



2022 Assessment of Value Report

UBS Investment Funds ICVC

UBS Investment Funds ICVC II

UBS Investment Funds ICVC III

UBS Investment Funds ICVC V

UBS Asset Management Funds Ltd

September 2022



Message to our clients

I am pleased to share with you our third annual Assessment of Value Report as of 30 June 2022, reviewing our UK Fund range. This is based on a detailed Assessment of Value that we have undertaken on the Fund range. This process is required by the Financial Conduct Authority (FCA) of all UK Authorised Fund Managers (AFMs) who oversee UK Open Ended Investment Company (OEIC) funds, to be conducted annually to assess the value for each fund taking into account the different share classes that they manage. The assessment process and publication of this report is intended to strengthen investor protection and transparency across the industry and reinforces the requirement to act in investors' best interests.

In our 2021 report we highlighted a series of actions to improve the value that we provide to clients. I am pleased to report that the majority of these actions have been closed and we have plans in place to resolve those actions still open. This year has been particularly challenging in terms of delivering active performance, we have engaged with the investment teams to understand the drivers of this performance and have provided additional commentary for each fund and highlighted the further actions that we will take to ensure that Funds are best placed to meet their objectives. Further details are available in the summary of actions table on page 33.

We welcomed the introduction of the Assessment of Value and believe that these completed actions demonstrate that this increased level of transparency will continue to be beneficial for clients. We have robust processes for ensuring our funds deliver the value that our clients expect from us and take action when they do not. We believe that this report will allow us to demonstrate this to you and to the FCA and at the same time continually challenge our firm and the industry overall to further improve.

We have assessed value across seven criteria – Quality of service, Performance, Authorised Fund Manager costs – general, Economies of scale, Comparable market rates, Comparable services, and Classes of units. This year, we further reviewed our processes, took on-board feedback including topics published by the FCA and the Investment Association, and in the criteria sections of the report, we have highlighted changes that we have made to further enhance our Assessment of Value. In particular, to reflect the increased focus on Environmental, Social and Governance (ESG) factors, and Stewardship, we have enhanced our analysis of Quality of Service to include these factors within our rating methodology and have provided additional information for each fund, overall we have seen an improvement on this criteria.

Based on this assessment, we believe our fund range delivers good value to clients, while noting that there are some areas for improvement. We go through each of the criteria in more detail in the following pages. We also explain how we have conducted this review as well as the actions we have taken and will take to ensure that this continues to be the case.

This year we also welcomed Rosie Bichard as an Independent Non-Executive Director of the ACD, replacing John Stannard, who stepped down from the Board after 5 years in the role.

We welcome your feedback on this report and look forward to sharing our future reports with you. We thank you for your continued trust in us and are committed to continually improving our offering to meet your evolving needs.



Pete Davis
Non-executive director
UBS Asset Management Funds Ltd

Table of contents

Introduction to the Board of Directors: UBS Asset Management Funds Ltd.....	4
Introduction and Executive Summary	5
Summary Assessment of Value.....	6
Criteria 1: Quality of service	9
Criteria 3: Authorised Fund Manager costs – general.....	10
Criteria 4: Economies of scale	11
Criteria 5: Comparable market rates.....	11
Criteria 6: Comparable services	12
Criteria 7: Classes of units.....	12
Assessment of Value – Fund details	13
UBS Global Emerging Markets Equity Fund.....	14
UBS Global Optimal Fund.....	15
UBS US Equity Fund	16
UBS UK Equity Income Fund.....	17
UBS Sterling Corporate Bond Indexed Fund.....	19
UBS S&P 500 Index Fund.....	20
UBS Global Strategic Bond Fund	21
UBS US Growth Fund.....	22
UBS FTSE RAFI Developed 1000 Index Fund.....	23
UBS MSCI World Minimum Volatility Index Fund	24
UBS Global Equity Climate Transition Fund.....	25
UBS Global Allocation Fund (UK).....	27
UBS Multi-Asset Income Fund	28
UBS Global Diversified Income Fund.....	29
UBS Global Enhanced Equity Income Sustainable Fund	30
Summary of actions Assessment of Value.....	32
Appendix I	33

Introduction to the Board of Directors: UBS Asset Management Funds Ltd

The Authorised Corporate Director (ACD)

This Assessment of Value is provided by UBS Asset Management Funds Ltd, the Authorised Corporate Director responsible for the management and administration of the Funds detailed in the following pages.

Executive Directors

Adam Aziz



Adam is the Chief Executive Officer of the ACD, he joined the Board in 2018 and became CEO of the ACD in 2020.

Adam is the Head of Capability Specialists for the Real Estate & Multi Managers business. Previously Adam was the EMEA

Regional Operating Officer and a member of the AM Operating Committee reporting to the UK Asset Management CEO and was Chair of the UK and EMEA Front to Back Forum with oversight of the operating environment of the UK & EMEA business. Adam also had responsibility for implementation of the regulatory and governance framework. Prior to joining Asset Management, Adam had a number of roles across other divisions of UBS, including Group Functions and Wealth Management.

Andrew Larkin



Andrew is an Executive Director of the ACD and joined the Board in 2019.

Andrew joined UBS Asset Management as Head of Wholesale for the UK, Nordics and Benelux regions in January 2018 with responsibility for the ongoing development, implementation and management of UBS's

wholesale strategy for financial institutions and retail clients. Prior to joining UBS Asset Management Andrew was Head of Global Strategic Relationships at JP Morgan Asset Management.

Independent Non-Executive Directors

Pete Davis



Pete is the Chair and Independent Non-Executive Director of the ACD and joined the Board in 2016.

Pete holds a number of non-executive directorships within the investment industry and has over 40 years of industry experience. In the role of Chair of the

Board, Pete has responsibility to provide challenge to the other Board members and bring wider industry knowledge to the discussions.

During his executive career Pete worked for companies within the Zurich Financial Services Group between 1981 and 2014, including Head of Global Funds Desk where he had global responsibility for commercial relationships and governance oversight of external asset managers as well as oversight of dealing and operating platforms.

Rosie Bichard



Rosie is an Independent Non-Executive Director of the ACD and joined the Board in 2022, replacing John Stannard, who stepped down from the Board after 5 years in the role.

Rosie holds a number of Non-Executive Directorships in both business and not-for-profit sectors globally. As an Independent Non-Executive Director, Rosie has responsibility to provide challenge to the other Board members and bring wider industry knowledge to the discussions.

Rosie has over 25 years of institutional investment management experience, with expertise in evaluating company strategy across industries, with particular focus on the consumer sector. Her career includes roles as both a senior buy-side analyst and fund manager at firms including Newton Investment Management and Deutsche Asset Management. Most recently, she also led the integration of Environmental, Social and Governance principles into the investment process at Lofoten Asset Management.

Introduction and Executive Summary

The FCA requires AFMs to conduct an Assessment of Value at least annually for each share class of each UK authorised fund they manage, and publish a report of the results.

Assessment of Value summary

Value is assessed across the seven minimum criteria:

- Quality of service
- Performance
- Authorised Fund Manager costs – general
- Economies of scale
- Comparable market rates
- Comparable services
- Classes of units

This does not replace or consider elements already contained elsewhere in the annual reports, such as fund strategy.

This assessment covers the period up to the 30 June 2022 and includes 15 funds and 39 share classes.

Overall, we believe that our funds have provided good value to our clients. To help you read this report we have provided a summary of the methodology and our findings on each metric we have considered as part of this review. We go into more detail in the following pages as to how we assessed and rated our funds and have come to these views, followed by details for each fund and share class. A summary of actions can be found on page 33 of this Report. Appendix 1 provides a net performance overview for all share classes.

Quality of service

This year, we further enhanced our analysis of the quality of the investment process, including Environmental, Social and Governance (ESG) factors, and Stewardship in our rating methodology for this metric. Overall, our assessment found that the investment manager and our service providers are providing excellent value to our clients across the spectrum, improving the value provided to clients. We provide further detail on one closed action identified during the review period and one closed action from the 2021 assessment.

Performance

This year has been particularly challenging in terms of delivering active performance, with actively managed funds providing moderate value overall. We have provided additional commentary for each fund and highlighted the further actions that we will take to ensure that Funds are best placed to meet their objectives. Overall our index tracking funds have provided excellent value in terms of investment performance.

Authorised Fund Manager costs – general

Our assessment found that we were offering excellent value on this metric, with underlying costs being well managed. In 2021, we renegotiated a reduction in the cost of some external service providers across the fund range and this applied throughout the period of review, improving the value provided to our clients.

Economies of scale

Our assessment found overall our funds are providing good value on this metric. Many of the funds in our range are too small to generate economies of scale and we use fee caps in order to maintain Ongoing Cost Figures (OCFs) at a competitive level. Where we have economies of scale, these are passed on to clients through adjusted service costs. We also agreed a framework which will be introduced to ensure that where funds reach a certain size, clients will benefit through a reduction in on-going charges for applicable share classes. We have provided more information in the Economies of scale section.

Comparable market rates

Overall, we are providing good value to clients. Most of the OCFs of our funds' comparable share classes are below or in line with similar funds within the peer groups. Some of those share classes are subsidised via cost caps to ensure clients do not pay excessive costs. We have also identified one share class which is more expensive than peers where we will take further action.

Comparable services

Our assessment found that we are providing excellent value to clients. Where we did not identify a directly comparable service, UBS fund or institutional mandate, we used our own internal systems and processes for comparison, with a structured methodology. We have agreed to adjust the cost cap for selected share classes to ensure clients do not pay excessive costs.

Classes of units

Overall, our assessment showed that we are providing excellent value on this metric. We undertook a significant review of our share class architecture in 2019 and converted clients from legacy share classes at that time. We also completed the action identified in our 2020 report to review the charges applied to one share class.

Summary Assessment of Value

We have used the following 4 star ratings across all seven criteria. Updated methodologies are highlighted with a red box below and changes highlighted in the criteria section of the report

Rating scale methodology

Consideration / Definition FCA

UBS rating scale methodology for assessment

	Excellent value consistently ★★★★	Good value is achieved consistently ★★★	Moderate value ★★	Poor value ★
Quality of service The range and quality of services provided to unitholders	Excellent levels of service provided overall, considering external service providers measured by Key Performance Indicators (KPIs), quality of Investment Management assessed during Investor Days, feedback received measured by Quality Indicators (QIs), no active COLL breaches nor complaints, and assessment of Stewardship Activities	Good levels of service provided overall, considering KPIs, quality of Investment Management assessed during Investor Days, QIs, no active COLL breaches nor complaints, and assessment of Stewardship Activities	Met most expected service levels overall, but not all, considering KPIs, quality of Investment Management assessed during Investor Days, QIs, COLL breaches or complaints and assessment of Stewardship Activities	Failed to meet expected service levels overall, considering KPIs, quality of Investment Management assessed during Investor Days, QIs, COLL breaches or complaints and assessment of Stewardship Activities
Performance The performance of the scheme, after deduction of all payments out of scheme property as set out in the prospectus (in this rule, COLL 6.6.23E and COLL 8.5.19E, "charges"). Performance should be considered over an appropriate time-scale having regard to the scheme's investment objectives, policy and strategy	Met all primary investment objectives over 1, 3, 5 years (or since inception), nothing in risk information or secondary objectives that causes concerns. No action	Met most primary investment objectives over 1, 3, 5 years (or since inception), potentially some concerns around secondary objectives or risk levels. Ongoing monitoring with escalation if pattern of returns continues	Met some primary investment objectives over 1, 3, 5 years (or since inception) but not others, some causes for concern in performance levels or secondary metric. Heightened monitoring and potential escalation	Failed to meet most primary objectives over 1, 3, 5 years (or since inception). Board should specify a plan of action to remediate
Authorised Fund Manager costs – general In relation to each charge, the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties, the cost is the amount paid to that person	Assessment of costs charged concluding excellent value because of successful negotiations and reductions in fees charged	Assessment of costs charged concluding good value from reviewed rate card	Assessment of costs charged concluding poor value because of high costs with existing service / outsourced provider(s) requiring appointment of different service provider(s) following unsuccessful negotiations	Assessment of costs charged concluding moderate/poor value because of increased costs with existing service / outsourced provider(s) without any actions taken
Economies of scale Whether the AFM is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property and taking into account the value of the scheme property and whether it has grown or contracted in size as a result of the sale and redemption of units	Lower ongoing charge figures (OCF) as a result of funds benefitting from meaningful cost savings because of significant AuM And / or lower OCF because of bespoke agreement in place (for K, J, E and L Share Classes only)	Lower OCF as a result of adjusted service costs for funds without a significant AuM Lower OCF as a result of cost caps in place for Share Class with low AuM	The Fund does not benefit from meaningful cost savings as low AuM and no cost caps in place	The Fund does not benefit from meaningful cost savings albeit the Fund has significant AuM
Comparable market rates In relation to each service, the market rate for any comparable service provided: a) by the AFM; or b) to the AFM or on its behalf, including by a person to which any aspect of the scheme's management has been delegated	The OCF comparison showed excellent value against UK peer group (tier 1 quartile)	The OCF comparison was in line against UK peer group (tier 2 quartile)	The OCF comparison was inferior against UK peer group (below median tier 3 quartile)	The OCF comparison was poor against UK peer group (tier 4 quartile)
Comparable services In relation to each separate charge, the AFM's charges and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size and having similar investment objectives and policies	AMC comparison showed excellent value against directly comparable mandates/funds with the same GIPS composite and/or showed excellent value against a similar comparable service and investment strategy	AMC comparison showed good value against directly comparable mandates/funds with the same GIPS composite and/or showed good value against a similar comparable service and investment strategy	AMC comparison showed moderate value against directly comparable mandates/funds with the same GIPS composite and/or showed moderate value against a similar comparable service and investment strategy	AMC comparison showed poor value against directly comparable mandates/funds with the same GIPS composite and/or showed poor value a similar comparable service and investment strategy
Classes of units Whether it is appropriate for unitholders to hold units in classes subject to higher charges than those applying to other classes of the same scheme with substantially similar rights	No legacy share-classes remain – proactive switching evidenced. Clear delineation between each fund share class and their clients	Clear delineation between each fund share class cost and services applied	Still have legacy pre RDR share classes and / or funds with inconsistent AMC fees per share-class – evidence of proactive engagement	Still have legacy pre RDR share classes and / or funds with inconsistent AMC fees per share-class, clients allocated to the incorrect share class – with no evidence of client engagement

Source: Financial Conduct Authority (FCA) / UBS Asset Management. Data as at September 2022.

Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

We do not include ratings in certain categories for some sub funds for the following reasons:

1. Performance – ratings were not provided if the Fund track record was below one year.
2. Comparable market rates – ratings were only provided where a reasonable peer comparison was available and management fees were charged to the share class for the period of the review.
3. Comparable services – ratings were only provided where management fees were charged to the share class for the period of the review.

OEIC / Fund / Share Class	ISIN	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Page
UBS Investment Funds ICVC									
UBS Global Emerging Markets Equity Fund									
C acc	GB00B7L34154	★★★	★★ ↓	★★★★↑	★★★	★★★★	★★★★	★★★★	14
J acc	GB0031098741	★★★	★★ ↓	★★★★↑	★★★ ↑	n.a.	★★★★	★★★★	14
K acc	GB00B28Z6802	★★★	★★★ ↓	★★★★↑	★★★★	n.a.	n.a.	★★★★	14
UBS Global Optimal Fund									
C acc	GB00B89NPX39	★★★★↑	★★ ↓	★★★★↑	★★★	★★	★★★★	★★★★	15
UBS US Equity Fund									
C acc	GB00B7V68L26	★★★★↑	★★	★★★★↑	★★★	★★★	★★	★★★★	16
UBS UK Equity Income Fund									
C acc	GB00B4W58959	★★★★↑	★★	★★★★↑	★★★	★★★ ↓	★★★★	★★★★	17
C inc	GB00B8034464	★★★★↑	★★	★★★★↑	★★★	★★★ ↓	★★★★	★★★★	17
K acc	GB00BF4J3C04	★★★★↑	★★★ ↑	★★★★↑	★★★★	n.a.	n.a.	★★★★	17
K inc	GB00BF4J3F35	★★★★↑	★★★ ↑	★★★★↑	★★★★	n.a.	n.a.	★★★★	17
UBS Sterling Corporate Bond Indexed Fund									
C acc	GB00B95J1785	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★	19
C inc	GB00B9LD6X50	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★	19
J inc	GB00B9B72F12	★★★	★★★	★★★★↑	★★★	n.a.	★★★★	★★★★	19
K acc	GB00B9D6WC36	★★★	★★★★	★★★★↑	★★★ ↓	n.a.	n.a.	★★★★	19
UBS S&P 500 Index Fund									
C acc	GB00BMN91T34	★★★★↑	★★★★	★★★★↑	★★★	★★★	★★★★	★★★★	20
C inc	GB00BMN91V55	★★★★↑	★★★★	★★★★↑	★★★	★★★	★★★★	★★★★	20
J acc	GB00BMN91W62	★★★★↑	★★★★	★★★★↑	★★★★↑	n.a.	★★★★	★★★★	20
J inc	GB00BMN91X79	★★★★↑	★★★★	★★★★↑	★★★★↑	n.a.	★★★★	★★★★	20
UBS Global Strategic Bond Fund									
C acc	GB00BFYY5N04	★★ ↓	★★ ↓	★★★★↑	★★★	★★★★	★★★★	★★★★	21
C inc	GB00BFYY5P28	★★ ↓	★★ ↓	★★★★↑	★★★	★★★★	★★★★	★★★★	21
R acc	GB00BKBY6576	★★ ↓	★★ ↓	★★★★↑	★★★	n.a.	n.a.	★★★★	21
R inc	GB00BKBY6683	★★ ↓	★★ ↓	★★★★↑	★★★	n.a.	n.a.	★★★★	21
UBS Investment Funds ICVC II									
UBS US Growth Fund									
C acc	GB00B7VHZX64	★★★★↑	★★	★★★★↑	★★★	★★★	★★★ ↑	★★★★	22
UBS FTSE RAFI Developed 1000 Index Fund									
C acc	GB00BX9C1L56	★★★★↑	★★★	★★★★↑	★★★	★★★	★★★★	★★★★	23
E acc	GB00BL2F1J52	★★★★↑	★★★	★★★★↑	★★★★	n.a.	n.a.	★★★★	23
J inc	GB00BYNNWN07	★★★★↑	★★★★	★★★★↑	★★★★↑	n.a.	★★★★	★★★★	23
UBS MSCI World Minimum Volatility Index Fund									
C acc	GB00BX9C1N70	★★★★↑	★★★	★★★★↑	★★★	★★★	★★★★	★★★★	24
E acc	GB00BL2F1K67	★★★★↑	★★★	★★★★↑	★★★★	n.a.	n.a.	★★★★	24
UBS Global Equity Climate Transition Fund									
K acc	GB00BNLXP253	★★★★	n.a.	★★★★	★★★★	n.a.	n.a.	★★★★	25
UBS Investment Funds ICVC III									
UBS Global Allocation Fund (UK)									
C acc	GB00B4MGDQ07	★★★★↑	★★	★★★★↑	★★★	★★★ ↓	★★★	★★★★	27

OEIC / Fund / Share Class	ISIN	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Page
UBS Multi-Asset Income Fund									
C acc	GB00B7SQL276	★★★	★★★ ↓	★★★★↑	★★★	★★★	★★★★	★★★★	28
C inc	GB00B804TT93	★★★	★★★ ↓	★★★★↑	★★★	★★★	★★★★	★★★★	28
L acc	GB00BB0R2V23	★★★	★★★ ↓	★★★★↑	★★★★↑	n.a.	n.a.	★★★★	28
L inc	GB00BB0R2W30	★★★	★★★ ↓	★★★★↑	★★★★↑	n.a.	n.a.	★★★★	28
UBS Global Diversified Income Fund									
C acc	GB00BG1TL829	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★	29
C inc	GB00BG1TL936	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★	29
R acc	GB00BKMDQ539	★★★	★★★	★★★★↑	★★★	n.a.	n.a.	★★★★	29
R inc	GB00BKMDQ646	★★★	★★★	★★★★↑	★★★	n.a.	n.a.	★★★★	29
UBS Investment Funds ICVC V									
UBS Global Enhanced Equity Income Sustainable Fund									
C acc	GB00BL0RSN63	★★★★↑	★★★ ↑	★★★★↑	★★★	★★★★	★★★★	★★★★	30
C inc	GB00BL0RSP87	★★★★↑	★★★ ↑	★★★★↑	★★★	★★★★	★★★★	★★★★	30

Source: UBS Asset Management. Data as at end September 2022

Criteria 1: Quality of service

What is it?

Quality of service, to us, is about our clients' experience of interacting with us throughout their time invested in our funds. It covers the service aspects, the documentation provided to clients, the more mechanistic elements of running our funds effectively, as well as the quality of the investment process, including Environmental, Social and Governance (ESG) factors, and Stewardship Activities provided by the Investment Manager.

We have three types of clients using our funds:

- Institutional clients. This category includes pension funds, wholesalers and wealth managers, insurers and other corporations
- Individuals who invest through a platform or via an advisor
- Individuals who invest directly into our funds

All institutional clients have a dedicated Client Relationship Manager (CRM) and we conduct regular client surveys to ensure that our overall service levels are meeting their expectations and to identify areas where we can improve. We also have a dedicated Client Service team which supports our CRMs.

Where clients either use a third party or buy directly from a platform, and therefore do not interact with us directly, our emphasis is on ensuring that the key tasks that are important to clients are performed. These include Dealing, Complaints Handling, Settlement, Distributions, Account Maintenance, Net Asset Value (NAV) Delivery and NAV Accuracy. We out-source these functions, and have a strong governance process in place, including Key Performance Indicators (KPIs) with all of our providers to ensure that our high standards are continually met and align to the expected UBS service delivery.

How have we managed and measured quality of service?

We have reviewed the KPIs, as listed above, on a monthly and quarterly basis. We have also conducted regular monthly reviews with our key internal and external service providers and collated the results across the whole year.

The ACD has appointed UBS Asset Management (UK) Ltd to provide investment management services to the ACD in respect of the Funds. The ACD performs ongoing monitoring of the Investment Manager to ensure quality of the Investment process. This year we enhanced our monitoring through focused reviews of individual funds and their Investment Processes including ESG and Stewardship Activities. The ACD has also increased focus on the sustainable investing approach of the Investment Manager. Where funds have ESG or sustainable investment objectives, we have included a summary within the fund pages. We have also included a Stewardship summary for applicable funds.

ESG and Sustainable Investing

We believe that sustainable investing can result in better overall risk-adjusted outcomes for clients by primarily protecting against downside risks associated with ESG related issues. Sustainable investing is grounded in the broader use of ESG information in the investment analysis process and the belief that such information can lead to better informed investment decisions. By identifying long-term investment opportunities, anticipating and managing financially material risks, engaging with the relevant third parties, and creating products and services that take into account ESG considerations, we believe our investments will be more successful in the longer term and will positively impact society and the environment.

More information on our approach to sustainability in investments and Stewardship can be found at <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

What does our analysis tell us?

We believe that we are providing excellent value to our clients in terms of quality of service, improving the value provided to clients. At a broad level, all of our KPIs are being met with a very high level of consistency. However, our analysis did show us that there were challenges in terms of accuracy of NAV calculations for the UBS Global Strategic Bond Fund. While this did not negatively impact the Fund, the issue was remediated and processes updated during the 2022 review period.

As part of this year's Assessment, the ACD asked for an additional analysis of Stewardship Activities which we have summarised for applicable funds.

What action do we need to take as a result of this assessment?

As part of our regular processes we review every incident where we fall below our targets and where control weaknesses are identified, management remediation action is taken. We are reviewing and will continue to closely monitor those areas where we have identified some challenges in delivery in more depth. We will also continue to review our KPIs and our client service delivery mechanisms to ensure we continue to deliver value to all our client base. We will continue to review and monitor the clarity and accuracy of documentation provided to clients.

Criteria 2: Performance

What is it?

This measure looks at the investment performance of our share classes. We have considered performance with reference to the recommended holding periods, with the primary focus and metric being the performance relative to the investment objectives.

How have we managed and measured investment performance against objectives?

The metric we have used is the performance of the share classes, relative to the Fund's investment objectives as set out in the prospectus. We have measured this over what we see as appropriate time periods, which we have defined as one year, three years and five years annualised performance. We have used since inception comparison if the time periods for three years and five years were not available.

For share classes with a short history compared to the time period of the investment objective and/ or recommended holding period, we have reviewed performance since inception, noting that we will continue to monitor performance until they reach the full time period. We have also considered the investment policy, strategy and market environment, including ESG metrics where applicable. Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the benchmark and/or the fund price at the end of the month includes the dilution levy spread on that day.

What does our analysis tell us?

Our fund range is a mixture of active funds and index tracking funds, across equity, multi asset and fixed income asset classes. This year has been particularly challenging in terms of delivering active performance, with actively managed funds providing moderate value overall. We have engaged with the investment teams to understand the drivers of this performance and gain further insight into the investment process. We have provided additional commentary for each fund and highlighted the further actions that we will take within the fund pages to ensure that Funds are best placed to meet their objectives.

Overall our index tracking funds have provided excellent value in terms of investment performance.

What action do we need to take as a result of this assessment?

Where the analysis has raised concerns about the performance, we will increase scrutiny of these funds at Board meetings and engage with investment teams to monitor performance. We have also noted some fund-specific actions in the detailed fund pages.

Criteria 3: Authorised Fund Manager costs – general

What is it?

In this measure we review all the costs and charges incurred by the fund in its normal operations to ensure that they are appropriate and reasonable. This includes annual management fees, direct costs and registrar fees which are the main components of the ongoing charge figure. This excludes transaction costs.

How have we managed and measured Authorised Fund Manager costs?

We have reviewed all of the charges to each fund, noting when delegated service contracts have been reviewed and re-negotiated, and what each service provider is delivering to UBS Asset Management Funds Ltd as a business. This includes internal and external service providers. We have used our commercial judgement and also benchmarked our review to the market to determine whether the costs are reasonable. We have updated our rating framework to separate peer comparison of costs, which is assessed within the comparable market rates criteria.

What does our analysis tell us?

We are providing excellent value to our clients on this metric. All of the contracts, service level agreements and rate cards have been reviewed across our funds and benchmarked against market levels. The rates charged for the services are competitive and offer value given the assets under management for the funds.

In 2020 we noted the re-negotiated custody costs through the introduction of tiered custody safekeeping charges and fee levels as part of our annual audit. Since last year's review, we also applied renegotiated costs for some external service providers across the fund range which have benefitted the funds and improved our overall rating for this criteria.

What action do we need to take as a result of this assessment?

No specific actions are needed, however, we keep these criteria under ongoing review as part of our normal business processes.

Criteria 4: Economies of scale

What is it?

As funds become larger, fixed costs typically decline as part of the overall cost of holding the fund. Where possible, UBS Asset Management Funds Ltd negotiates third party administrator and other services provided to funds based on volume across our global fund range. This leads to lower costs per fund, which in turn means clients should benefit from our firm's size and economies of scale.

How have we managed and measured economies of scale?

We have considered the size of each fund in relation to direct and indirect costs, including support for funds as they grow or maintain low assets under management (AUM). We have also reviewed any investment management agreements in place

This year, we further enhanced our rating scale methodology and assessment. We performed an analysis of the size of each fund and share class and the fees charged. We also agreed a framework which will be introduced to ensure that where funds reach a certain size, clients will benefit from economies of scale through a reduction in on-going charges for applicable share classes.

What does our analysis tell us?

We are providing good value to clients on this metric. While we have some funds that are too small in terms of AuM to generate economies of scale, we are subsidising many of these via cost caps to ensure clients do not pay excessive costs. As the funds increase in size, the service costs on a relative basis are expected to reduce, with lower ongoing charges automatically passed through to end clients in the fund.

What action do we need to take as a result of this assessment?

We will continue to monitor and, where we are able to achieve economies of scale, pass those on to clients.

We plan to implement our agreed framework to ensure that where funds reach a certain size, clients will benefit from economies of scale through a reduction in on-going charges for applicable share classes. Where funds are generating diseconomies of scale, we will use the tools available to us, including cost caps, to maintain competitive on-going charges for our clients.

Criteria 5: Comparable market rates

What is it?

For this we compare the Ongoing Cost Figure (OCF) of our funds with OCF of other similar funds in the market where data are available. We compare market rates to funds that are set up in similar ways, with similar objectives and structures.

How have we managed and measured comparable market rates?

To measure OCF, we use data from an external, independent data provider, Lipper, which categorises funds from across the marketplace into peer groups. This allows us to demonstrate what the annual cost of owning the fund is compared to similar funds. We measure this at a share class level, using default Lipper universes as defined by the Investment Association.

This year, we enhanced our process by including a peer comparison of all share classes, including the size of comparable funds and share classes where comparison data were available. This allowed us to more accurately measure peers for comparable share classes.

What does our analysis tell us?

Overall, we are providing good value to clients. Where peer comparison was available, most of the OCFs of our funds' share classes are below or in line with similar funds within the peer groups. Some of those share classes are subsidised via cost caps to ensure clients do not pay excessive costs. We have also identified some share classes which are more expensive than peers.

What action do we need to take as a result of this assessment?

We will continue to monitor this metric to ensure that our OCFs continue to offer good value to clients and have highlighted share classes where we will take further action.

Criteria 6: Comparable services

What is it?

This is similar to criteria 5, but asks us to look internally to determine, from a cost-only perspective (disregarding considerations of performance), if funds provide good value relative to other products that we offer such as similar funds and institutional mandates.

How have we managed and measured comparable services?

In order to be considered a comparable service, products should match in terms of investment mandate, investment objective, size and strategy. To assess and provide a rating where no directly comparable UBS fund or institutional mandate is available, we used our own internal systems and processes for comparison, with a structured methodology.

What does our analysis tell us?

Overall, we are providing excellent value to clients. Although we did not identify a directly comparable service, UBS fund or institutional mandate, we used our own internal systems and processes for comparison, with a structured methodology. We further reviewed some share classes to confirm that the OCF was in line with a similar comparable service.

What action do we need to take as a result of this assessment?

The ACD will continue to monitor costs and has agreed to adjust the cost cap for selected share classes to ensure clients do not pay excessive costs.

Criteria 7: Classes of units

What is it?

This criteria requires us to look at the different share classes we may offer, for example to retail and institutional clients, and to determine whether charges applying to each share class are appropriate, and clients are in the correct share class.

How have we managed and measured classes of units?

We have reviewed the share classes we offer and which clients are invested in them.

The fund range has three main share classes open to clients and three share classes specific to certain funds or client types. Differences between institutional and retail operating requirements, and the management fee payment mechanism result in differences in the ongoing charge of classes of units.

Individual client Class C have higher ongoing charges than institutional Class J and Class K and intermediary Class R as a result of minimum investment requirements for institutional and intermediary share classes; cash management and reporting obligations associated with Individual client share classes.

Differences between the ongoing charges of institutional Class J and Class L compared to Class K and Class E stem from the fact that the management fee for Class K and Class E is invoiced directly to clients, resulting in a lower ongoing charge figure. Further details for each share class are provided in the Prospectus of each fund.

What does our analysis tell us?

We are providing excellent value to clients on this metric. We conducted a significant review of our share classes in 2019 and took remedial action to provide notice to 1,071 clients to convert out of our legacy A and B share classes into share classes that better met their needs. This was successfully completed before the end of September 2019.

We believe our share classes are appropriate and that our clients are in the appropriate share classes for their needs.

What action do we need to take as a result of this assessment?

No action is needed.

Assessment of Value – Fund details

UBS Global Emerging Markets Equity Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★	★★ ↓	★★★★↑	★★★	★★★★	★★★★	★★★★
J acc	★★★	★★ ↓	★★★★↑	★★★ ↑	n.a.	★★★★	★★★★
K acc	★★★	★★★ ↓	★★★★↑	★★★★	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Global Emerging Markets Equity Fund (the "Fund") has provided moderate value to clients. The Fund has partially met its objectives, of growing the absolute value of the investment over 3 and 5 years but detracted over 1 year. The K acc Share Class outperformed the Benchmark over 5 years, but all other share classes underperformed the FTSE All-World Emerging Index (the "Benchmark") over the time periods measured here.

We undertook a review of the Fund to investigate if there are economies of scale that could be passed on to clients in the J acc share class. We concluded that clients in the J acc share class are receiving economies of scale, with lower ongoing charges automatically passed through to end clients. We plan to implement our agreed framework to ensure that where funds reach a certain size, clients will benefit from economies of scale through a reduction in on-going charges for applicable share classes.

Performance

Investment Objective

The Fund aims to grow the value of your investment and outperform the FTSE All-World Emerging Index after charges over the medium to long term (3 to 5 years).

UBS Global Emerging Markets Equity Fund – Benchmark

Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00B7L34154	-21.45	-10.62	0.94	3.36	4.35	4.74
J acc	GB0031098741	-21.31	-10.62	0.88	3.36	4.29	4.74
K acc	GB00B28Z6802	-20.87	-10.62	1.64	3.36	5.10	4.74

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

The Fund has underperformed the benchmark. The main driver was Russia's invasion of Ukraine and the subsequent economic fallout. While we had reduced our Russia exposure, our overweight prior the invasion in February 2022 detracted from performance. Moreover, our underweight to the markets in the Middle East detracted too as these markets outperformed on the back of strong energy prices, resulting in negative relative returns for the 1, 3 and 5-year performance periods.

We continue to focus on bottom-up opportunities. At the same time, we have tightened controls on some factor exposures given the heightened risks in the global environment. Hence, we remain confident in fundamental, long-term changes playing out in emerging markets and our investments are focused on quality companies associated with them.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
72	715	90.3%	9.70%	44%	12	4 (33%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed, although we will continue to monitor the performance of the Fund to ensure that the Fund is on track to meet the objective.

UBS Global Optimal Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★ ↓	★★★★↑	★★★	★★	★★★★	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Global Optimal Fund (the "Fund") has provided moderate value to clients. The Fund has partially met its investment objectives. It has delivered positive absolute returns over 3 and 5 years but negative absolute returns over one year. The Fund underperformed the MSCI ACWI Index (the "Benchmark") over one, three and five years. We will undertake a further review of the investment approach and contact clients to provide an update.

We noted that the C share class was more expensive than the market average, and we are reviewing the OCF of this share class.

The ACD contacted clients to provide further information on the ongoing review of the Fund. The Fund continues to be managed in line with the Investment Objective, Investment Policy and Investment Strategy as set out in the prospectus.

Performance

Investment Objective

The Fund aims to grow the value of your investment and outperform the MSCI ACWI Index after charges over the medium to long term (3 to 5 years).

UBS Global Optimal Fund – Benchmark

Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00B89NPX39	-6.05	-3.73	6.73	8.39	7.62	8.99

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

The Fund has not met its performance objectives in the period to end June 2022, due primarily to a weaker period of performance as markets sold off in 2022. High factor volatility in markets and a widening of alpha spreads impacted performance.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
97	1,282	86.1%	13.90%	72%	57	15 (26%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

We will undertake a further review of the investment approach and subject to regulatory approval will contact clients to provide an update. We noted that the C share class was more expensive than the market average, and we are reviewing the OCF of this share class.

UBS US Equity Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★	★★★★↑	★★★	★★★	★★	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS US Equity Fund (the "Fund") has provided moderate value to clients. The Fund has partially met its investment objectives. It has delivered positive absolute returns over 3 and 5 years but negative returns over one year. The Fund remains below the Russell 1000 Index (the "Benchmark") over one, three and five years.

We reviewed the OCF of the C share class to ensure that the fees we charge are in line with other comparable services that we provide. The ACD will continue to monitor costs and has agreed to adjust the cost cap to ensure clients do not pay excessive costs.

Performance

Investment Objective

The Fund aims to grow the value of your investment and outperform the Russell 1000 Index after charges over the medium to long term (3 to 5 years).

UBS US Equity Fund – Benchmark

Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00B7V68L26	-1.71	-1.08	11.59	11.91	10.44	12.50

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Since change of PM in August 2020 we have seen an improvement in performance. However, a weaker period in the sell-off in 2022 has pulled the three-year numbers back below the benchmark net of fees. With valuation spreads at wide levels, we are confident that performance will recover.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
69	789	80.2%	19.80%	79%	35	8 (23%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

We reviewed the OCF of the C share class to ensure that the fees we charge are in line with other comparable services that we provide. The ACD will continue to monitor costs and has agreed to adjust the cost cap to ensure clients do not pay excessive costs. No further action is needed, although we will continue to monitor the performance of the Fund to ensure that the Fund is on track to meet the objective.

UBS UK Equity Income Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★	★★★★↑	★★★	★★★ ↓	★★★★	★★★★
C inc	★★★★↑	★★	★★★★↑	★★★	★★★ ↓	★★★★	★★★★
K acc	★★★★↑	★★★ ↑	★★★★↑	★★★	n.a.	n.a.	★★★★
K inc	★★★★↑	★★★ ↑	★★★★↑	★★★	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS UK Equity Income Fund (the "Fund") has provided moderate value to clients. The Fund operates with a highly active approach and a strong value style. This style suffered badly during the initial phase of the pandemic when markets fell sharply, as reported in previous value assessments. However, there has been a strong rebound in performance over the past year both in absolute and relative terms. Performance still lags the benchmark over three and five years, but with valuation spreads remaining wide, we would expect further outperformance to continue.

Performance

Investment Objective

The Fund aims to generate income and grow the value of your investment; and outperform the FTSE All-Share Index after charges over the medium to long term (3 to 5 years).

UBS UK Equity Income Fund – Benchmark

Share Class	ISIN	1 year	Benchmark	3 year an.	Benchmark	5 year an.	Benchmark
C acc	GB00B4W58959	9.25	1.64	1.72	2.41	0.81	3.32
C inc	GB00B8034464	9.26	1.64	1.72	2.41	0.81	3.32
K acc	GB00BF4J3C04	10.08	1.64	2.49	2.41	n.a.	n.a.
K inc	GB00BF4J3F35	10.13	1.64	2.52	2.41	n.a.	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

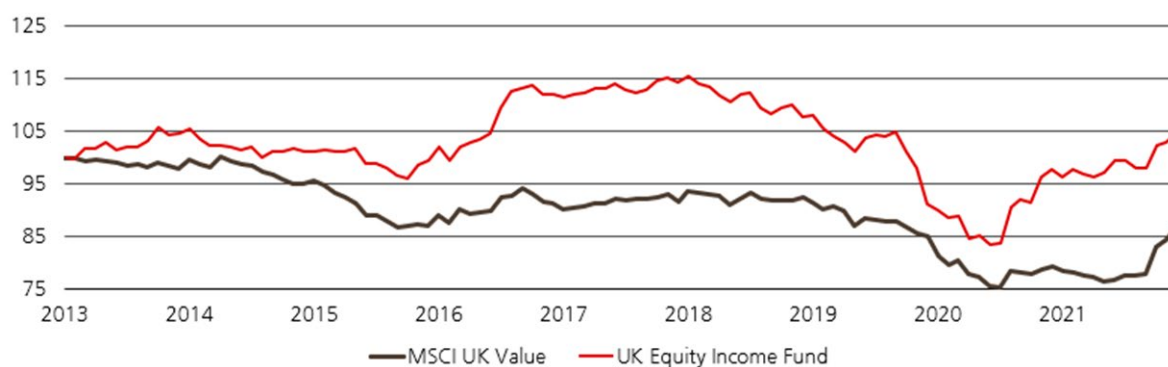
Comments on Performance

The Fund has seen a continued strong recovery in performance as Value stocks have recovered well following the post-pandemic recovery, bringing the three-year numbers much closer to the benchmark. The key drivers have been the recovery of Value stocks, especially in Energy and Materials sectors. The chart below shows the recovery in Value from very depressed levels and also the Fund's performance against Value.

Income levels have also been above the index as a whole, helped by the reinstatement of dividends by large Banks and Energy companies.

The Fund operates with a highly active approach and a strong value style. We have stuck to our investment style during the challenging period and, much like 2016, have started to see the benefits come through to investor returns, with the Fund being in top decile versus peers over the past year.

Relative performance against the MSCI Value Index²



Please note that past performance is not a guide to the future.

Source: UBS Asset Management as at 30 June 2022. Note: Performance figures show gross of fees

1 Source: Morningstar, as of end June 2022. Refers to the UBS UK Equity Fund.

2 Current team began managing the fund from 30 April 2013.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
48	914	91.1%	8.90%	87.50%	51	14 (27%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed, although we will continue to monitor the performance of the Fund to ensure that the Fund is on track to meet the objective.

UBS Sterling Corporate Bond Indexed Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★
C inc	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★
J inc	★★★	★★★	★★★★↑	★★★	n.a.	★★★★	★★★★
K acc	★★★	★★★★	★★★★↑	★★★ ↓	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Sterling Corporate Bond Indexed Fund (the "Fund") has provided good value to clients. Across all periods the Fund achieved its objective and outperformed the Markit iBoxx GBP Non-Gilt Index (the "Index") on a gross of fee basis. On a net of fee basis, apart from the K Acc Share Class, the Fund's performance marginally lagged the Index driven by fees and transaction costs, which do not impact the Index. This had a greater impact in the C share classes. Net performance was also impacted by the fact that the Fund NAV is applying a dilution levy which leads to daily fluctuation based on inflows and/or outflows on the respective business day.

Performance

Investment Objective

The Fund seeks to track the return of the Markit iBoxx GBP Non-Gilt Index (the "Index") before the deduction of charges.

UBS Sterling Corporate Bond Indexed Fund – Benchmark

Share Class	ISIN	1 year	Benchmark	3 year an.	Benchmark	5 year an.	Benchmark
C acc	GB00B95J1785	-13.16	-13.12	-2.13	-2.03	-0.05	0.04
C inc	GB00B9LD6X50	-13.16	-13.12	-2.13	-2.03	-0.05	0.04
J inc	GB00B9B72F12	-13.15	-13.12	-2.08	-2.03	0.07	0.04
K acc	GB00B9D6WC36	-13.06	-13.12	-1.99	-2.03	0.10	0.04

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Over 1 and 3 years the fund generated negative absolute performance driven by the underlying market returns on both gross and net of fee basis. Over 5 years gross of fee performance was positive while net was negative. Over all periods the fund's performance was closely aligned to that of the benchmark achieving its objective of tracking the index. On a gross of fee basis the fund marginally outperformed the benchmark adding value to the investors.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
2		100%			54	5 (9%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed.

UBS S&P 500 Index Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★★★	★★★★↑	★★★	★★★	★★★★	★★★★
C inc	★★★★↑	★★★★	★★★★↑	★★★	★★★	★★★★	★★★★
J acc	★★★★↑	★★★★	★★★★↑	★★★★↑	n.a.	★★★★	★★★★
J inc	★★★★↑	★★★★	★★★★↑	★★★★↑	n.a.	★★★★	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS S&P 500 Index Fund (the "Fund") has provided excellent value to clients. The Fund has tracked the return of the S&P 500 Index (the "Index") over all time periods measured.

Performance

Investment Objective

The Fund seeks to track the return of the S&P 500 Index (the "Index") before the deduction of charges.

UBS S&P 500 Index Fund – Benchmark							
Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00BMN91T34	1.38	1.23	11.96	11.78	12.41	12.21
C inc	GB00BMN91V55	1.38	1.23	11.94	11.78	12.40	12.21
J acc	GB00BMN91W62	1.38	1.23	12.01	11.78	12.44	12.21
J inc	GB00BMN91X79	1.38	1.23	11.95	11.78	12.40	12.21

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Across all relevant periods the Fund achieved its objective and performed in line with the Index on a net and gross of fee basis, while remaining well within tracking error limits.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
503	6630	77.4%	22.60%	82%	87	16 (18%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed.

UBS Global Strategic Bond Fund

Assessment of Value summary

Share Class	Quality of service		Performance		AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★	↓	★★	↓	★★★★↑	★★★	★★★★	★★★★	★★★★
C inc	★★	↓	★★	↓	★★★★↑	★★★	★★★★	★★★★	★★★★
R acc	★★	↓	★★	↓	★★★★↑	★★★	n.a.	n.a.	★★★★
R inc	★★	↓	★★	↓	★★★★↑	★★★	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Global Strategic Bond Fund (the "Fund") has provided moderate value to clients across share classes. The Fund has only been in operation for three years, so it does not have a long enough history to fully assess performance relative to investment objectives, although we have reviewed all share class performance since inception and will continue to monitor performance to ensure the Fund is on track to meet its longer term objectives.

Our analysis of Quality of Service did show us that there were challenges in terms of accuracy of NAV calculations. While this did not negatively impact the Fund, the root cause of the issue was remediated and processes updated during the 2022 review period.

Performance

Investment Objective

The Fund aims to generate income and grow the value of your investment over the longer term (5 years).

UBS Global Strategic Bond Fund – Benchmark

Share Class	ISIN	% yield	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00BFYY5N04	2.85	-7.30	n.a.	-0.17	n.a.	n.a.	n.a.
C inc	GB00BFYY5P28	2.86	-7.30	n.a.	-0.22	n.a.	n.a.	n.a.
R acc	GB00BKBY6576	2.85	-7.06	n.a.	n.a.	n.a.	n.a.	n.a.
R inc	GB00BKBY6683	2.86	-7.06	n.a.	n.a.	n.a.	n.a.	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Over the 1 year period the fund generated a negative absolute return on both a gross and net of fee basis. Over the period under review, duration management and sector allocation to corporate and emerging market bonds detracted from performance. Active currency management was a contributor. During the period the fund substantially outperformed the IA Sterling Strategic Bond peer group.

Over the 3 year period the fund generated small negative absolute return on a net of fees basis and a positive return on gross of fees basis. Over the period under review, duration management contributed to performance while sector allocation to corporate and emerging market bonds and currency management was a detractor. During the period the fund outperformed the IA Sterling Strategic Bond peer group on both gross and net of fee basis.

Stewardship Activities

There was no fund specific activity, given the investment policy, asset class and securities held by the Fund.

Actions

No action is needed, although we will continue to monitor the performance of the Fund to ensure that the Fund is on track to meet the objective.

UBS US Growth Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★	★★★★↑	★★★	★★★	★★★ ↑	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS US Growth Fund (the "Fund") has provided moderate value to clients. The Fund has partially met its investment objectives. It has delivered positive absolute returns over 3 and 5 years, but underperformed the Russell 1000 Growth Index (the "Benchmark") over 1, 3 and 5 years. We will continue to monitor the Fund closely although we note that both the Fund and the growth benchmark that the Fund is measured against achieved strong returns relative to broader US equity indices over the longer 3 and 5 year time periods.

We have reviewed the Benchmark that the Fund is measured against and will contact clients to provide an update. We also reviewed the OCF of the C share class to ensure that the fees we charge are in line with other comparable services that we provide. The ACD will continue to monitor costs and has agreed to adjust the cost cap to ensure clients do not pay excessive costs.

Performance

Investment Objective

The Fund aims to grow the value of your investment and outperform the Russell 1000 Growth Index after charges over the medium to long term (3 to 5 years).

UBS US Growth Fund – Benchmark

Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00B7VHZX64	-12.42	-7.60	10.70	14.35	14.19	15.84

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

The Fund has underperformed over the past year as equity markets and the Growth style underperformed the broader market. Over the longer term the Fund has delivered strong absolute returns and has performed well versus peers but has underperformed against the Benchmark over the periods measured. The Fund has delivered positive returns against the S&P 500 Index which is the comparator benchmark of the Fund and represents the broad US equity market.

The fund has continued to attract investors and has significantly grown over the past few years highlighting the strong longer term absolute returns and positioning versus peers.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
41	506	72.3%	27.70%	83%	11	2 (18%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

We have reviewed the Benchmark that the Fund is measured against and subject to regulatory approval will contact clients to provide an update. We also reviewed the OCF of the C share class to ensure that the fees we charge are in line with other comparable services that we provide. The ACD will continue to monitor costs and has agreed to adjust the cost cap to ensure clients do not pay excessive costs.

UBS FTSE RAFI Developed 1000 Index Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★★	★★★★↑	★★★	★★★	★★★★	★★★★
E acc	★★★★↑	★★★	★★★★↑	★★★★	n.a.	n/a	★★★★
J inc	★★★★↑	★★★★	★★★★↑	★★★★↑	n.a.	★★★★	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS FTSE RAFI Developed 1000 Index Fund (the "Fund") has provided good value to clients. The Fund has tracked the return of the FTSE RAFI Developed 1000 Total Return Net GBP – QSR Index (the "Index") over all time periods measured. Where share classes have a short history, we have reviewed performance since inception and will continue to monitor these share classes.

Performance

Investment Objective

The Fund seeks to track the return of the FTSE RAFI Developed 1000 QSR Index (the "Index") before the deduction of charges.

UBS FTSE RAFI Developed 1000 Index Fund – Benchmark

Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00BX9C1L56	4.45	4.06	8.26	8.13	n.a.	n.a.
E acc	GB00BL2F1J52	4.60	4.06	n.a.	n.a.	n.a.	n.a.
J inc	GB00BYNNWN07	4.57	4.06	8.35	8.13	7.75	7.51

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Across all relevant periods the Fund achieved its objective and performed in line with the Index on a net and gross of fee basis, while remaining well within tracking error limits.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
1096	16711	85%	15%	77%	240	56 (23%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed.

UBS MSCI World Minimum Volatility Index Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★★	★★★★↑	★★★	★★★	★★★★	★★★★
E acc	★★★★↑	★★★	★★★★↑	★★★★	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS MSCI World Minimum Volatility Index Fund (the "Fund") has provided good value to clients. The Fund has tracked the return of the MSCI World Minimum Volatility (GBP) Index (the "Index") over all time periods measured. Where share classes have a short history, we have reviewed performance since inception and will continue to monitor these share classes.

Performance

Investment Objective

The Fund seeks to track the return of the MSCI World Minimum Volatility (GBP) Index (the "Index") before the deduction of charges.

UBS MSCI World Minimum Volatility Index Fund – Benchmark

Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00BX9C1N70	6.02	6.10	4.66	4.61	n.a.	n.a.
E acc	GB00BL2F1K67	6.22	6.10	n.a.	n.a.	n.a.	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Across all relevant periods the Fund achieved its objective and performed in line with the Index on a net and gross of fee basis, while remaining well within tracking error limits.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
342	4959	81.9%	18.10%	84%	78	15 (19%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed.

UBS Global Equity Climate Transition Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
K acc	★★★★	n.a.	★★★★	★★★★	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Global Equity Climate Transition Fund (the "Fund") has provided good value to clients. The Fund has only been in operation since February 2022, so it does not have a long enough history to assess performance relative to investment objectives, although it did achieve the objectives over this shorter time period. We reviewed the share class performance since inception and will continue to monitor performance to ensure the Fund is on track to meet its longer term objectives.

Performance

Investment Objective

The Fund aims to grow the value of your investment, through a combination of capital and income, over the medium to long term (3 to 5 years).

The Fund also aims to have a better exposure, relative to the MSCI World Index (the "Benchmark") at rebalance, to metrics that measure: (i) the expected contribution of companies towards climate change, (ii) overall ESG scores, and (iii) alignment with specific United Nations Sustainable Development Goals (SDGs). In addition, the Fund also aims to have a weighted average carbon intensity that is at least 30% lower than the Benchmark at rebalance.

UBS Global Equity Climate Transition Fund – Benchmark

Share Class	ISIN	1 year	Benchmark	3 year an.	Benchmark	5 year an.	Benchmark
K acc	GB00BNLXP253	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Since launch, in February 2022, the fund outperformed its benchmark while achieving a better exposure to UN SDGs and ESG and climate-related metrics. The outperformance observed is mainly explained by positive contributions from stock selection within the Health Care and Consumer Staples sectors.

ESG Characteristics and Stewardship Activities

Comments on ESG Characteristics

The table below shows the ESG/sustainability characteristics of the sub-fund versus the Benchmark.

ESG/sustainability characteristic	Measure	Fund	Benchmark	Comment
i) The expected contribution of companies towards climate change	Weighted Average Carbon Intensity (Revenue-based)	75.1	142.3	The Fund achieved a lower Weighted Average Carbon Intensity than the Benchmark.
ii) Overall ESG scores	UBS ESG Consensus Score*	7.4	6.5	The Fund achieved a higher UBS ESG Consensus Score* than the Benchmark.
iii) Alignment with specific United Nations Sustainable Development Goals (UN SDGs)	UN SDG: 3, 7, 8, 12, 13	SDG 3: 11.2 SDG 7: 9.8 SDG 8: 10.4 SDG 12: 11.0 SDG 13: 9.8	SDG 3: 10.8 SDG 7: 9.4 SDG 8: 10.1 SDG 12: 10.4 SDG 13: 9.4	The Fund achieved a higher alignment with specific UN SDGs than the Benchmark.
iv) In addition, the sub-fund also aims to have a weighted average carbon intensity that is at least 30% lower than the Benchmark at rebalance.	Weighted Average Carbon Intensity (based on Enterprise Value Incl. Cash)	22.6	48.1	The Fund achieved a 53.1% reduction in Weighted Average Carbon Intensity than the Benchmark.

Data as at end March 2022, the sub-fund was launched 24 February 2022. All data is sourced internally unless stated otherwise. All Benchmark data is sourced from MSCI.

*The UBS ESG consensus score aims to identify companies with strong environmental and/or social performance characteristics, or a strong overall sustainability profile. This UBS ESG consensus score is a normalised weighted average of ESG score data from internal and/or recognised external providers. The UBS ESG consensus score assesses the performance of the relevant companies with reference to the environmental, social and governance (ESG) factors in the main areas in which the companies operate, and effectiveness of companies in managing ESG risks. Environmental and social factors can include (amongst others): environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The calculation does not take account of cash and unrated investment instruments.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
35	755	91%	9%	82%	57	13 (22%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed.

UBS Global Allocation Fund (UK)

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★	★★★★↑	★★★	★★★ ↓	★★★	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Global Allocation Fund (UK) (the "Fund") has provided moderate value to clients. The Fund has met its objective of providing growth over the medium to long term. We will continue to monitor performance.

Performance

Investment Objective

The Fund aims to grow the value of your investment over the medium to long term (3 to 5 years).

UBS Global Allocation Fund (UK) – Benchmark (Comparator) 40% MSCI ACWI Index, 20% MSCI ACWI Index hedged to GBP and 40% FTSE World Government Bond Index hedged to GBP

Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00B4MGDQ07	-9.01	-7.91	0.31	3.83	2.10	4.93

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

Over longer time frames, three and five years, the Fund has met its objective to provide growth over the medium to long term, with positive absolute returns after fees. The investment philosophy of the Fund, and the positions it has taken as a result, underperformed broad-based passive market exposures, in part, due to the impact of Covid-19 on markets, and the underperformance of value as an investment style.

Looking over shorter time periods (trailing 12-months), fixed income exposure was the key driver of negative returns, in light of the macro backdrop of slowing global growth, persistently high inflation, and high asset valuations. The cost of hedging overseas currency risk was also a material detractor, particularly given the strength of USD over the period. Tactical positioning within equities and government bonds was rewarded with UK value equity exposure contributing quite positively.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
132	2054	88.2%	11.80%	73%	57	16 (28%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed, although we will continue to monitor the performance of the Fund to ensure that the Fund is on track to meet the objective.

UBS Multi-Asset Income Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★	★★★ ↓	★★★★↑	★★★	★★★	★★★★	★★★★
C inc	★★★	★★★ ↓	★★★★↑	★★★	★★★	★★★★	★★★★
L acc	★★★	★★★ ↓	★★★★↑	★★★★↑	n.a.	n.a.	★★★★
L inc	★★★	★★★ ↓	★★★★↑	★★★★↑	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Multi-Asset Income Fund (the "Fund") has provided good value to clients across share classes. The Fund has met its objective of achieving an income return of 3% per annum above 1 month GBP Libor in any 12 month period, although the capital return for the trailing 12-month period was negative (leading to negative total returns overall).

The FCA mandated that LIBOR and all related LIBOR usage must cease by the end of 2021. In May 2021, we wrote to clients to highlight a change to the Investment Objective of the Fund. Effective 30 July 2021 the Investment Objective is as follows "The Fund aims to achieve an income return of 1 month compounded SONIA +3% in any 12 month period.

Performance

Investment Objective

The Fund aims to achieve an income return of 1 month compounded SONIA +3% in any 12 month period.

UBS Multi-Asset Income Fund – Benchmark

Share Class	ISIN	% yield	1 year	Benchmark	3 year an.	Benchmark	5 year an.	Benchmark
C acc	GB00B7SQL276	5.81	-10.76	n.a.	-1.58	n.a.	-0.15	n.a.
C inc	GB00B804TT93	5.81	-10.76	n.a.	-1.57	n.a.	-0.15	n.a.
L acc	GB00BBOR2V23	5.81	-10.63	n.a.	-1.43	n.a.	-0.01	n.a.
L inc	GB00BBOR2W30	5.81	-10.64	n.a.	-1.43	n.a.	-0.02	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

The Fund met its primary investment objective of delivering an income return of 1 month compounded SONIA +3% over all time periods measured. That said, the capital return for the trailing 12-month period was negative (leading to negative total returns overall) in light of the macro backdrop of slowing global growth, persistently high inflation, and high asset valuations. The magnitude of capital losses on a 12-month basis has impacted longer-term total returns as well. Against the backdrop of a low yield environment and meagre cash rates globally, meeting this objective required the portfolio manager to bear exposure to a range of higher yielding risk assets. A preference for listed alternatives and dividend equities was rewarded on a trailing 12-month basis. Fixed income assets were the key driver of negative returns while the cost of hedging overseas currency risk was also a material detractor, particularly given the strength of USD over the period.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
16	162	98.7%	1.30%	12%		

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed.

UBS Global Diversified Income Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★
C inc	★★★	★★★	★★★★↑	★★★	★★★	★★★★	★★★★
R acc	★★★	★★★	★★★★↑	★★★	n.a.	n.a.	★★★★
R inc	★★★	★★★	★★★★↑	★★★	n.a.	n.a.	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Global Diversified Income Fund (the "Fund") has provided good value to clients across share classes. The Fund has only been in operation for three years, so it does not have a long enough history to assess performance relative to investment objectives over all periods, although it did achieve the objectives over these shorter time periods. We reviewed all share class performance since inception and will continue to monitor performance to ensure the Fund is on track to meet its objectives over the longer term.

Performance

Investment Objective

The Fund aims to achieve an income of 4.5% in any 12 months period.

UBS Global Diversified Income Fund – Benchmark

Share Class	ISIN	% yield	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
C acc	GB00BG1TL829	5.59	-11.87	n.a.	-1.98	n.a.	n.a.	n.a.
C inc	GB00BG1TL936	5.89	-11.84	n.a.	-1.94	n.a.	n.a.	n.a.
R acc	GB00BKMDQ539	5.56	-11.52	n.a.	n.a.	n.a.	n.a.	n.a.
R inc	GB00BKMDQ646	5.87	-11.52	n.a.	n.a.	n.a.	n.a.	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

The Fund met its primary investment objective of delivering an income of 4.5% p.a. That said, the capital return for the trailing 12-month period was negative (leading to negative total returns overall) in light of the macro backdrop of slowing global growth, persistently high inflation, and high asset valuations. The magnitude of capital losses on a 12-month basis has impacted longer-term total returns as well. Against the backdrop of a low yield environment and meagre cash rates globally, meeting this objective required the portfolio manager to bear exposure to a range of higher yielding risk assets. A preference for listed alternatives and dividend equities was rewarded on a trailing 12-month basis. Fixed income assets were the key driver of negative returns with exposure to lower grade credits in Asia a key detractor. The cost of hedging overseas currency risk was also a material detractor, particularly given the strength of USD over the period.

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
18	197	98.5%	1.50%	16%	154	32 (21%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

No action is needed.

UBS Global Enhanced Equity Income Sustainable Fund

Assessment of Value summary

Share Class	Quality of service	Performance	AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of units
C acc	★★★★↑	★★★ ↑	★★★★↑	★★★	★★★★	★★★★	★★★★
C inc	★★★★↑	★★★ ↑	★★★★↑	★★★	★★★★	★★★★	★★★★

Source: UBS Asset Management. Data as at September 2022. Where ratings have increased or decreased from our 2021 Assessment, we have used ↑ / ↓ to denote these changes.

Summary

Overall, the UBS Global Enhanced Equity Income Fund (the "Fund") has provided good value to clients. Across all periods the Fund achieved its primary investment objective in that it delivered an income return significantly greater than that of its benchmark. The Fund has outperformed the total return of the index over one year but underperformed over longer time periods.

In November 2021 we wrote to clients regarding changes to the Name, Investment Objective and Investment Policy of the Fund to align to the investment objective and policy of UBS (Lux) Equity SICAV – Global Income Sustainable Master Fund in order to, (a) specify that the Master Fund will be categorised in accordance with article 8(1) of SFDR as a fund that promotes environmental and social characteristics; and (b) explain in further details the manner in which the Master Fund's portfolio managers will consider environmental, social and governance (ESG) characteristics in their investment process. As a consequence, it was also necessary to update the Investment Objective and Investment Policy of the Fund to align to the investment objective and policy of the Master Fund. The Fund was renamed to UBS Global Enhanced Equity Income Sustainable Fund. The changes took effect on 7 January 2022..

Given the very high levels of income generated relative to a weaker capital return over longer time periods, we are continuing to review the objective and the investment process to ensure that income and total return outcomes are aligned to client expectations.

In 2021, our analysis of Quality of service showed us that there were challenges for this Fund in terms of timeliness of NAV calculations. While this did not negatively impact the KPIs overall, we reviewed and improved timeliness of the delivery of the Master Fund NAV. We have updated the income information provided in the Factsheet for the fund, which is now displayed more clearly.

Performance

Investment Objective

The Fund aims to generate at least 110% of the income of the MSCI ACWI Index (GBP-hedged) before the deduction of charges in any 12 month period through investment in the UBS (Lux) Equity SICAV – Global Income Sustainable (USD), a sub-fund of the UBS (Lux) Equity SICAV.

UBS Global Enhanced Equity Income Sustainable Fund – Benchmark

Share Class	ISIN	% yield	1 year	Benchmark	3 year an.	Benchmark	5 year an.	Benchmark
C acc	GB00BLORSN63	9.66	-2.16	n.a.	1.28	n.a.	1.83	n.a.
C inc	GB00BLORSP87	10.30	-2.16	n.a.	1.28	n.a.	1.83	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Comments on Performance

The Fund has achieved its primary objective, which is to generate a higher level of income than the Index. In addition, the Fund has delivered strong performance relative to the MSCI ACWI Index (GBP) hedged over the past year, but underperformed over longer time periods.

ESG Characteristics and Stewardship Activities

Comments on ESG Characteristics

The ESG characteristics of the Fund are achieved through the investment in the Master Fund. The Portfolio Manager of the Master Fund utilises an ESG score to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile.

The ESG score assesses sustainability factors, such as the performance of the relevant companies with reference to ESG aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance.

The Master Fund's sustainability profile is measured using the weighted average ESG score. The Master Fund will maintain a sustainability profile that is higher than its benchmark's sustainability profile. Aside from that, the Master Fund will maintain a below benchmark weighted average carbon intensity Scope 1 and 2 and temperature alignment score. The calculation does not take account of cash and unrated investment instruments. The Master Fund thereby promotes environmental and social as well as governance characteristics.

The table below shows the ESG/sustainability characteristics of the Master Fund versus its Benchmark – MSCI All Country World (net div reinv.)

ESG/sustainability characteristic	Measure	Master Fund	Master Fund Benchmark	Comment
Weighted average ESG score	MSCI ESG Scores	7.2	6.5	The Master Fund achieved a higher weighted average ESG score versus the Benchmark.
Weighted Average Carbon Intensity	Scope 1 and 2	148.5	170.5	The Master Fund achieved a below benchmark weighted average carbon intensity versus the Benchmark

Data as at end May 2022, Sources: UBS Asset Management; MSCI ESG Research

Stewardship Activities

Shareholder / Bondholder meetings voted	Individual resolutions voted	Resolutions / Proposals supporting management	Resolutions against management	Meetings had at least 1 vote against management	Company engagement during period	Company engagements with outcomes
71	1177	87.7%	12.30%	69%	32	7 (22%)

Voting and engagement data for 12 months to 30 June 2022, Source: UBS Asset Management

Actions

We have reviewed the Investment Objective, Benchmark and Investment Process to ensure that income and total return outcomes are aligned to client expectations and subject to regulatory approval will contact clients to provide an update.

Summary of actions Assessment of Value

Consideration / fund / share class	2022 Rating	Action	Status
Quality of service			
UBS Global Strategic Bond Fund	★★↓	Our analysis of Quality of Service did show us that there were challenges in terms of accuracy of NAV calculations. While this did not negatively impact the Fund, the root cause of the issue was remediated and processes updated during the 2022 review period.	2022 action closed
UBS Global Enhanced Equity Income Sustainable Fund	★★★★↑	Our analysis of Quality of service showed us that there were challenges for this Fund in terms of timeliness of NAV calculations. While this did not negatively impact the KPIs overall, we reviewed and improved timeliness of the delivery of the Master Fund NAV. Also, the income information provided in the Factsheet for the fund was remedied during the 2021 review period.	2021 action closed
Performance			
UBS Global Optimal Fund	★★↓	We have undertaken a further review of the investment approach and subject to regulatory approval will contact clients to provide an update.	2021 updated action
UBS US Growth Fund	★★	We have reviewed the Benchmark that the Fund is measured against and subject to regulatory approval will contact clients to provide an update.	2021 updated action
UBS Global Enhanced Equity Income Sustainable Fund	★★★★↑	We have reviewed the Investment Objective, Benchmark and Investment Process to ensure that income and total return outcomes are aligned to client expectations and subject to regulatory approval will contact clients to provide an update.	2021 updated action
Authorised Fund Manager costs – general			
No specific actions are needed			
Economies of scale			
UBS Global Emerging Markets Equity Fund	★★★★↑	We undertook a further review of the Fund to investigate if there were economies of scale that could be passed on to clients in the J acc share class.	We concluded that clients in the J acc share class are receiving economies of scale, with lower ongoing charges automatically passed through to end clients. 2021 action closed
All Funds		We plan to implement our agreed framework to ensure that where funds reach a certain size, clients will benefit from economies of scale through a reduction in on-going charges for applicable share classes.	2022 new action
Comparable market rates			
UBS Global Optimal Fund	★★	We noted that the C share class was more expensive than the market average, we will review the OCF of this share class and will contact clients to provide an update.	2021 open action
Comparable services			
UBS US Equity Fund	★★	We have reviewed the OCF of the C share class to ensure that the fees we charge are in line with other comparable services that we provide	The ACD has agreed to adjust the cost cap to ensure clients do not pay excessive costs. 2021 action closed
UBS US Growth Fund	★★	We have reviewed the OCF of the C share class to ensure that the fees we charge are in line with other comparable services that we provide	The ACD has agreed to adjust the cost cap to ensure clients do not pay excessive costs. 2021 action closed
Classes of units			
No specific actions are needed			

Appendix I

Net Performance overview all share classes							
Share Class	ISIN	1 year	Benchmark 1 year	3 year an.	Benchmark 3 year	5 year an.	Benchmark 5 year
UBS Investment Funds ICVC							
UBS Global Emerging Markets Equity Fund – Benchmark: FTSE All-World Emerging Index							
C acc	GB00B7L34154	-21.45	-10.62	0.94	3.36	4.35	4.74
J acc	GB0031098741	-21.31	-10.62	0.88	3.36	4.29	4.74
K acc	GB00B28Z6802	-20.87	-10.62	1.64	3.36	5.10	4.74
UBS Global Optimal Fund – Benchmark: MSCI All Country World Index							
C acc	GB00B89NPX39	-6.05	-3.73	6.73	8.39	7.62	8.99
UBS US Equity Fund – Benchmark: Russell 1000							
C acc	GB00B7V68L26	-1.71	-1.08	11.59	11.91	10.44	12.50
UBS UK Equity Income Fund – Benchmark: FTSE All Share Total Return							
C acc	GB00B4W58959	9.25	1.64	1.72	2.41	0.81	3.32
C inc	GB00B8034464	9.26	1.64	1.72	2.41	0.81	3.32
K acc	GB00BF4J3C04	10.08	1.64	2.49	2.41	n.a.	n.a.
K inc	GB00BF4J3F35	10.13	1.64	2.52	2.41	n.a.	n.a.
UBS Sterling Corporate Bond Indexed Fund – Benchmark: iBoxx £ Non Gilt Overall TR Index							
C acc	GB00B95J1785	-13.16	-13.12	-2.13	-2.03	-0.05	0.04
C inc	GB00B9LD6X50	-13.16	-13.12	-2.13	-2.03	-0.05	0.04
J inc	GB00B9B72F12	-13.15	-13.12	-2.08	-2.03	0.07	0.04
K acc	GB00B9D6WC36	-13.06	-13.12	-1.99	-2.03	0.10	0.04
UBS S&P 500 Index Fund - Benchmark: S&P 500 Net Total Return Index							
C acc	GB00BMN91T34	1.38	1.23	11.96	11.78	12.41	12.21
C inc	GB00BMN91V55	1.38	1.23	11.94	11.78	12.40	12.21
J acc	GB00BMN91W62	1.38	1.23	12.01	11.78	12.44	12.21
J inc	GB00BMN91X79	1.38	1.23	11.95	11.78	12.40	12.21
UBS Global Strategic Bond Fund – Benchmark: n.a.							
C acc	GB00BFYY5N04	-7.30	n.a.	-0.17	n.a.	n.a.	n.a.
C inc	GB00BFYY5P28	-7.30	n.a.	-0.22	n.a.	n.a.	n.a.
R acc	GB00BKBY6576	-7.06	n.a.	n.a.	n.a.	n.a.	n.a.
R inc	GB00BKBY6683	-7.06	n.a.	n.a.	n.a.	n.a.	n.a.
UBS Investment Funds ICVC II							
UBS US Growth Fund – Benchmark: Russell 1000 Growth Index							
C acc	GB00B7VHZX64	-12.42	-7.60	10.70	14.35	14.19	15.84
UBS FTSE RAFI Developed 1000 Index Fund – Benchmark: FTSE RAFI Developed 1000 Total Return Net GBP - QSR Index							
C acc	GB00BX9C1L56	4.45	4.06	8.26	8.13	n.a.	n.a.
E acc	GB00BL2F1J52	4.60	4.06	n.a.	n.a.	n.a.	n.a.
J inc	GB00BYNNWN07	4.57	4.06	8.35	8.13	7.75	7.51
UBS MSCI WORLD MINIMUM VOLATILITY INDEX FUND – Benchmark: MSCI World Minimum Volatility GBP Index							
C acc	GB00BX9C1N70	6.02	6.10	4.66	4.61	n.a.	n.a.
E acc	GB00BL2F1K67	6.22	6.10	n.a.	n.a.	n.a.	n.a.
UBS GLOBAL EQUITY CLIMATE TRANSITION FUND – Benchmark: MSCI World Index (net div. reinv.)							
K acc	GB00BNLXP253	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Net Performance overview all share classes (continued)

Share Class	ISIN	1 year	Benchmark	3 year an.	Benchmark	5 year an.	Benchmark
UBS Investment Funds ICVC III							
UBS Global Allocation Fund – Benchmark: (Comparator) 40% MSCI ACWI Index, 20% MSCI ACWI Index hedged to GBP and 40% FTSE World Government Bond Index hedged to GBP							
C acc	GB00B4MGDQ07	-9.01	-7.91	0.31	3.83	2.10	4.93
UBS Multi-Asset Income Fund – Benchmark: n.a.							
C acc	GB00B7SQL276	-10.76	n.a.	-1.58	n.a.	-0.15	n.a.
C inc	GB00B804TT93	-10.76	n.a.	-1.57	n.a.	-0.15	n.a.
L acc	GB00BB0R2V23	-10.63	n.a.	-1.43	n.a.	-0.01	n.a.
L inc	GB00BB0R2W30	-10.64	n.a.	-1.43	n.a.	-0.02	n.a.
UBS Global Diversified Income Fund – Benchmark: n.a.							
C acc	GB00BG1TL829	-11.87	n.a.	-1.98	n.a.	n.a.	n.a.
C inc	GB00BG1TL936	-11.84	n.a.	-1.94	n.a.	n.a.	n.a.
R acc	GB00BKMDQ539	-11.52	n.a.	n.a.	n.a.	n.a.	n.a.
R inc	GB00BKMDQ646	-11.52	n.a.	n.a.	n.a.	n.a.	n.a.
UBS Investment Funds ICVC V							
UBS Global Enhanced Equity Income Sustainable Fund - Benchmark: n.a.							
C acc	GB00BLORSN63	-2.16	n.a.	1.28	n.a.	1.83	n.a.
C inc	GB00BLORSP87	-2.16	n.a.	1.28	n.a.	1.83	n.a.

These figures refer to the past. Source for all data and charts (if not indicated otherwise): UBS Asset Management. Reference Index in currency of share class (without costs). Data as at 30 June 2022. Performance data is shown after fees (net return).

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