

UBS ETFs Gender Equality

The Power of Women.
Harvesting the Gender Dividend.

Investing in gender equality leaders. Getting access to
companies committed to gender diversity and sustainability.



UBS Gender Equality ETF – At a glance

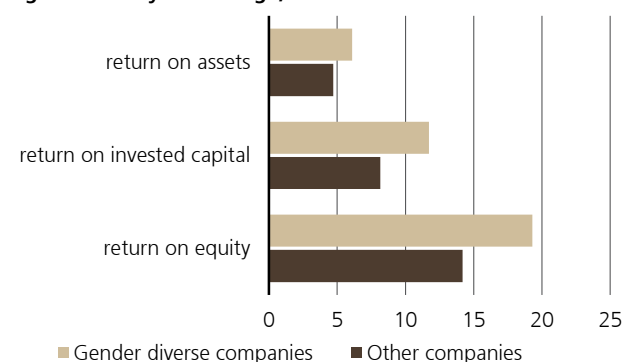
- Gender diversity is a sustainable investment theme addressing the governance aspect of the ESG-compliant investments.
- The ETF invests into 100 companies which show strong commitment to sustainability and gender equality with a focus on diversity of corporate boards and senior leadership positions.
- Built upon Equileap’s research which results in the Gender Equality Global Report and Ranking of more than 3’000 companies on annual basis.
- Mitigate foreign exchange risk with currency hedged share classes in CHF, EUR and USD.
- Available in distributing and accumulating share classes.
- All funds and share classes are UCITS V compliant.
- No securities lending
- One basis point of assets under management is donated to the UBS Optimus Foundation supporting impactful programs to improve children’s health, education, protection, early development around the world.

Gender Diversity – Doing good while doing well

Gender diversity is a sustainable investment theme addressing the governance aspect of the overarching Environmental, Social and Governance (or ESG) assessment. One aspect of gender-balanced companies is the potential link between gender diversity and shareholder return. A 2016 study from the Peterson Institute for International Economics found a substantial correlation between the presence of women on corporate boards or in the executive committee, and a company’s performance across key metrics. A recent UBS study has obtained similar results as shown in Figure 1. For example, a profitable company with at least 30 percent of women leaders could expect to add more than 1 percentage point to its net margin compared with an otherwise similar company with no female leaders. The study comprises 21,980 companies headquartered in 91 countries¹.

¹ Marcus Noland, Tyler Moran and Barbara Kotschwar, Is Gender Diversity Profitable? Evidence from a Global Survey, Peterson Institute for International Economics, 2016

Figure 1: Five-year average, in %



Source: UBS WM CIO Sustainable Investing Gender Diversity Matters, July 20th 2017. Based on the Russel 1000 companies.

Equileap Research – What makes a company gender-diverse?

Equileap carries out research and annually scores over 3’000 public companies from 23 countries using 19 metrics to measure their progress towards gender equality. The criteria are centered on four themes:

01 Gender Balance in Leadership and Workforce	02 Equal Compensation and Work/Life Balance	03 Policies Promoting Gender Equality	04 Commitment to Women’s Empowerment
<ul style="list-style-type: none"> - Gender balance in non-executive boards - Gender balance in executive teams - Gender balance in senior management - Gender balance in workforce - Promotion and career development opportunities 	<ul style="list-style-type: none"> - Fair remuneration - Equal pay - Parental leave - Flexible work options 	<ul style="list-style-type: none"> - Training and career development - Recruitment strategy - Freedom from violence, abuse and sexual harassment - Safety at work - Human rights - Social supply chain - Supplier diversity - Employee protection 	<ul style="list-style-type: none"> - Commitment to UN Women’s Empowerment Principles - Undertaken a recognized independent gender equality audit

Source: Guideline Solactive Equileap Global Gender Equality 100 Leaders Index, September 2017.

Gender Diversity – How to access a gender-diverse portfolio

The UBS Gender Equality ETF tracks the Solactive Equileap Global Gender Equality 100 Leaders Index. This index has been designed to track the leading companies in sustainability and gender diversity. The index selects the top 100 companies, whilst ensuring a 50-50 split between US and non-US constituents. The index construction follows a three-step approach:

Figure 2: Summary of the Index Construction Methodology

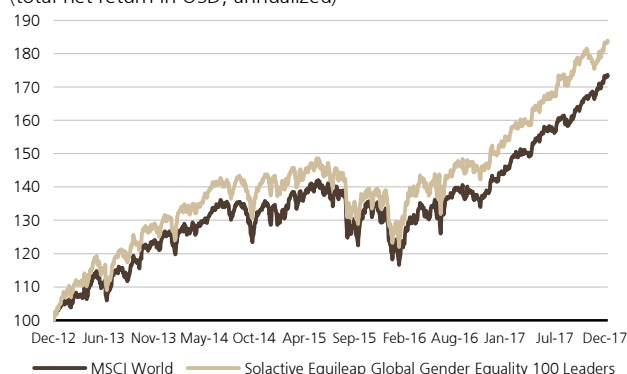
Liquidity Criteria	<ul style="list-style-type: none"> - Market capitalization of USD 2 billion or more - Average daily traded value of USD 5 million or more
ESG Screening	<ul style="list-style-type: none"> - Exclusion of companies which derive the majority of their revenues from the Weapons, Gambling, or Tobacco and exclusion of companies on the Norwegian Ethics Council List
Gender Diversity Screening	<ul style="list-style-type: none"> - Companies are ranked according to 19 gender criteria grouped in 4 categories, as classified by Equileap - Top 100 ranked companies are selected for the Solactive Equileap Global Gender Equality 100 Leaders Index; Index is equally weighted, rebalanced annually and reviewed quarterly

Source: Guideline for Solactive Equileap Global Gender Equality 100 Leaders Index. September 2017.

Performance – Power of diversity

The five year performance of the gender-diverse portfolio (Figure 3) shows a higher return over the period 2012-2017 (+129bps per annum), when compared to the standard benchmark. This result suggests there is a positive relationship between better governed, more gender-balanced companies and financial returns.

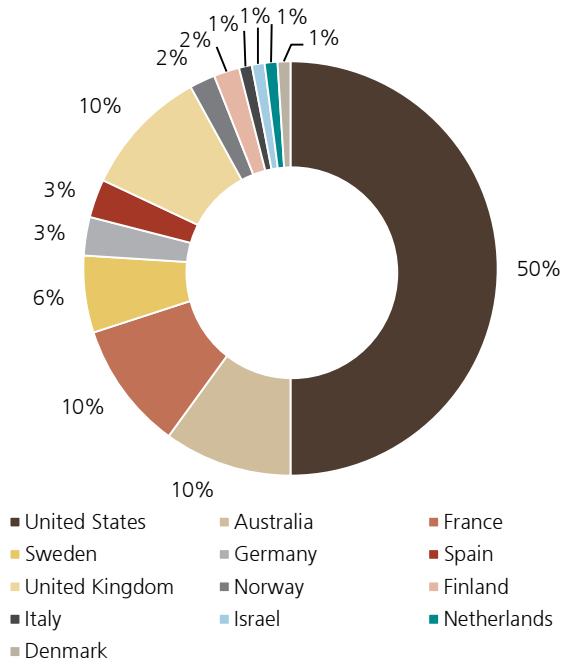
Figure 3: 5Y performance of the gender-diverse index vs market (total net return in USD, annualized)



Source: MSCI, UBS Asset Management, as end of December 2017.

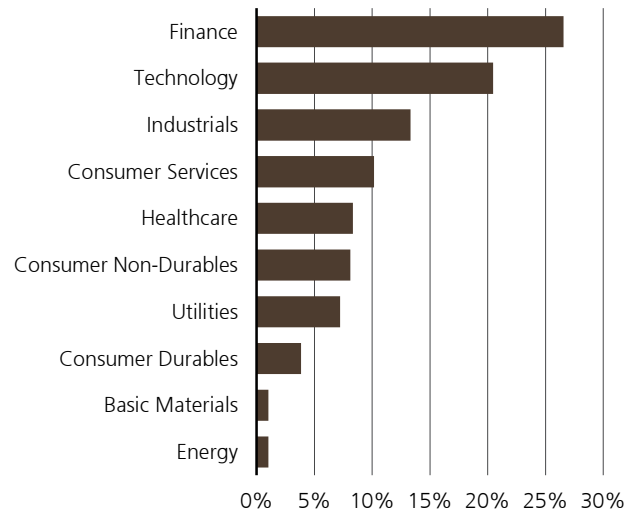
Please note that past performance is not indicative of future performance.

Country allocation



Source: Solactive Equileap, UBS AM, December 2017.

Sector allocation



Source: Solactive Equileap, UBS AM, December 2017.

UBS Gender Equality ETFs on the SIX Swiss Exchange²

Fund Name	Fee	NAV Ccy.	Repl-ication	Distri-bution	ISIN	Bloomberg
UBS ETF (IE) Global Gender Equality UCITS ETF	0.20%	USD	Physical	No	IE00BDR5GV14	GENDER SW
UBS ETF (IE) Global Gender Equality hedged CHF UCITS ETF	0.30%	CHF	Physical	Yes	IE00BDR5H305	GENDET SW
UBS ETF (IE) Global Gender Equality hedged CHF UCITS ETF	0.30%	CHF	Physical	No	IE00BDR5H412	GENDES SW
UBS ETF (IE) Global Gender Equality hedged EUR UCITS ETF	0.30%	EUR	Physical	No	IE00BDR5H073	GENDEE SW
UBS ETF (IE) Global Gender Equality hedged USD UCITS ETF	0.30%	USD	Physical	No	IE00BDR5GY45	GENDEW SW

² ETFs may also be listed on other exchanges (incl. XETRA, Borsa Italiana, LSE, Euronext)

Source: UBS Asset Management.

Current fund performance data and further product information are available at www.ubs.com/etf.

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Risk disclaimer

This UBS Exchange Traded Fund invests in equities and may therefore be subject to high fluctuations in value. For this reason, an investment horizon of at least five years and corresponding risk tolerance and capacity are required. All investments are subject to market fluctuations. Every fund has specific risks, which can significantly increase under unusual market conditions. As a result, the net asset value of the funds' assets is directly dependent on the performance of the underlying index. Losses that could be avoided via active management will not be offset.

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