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UBS funds arm bans mines and cluster munitions companies

Alternatives and quant investments exempt from new policy.



by Daniel Brooksbank | May 6th, 2010

UBS Global Asset Management has put in place a new exclusion policy on investments for Swiss and Luxembourg-based clients in about 50 companies linked to the production of anti-personnel mines and cluster munitions.

The fund manager said it was respecting a ban of production under the UN Convention on Cluster Munitions (which becomes binding in international law on August 1, 2010) and the UN Convention on Anti-Personnel Mines, following moves by the Swiss government to apply the international conventions. In March, the Swiss Parliament moved closer to banning investment in cluster munitions in a move which could oblige the country's pension funds to dump related company shares. A bill was passed by Parliament, but the legislation has still to be finalised. Switzerland had already signed the Oslo Convention on Cluster Munitions in December 2008. UBS's new policy came into place on April 28 and applies to all actively managed Swiss and Luxembourg-domiciled retail and institutional UBS Funds. Other international funds managed by UBS Global Asset Management Alternative and Quantitative Investments are exempt.

UBS has been among firms criticised by campaigners such as IKV Pax Christi-Netwerk Vlaanderen and the Cluster Munitions Coalition for their investments in cluster bombs.

The Swiss bank said that about 10 listed companies and 30-40 unlisted, state-owned or privately held companies are believed to be involved in anti-personnel mine and cluster munition production. The fund manager will use corporate screening from Ethix SRI Advisors, while its internal Controversial Weapons Committee will review the banned companies list regularly.

[Link to UBS policy.](#)