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# UBS Global Infrastructure

Itinerari Previdenziali Conference



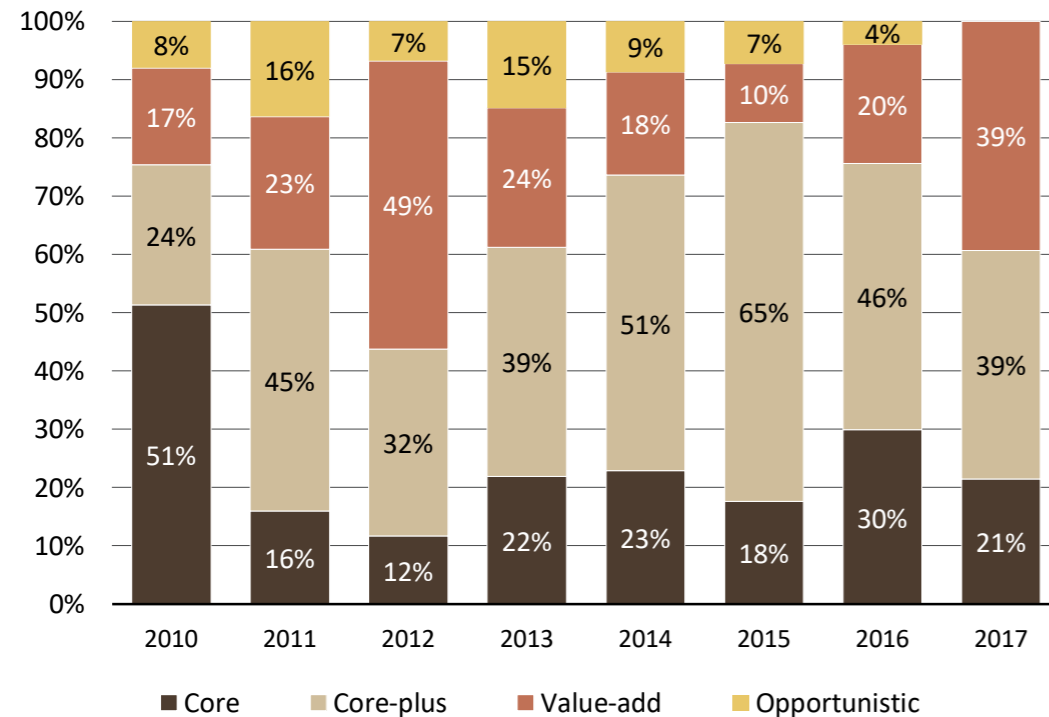
7 June 2019

# Market trends - Increasing share of non-core strategies...

...Leading to more capital-driven strategies

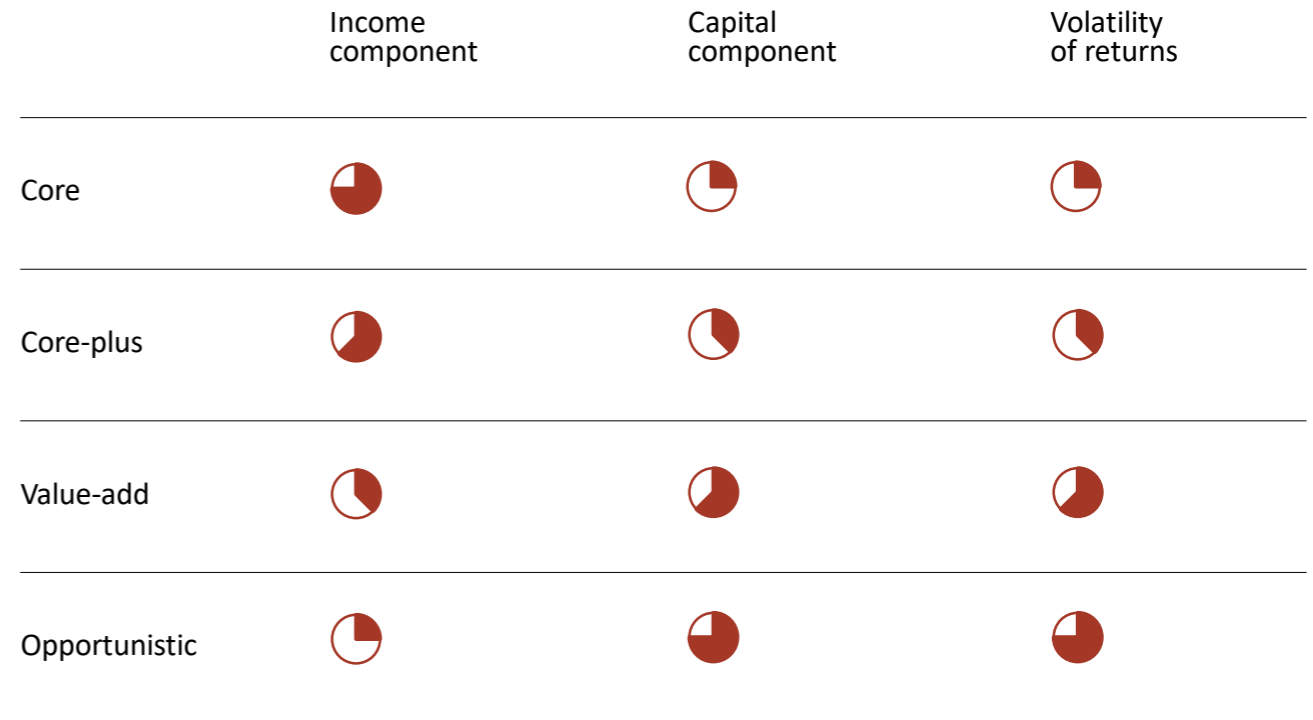
## Changing infrastructure investment style

(Capital raised by primary equity strategy, %)



Source: MSCI Global Quarterly Infrastructure Asset Index, December 2017

## Illustrative return profile by style

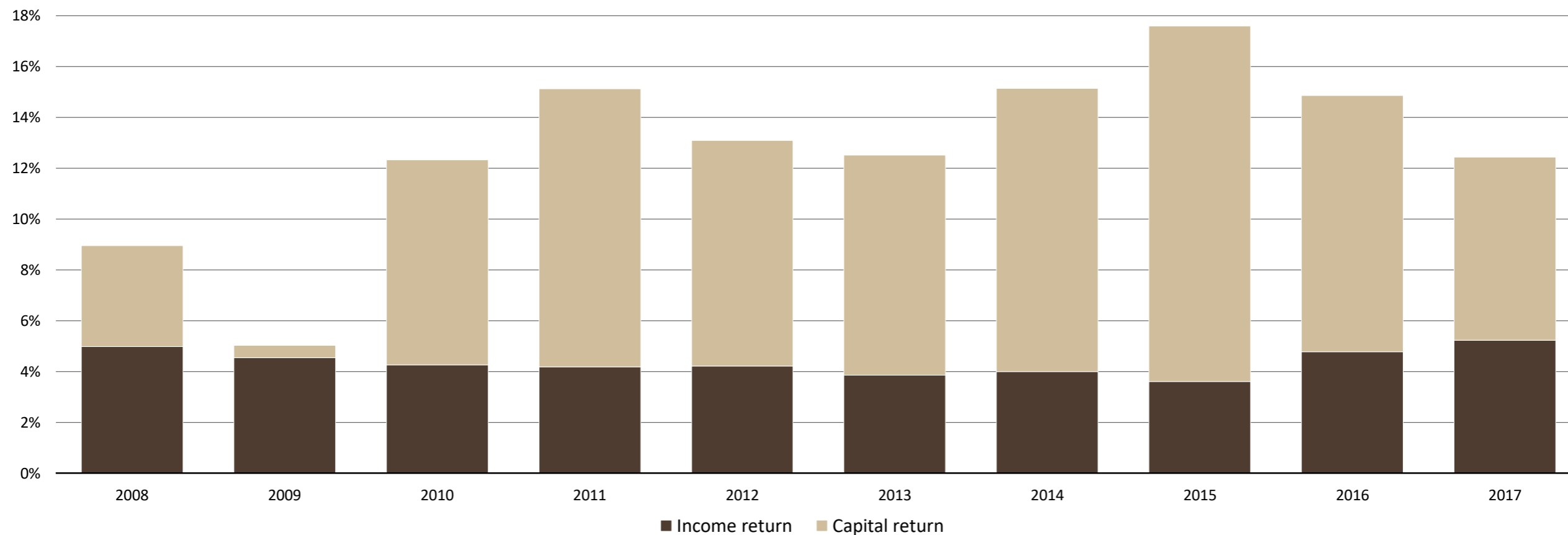


Source: UBS Asset Management, Real Estate & Private Markets, 2018

# Capital component forms majority of overall returns

Impact of increasing amount of non-core funds

## Composition of infrastructure returns, (local currency, annual, %)



Source: MSCI Global Quarterly Infrastructure Asset Index, December 2017

# Infrastructure equity investments

AIIF III is a proven infrastructure strategy with a sustainability focus and strong stable cash yield



## Traditional infrastructure and high cash yield

- Traditional infrastructure risk profile: essential, stable cash flows, inflation protection
- Timely deployment with realistic target returns - 10% IRR (USD)
- Annual cash yield of 7% (target); AIIF I and AIIF II - average cash yield of 7.3%
- Attractive income strategy (less reliant on capital growth) given point in infrastructure cycle



## Middle market expertise

- Focused on sourcing and actively managing middle market assets
- Energy, Utilities, Transportation and Telecommunications
- Global investor focused on developed markets, especially North America and Europe



## Sustainability

- Sustainability integrated into our investment process and asset lifecycle
- Top rankings in GRESB<sup>1</sup> and A+ ranking in 2018 PRI assessment report



## Supportive sponsor and flexible structure

- Flexible structure to comply with local regulations and adapt to client needs
- Multi-currency with USD and Euro parallel funds

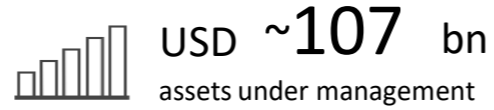
Source: UBS Asset Management, Real Estate & Private Markets (REPM); April 2019

Past performance is not indicative of future results; AIIF I and AIIF II are closed to new investors and cannot be invested in

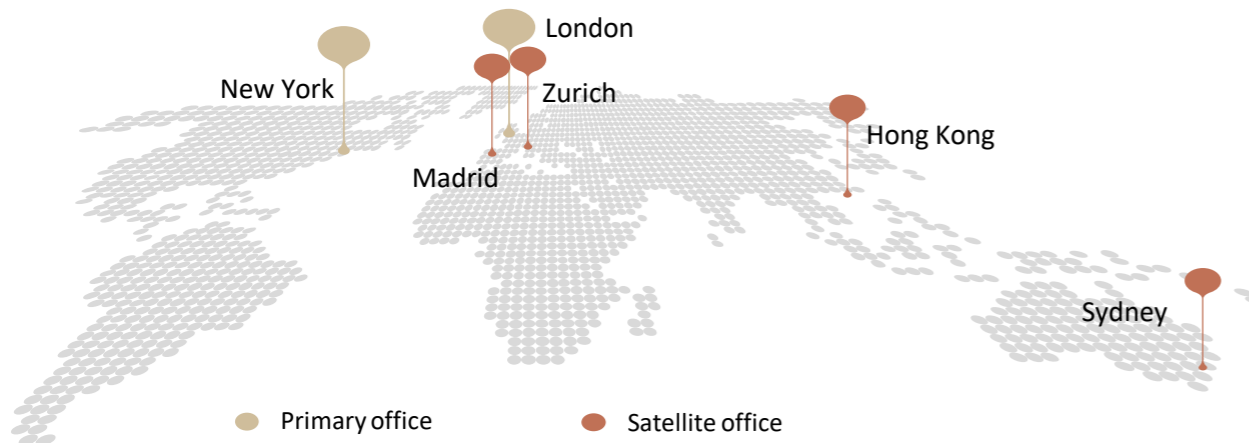
# UBS AM Infrastructure business at a glance

Experienced income-oriented infrastructure manager with strong track record and global presence

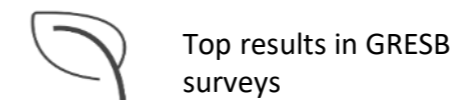
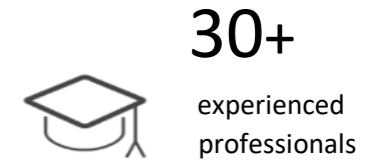
## Real Estate & Private Markets



## Direct infrastructure



## Infrastructure Equity



Source: UBS Asset Management, Real Estate & Private Markets (REPM); April 2019;  
Past performance is not indicative of future results; AIIF I and AIIF II are closed to new investors and cannot be invested in

# Further reading

Providing insights into investors' key concerns: explore our research at [ubs.com/rep-m-research](https://ubs.com/rep-m-research)

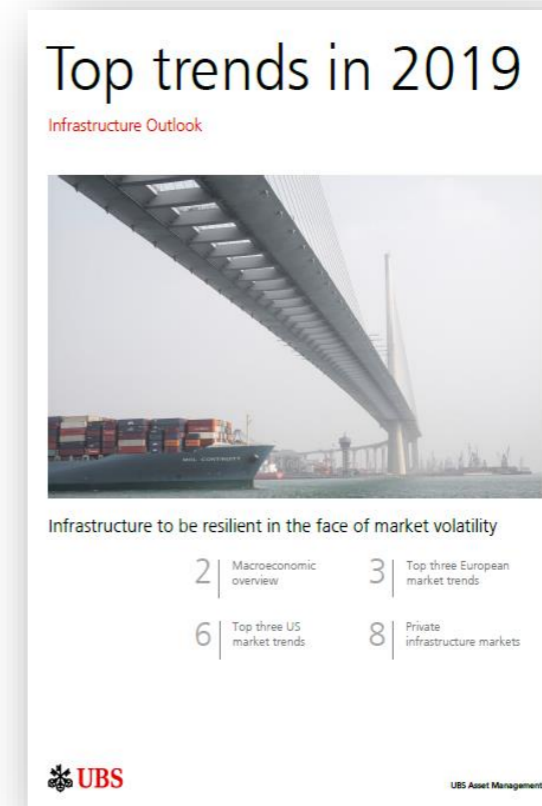
## How will infrastructure respond to rising interest rates?



## Have we reached peak valuations?



## What are the global trends for 2019?



Source: UBS Asset Management, Real Estate & Private Markets (REPM); April 2019

# Global disclaimer

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