

Supplementary Disclosures.

Pillar 3



Contents

Introduction and scope _____	3
Risk management objectives and policies _____	4
Governance _____	6
Own funds _____	9
Capital requirements _____	11
Credit exposures _____	12
Remuneration _____	14

Introduction and scope

The Capital Requirements Directive “CRD” requires investment firms to publish information relating to their risk management and capital adequacy.

This Pillar 3 disclosure is based upon the EU regulations, Directive 2013/36/EU and Regulation 575/2013 (together known as “CRD IV”) and their related technical standards, as implemented within the UK by the FCA.

It complements the two other pillars of CRD IV;

- **Pillar 1** – Assesses the minimum capital requirements of a firm through the application of standard rules to address credit, market and operational risk;
- **Pillar 2** – Complements the Pillar 1 requirements by taking into consideration the need to hold additional capital in relation to the specific risk profile of the business; and
- **Pillar 3** – Comprises a set of disclosure requirements which enable external parties to assess information on a firm’s risks, its risk management procedures and its capital adequacy.

This statement is for the financial year ended 31 December 2016 and is produced on an annual basis using the last audited financial results of the entities in scope. These disclosures are not subject to audit and have been produced solely for the purposes of meeting the Pillar 3 regulatory requirements.

FCA regulatory supervision is performed at the level of UBS Asset Management Holding (No.2) Ltd, which is the parent company of UBS Asset Management in the UK. The entities which form the basis of these Pillar 3 disclosures are as follows:

- UBS Asset Management Holding No.2 Limited (a non-regulated entity)
- UBS Asset Management Holding Ltd (a non-regulated entity)
- UBS Asset Management (UK) Ltd (regulated by the FCA)
- UBS Asset Management Funds Ltd (regulated by the FCA)

This group of entities is hereafter referred to as UBS AM UK.

The ultimate parent of UBS Asset Management Holding (No.2) Limited is UBS AG and further qualitative disclosures around the UBS Group’s risk management policies and processes may be found in the UBS Group AG disclosures at the following link:

>> [UBS Group AG Annual Report 2016](#)

Risk management objectives and policies

UBS AM UK is subject to the broader UBS Group Risk Policy framework. All UBS AM UK policies and frameworks are designed to guide actions and decisions within the context of UBS's corporate governance framework, risk principles and objectives. The Group Policy framework is periodically reviewed to ensure its adequacy and appropriateness for the requirements of all operating business units.

UBS's risk governance framework operates along three lines of defence. The first line of defence, Business Risk Management, owns business risk exposures and maintains effective processes and systems to manage business risks, including robust and comprehensive internal controls and documented procedures. Business risk management has appropriate supervisory controls and review processes in place which are designed to identify control weaknesses and inadequate processes.

The control functions, which represent the second line of defence, are independent from the business, and report directly into the Group Chief Executive Officer. Control functions provide independent oversight of risks, including setting risk limits and protecting against non-compliance with applicable laws and regulations.

The Group Chief Risk Officer (Group "CRO") is responsible for Risk Control, which independently oversees all primary risks, as outlined in the risk categories section below. This includes establishing methodologies to measure and assess risk, setting risk limits, and developing and operating an appropriate risk control infrastructure. Risk Control is also the central function for model risk management, which includes responsibility for the validation of models used in the firm. The risk control process is supported by a framework of policies and defined authorities.

Business division and regional Chief Risk Officers have delegated authority for their respective divisions and regions. The Chief Risk Officer within AM UK is responsible for ensuring an appropriate Risk Framework is in place to permit risk identification, measurement, reporting and control.

The third line of defence, Group Internal Audit, evaluates the overall effectiveness of governance, risk management and the control environment, including the assessment of how the first and second lines of defence meet their objectives. Group Internal Audit are permanent guests at AM UK Board meetings and at the AM UK Audit Committee.

Declaration of adequacy of risk management arrangements

The management of UBS AM UK has assessed the adequacy of risk management arrangements of the companies in the scope of this disclosure. Based on this assessment, management considers that risk management systems put in place are adequate with regard to the profile and strategy of UBS AM UK. This statement is given and should be interpreted in accordance with the provisions of Article 435(1(e)) of Regulation (EU) No 575/2013.

Risk Statement

Risk principles, governance and risk appetite objectives are defined at the UBS AG level and embedded throughout the firm's business divisions and legal entities by policies, limits and authorities.

Holistic governance, together with aligned risk, compliance and finance processes are designed to help protect UBS AM UK from damage to its financial strength, performance and reputation. The risk management and control processes of UBS AM UK are designed to ensure that risk and return objectives are appropriately balanced in order to achieve sustainable earnings growth within the risk appetite established by the AM UK Boards.

Risk Appetite

Setting and monitoring quantitative and qualitative risk appetite is a key focus for management on an annual basis. The UK Risk Committee, which meets monthly, has responsibility for the oversight of market, credit and investment risk in the UK. A monthly AM UK Risk Control report, which provides information on the various risk exposures held by AM UK relating to credit risk, market risk and liquidity risk, is presented to the Chief Risk Officer for the UK. Additionally the UK Front to Back Committee, which meets monthly, oversees and monitors all operational risks of the AM business in the UK.

The analysis, monitoring and reporting of exposures against risk appetite is presented to the Boards on a quarterly basis.

Key Risks

The key risks to which AM UK is exposed are set out below.

Credit Risk

Credit Risk represents the exposure to potential loss arising from failure to meet contractual obligations in respect of amounts due. The level of risk depends on the probability of a counterparty defaulting, the size of the exposure and the potential recovery amount.

The Pillar 1 capital requirement for credit risk is calculated on the total balance sheet assets of the consolidated group of subsidiaries, categorized for credit risk exposure, using standardized weightings. The largest component of the Pillar 1 capital requirement is in respect of credit risk arising from investment of the capital base and amounts due from banks and customers.

Market risk

Market risk is the risk of loss arising from movements in market variables such as interest rates, exchange rates and equity indices, and others which may be indirectly observable such as volatilities and correlations. The risk of price movements on securities, and other obligations in tradable form, resulting from general credit and country risk factors and events specific to individual issuers is also considered under market risk. This includes currency risk, equity risk, basis risk and specific risk.

The majority of the Pillar 1 capital requirement for market risk arises from currency risk on balance sheet net receivables.

Operational Risk

Operational Risk is the risk resulting from inadequate or failed internal processes, people and systems, or from external causes. Events may be direct financial losses, or indirect, in the form of revenue forgone as a result of business suspension. They could also result in damage to our reputation and franchise, which may have longer term financial consequences.

Liquidity risk

Liquidity risk is the risk that a firm does not have sufficient available financial resources to enable it to meet its obligations as they fall due. UBS AM UK complies with BIPRU 12 by maintaining sufficient high quality liquid resources to ensure that entities have immediate or short term access to sufficient working capital and liquidity through the use of a managed liquidity facility.

Key ratios (GBPm)	31 December 2016	31 December 2015
Total Credit Exposure	350	314
Total RWA	350	314
of which credit risk	164	175
of which market risk	18	26
of which additional fixed overheads	168	113
Capital Ratio – CET1	45.69%	42.36%
Capital Ratio – Tier 1	45.69%	42.36%
Capital Ratio – Total Capital	45.69%	42.36%

Governance

The management bodies of UBS AM UK are the Boards of Directors for the legal entities, comprised of Executive Directors and Non-Executive Directors. One of the principal governing bodies in UBS AM UK is the UK Boards Committee which is a board constituted on behalf of UBS Asset Management Holding (No.2) Ltd, UBS Asset Management Holding Ltd and UBS Asset Management (UK) Ltd. A decision taken by the UK Boards Committee in relation to a specific entity is a decision of the board of that entity.

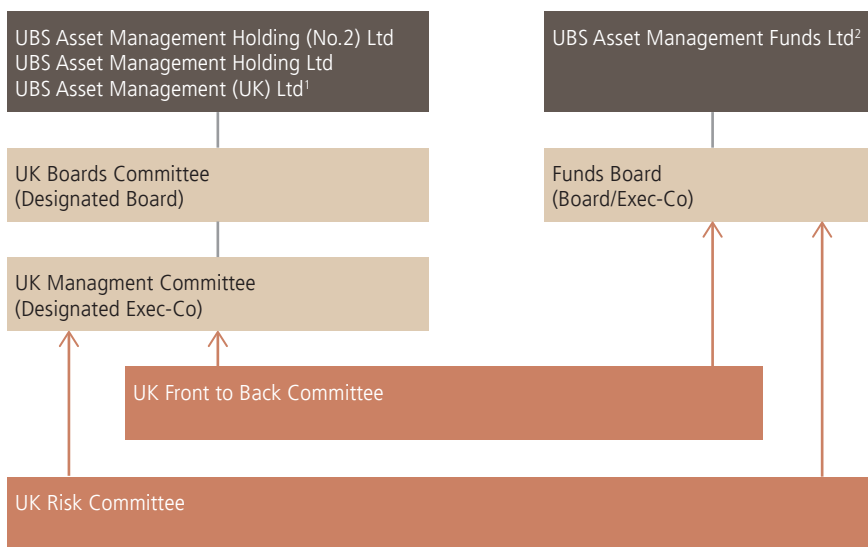
UBS Asset Management Funds Ltd is the main Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Fund Manager (AIFM) entity which manages pooled vehicles for our institutional and retail clients. The entity is also the alternative investment manager for a number of infrastructure and property AIFs and is regulated by the financial Conduct Authority. Its governing body is the Board of Directors of UBS Asset Management Funds Ltd.

Recruitment Policy for the Management body

Details of the UBS Group approach to recruitment are set out in the UBS Group AG Annual Report 2016 under the section "Our Employees-Attracting and Recruiting Talent". The Boards of UBS AM UK appoint candidates, taking into consideration a broad range of qualities and competencies, and evaluate the balance of knowledge, skills, experience, and independence of the candidates.

The management boards are supported by several committees, including the UK Management Committee, the UK Risk Committee and the UK Front to Back Committee, as set out in the following chart:-

UBS Asset Management UK – Governance Structure as at 31 December 2016



1 Regulated by the FCA and Korean FSS
2 Regulated by the FCA

Background and Experience of the Board and Senior Management team

Eric Byrne - Chief Executive Officer, Head of UK Asset Management

Eric was appointed Head of UBS AM in the UK in October 2016, replacing Ian Barnes who stepped down having been CEO since 2012. Eric is responsible for the management and strategic development of the UK business. He chairs the UK Management Committee and is a member of the European Management Committee.

Eric is also Head of Multi-Managers for the Real Estate & Private Markets (REPM) business for UBS Asset Management. He is a member of the REPM Management Committee as well as the Multi Manager Investment, Valuation and Risk Committees. Eric joined UBS AM in 1996 in Hedge Fund Services in the Cayman Islands, where he became Chief Operating Officer, before returning to London in 2004. He established the internal control framework for Sarbanes Oxley for the business division and launched hedge fund and infrastructure third party funds. Prior to joining UBS, Eric held roles at Deloitte & Touche (1989–1993) and Barclays Capital (1993–1995).

Eric qualified as a chartered accountant in 1992 (ACA, ICAEW)

Luke Browne - Managing Director, Head of Investment Specialists with UBS Investment Solutions.

Luke leads the investment specialist team and is responsible for delivering a full range of Investment Solutions for Institutional, Wealth Management and Wholesale clients globally. Luke was previously the Head of Portfolio Management within Investment Solutions and Deputy Global Head of Structured Solutions between 2011 and 2016. He joined UBS Asset Management in January 2011 from Schroder Investment Management where he had been Head of Structured Solutions since 2008. Prior to joining Schroder in 2005, Luke worked on the structured products desk at Banca Popolare di Milano, London Branch for five years, where he had also held positions as a treasury assistant and loan administrator. He began his financial career with Midland Bank in 1996.

Stephen Hutton - Executive Director, Head of UK Wholesale

Steve joined UBS Asset Management in 2012. He is part of the European Wholesale senior management team and is responsible for developing the UK Wholesale business in line with UBS Asset Management's strategic priorities. Steve has over 30 years in the UK Wholesale business working with all groups of Intermediaries. Previously he held a dual role at Zurich Intermediary Group as Head of Fund Partner Relations and Sales Director and was a member of the Senior Management Team. His previous roles were at Fidelity International where he ran the IFA Business, was Head of Wealth Management Sales and also Head of Sales Support for these areas and Fidelity FundsNetwork. Steve worked at Scottish Widows Investment Partnership as Head of Wholesale Business and Invesco Perpetual Investment Management as an Associate Director (Strategic Alliances). Steve holds the Financial Planning Certificate.

Ruth Beechey - Managing Director

Ruth joined UBS Asset Management in 2000 and has held the role of Head of UK Legal & Compliance for UBS Asset Management in the UK and has recently taken the role of Chief of Staff for the UK region. She has been on the UK boards for the last 13 years. She is a member of the UK Management Committee and Company Secretary of all London-based UBS Asset Management companies. Prior to this she worked at Deutsche Asset Management. She has a total of 23 years in the financial services industry, working at Birmingham Midshires Building Society before moving to the investment industry.

Ruth is a company-nominated Trustee Director of the UBS Pension and Life Assurance Scheme. She holds a University of Lancaster (UK) LLB (Hons) degree and a Post-Graduate Diploma from the College of Law, Chester (UK) and qualified as a Solicitor in 1996.

Pete Davis – Non-Executive Director UBS Asset Management Funds Ltd

Pete is a Fellow of the Institute of Actuaries (1988) and has a First Class BSc. Honours degree in Mathematics from the University of Manchester (1981). During his executive career Pete worked for companies within the Zurich Financial Services Group between 1981 and 2014. His final role was 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. Previous roles at Zurich included Head of UK Fund Propositions, Business Development work within the UK IFA business, Product Marketing and 13 years in the Finance/Actuarial Division.

Board Composition as at 31st December 2016

UBS Asset Management Holding (No.2) Ltd and its subsidiaries' directors

	UBS Asset Management Holding (No.2) Ltd	UBS Asset Management Holding Ltd	UBS Asset Management (UK) Ltd	UBS Asset Management Funds Ltd	Directorships under SYSC 4.3A.7(1) R that do not count for the limits under SYSC 4.3A.5R & 6R	Remaining directorships adjusted by SYSC 4.3A7(2) (E = Executive, NE = Non-Exec)
	Number of Directorships Held at 31.12.16	Number of Directorships Held at 31.12.16	Number of Directorships Held at 31.12.16	Number of Directorships Held at 31.12.16		
R. Beechey (resigned 15 February 2017)	1	1	1	1	3	1E
L.R.T. Browne (appointed 14 October 2016)	1	1	1		2	1E
E.C.S. Byrne (appointed 15 February 2017)	1	1	1	1	3	1E
P. Davis (Non-executive)				3		3NE
S. J. Hutton (appointed 9 December 2016)				1		1E

All board members have equal voting rights on resolutions and decisions. The composition of the boards for the above-named entities is reviewed on an ongoing basis to ensure appropriate representation. Further non-executive director appointments are planned.

Diversity in relation to selection of the management body

The UBS Group is committed to offering equal opportunities and is focused on strengthening all aspects of diversity. Information on our approach to diversity is set out in the UBS Group AG Annual Report 2016 under the section "UBS & Society".

Own funds

Reconciliation of balance sheet total equity to regulatory capital

The following table provides a reconciliation of total equity per the balance sheet to the total regulatory capital in accordance with CRR (575/2013) Article 437 1(a) and Annex I of Commission Implementing Regulation (EU) 1423/2013.

(GBPm)	31 December 2016	31 December 2015
Balance sheet total equity ¹	160	138
Less		
significant investments	0	-1
amount exceeding the 15% threshold	0	-4
Total Own Funds	160	133

¹ Taken from 2016 and 2015 ICAAP for UBS Asset Management Holding (No.2) Ltd and its subsidiaries

Nature and amounts of capital deductions from own funds

(GBPm)	31 December 2016	31 December 2015
Capital instruments and the related share premium accounts of which: Instrument type 1	181	181
Retained earnings	(21)	(43)
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	0	0
Common equity Tier 1 (CET1) capital before regulatory adjustments	160	138
Instruments of financial sector entities where the institution has a significant investment	0	(1)
Amount exceeding the 15% threshold	0	(4)
Total Common Equity Tier 1 capital	160	133
Capital instruments and the related share premium accounts of which: classified as equity under applicable accounting instruments	0	0
Total Additional Tier 1 capital	0	0
Total Tier 1 capital	160	133
Total Tier 2 capital	0	0
Total Own Funds	160	133

The capital base for AM UK is comprised entirely of CET1 capital with the following features.

Capital Instruments Main Features

Issuer: UBS Asset Management Holding (No. 2) Ltd)	Common Equity Tier 1 'A' Shares	Common Equity Tier 1 'B' Shares
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
Governing law(s) of the instruments	English	English
<i>Regulatory treatment</i>		
Transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo	Solo
Instrument type (types to be specified by each jurisdiction)	CET1 Instrument	CET1 Instrument
Amount recognised in regulatory capital (as of most recent reporting date)	GBP 100	GBP 181million
Nominal amount of instrument	0.01	10
Issue price	Par	Various
Redemption price	Par	Par
Accounting classification	Shareholders Equity	Shareholders Equity
Original date of issuance	Various	Various
Perpetual or dated	Perpetual	Perpetual
Original maturity date	No Maturity	No Maturity
Issuer call subject to prior supervisory approval	N/A	N/A
Optional call date, contingent call dates and redemption amount	N/A	N/A
Subsequent call dates, if applicable	N/A	N/A
<i>Coupons / dividends</i>		
Fixed or floating dividend/coupon	Floating	Floating
Coupon rate and any related index	N/A	N/A
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Non cumulative	Non cumulative
Convertible or non-convertible	Non convertible	Non convertible
Write-down features	No	No
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	A Shares
Non-compliant transitioned features	No	No

Both ,A' and ,B' Share classes are held by the Company's immediate parent undertaking, UBS Asset Management AG.

'A' shares carry 100% of the voting rights of the Company on a one vote per share basis. They carry no rights to share in the profits of the Company and, on winding up of the Company, entitle the holder to the return of the nominal value of the shares.

'B' shares carry no voting rights. They carry the right to dividends as recommended by the Directors and unlimited right to share in the surplus remaining on a winding-up after all liabilities and the rights of 'A' shares have been satisfied.

Capital requirements

Assessing capital requirements

Under the UBS Group entity framework, the Boards are ultimately responsible for the entities' capital adequacy in accordance with local policy, regulatory and legal requirements. As required under CRD IV, UBS AM UK assesses the adequacy of its capital resources on a quarterly basis and through the annual Internal Capital Adequacy Assessment Process, referred to as ICAAP. The ICAAP assessment is owned and governed by the Boards.

Pillar 1 capital requirements

(GBPm)	31 December 2016	31 December 2015
Credit, counterparty credit risks Insitutions	13	14
Position, foreign exchange and commodities risk Foreign Exchange	2	2
Additional risk exposure amount due to fixed overheads	13	9
Total Pillar 1 capital requirement	28	25

Note: Exposure classes for which UBS Asset Management UK has no reportable exposure have been removed from this table

Retained earnings are distributed as dividends to the parent in line with Group policy and are subject to the approval of the relevant Boards, following consideration of the future needs of the AM group in the UK. The AM UK group had a significant capital surplus as at 31st December 2016.

Credit exposures

Credit Exposure

(GBPm)	As at 31 December 2016			As at 31 December 2015		
	Average credit exposure	Credit exposure after accounting and regulatory offsets	RWA	Average credit exposure	Credit exposure after accounting and regulatory offsets	RWA
Total Credit Exposure Institutions	163	163	163	175	175	175
Total	163	163	163	175	175	175

Note: Exposure classes for which UBS Asset Management UK has no reportable exposure have been removed from this table

Credit Exposure by Geographical Region

As at 31 December 2016 (GBPm)	UK	Rest of Europe	North America	Asia Pacific	Total
Total Credit Exposure: Institutions	84	16	53	10	163
Total	84	16	53	10	163

As at 31 December 2015 (GBPm)	UK	Rest of Europe	North America	Asia Pacific	Total
Total Credit Exposure: Institutions	100	26	44	5	175
Total	100	26	44	5	175

Note: Exposure classes for which UBS Asset Management UK has no reportable exposure have been removed from this table

Regulatory credit exposure by counterparty type

The following table provides a breakdown of credit exposures and counterparty type.

As at 31 December 2016 (GBPm)	Corporates	Banks and multi-lateral institutions	Total
Total Credit Exposure: Institutions	101	62	163
Total	101	62	163

As at 31 December 2015 (GBPm)	Corporates	Banks and multi-lateral institutions	Total
Total Credit Exposure: Institutions	120	55	175
Total	120	55	175

Note: Exposure classes for which UBS Asset Management UK has no reportable exposure have been removed from this table

Credit Exposure by Maturity

As at 31 December 2016 (GBPm)	Due in 1 year or less	Total
Total Credit Exposure: Institutions	163	163
Total	163	163

As at 31 December 2015 (GBPm)	Due in 1 year or less	Total
Total Credit Exposure: Institutions	175	175
Total	175	175

Note: Exposure classes for which UBS Asset Management UK has no reportable exposure have been removed from this table

Counterparty Risk

For many clients UBS AM UK is not exposed to counterparty credit risk due to the ability to deduct fees for products such as UCITS, AIFs and other mutual funds directly from client assets under the terms of the Investment Management Agreements. For other clients fees are invoiced in arrears on a quarterly basis.

Credit risk mitigation measures are in place through existing risk management controls. These vary depending on the specific circumstances of each event. Management response would be established with appropriate escalation to management if a credit event occurred.

Interest Rate Risk in the Banking Book

UBS AM UK's balance sheet does not contain assets and liabilities that need re-pricing and there are no off balance sheet positions. There are no risks arising from hedging of exposures due to the nature of the business and no pipeline risk relating to transactions. AM UK does not offer any products to consumers using its balance sheet which involve interest rates.

Remuneration

Remuneration at UBS operates within the UBS Total Reward Principles. These principles and supporting processes provide a compensation structure for all employee remuneration at UBS, including those in UBS AM UK.

The principles are published as part of the Compensation Report in the UBS Group AG Annual Report 2016, which can be accessed via the link below.

>> [Compensation report](#)

Remuneration awarded for 2016 in respect of UBS Material Risk Takers (MRTs)

The following tables show details of the awards made to UK Material Risk Takers ("MRTs") in Asset Management entities at UBS, identified under the Regulatory Technical Standards of the European Banking Authority ("EBA"), in respect of the 2016 financial year.

In accordance with paragraph 2 of Article 450 of the CRR which provides for compliance with the disclosure requirements to be made in a manner that is appropriate to the size, internal organization and the nature, scope and complexity of the activities of the credit institution and without prejudice to Directive 95/46/EC ("EU Data Protection Directive"), awards have not been split between "senior management" and "other" as the small number of individuals in the "senior management" group would risk the disclosure of individuals' compensation.

Number of beneficiaries and total remuneration by business area

	Number of Beneficiaries		Total Remuneration (GBP 000's)	
	31.12.16	31.12.15	31.12.16	31.12.15
Asset Management	44	48	23,745	25,742

Total Remuneration

	Number of Beneficiaries		Fixed Remuneration (GBP 000's)		Variable Remuneration (GBP 000's)	
	31.12.16	31.12.15	31.12.16	31.12.15	31.12.16	31.12.15
Asset Management total	44	48	9,196	8,544	14,595	17,197

Note: Fixed remuneration is for FTE1

Variable remuneration awarded by compensation element

As at 31 December 2016 (GBP 000's)	Number of Beneficiaries	Immediate Cash	Deferred Cash	Immediate Shares	Deferred Shares
Total	35	7,695	1,639	0	5,260

As at 31 December 2015 (GBP 000's)	Number of Beneficiaries	Immediate Cash	Deferred Cash	Immediate Shares	Deferred Shares
Total	42	7,509	2,222	0	7,467

Note: An additional 9 MRTs received no variable remuneration in respect of 2016. (2015 - 6 MRTs). Note "Deferred Shares" represents Asset Management Funds.

Summary of outstanding deferred remuneration, by vested and unvested portions, and vehicle type

(GBP '000s)	31 December 2016	31 December 2015
Deferred remuneration - granted during year	14,293	8,073
Deferred remuneration - distributed during year	7,200	6,547
Performance adjustments during year	2,335	78
Outstanding deferred remuneration at year end	36,278	26,298

Notes:

- For granted remuneration, price as at grant date.
- For distributions, price as at distribution date.
- Performance adjustments include forfeitures upon termination; the value is based on transaction price on transaction date.
- Outstanding remuneration based on price as at year end

In accordance with Article 450 of the Capital Requirements Regulation (CRR), UBS Asset Management can report there are 5 UK Asset Management MRTs receiving total remuneration in excess of EUR 1,000,000. The Company is unable to make a more detailed disclosure due to the small number of individuals concerned and the risk that individual compensation could be disclosed.

Summary of guaranteed incentives awarded to new hires

	Number of Beneficiaries		Amount (GBP 000's)	
	31.12.16	31.12.15	31.12.16	31.12.15
Total	-	-	-	-

Summary of severance payments made

	Number of Beneficiaries		Amount (GBP 000's)	
	31.12.16	31.12.15	31.12.16	31.12.15
Total	-	-	-	-

Contacts

Should you have any queries please contact:

UBS Asset Management UK Ltd.
5 Broadgate,
London EC2M 2QS
Tel: +44-(0)20-7901 5000
Fax: +44-(0)20-7929 0487

This document may contain statements that constitute "forward looking statements" including but not limited to statements relating to the anticipated effect of transactions described herein and other risks specific to UBS's business, strategic initiatives, future business development and economic performance. While these forward-looking statements represent UBS's judgements and expectations concerning the development of its business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations.

This document is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No representation or warranty, express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to. It should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this material are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS as a result of using different assumptions and criteria. Neither UBS nor any of its affiliates, nor any of UBS' or any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this material.

In this disclaimer UBS means UBS Group AG, UBS AG and its subsidiaries. 26570A