



**UBS Asset Management Funds Ltd**  
**- Company Number 02218008**

**Public**

***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 companies 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 fulfil their duties:

***Purpose Strategy and consideration of consequences of decision for the long term.***

The global 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. The strategic focus for the AM business remains consistent with the previous year's strategic plan. This focuses on capitalizing on the areas where the Company has a leading position to drive further profitable growth and scale, namely in 'Sustainable and Impact Investing', 'China, key markets in Asia, and Emerging Markets', 'Private Markets and Alternatives' and 'Passive'. The Company aims to continue to achieve capital growth and/or income returns to investors, while being fully transparent and treating all customers fairly.

***Culture and Conduct***

The core behaviours of 'Collaboration', 'Accountability with Integrity' and 'Innovation' form part of the assessment process for all UBS Group employees that are performing activities for the Company. Evidence of performance in these areas forms part of that assessment and therefore has a direct impact on staff compensation. Additionally, all staff attest annually to compliance with key policies, including the 'Code of Conduct and Ethics'. Staff are also subject to various mandatory trainings each year which include the area of conduct and behaviour. The Boards monitors conduct violation statistics and would take action if necessary, using appropriate escalations. To date, this has not been required. There is also a widely publicised 'Whistleblowing' framework accessible to all staff

and this operates from an independent team within UBS Business Solutions AG. The UBS purpose statement is: "Reimagining the Power of Investing, Connecting people for a better world".

There is a direct link between staff behaviours and compensation so there is a UBS Group remuneration committee to review 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.

### ***Engagement with our Customers***

The Company benefits from a UK AM supported client relationship team. This team conducts a client survey every two years with the last survey being in 2021 showing a stable overall satisfaction with UBS AM driven by satisfaction with relationship team, investment performance and ease to do business. The survey also provides a benchmark for the UK AM Group against the industry and drives improvement priorities which the Company benefits from. There is also the 'Product and Consumer Outcomes Committee' providing regular updates to the directors of the Company.

### ***Engaging with our Employees***

The Company strives to ensure there are forums in place to encourage feedback and dialogue from its employees to maintain a strong connection and be able to react to their changing needs. This includes:

In 2022, 80% of UBS employees globally participated in the 'Line Manager Effectiveness survey' (76% in 2021). The results show consistently strong scores in all categories and across the Group with particularly high scores on team culture and strong engagement. The results can be broken down to different levels, e.g., local company level, providing insights and enabling the Company to direct resources or support to those areas where improvements are required.

Rungway is an online tool which provides a forum for employees to be able to get advice on sensitive subjects, ask questions and share their experiences. Questions and experiences can be asked or shared either openly or anonymously and replies can be provided either publicly or privately. This remains active and is a tool for candid debate and feedback.

The 'UK People Agenda' forum strives to connect staff with each other and with management through social, educational and information sharing events. Every area of the business presents to colleagues on what their function does, and this is in a relaxed forum to aid networking and knowledge sharing. Quarterly UK Asset Management specific town halls are also held to educate staff around strategy and the latest topics. Social events are organised that continue to foster a collegiate and open cultural environment.

Globally the 'Grow Asset Management Initiative' has been launched seeking ideas relating to subjects such as training, recruitment, community and diversity. Impacts such as almost doubling the percent of employees involved in community activity globally, enhanced training offerings and amending recruitment processes.

'Kudos' is a scheme enabling staff to highlight the achievements of their colleagues on a global basis, this is on-going and the points refresh annually. It is a widely publicised tool to encourage recognition of day to day positive behaviours.

UBS AM UK has started a black employee network with a view to supporting recruitment and progression of black employees and also to actively encourage community activity at Bridge Academy to demonstrate that UBS as potential employer for future black talent.

In March 2022 UBS has agreed to match \$10m of staff donations made towards relief efforts in Ukraine.

In February 2023 UBS has agree to match 20% of donations made by its employees towards relief efforts in Turkey and Syria.

### ***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. All Board of Directors are approved by the President CEO of the UBS Group.

### ***Engaging with our Suppliers***

Bi-annual reviews are undertaken with UBS Business Solution AG, a separate legal entity providing support services to the Company which includes finance, legal, IT, compliance, risk and operations. The delivery of these services is assessed against key performance indicators which have been graded as 'green' which means they have met the required service delivery expectations.

UBS Group has a robust centralised outsourcing process which involves performing the necessary due diligence on outsourcing arrangements, especially the areas of cyber and data security but ad-hoc reviews can also be performed. This process is initiated once a year with the relevant 'Business Unit' associated with the outsourced services.

### ***Engaging with our Community & Environment***

The award winning 'Community Impact' programme has managed to retain staff engagement levels. This was made possible by a hybrid approach to volunteering initiatives, some virtual and some in person. Participation for the UK was 49% for 2021 and again for 2022.

Locally, there are very strong links with the Bridge Academy in Hackney and this is a major key community partnership. The Company also supports 'Well Grounded' which provide employment for refugees, amongst others. There has been an increase in on-line interview training and CV reviews for schools and those seeking employment. There was a plastic fishing in the Thames event for staff again and cemetery clean up in Tower Hamlets. However, the primary focus is using skillsets of UBS staff to support local schools and other community partners with education and employability – indeed, in April 2022 the London office of UBS Asset Management offered virtual work experience to 60 students on line and this was repeated in October 2022.

Effective 1 January 2022, the new AM Head of Sustainable Investing was appointed with responsibility to deliver AM's sustainability and impact strategy, including the execution of 'AM's Sustainable Investing 2025 initiative'. This initiative brings together workstreams from across AM, with the ambition to significantly increase Sustainable Investing focused assets through the launch of innovative new products as well as the repositioning of some of the existing capabilities.

- As a founding signatory of the net zero commitment and the firm's ambition to become the financial provider of choice for clients who wish to mobilise capital towards the achievement of the UN's sustainability goals and the orderly transition to a low carbon economy
- The Triton Property Fund converted to Article 8 in December 2022 and lead its peer group of 93 in the 2022 GRESB Real Estate Assessment. It was the only 5-star fund in that peer group (ranked 9<sup>th</sup> out of 216 strategies in Europe).

### ***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.