

# UBS (UK) Pension and Life Assurance Scheme

## Defined Benefit Section Manager Details – March 2024

### Day-to-Day Management and Custody of the Defined Benefit Section

1. In accordance with Section 6 of the Statement of Investment Principles for the Defined Benefit (“DB”) Section, the Trustee has selected a number of Investment Managers to manage the assets.
2. In accordance with Section 5 of the Statement of Investment Principles for the DB Section, the Trustee has adopted the following manager structure. Note that actual allocations are likely to differ to the target allocations shown below.

Manager	Asset Class	Active / Passive	Target % of Total	Range (%)
<b>Equities</b>			<b>9.0</b>	<b>+/- 2</b>
UBS AM	Climate Aware	Passive		
UBS AM	Climate Aware GBP Hedged	Passive	9.0	
BlackRock	Synthetic Equities	Passive		
<b>Alternatives</b>			<b>12.5</b>	<b>+/- 4</b>
M&G	UK Property (fund in liquidation)	Active		
Columbia Threadneedle	UK Property	Active	2.5	
Patrizia	UK Property (fund in liquidation)	Active		
Ares	Secured Finance (fund in liquidation)	Active		
Insight	Secured Finance	Active	10.0	
M&G	Secured Finance	Active		
<b>Bonds</b>			<b>78.5</b>	<b>+/- 4</b>
RLAM	Buy and Maintain	Active		
BlackRock	Buy and Maintain	Passive	29.0	
Insight	Buy and Maintain	Passive		
Macquarie	Infrastructure Debt	Active	3.5	
BlackRock	Liability Driven Investments	Passive	46.0 <sup>(a)</sup>	
Northern Trust	Cash	Passive	0.0 <sup>(b)</sup>	

<sup>(a)</sup> The capital allocation to the LDI portfolio provides sufficient capital to support leverage across both synthetic equities and liability hedging exposures. BlackRock are instructed to manage the LDI portfolio in order to target a pre-agreed level of interest rate and inflation hedging.

<sup>(b)</sup> This vehicle is used to manage cashflow and temporarily house un-allocated cash.

3. Northern Trust are the global custodian.
4. The details of each Investment Manager’s benchmark, performance target and tracking error range is summarised in the following table:

Manager	Asset Class	Benchmark	Manager Performance Target <sup>(a)</sup>	Tracking Error Range/ Limit <sup>(b)</sup>
UBS AM	Climate Aware	FTSE Developed Net Tax (UKPN) Index	n/a	+/- 0.5% p.a.
UBS AM	Climate Aware GBP Hedged	FTSE Developed Hedged to GBP Net Tax (UKPN) Index	n/a	+/- 0.5% p.a.
RLAM	Buy and Maintain	n/a <sup>(c)</sup>	n/a	n/a
BlackRock	Buy and Maintain	n/a <sup>(d)</sup>	n/a	n/a
Insight	Buy and Maintain	n/a <sup>(d)</sup>	n/a	n/a
Macquarie	Infrastructure Debt	80% FTSE ILG All Stocks / 20% FTSE Gilts All Stocks	2.0% p.a.	n/a
Ares	Secured Finance	3 Month SONIA	4.0% p.a.	n/a
Insight	Secured Finance	3 Month SONIA	4.0% - 6.0% p.a.	n/a
M&G	Secured Finance	3 Month SONIA	5.0% p.a.	n/a
BlackRock	Liability Driven Investments	Customised Index <sup>(e)</sup>	n/a	n/a
BlackRock	Synthetic Equity	MSCI World Developed Index (GBP hedged)	n/a	n/a
M&G <sup>(f)</sup>	UK Property		0.45% p.a.	n/a
Columbia Threadneedle	UK Property	IPD UK PPF All Balanced Funds	1.0% p.a.	n/a
Patrizia <sup>(f)</sup>	UK Property		IRR of 10.5% p.a.	n/a
Northern Trust	Cash	n/a	n/a	n/a

<sup>(a)</sup> The Performance Objectives refer to targeted outperformance, net of fees, relative to the benchmark over rolling three-year periods.

<sup>(b)</sup> The Tracking Error Limits refer to ex-ante tracking error ranges, which reflect the predicted tracking error of each Investment Manager, as measured by risk analysis tools currently available on the market. The Trustee acknowledges that the figures are only indicative, and there is no guarantee that the Investment Managers' actual tracking errors will reflect the predicted ranges. The figures relate to rolling three year periods.

<sup>(c)</sup> No formal benchmark. The iBoxx Sterling Non-Gilts All Maturities Index is the proxy benchmark for performance comparison purposes.

<sup>(d)</sup> No formal benchmark. Managers have been provided with a cashflow target designed to reduce the Scheme's net cashflow shortfall.

<sup>(e)</sup> Based on the Scheme specific Liability Benchmark Portfolio.

<sup>(f)</sup> Due to "run-off" with full repayment expected over the next 12 months.