

SOCIAL 4 PLANET
AN INNOVATIVE SOCIALLY RESPONSIBLE SICAV MANAGED BY UBI PRAMERICA SGR TO
INVEST IN THE CIRCULAR ECONOMY

UBI Pramerica SGR takes a new step forward in its distinctive approach to responsible investments that combine an eye on the return with support for socially useful initiatives

Milan, July 30th 2018 - UBI Pramerica SGR has further broadened its range of socially responsible investment products with a new balanced bond sub-fund entitled **UBI Sicav Social 4 Planet**. It is a particularly innovative product because it combines grasping growth opportunities offered on the global equity and bond markets in which it invests with the use of **socially responsible selection criteria** and a **strong focus on the circular economy** and that is on companies which, either by their nature or by choice, adopt more responsible production and consumption cycles, which improve environmental conditions on our planet.

Investments in the circular economy

A circular economy is one which reduces the waste of resources which are now limited and it is based on making use of consumer waste, lengthening the life cycles of products, shared resources and the use of renewable energy sources. The realities on which this new sub-fund focuses therefore tend to adopt an economic growth model that is different from that employed over the last 150 years of our history, which is defined as a “linear economy”.

UBI Sicav Social 4 Planet further develops UBI Pramerica’s approach to sustainable investments which combines the search for **high-return opportunities** with consideration for the **impacts the investment will have on the future of our planet** in environmental and social terms. Investments are selected by following these criteria that create value for both the investor and for society by employing ESG (Environment, Social and Governance) criteria integrated with financial criteria.

The launch of UBI Sicav Social 4 Planet represents the fifth stage in UBI Pramerica’s journey into the realm of socially responsible investments (SRI), which began in 2005 with the UBI Pramerica Azionario Etico Fund (an ethical equity fund).

This new sub-fund can have a maximum exposure to bonds of up to 90% of the total portfolio while exposures to equities may reach up to 50% and it focuses the latter asset class on companies that adopt circular economy models for the operation and development of their business. The selection process for these companies pays particular attention to shares in concerns that can be grouped into the following five categories:

- **“circular” supplies** (renewable energy, biofuels);
- **resource recycling** (pollution control, waste management);
- **lengthening the life of products** (machinery, packaging, chemical products);
- **shared platforms** (shared hardware, services);
- **the use of products through services** (leasing, car sharing, software).

“Investor interest in socially responsible investments is increasing strongly, driven, amongst other things, by a growing awareness that this approach may offer attractive returns and a variety of risk profiles” said **Andrea Ghidoni, General Manager and CEO of UBI Pramerica SGR**. *“By broadening its product range to meet this growing demand, UBI Pramerica is once again demonstrating its distinctive approach to SRI solutions which seek to make a concrete impact on economic activity, both immediately with*

concrete support for high social value projects and also over the long term thanks to its focus on investments in the circular economy. With UBI Sicav Social 4 Planet we made a decision to invest in the circular economy which currently represents 9.1% of the global economy. We made this choice because we know how important this economy is both now and for the future. The European Union itself has budgeted as much as €150 billion over the period 2014-2020 to support innovation, environmental protection programmes and all areas capable of helping to achieve circular economy goals.”

Support for the initiative “Recupero a km zero” (zero kilometre, or local, recovery)

Not only does UBI Sicav Social 4 Planet invest following socially and environmentally responsible criteria, it also donates 4% of the management fees¹ to nonprofit institutions or associations. For the first year of fund management this donation will go to the “**Recupero a km zero**” project organised by **Lombard, Tuscan and Apulia Banche Alimentari** (food banks), which operate as part of the **Banche Alimentari Network**, whose aim is to reduce food waste and fight poverty and social exclusion, a clear example of the circular economy in operation, consistent with the nature of the sub-fund.

“With **UBI Sicav Social 4 Planet**”, said **Vincenzo Algeri, Head of the UBI Comunità Area at UBI Banca**, “our Group is broadening its range of asset management products consistent with its customers’ demands and interests in this particular period, by supporting an initiative of Banco Alimentare a partner of high standing, in line with the Sicav’s choice of socially responsible investments. This takes place in the broader context of a strategic decision to use our UBI Comunità division to actively develop partnerships between for-profit and nonprofit concerns. It is a further example of the attention we pay and our ability to blend economic aims with social sustainable ability requirements to create a balance appreciated by our customers, who subscribe in significant numbers to UBI Banca’s offers in this field”.

“We are grateful to UBI Banca and UBI Pramerica SGR for the substantial support they are giving to the ‘Recupero a km zero’ project”, said **Dario Boggio Marzet, President of the Lombardy Banco Alimentare**. “It is a concrete contribution to our activities which by recovering surplus food which would otherwise become waste and by distributing it free of charge to people in need through our partner charity organisations, both supports social inclusion and brings environmental benefits, in line with the virtuous circular economy model”.

The social return on investment

The value of the social benefit for the recipients of the “**Recupero a km zero**” project and for society and the environment is calculated both *ex ante* and *ex post*.

The method chosen for the calculation is the social return on an investment (SROI), the most widespread and appreciated by the international community. The SROI is a means of quantifying the social or environmental value generated by a project, an initiative, or social organisation in economic terms. Banco Alimentare has estimated the total social benefit at €13.61 for each euro invested.

On conclusion of the activities and following a survey carried out in the relative local communities, Banco Alimentare will report the social impact results obtained by the end beneficiaries.

UBI Sicav Social 4 Planet is suitable for a customer with a medium risk appetite and a long-term investment horizon. The sub-fund is available in both retail classes (in some cases with a possible annual dividend coupon²) and an institutional class.

UBI Pramerica SGR is the UBI Banca Group’s asset management company formed from an agreement with Pramerica Financial. This company, located in Milan, offers a full and varied range of investment solutions ranging from individual portfolio management in securities and in funds to a complete range of mutual investment funds and Sicav’s as well as tailor-made portfolio management for institutional clients. Its goal

Circular economy data sources: The Circularity Gap Report, www.circularity-gap.world and Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, on the implementation of the Circular Economy Action Plan, http://ec.europa.eu/environment/circular-economy/implementation_report.pdf

¹ A maximum ceiling has been set on the amount of management fees donated by the sub-fund. The offer documentation may be consulted for further information.

² As explained in the prospectus, the amount of the five annual dividend coupons decided at the beginning of each year for the five years following subscription by the board of directors of UBI Sicav could be higher in percentage terms than the increase in the net asset value measured in the reference period for the calculation of the dividend, in which case this constitutes a partial refund of the capital invested. The first dividend coupon may be distributed starting in June 2019. Five years following subscription, the shares in the Primaclasse class will be automatically converted into class R shares, with the accumulation of income.

is to protect and increase the wealth of its clients. UBI Pramerica has assets under management of over €59.7 billion (figures as at 31st December 2018). Please visit www.ubipramerica.it for further information.

UBI Banca is the third largest commercial banking group in Italy by market cap, with a market share of around 7%, 1,817 branches throughout the country and over 21,200 employees. Since 2011 the bank has had a unit specialising in business with both Church and non-Church clients belonging to the third sector. A new organisational structure and positioning with regard to the world of public authorities was defined in 2016 with the 2019-2020 Business Plan. A new strategic Area named **UBI Comunità** was established with the purpose of overseeing and developing commercial relations both with the third sector and the civil economy as well as with public authorities and with the various groupings of associations. UBI Banca promotes partnership initiatives between the public, private and private social sectors with this strategic Area, by involving local communities and by innovative leverage of the Group's abilities and expertise. With UBI Comunità, UBI Banca adds to a range of services designed for simplified banking operations that are secure and economical, with diversified credit solutions to pay advances on contributions and revenues, together with a range of flexible and customisable financing solutions to support the pursuit of institutional aims and to launch or accelerate economically sustainable paths to growth and social innovation. In 2013 UBI Banca received the Italian Banking Association "Charitable Bank" prize and the National Prize for Innovation awarded by the President of the Republic.

Pramerica Financial is the brand name used by Prudential Financial, Inc. (PFI), USA and other companies in the same Group in determined countries outside the United States. PFI (USA) has no connection with Prudential Plc, a company located in the United Kingdom. With over \$1,000 billion of assets under management as at 31st March 2018, PFI (NYSE: PRU) is a leading player in the financial services field with operations in the United States, Asia, Europe and Latin America. PFI's staff work to increase and protect the wealth of its individual and institutional clients through a broad range of products and services, which include life-insurance policies, annuities, pensions and related services, mutual investment funds and asset management. In the United States the company's logo, the rock of Gibraltar, bears witness to over a century of strength, stability, experience and innovation. Please visit the website <http://www.news.prudential.com> for further information.

Caution: before subscribing please read the information prospectus and the KIID which also give details of risks associated with the investment. The prospectus and the KIID are available free of charge on the website www.ubipramerica.it and from the placement agents in Italy.

The offer documentation and the website www.ubipramerica.it may be consulted for further information on the characteristics of the product.

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