

Six ways to invest in Europe – "Liberation Day" makes us go more balanced

European equities

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- US President Trump introduced a "baseline" tariff of 10% on imports from all other nations starting on 5 April, with higher "reciprocal" rates on specified trading partners deemed to have excessive tariff or non-tariff barriers from 9 April.
- In this report, we highlight in more detail what has happened, and our conclusion to balance cyclical and defensive exposure in our *"Six Ways to invest in Europe"* theme. We also highlight the respective weight changes as well as the three new names we added to achieve this balance: **AstraZeneca**, **Enel**, and **Vinci**.
- To effectively navigate this challenging environment, we recommend investing in Europe in a selective but still diversified and risk-return optimized portfolio using our theme, *"Six ways to invest in Europe."* Investors should see our corresponding regularly updated Equity Preference List for our selection of companies. It includes names that we believe are less vulnerable to tariff-related headwinds, while at the same time benefiting from the other positive drivers in Europe.



Source: Getty

For our stock picks, please refer to our "Six ways to invest in Europe" Equity Preference List. Figure 2 in this report also highlights our selection of "Globally active European companies with limited global trade risks," which we believe are less vulnerable to the tariff-related headwinds.

Post "Liberation Day"

On 2 April, President Trump made several major significant tariff-related announcements, imposing a 34% rate on China (54% in aggregate including the tariffs already in place), 24% on Japan, 20% on the European Union, and 31% on Switzerland. The president also introduced a "baseline" tariff of 10% on imports from all other nations starting on 5 April, with higher "reciprocal" rates on specified trading partners deemed to have excessive tariff or non-tariff barriers from 9 April.

The announced tariffs are more aggressive than our base case and can be viewed as an escalation of trade war risks. For this reason, we see a non-negligible risk of retaliation, inflation or a macroeconomic slowdown. We would note that inflation and growth could be impacted quicker than

the Fed reacts, leading to near-term headwind risks, which could also affect other markets.

As a result, global equity markets have sold off, with the Euro Stoxx 50 down over 3.5% and the S&P 500 off by over 4.8% as of market close yesterday. Bond yields have declined, with investors focusing on risks to growth rather than the inflationary impact of tariffs.

Market uncertainty is likely to remain elevated in the weeks ahead, as investors consider likely downgrades to consensus economic and earnings growth forecasts, the risk of a retaliation in tariffs, and the potential scope for the new tariffs to be negotiated down. All of this is likely to mean an extended period of volatility for equities.

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Having said this, we see our "*Six Ways to invest in Europe*" theme as well positioned, as it provides a selective, while at the same time diversified and balanced, way to invest in Europe. It contains a significant proportion of stocks which are less vulnerable to tariff-related headwinds, in our view, while at the same time benefiting from the other positive drivers in Europe.

What do we think

In the coming weeks, the White House's executive authority is expected to face legal challenges regarding the president's use of the International Emergency Economic Powers Act (IEEPA) to announce significant tariff changes. Businesses are likely to increase lobbying efforts, and political pressure to reduce tariffs may grow as economic costs rise.

Indeed, the US president has invited negotiations, and US Treasury Secretary Bessent even indicated that the announced tariffs are at "the high end of the number" and could be lowered through negotiations. Moreover, EU Commission President Ursula von der Leyen criticized the tariffs as harmful to the global economy and mentioned that Europe is preparing countermeasures but will seek to negotiate with the US first.

Having said this, the negotiation process may take time, and in the short term, the US could impose higher "reciprocal" tariffs if other countries retaliate. This is expected to slow economic growth in the second and third quarters. Before the "Liberation Day" announcement, the Trump administration's actions had already increased the US effective tariff rate from 2.5% to about 9%, the highest since World War II. If the threatened sector-specific tariffs are also applied, the effective tariff rate could rise by up to 15 percentage points, reaching a level between 20% and 25% (see Figure 1).

Even if tariffs are ultimately reduced by year-end, the impending shock and associated uncertainty are likely to drive a near-term slowdown in the US economy and reduce full-year 2025 growth to closer to or below 1%. We would also expect the Federal Reserve to deliver 75-100 bps of rate cuts over the remainder of 2025.

Fig. 1: If implemented, the effective US tariff rate would rise to levels not seen for over 100 years
Duties collected as a share of total US imports, in %



Source: US International Trade Commission, Historical Statistics of the United States, Colonial Times to 1970, UBS as of 4 March 2025

Trump's announcements on Europe have been more aggressive than we had expected, which increases the risk of escalation and a potentially weaker-for-longer macroeconomic climate. While difficult to quantify, we believe the second-order effects will be material, and they keep us from taking a more positive stance and upgrading Europe from our current Neutral stance.

What do we recommend

While we see limited near-term catalysts for the broad-based European market, we believe our "*Six Ways to invest in Europe*" theme offers an attractive way to invest in the region as it helps effectively navigate this challenging environment, offering a selective but still diversified risk-return optimized portfolio.

Investors should see our corresponding regularly updated Equity Preference List (EPL) for our selection of companies, which includes stocks that we believe are less vulnerable to tariff-related headwinds, while at the same time benefiting from the other positive drivers we see in Europe.

In order to deal with the fallout from "Liberation Day," we added three names to our stock list: **AstraZeneca**, **Enel**, and **Vinci**. All three of them add a more defensive tilt to our theme and balance cyclical and defensive exposure, while at the same time bringing stock-specific positive drivers to the theme.

Looking more closely at the rationale for adding these names, UK-headquartered AstraZeneca helps us to reduce our underweight of the health care sector, while at the same

time taking into account the more favorable treatment of the UK versus other nations. Italy-based utility Enel serves as a solid, more stable, non-tariff-exposed name in our theme. While we maintain a strong preference for the industrial sector and its respective individual companies with defense stocks our preferred sub-sector, we add French-based Vinci as an internationally exposed infrastructure company with very limited trade risks. At the same time, we streamline the individual weight of certain industrial names outside the defense sector, while we reduce the weight of banks within our theme to cope with the falling interest rates / yield environment we have seen. Please see Figure 2 for our current selection of stocks and their respective sub-theme exposure.

Fig. 2: "Six ways to invest in Europe" Equity Preference List (EPL)

Our current selections on our EPL and their respective sub-theme exposure

Company	ISIN	Weight	Country	Sector	Sub-theme exposures*					
Accor	FR0000120404	4.50%	France	Consumer Discretionary	1					6
Allianz	DE0008404005	4.00%	Germany	Insurance	1	2				6
AstraZeneca	GB0009895292	5.00%	United Kingdom	Healthcare						6
BAE Systems	GB0002634946	6.00%	United Kingdom	Industrials	1		3			
Barclays	GB0031348658	4.00%	United Kingdom	Banks	1					
BASF SE	DE000BASF111	4.00%	Germany	Materials-Chemicals	1	2				5
BAWAG	AT0000BAWAG2	4.00%	Austria	Banks	1	2				
Deutsche Telekom	DE0005557508	3.50%	Germany	Communication Services		2				6
E.ON	DE000ENAG999	5.00%	Germany	Utilities		2				6
Enel	IT0003128367	3.00%	Italy	Utilities						6
Erste Bank	AT0000652011	4.50%	Austria	Banks	1				4	
Heidelberg Materials AG	DE0006047004	4.00%	Germany	Materials-Construction Materials	1	2		4	5	6
Inditex SA	ES0148396007	4.00%	Spain	Consumer Discretionary	1					6
Infineon	DE0006231004	3.50%	Germany	Information technology	1	2				6
Leonardo	IT0003856405	4.00%	Italy	Industrials				3		
Lindt & Sprüngli	CH0010570759	6.50%	Switzerland	Consumer Staples						6
Lonza	CH0013841017	5.00%	Switzerland	Healthcare					5	6
Rexel	FR0010451203	2.50%	France	Industrials	1					6
Rheinmetall	DE0007030009	4.00%	Germany	Industrials		2	3			6
Ryanair	IE00BYTBXV33	4.00%	Ireland	Industrials	1				4	6
Schneider Electric	FR0000121972	2.50%	France	Industrials	1					
Siemens	DE0007236101	2.50%	Germany	Industrials	1	2				
Sika	CH0418792922	4.00%	Switzerland	Materials-Chemicals	1				4	6
Vinci	FR0000125486	2.50%	France	Industrials		2				6
Vonovia	DE000A1ML7J1	3.50%	Germany	Real Estate		2				

Source: UBS, as of 4 April 2025

* Our sub-themes: 1: Cyclical economic recovery ahead in Europe, 2: Post-election beneficiaries in Germany, 3: Rising security investments (defense and cyber), 4: Rebuilding Ukraine and recovery in Eastern Europe, 5: Beneficiaries of lower energy costs in Europe, 6: Globally active European companies with limited global trade risks.

Note: As our selections may change over time, please always consult the underlying EPL "Six ways to invest in Europe" for our up-to-date equity preferences. The respective EPL [which also lists the analyst(s) responsible for the selections and the thematic benchmark] can be found on the UBS CIO portal, which can be accessed via the e-banking platform or via Quotes.

12 month rating history

Release date	Company name	Equity Preference List	Current selection	Previous selection
Nov 28 2024	Accor	European Small & Mid caps	Most Preferred	-
Mar 17 2025	Accor	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Dec 10 2024	Accor	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Feb 25 2025	Accor	Six Ways to Invest in Europe	Most Preferred	-
Dec 19 2024	Allianz	EQR-Total return top picks	Most Preferred	-
Dec 19 2024	Allianz	European Greentech	Most Preferred	Not Listed
May 28 2024	Allianz	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
May 03 2024	Allianz	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Feb 25 2025	Allianz	Six Ways to Invest in Europe	Most Preferred	-
Jan 15 2025	Allianz	Sustainable investing, global leaders	Most Preferred	Not Listed
Mar 26 2025	AstraZeneca	European Healthcare	Most Preferred	-
Mar 27 2025	AstraZeneca	Global top list	Most Preferred	-
Mar 26 2025	AstraZeneca	Longevity	Most Preferred	-
Mar 26 2025	AstraZeneca	UK	Most Preferred	Not Listed
Apr 08 2024	BAE SYSTEMS	European Industrials	Most Preferred	Not Listed
Mar 17 2025	BAE SYSTEMS	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Feb 25 2025	BAE SYSTEMS	Six Ways to Invest in Europe	Most Preferred	-
Apr 08 2024	BAE SYSTEMS	UK	Most Preferred	Not Listed
Jul 11 2024	BASF SE	EQR-Total return top picks	Not Listed	Most Preferred
Jul 23 2024	BASF SE	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Apr 18 2024	BASF SE	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Feb 25 2025	BASF SE	Six Ways to Invest in Europe	Most Preferred	-
Jan 24 2025	BAWAG Group	European Small & Mid caps	Not Listed	Most Preferred
Oct 08 2024	BAWAG Group	European Small & Mid caps	Most Preferred	-
Feb 25 2025	BAWAG Group	Six Ways to Invest in Europe	Most Preferred	-
Nov 12 2024	Barclays PLC	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Jul 09 2024	Barclays PLC	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Jun 25 2024	Barclays PLC	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Feb 25 2025	Barclays PLC	Six Ways to Invest in Europe	Most Preferred	-
Sep 20 2024	Deutsche Telekom	EQR-Favored European Defensives	Not Listed	Most Preferred
Apr 18 2024	Deutsche Telekom	EQR-Favored European Defensives	Most Preferred	-
Sep 20 2024	Deutsche Telekom	EQR-Total return top picks	Not Listed	Most Preferred
Apr 26 2024	Deutsche Telekom	EQR-Total return top picks	Most Preferred	-
Jan 15 2025	Deutsche Telekom	European Greentech	Most Preferred	Not Listed
Sep 10 2024	Deutsche Telekom	European Greentech	Not Listed	Most Preferred
Jan 20 2025	Deutsche Telekom	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Oct 15 2024	Deutsche Telekom	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Sep 18 2024	Deutsche Telekom	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Feb 25 2025	Deutsche Telekom	Six Ways to Invest in Europe	Most Preferred	-
Nov 20 2024	E.ON	30 for '30	Not Listed	Most Preferred
Aug 05 2024	E.ON	30 for '30	Most Preferred	-
Jan 23 2025	E.ON	EQR-Total return top picks	Not Listed	Most Preferred
Jan 24 2025	E.ON	European Greentech	Not Listed	Most Preferred
Dec 06 2024	E.ON	Eurozone	Not Listed	Most Preferred
Aug 05 2024	E.ON	Eurozone	Most Preferred	Not Listed
Jan 23 2025	E.ON	Power and Resources	Not Listed	Most Preferred
Nov 18 2024	E.ON	Power and Resources	Most Preferred	-
Mar 05 2025	E.ON	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Dec 10 2024	E.ON	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Feb 25 2025	E.ON	Six Ways to Invest in Europe	Most Preferred	-
Apr 18 2024	Enel	EQR-Favored European Defensives	Most Preferred	-
Dec 06 2024	Enel	Eurozone	Most Preferred	Not Listed
Nov 18 2024	Enel	Power and Resources	Most Preferred	-
Mar 17 2025	Enel	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Mar 05 2025	Enel	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Jan 20 2025	Enel	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Dec 10 2024	Enel	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Nov 12 2024	Enel	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Jul 09 2024	Enel	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred

12 month rating history

Release date	Company name	Equity Preference List	Current selection	Previous selection
Jun 25 2024	Enel	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Jan 13 2025	Erste Bank	European Banks	Most Preferred	Not Listed
Oct 08 2024	Erste Bank	European Small & Mid caps	Most Preferred	-
Feb 25 2025	Erste Bank	Six Ways to Invest in Europe	Most Preferred	-
Oct 08 2024	Heidelberg Materials	European Small & Mid caps	Most Preferred	-
Mar 17 2025	Heidelberg Materials	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Jun 11 2024	Heidelberg Materials	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
May 28 2024	Heidelberg Materials	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
May 03 2024	Heidelberg Materials	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Feb 25 2025	Heidelberg Materials	Six Ways to Invest in Europe	Most Preferred	-
Jan 23 2025	Inditex SA	Eurozone	Not Listed	Most Preferred
Jan 20 2025	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Dec 10 2024	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Nov 12 2024	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Sep 18 2024	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Jul 23 2024	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Jul 09 2024	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Jun 25 2024	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
May 28 2024	Inditex SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Feb 25 2025	Inditex SA	Six Ways to Invest in Europe	Most Preferred	-
Aug 09 2024	Infineon Technologies AG	Asia's new mobility	Not Listed	Most Preferred
Sep 03 2024	Infineon Technologies AG	Eurozone	Most Preferred	-
Feb 25 2025	Infineon Technologies AG	Six Ways to Invest in Europe	Most Preferred	-
Mar 20 2025	Leonardo	European Small & Mid caps	Most Preferred	-
Mar 20 2025	Leonardo	Six Ways to Invest in Europe	Most Preferred	-
Dec 12 2024	Lindt & Spruengli	European Consumer Staples	Most Preferred	Not Listed
Mar 05 2025	Lindt & Spruengli	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Feb 25 2025	Lindt & Spruengli	Six Ways to Invest in Europe	Most Preferred	-
Dec 12 2024	Lindt & Spruengli	Swiss high quality dividends	Most Preferred	Not Listed
Dec 12 2024	Lindt & Spruengli	Switzerland	Most Preferred	Not Listed
Jun 06 2024	Lonza Group AG	30 for '30	Most Preferred	-
Nov 28 2024	Lonza Group AG	EQR-Swiss credit easing beneficiaries	Most Preferred	-
Mar 26 2025	Lonza Group AG	European Healthcare	Most Preferred	-
Jan 20 2025	Lonza Group AG	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Dec 10 2024	Lonza Group AG	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Feb 25 2025	Lonza Group AG	Six Ways to Invest in Europe	Most Preferred	-
Nov 20 2024	REXEL SA	European Greentech	Most Preferred	Not Listed
Nov 18 2024	REXEL SA	Power and Resources	Most Preferred	-
Mar 05 2025	REXEL SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Jan 20 2025	REXEL SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Dec 02 2024	REXEL SA	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Feb 25 2025	REXEL SA	Six Ways to Invest in Europe	Most Preferred	-
Feb 18 2025	Rheinmetall	European Industrials	Most Preferred	Not Listed
Feb 18 2025	Rheinmetall	Germany	Most Preferred	Not Listed
Mar 17 2025	Rheinmetall	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Feb 25 2025	Rheinmetall	Six Ways to Invest in Europe	Most Preferred	-
Jul 24 2024	Ryanair	European Industrials	Not Listed	Most Preferred
Jul 24 2024	Ryanair	Eurozone	Not Listed	Most Preferred
Jul 24 2024	Ryanair	Global top list	Not Listed	Most Preferred
Feb 25 2025	Ryanair	Six Ways to Invest in Europe	Most Preferred	-
Nov 18 2024	Schneider Electric	Power and Resources	Most Preferred	-
Nov 12 2024	Schneider Electric	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Sep 06 2024	Schneider Electric	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	-
Mar 13 2025	Schneider Electric	Six Ways to Invest in Europe	Most Preferred	-
Nov 20 2024	Siemens	European Greentech	Most Preferred	Not Listed
Aug 30 2024	Siemens	European Greentech	Not Listed	Most Preferred
Sep 03 2024	Siemens	Eurozone	Most Preferred	Not Listed
Nov 18 2024	Siemens	Power and Resources	Most Preferred	-
Mar 17 2025	Siemens	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred

12 month rating history

Release date	Company name	Equity Preference List	Current selection	Previous selection
Dec 02 2024	Siemens	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Nov 12 2024	Siemens	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Sep 06 2024	Siemens	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Feb 25 2025	Siemens	Six Ways to Invest in Europe	Most Preferred	-
Mar 28 2025	Sika AG	EQR-Swiss credit easing beneficiaries	Not Listed	Most Preferred
Mar 04 2025	Sika AG	EQR-Swiss credit easing beneficiaries	Most Preferred	Not Listed
Aug 14 2024	Sika AG	EQR-Swiss credit easing beneficiaries	Not Listed	Most Preferred
Jun 03 2024	Sika AG	EQR-Swiss credit easing beneficiaries	Most Preferred	-
Mar 17 2025	Sika AG	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Aug 14 2024	Sika AG	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Jun 11 2024	Sika AG	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Apr 18 2024	Sika AG	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Feb 25 2025	Sika AG	Six Ways to Invest in Europe	Most Preferred	-
Mar 06 2025	Sika AG	Swiss high quality dividends	Most Preferred	-
Feb 25 2025	Sika AG	Switzerland	Most Preferred	Not Listed
Jul 11 2024	Vinci	EQR-Total return top picks	Most Preferred	-
Aug 06 2024	Vinci	European Greentech	Most Preferred	Not Listed
Jun 11 2024	Vinci	European Greentech	Not Listed	Most Preferred
Jan 23 2025	Vinci	Eurozone	Most Preferred	Not Listed
Mar 05 2025	Vinci	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Dec 10 2024	Vinci	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Nov 12 2024	Vinci	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Sep 06 2024	Vinci	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Jul 23 2024	Vinci	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Sep 12 2024	Vonovia	30 for '30	Most Preferred	-
Oct 17 2024	Vonovia	Attractive outlook for residential real estate	Most Preferred	-
Nov 20 2024	Vonovia	European Greentech	Not Listed	Most Preferred
Sep 10 2024	Vonovia	European Greentech	Most Preferred	Not Listed
Sep 10 2024	Vonovia	Germany	Most Preferred	Not Listed
Jul 26 2024	Vonovia	Germany	Not Listed	Most Preferred
Nov 12 2024	Vonovia	SPL - Equity Reverse Convertibles Tactical Opportunity List	Not Listed	Most Preferred
Oct 15 2024	Vonovia	SPL - Equity Reverse Convertibles Tactical Opportunity List	Most Preferred	Not Listed
Feb 25 2025	Vonovia	Six Ways to Invest in Europe	Most Preferred	-

Appendix

Required Disclosures

Company/Country Disclosures (4 April 2025)

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Equity selection system

UBS CIO GWM equity selection system

We provide two equity selections: Most Preferred (MP) and Least Preferred (LP).

Most preferred

We expect the stock to outperform the benchmark in the next 12 months.

Least preferred

We expect the stock to underperform the benchmark in the next 12 months.

Suspended

Sometimes legal, regulatory, contractual or best-business-practice obligations restrict us from issuing research on a company. This situation normally stems from UBS Investment Bank's involvement in an investment banking transaction associated with that company.

Global asset class preferences definitions

The asset class preferences provide high-level guidance to make investment decisions. The preferences reflect the collective judgement of the members of the House View meeting, primarily based on assessments of expected total returns on liquid, commonly known stock indexes, House View scenarios, and analyst convictions over the next 12 months. Note that the tactical asset allocation (TAA) positioning of our different investment strategies may differ from these views due to factors including portfolio construction, concentration, and borrowing constraints.

1. Most attractive – We consider this asset class to be among the most attractive. Investors should seek opportunities to add exposure.
2. Attractive – We consider this asset class to be attractive. Consider opportunities in this asset class.
3. Neutral – We do not expect outsized returns or losses. Hold longer-term exposure.
4. Unattractive – We consider this asset class to be unattractive. Consider alternative opportunities.
5. Least attractive – We consider this asset class to be among the least attractive. Seek more favorable alternative opportunities

Equity selection: An assessment relative to a benchmark

Equity selections in Equity Preferences lists (EPLs) are assessments made relative to a sector/industry, country/regional or thematic benchmark. The chosen benchmark is disclosed on the front page of each EPL. It is also used to measure the performance of the EPL owner(s). Including a stock in the EPL constitutes neither a view on its expected, standalone absolute performance nor a price target. Rather, EPLs are meant to support the UBS House View, with the stocks included in them selected for their superior risk/return profiles.

Our selection is based on an assessment of the company's fundamental outlook and valuation, the risks owning the stock entails, including material sustainability risks and the diversification benefits it provides in an investment portfolio, among many other factors. UBS GWM CIO's selection methodology enables wealth management clients to invest in a specific investment theme or focus on a sector/industry or country/region.

The lead strategist is responsible for the CIO view on a stock, while the EPL owner(s) is/are responsible for the stock selection within an EPL. Stocks can be selected for multiple EPLs. For consistency's sake, a stock can only be selected as either Most Preferred or Least Preferred, not both simultaneously. As EPL benchmarks differ, stocks do not need to be included on every list to which they could theoretically be added.

Only stock views prepared by UBS Financial Services Inc. (UBS FS) which are compatible with the above equity selection system are provided. A stock cannot be selected as Most Preferred if it is rated Sell by UBS Investment Bank, while a Buy-rated stock by UBS Investment Bank cannot be selected as Least Preferred.

For more information about our present and past recommendations, please contact ubs-cio-wm@ubs.com

Statement of Risk

Equities - Stock market returns are difficult to forecast because of fluctuations in the economy, investor psychology, geopolitical conditions and other important variables.

Current UBS CIO global rating distribution (as of last month-end)

Least Preferred	1 %
Most Preferred	99%

Risk information

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