made it harder for companies to hide

their impacts on society and the environment, only increasing stakeholder expectations for responsible behavior.

Meeting your financial goals and making a difference

Academic studies suggest that by incorporating sustainability in the investment process returns are not harmed. On the contrary, it may help lower the cost of capital and limit downside risks. UBS Asset Management has a long and rich history of more than 20 years investing sustainably, employing our proprietary models and our internal analysts' independent views of a company's intrinsic value. Our goal is to provide you with sustainable investing solutions that both align with your values and meet your financial goals.

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Matching our SI approaches to your needs

	Exclusion	ESG Integration	Sustainability Focus	Impact
Definition	Exclusion of certain sectors or companies based on specific ESG criteria	Integration of material ESG factors into the financial analysis used by Portfolio Managers	Strategies with sustainability playing a significant role in the investment process	Investment in companies and projects with positive social and environmental impacts
Key requirements	Norms-based or values-based exclusions	Access to and consideration of material ESG information	Tilts toward SI themes, negative and/or positive screening	Measure and understand impacts of investments

Source: UBS Asset Management.

Your sustainable and impact investment challenges answered.

At UBS Asset Management, our goal is to use our sustainable investing expertise and experience to help you see new opportunities and take advantage of new insights.

Contact us

For more information about sustainable investing, please contact us at 888-793 8637.

As of September 30, 2018. The Funds' or strategies' portfolios are actively managed and their composition will differ over time. Holdings and other portfolio Index

Supplemental information

UBS Asset Management (Americas) Inc. seeks to apply a consistent management style across investment vehicles employing this strategy. However, a typical Private Wealth Solutions portfolio may differ from other investment vehicles employing the strategy in the following respects: (1) a Private Wealth Solutions portfolio may hold fewer securities than other investment vehicles and therefore may be more volatile; (2) Private Wealth Solutions portfolios are constructed with Depositary Receipts unlike the accounts in the composite, which were constructed with ordinary securities held in local currency denominated in US dollars and securities of foreign issuers quoted in US dollars; (3) there will be no currency overlay employed for the Private Wealth Solutions portfolios; (4) a Private Wealth Solutions portfolio does not use derivative financial instruments in the course of ordinary management of assets or to hedge currency risk; (5) the Private Wealth Solutions portfolios may be benchmarked to indices different from those of other investment vehicles; and (6) a Private Wealth Solutions portfolio may use pooled investment vehicles (including mutual funds and ETF(s)) to gain exposure to certain asset classes instead of investing in them directly, and the pooled investment vehicles may be subject to certain restrictions and limitations that may not apply to other investment vehicles.

There are fees associated with investing in separately managed accounts. For fees charged in connection with the Private Wealth Solutions program, please refer to the UBS Asset Management (Americas) Inc. Private Wealth Solutions Wrap Fee Program Brochure.

SWP and PMP are available for non-ERISA/IRA accounts only.

For marketing and information purposes by UBS.

Nothing contained herein constitutes investment, legal, tax or other advice. This should not be construed as a solicitation, offer or recommendation to acquire or dispose of an investment, or to engage in any other transaction.

There are risks associated with an investment in each of the funds. Please see the funds' prospectus for more detailed information.

Consider carefully the Fund's investment objectives, risks, charges, expenses and other matters of interest set forth in the prospectus. The prospectus contains this and other information about the Fund. Please read it carefully and consider it before investing. It is important you have all the information you need to make a sound investment decision. An investment in a fund is only one component of a balanced investment plan. Diversification and asset allocation strategies do not ensure gains or guarantee against loss.

Risk considerations:

Market risk. The risk that the market value of a Portfolio will fluctuate as the stock and bond markets fluctuate. Market risk may affect a single issuer, industry or section of the economy, or it may affect the market as a whole.

ADRs are receipts typically issued by a US bank or trust company evidencing ownership of securities of foreign issuers on deposit with a bank or other custodian. Generally, ADRs are denominated in US dollars and designed for use in the US securities markets. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market.

GDRs are receipts generally issued by a non-US bank or trust company evidencing ownership of securities of foreign issuers on deposit with a bank or other custodian. The issuer of securities on deposit in respect of GDRs is often an issuer located in an emerging or developing market. Typically, the depository for a GDR is a bank or trust company located in the foreign jurisdiction in which the deposited securities principally trade.

There are risks associated with investing in depositary receipts. The rights of a holder of a depositary receipt in respect of the deposited securities may be less than the rights held by someone who holds the securities on deposit directly.

Un-sponsored depositary receipt facilities are typically established without the participation of the issuer of the deposited securities. In un-sponsored facilities, the depository usually charges holders of the depositary receipts fees for the deposit and withdrawal of the deposited securities, the conversion of dividends into the currency in which the depositary receipts are denominated, the disposition of non-cash distributions, and the performance of other services. Also, the depository of an un-sponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights related to the deposited securities to the holders of depositary receipts. In a sponsored facility, the issuer of the deposited securities typically assumes the obligation to pay some or all of the depository's transaction fees and the depository typically agrees to distribute notices of shareholder meetings, voting information, and other shareholder communications and information to the holders of depositary receipts at the request of the issuer of the deposited securities.

Although transactions in depositary receipts may settle in accordance with the norms of the market on which they trade, depositary receipts generally involve all of the other risks associated with investing in foreign securities and in assets denominated in foreign currencies. Also, the values of depositary receipts will generally be affected by many of the same factors that affect the performance of the deposited securities, including the financial performance of the issuer of the deposited securities, supply and demand for the deposited securities, and market and economic conditions. Although the performance of depositary receipts may tend to correlate with the performance of the deposited securities, there can be no assurance that they will so correlate or that their values will not deviate materially at times. Depositary receipts may be or become illiquid and may be less liquid than the deposited securities.

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