Q1 2024

UBAM - MEDIUM TERM US CORPORATE BOND

Quarterly Comment

For Professional Investors in Switzerland or Professional Investors as defined by the relevant laws. The classification of the fund(s) as per the Sustainable Finance Disclosure Regulation (SFDR) is available on ubp.com or in the latest prospectus.

Market Comment

- Following the significant rally in fixed income markets in December on the back of the shift in communication from Fed Chair Powell in particular, **January** saw markets in more of a holding pattern. US investment grade spreads for example were 1 bp wider on the month, whilst the European equivalent was still 6 bps tighter. Within rates markets, US 10-year yields were 3 bps higher in January, whilst German 10-year Bund yields were 15 bps higher, with curves steepening as front ends continued to outperform following less hawkish communication.
- European rates underperformed herein, as the ECB appeared less willing to commit towards an easing guidance in the near-term, although President Lagarde herself admitted at the ECB meeting that rate cuts could come as soon as the summer, whilst not closing the door to an earlier rate cut either if the data warrants.
- That said, at the end of the month Fed Chair Powell chose to push back on the market pricing a possibility of a March rate cut by saying that they may not have confidence on the inflation trend to warrant a cut by then, requiring more good data to achieve such an outcome.
- This view from Powell has largely been driven by the strength in the recent activity data with for example the global manufacturing PMI moving back into expansion, the Atlanta Fed nowcasting Q1 GDP at above 4% now, whilst last week's non-farm payrolls for January was a significant surprise to the upside at above 350k. This represents the strongest month of job creation in the US since February 2023 and reaffirms our view that the economy is not heading towards a recession in the near term. On the inflation front, we did still generally see the disinflation trend remain intact in the US as the Fed's preferred measure of inflation – core PCE MoM in 6m annualised terms – was below the 2% target for a second consecutive month.
- **February** saw the positive risk backdrop continue on the back of robust economic growth data, coupled with the Q4 earnings season ending on a strong note with on average 75% of S&P 500 companies beating EPS expectations with an average EPS surprise of 7%. 4Q23 revenues and EPS were up 4% and 8% YoY on average (+5% and +12% YoY respectively ex-energy). As a result, credit spreads continued on their recent tightening trend as observed by US investment grade spreads being 5 bps tighter in February whilst the EUR equivalent was 9 bps tighter.
- Tightening herein was observed despite the repricing higher in rates markets as upside surprises in the economic data led the market to temper its expectations for aggressive rate cuts. For example the US payrolls report was a significant beat at 353k for nonfarm payrolls vs 185k expected in the strongest print in one year, whilst wages also surprised to the upside.

All performance figures are given net of fees. Past performance is not a guide to current or future returns. See full disclaimer at the end of the document.

- In addition and more generally, the global all-industry PMI has now risen for a 4th consecutive month to 52.1, in a sign that economic resilience appears to be broadening out beyond just the US economy as real income growth turns more supportive in the Eurozone for example as well.
- With regards to inflation, US core CPI surprised significantly to the upside at 3.9% vs 3.7% consensus, and which also meant that the Fed's preferred measure of inflation – core PCE MoM in 6m annualised terms – picked up to 2.5% from being below 2% for two consecutive months. As a result, within rates markets we saw the front-end of curves underperform in a bear flattening move as the market priced out near-term rate cuts. For example US 2-year yields rose by 41 bps on the month with the 2 years vs. 10 years curve flattening by 8 bps, whilst the German 2-year equivalent saw yields rise by 48 bps.
- Risk assets remained largely supported in **March** with the S&P 500 reaching another all-time high and credit spreads managing to tighten further on the back of continued resilience in the economic data that was released, coupled with the major central banks guiding towards rate cuts by the middle of this year. For example USD investment grade credit spreads were 6 bps tighter in March, whilst the EUR equivalent was 8 bps tighter.
- Employment data released in the US continued to push recession fears further down the line as nonfarm payrolls were a significant upside surprise once again at 275k vs 200k consensus, with signs of reacceleration within payroll growth when viewed in three month moving average terms. We are also seeing signs of economic growth broadening beyond just the US with the PMI surveys recently released in China for example moving back into expansion territory for the first time since September last year.
- Developments herein also drove the Fed to significantly mark higher its growth expectations for this year, to 2.1% compared to 1.4% previously in their latest forecasts. With regards to inflation, we also saw the Fed mark up its expectations for core PCE this year to 2.6% from 2.4% previously on the back of stronger inflation readings year-to-date, as well as the impressive growth backdrop.
- US rates markets were largely unchanged over the month as a whole, although this masked an initial rally during the first half of the month on the back of less hawkish central bank communication, whilst rates came under pressure as the month progressed in light of the growth numbers described, as well as core PCE printing at 2.8% in the Fed's preferred six month moving average terms, from 2.5% the prior month.
- EUR rates outperformed with German 5-year yields for example 11 bps lower on the month as the disinflationary trend observed increased market conviction in a likely June rate cut.

All performance figures are given net of fees. Past performance is not a guide to current or future returns. See full disclaimer at the end of the document.

Performance Review

- UBAM - Medium Term US Corporate Bond delivered +0.90% QTD net of fees (I Share class).
- In relative terms the strategy delivered +62 bps gross of fees vs. its benchmark: the ICE BofA US 1-10 years US Corporate Index* QTD.
- The excess returns sequentially over the quarter were: +3 bps in January, +56 bps in February and +3 bps in March.
- QTD, financials contributed +17 bps, non-financials +8 bps, hedging & overlay +48 bps and other items -11 bps

** Index provided for comparison and information purposes only.*

Portfolio Activity

- **Portfolio** at the end of the quarter:
  - Yield: 5.7% (benchmark* yield: 5.3%)
  - Duration: 3.5 (benchmark duration: 4.0)
  - Spread: 101 (benchmark spread: 90)
  - Rating: A- (benchmark rating: A-)

  **Benchmark: ICE BofA 1-10 Year US Large Cap Corporate Index*

- **Main positions** at the end of the quarter:
  - Overall credit exposure: overweight vs benchmark: overweight financials and overweight corporates
  - Financials exposure: overweight banks senior, underweight insurance
  - Corporates exposure: overweight TMT, utilities and consumer, neutral hybrids and autos, underweight industrials
  - Country exposure: underweight Latam, overweight UK, EU Core & periphery countries

- In **January**, US Investment Grade (IG) gross supply totaled to $192.7bn up from $144.6bn in Jan ’23 and $149.7bn in Jan ‘22. Jan ’24 supply consisted of $79.3bn non-financials and $113.4bn financials. Despite the heavy supply, US IG 1-10 years credit spreads remained resilient (+1 bp wider on the month) as the asset class saw the strongest inflows since early 2021.
- In terms of credit spread performance by sector, financials (-4 bps) outperformed non financials (+2 bps). Within non-financials, telecoms (+6 bps) underperformed while autos (-2 bps) outperformed amid strong US growth data in January. The 4Q23 earnings season got off to a solid start with around 40% of S&P500 companies having reported. On average, 80% of companies have beaten EPS expectations with an average EPS surprise of 7%. 4Q23 revenues and EPS were both up 4% YoY on average.
- We maintained the level of credit risk in the fund largely unchanged during the month at an overweight +0.6-year vs benchmark in risk adjusted spread duration terms.
- On the rates side we reduced duration to -0.2 years vs. benchmark given elevated rate cut pricing for 2024, coupled with continued resilience in the growth data. Furthermore, we entered into a carry positive 2-30 years US rates flattener at the steepest level seen since mid-2022, as a hedge to our current duration and credit exposures, ahead of the Fed January meeting, and on the back of recent strong economic data, combined with already extended Fed cut pricing for 2024 and 2025.
- In **February**, US Investment Grade (IG) gross supply totalled $197.8 bn in February slightly above $192.8 bn in January. February supply consisted of $143.2 bn non-financials and $54.7bn financials. Despite the heavy supply, US IG 1-10 years credit spreads remained resilient (-5 bps tighter on the month) as the asset class continued to see strong inflows during the month.
- In terms of credit spread performance by sector, financials (-6 bps) outperformed non financials (-3 bps) again in February. Within non-financials, cyclicals such as autos, energy, and basic industry outperformed

amid signs of growth acceleration in the US while the more defensive TMT sectors underperformed. The 4Q23 earnings season ended on a strong note with on average 75% of S&P500 companies beating EPS expectations with an average EPS surprise of 7%. 4Q23 revenues and EPS were up 4% and 8% YoY on average (+5% and +12% YoY respectively ex-energy).

- We maintained the level of credit risk in the fund largely unchanged during the month at an overweight +0.5-year vs. benchmark in risk adjusted spread duration terms given the strong growth data and a resilient 4Q23 corporate earnings season.
- On the rates side, we further reduced duration to -0.9 years vs benchmark given elevated rate cut pricing for 2024, coupled with continued resilience in the growth data and pushback from Powell on March rate cut pricing at the Fed's January press conference. Furthermore, we maintained our 2y-30y US rates flattener, as a further hedge to our current credit exposures against a scenario of further rate cuts being priced out by the market.
- US IG gross supply totaled $143.8 bn **in March** down from $198.2 bn in February, pushing 1Q24 issuance to a record high of $535bn. March supply consisted of $81.2 bn non-financials and $62.6 bn financials. Despite the heavy supply, US IG 1-10 year credit spreads remained resilient (-6 bps tighter on the month) as the asset class continued to see strong inflows during the month.
- In terms of credit spread performance by sector, financials (-8 bps) outperformed non financials (-5 bps) again in March. Within non-financials there was minimal sector dispersion, TMT sectors outperformed marginally having underperformed in February. The 4Q23 earnings season ended on a strong note with on average 76% of S&P500 companies beating EPS expectations with an average EPS surprise of 7%. 4Q23 revenues and EPS were up 4% and 8% YoY on average (+5% and +12% YoY respectively ex-energy).
- We maintained the level of credit risk in the fund largely unchanged during the month at an overweight +0.5 year vs benchmark in risk adjusted spread duration terms given the strong growth data and a resilient 4Q23 corporate earnings season.
- On the rates side we covered half of our underweight duration, taking the relative duration of the fund vs benchmark to -0.45 years. This trade was implemented ahead of the February US payrolls in case of a reversal of the strong January print and given noise heading into the data in relation to seasonals. We decided to cover duration in Gilts given our more positive bias towards GBP duration over USD due to a weaker UK economy. Furthermore, we maintained our 2y-30y US rates flattener, as a further hedge to our current credit exposures against a scenario of further rate cuts being priced out by the market.

Outlook: Global Fixed Income Markets

- At the beginning of 2024, major central banks were guiding towards rate cuts by the end of Q2, and therefore the focus during this quarter will be on whether the data allows them to deliver on this prior guidance. Whilst we see the path for near term rate cuts from the ECB & BoE as more likely than not given the disinflation trend being observed, there remains more uncertainty on the timing of the Fed's first rate cut amid a stronger growth backdrop and recent stickiness in inflation. Overall, we expect for the rate cutting cycle to likely be very gradual in nature when it does commence, which favours a strategic allocation to fixed income to benefit from higher yields over the medium term and taking advantage of the carry opportunity that continues to present itself today.
- One of the key developments over the last quarter was the updated economic projections released by the Fed at the March meeting. Of significance were the large upward revisions to growth, with real GDP estimated at 2.1% for this year compared to 1.4% previously. US growth is being supported by a resilient consumer on the back of tight labour markets and an improving supply-side story amid rising immigration and improving productivity. The growth upgrade was also met with a revision higher to the inflation forecasts, with core PCE for example seen at 2.6% for this year, up from 2.4% previously. Despite these hawkish revisions, the Fed left its near term guidance within the dot-plot projections unchanged, to show three rate cuts for this year, whilst it did remove one rate cut further out, resulting in the end-2026 dot to be at 3.1% compared to 2.9% previously. Fed Chair Powell also maintained his message from prior meetings by guiding towards rate cuts later this year, although requiring a couple months of more data to confirm that the disinflation trend is intact given recent disappointing readings.
- Meanwhile at the ECB and in contrast to the Fed, both inflation and growth projections were revised lower, with growth estimated at just 0.6% for this year now, whilst core inflation is to average 2.6% in 2024 and be back to target in 2026. Following these more dovish forecast revisions, President Lagarde sounded increasingly convinced that rate cuts would probably become appropriate by the summer, by which time they would have had more time to digest the data. Such a decision would most likely come at the June meeting given Lagarde's comment that they will know "a little more in April, but a lot more in June". At the BoE, the March meeting also represented a dovish shift as the vote split no longer showed any member of the board voting for a rate hike for the first time since September 2021, which came as a surprise to market participants and signalled the first step towards easing policy.
- With regards to our interest rate duration views, at the end of January we decided to hold a more defensive bias, especially in the US given the strength of the domestic data and recent upside surprises to inflation. If anything, when observing the US data there appears to be no rush for the Fed to deliver its first rate cut despite Powell's guidance, with signs of reacceleration appearing. For example payroll growth in 3 month moving average terms has accelerated from a trough of 198k in November last year to 276k currently, whilst the ISM Manufacturing index just surprised to the upside and moved back into expansion for the first time since September

2022. On inflation, influential Fed Governor Waller himself highlighted how the 3 month and 6 month moving averages for core CPI have risen now to 4.2% and 3.9% respectively, which shows how the disinflation process appears to have stalled and which means that he now requires more time to verify progress on inflation before looking to cut interest rates. Waller concluded that it may now be prudent to hold rates at these current restrictive levels for longer than previously thought. And so whilst the dot-plot still guides towards three rate cuts this year, we believe that the discussion is evolving, where data released later this quarter will be crucial in determining whether the Fed can deliver on its first cut this summer. We took profits on our positive interest rate bias in January when the market was pricing in closer to six rate cuts for the Fed, which appeared stretched to us. Today the market is pricing in three cuts, which is in line with the dots, however these dots may also soon be stale, dependent on the data and given recent communication from Fed board members. From a relative value perspective, we would be more positive on interest rate duration outside of the US where there is greater clarity with regards to the timing of the first rate cut and where growth has not been as robust, such as in the UK and Eurozone. In the UK in particular, investors have consistently been pricing a less dovish rate cutting cycle relative to elsewhere, despite the fact that the market is currently pricing for headline inflation to be below the 2% target in the UK by the summer. As a result, we continue to view UK Gilts as a source of continued outperformance from a relative value perspective.

- For credit, we maintain a positive bias and have a preference for higher income segments given the growth backdrop and attractive all-in yields. Central banks are planning to begin easing policy at a time when there are some initial signs of economic reacceleration emerging, which is positive for credit as it pushes further down the line any recession fears. We would therefore anticipate that the benign default rate backdrop remains intact, which remained below 3% in both the US and Eurozone last year highlighting the positive fundamental backdrop. This could also be observed within the 4Q23 earnings season, which ended on a strong note with on average 76% of S&P500 companies beating EPS expectations with an average EPS surprise of 7%. 4Q23 revenues and EPS were up 4% and 8% YoY on average (+5% and +12% YoY respectively ex-energy).
- Whilst spreads have tightened on the back of positive macro developments since the beginning of the year, the high yield segment of the market through CDS indices continues to trade cheap to the cash bond market. With yields close to double-digits in dollars, we believe this segment continues to compensate investors more than adequately for the risk being taken. Furthermore at such elevated yields, the power of accrual becomes extremely important, providing a buffer against any bouts of spread widening and as was clearly observed in 2023. We also view an allocation to BB rated bonds as attractive given their superior risk-reward profile to BBBs, single Bs and CCCs and as corporate fundamentals for BBs seem in good shape for this stage of the cycle. Finally, we continue to hold a positive bias towards the financial sector given it remains a segment of the market that is benefitting from the higher inflation backdrop, as observed in recent bank earnings. In particular, we would continue to highlight the AT1

All performance figures are given net of fees. Past performance is not a guide to current or future returns. See full disclaimer at the end of the document.

market as an attractive opportunity and an asset class that has recovered from the volatility observed in March last year.

This is a marketing document and is intended for informational and/or marketing purposes only. It is confidential and is intended to be used only by the person(s) to whom it was delivered. It may not be reproduced (in whole or in part) or delivered, given, sent or in any other way made accessible, to any other person without the prior written approval of Union Bancaire Privée, UBP SA or any entity of the UBP Group (UBP). This document reflects the opinion of UBP as of the date of issue. This document is for distribution only to persons who are Professional clients in Switzerland or Professional Clients or an equivalent category of investor as defined by the relevant laws (all such persons together being referred to as "Relevant Persons"). This document is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. It is not intended for distribution, publication, or use, in whole or in part, in any jurisdiction where such distribution, publication, or use would be unlawful, nor is it directed at any person or entity at which it would be unlawful to direct such a document. In particular, this document may not be distributed in the United States of America and/or to US persons (including US citizens residing outside the United States of America). This document has not been produced by UBP's financial analysts and is not to be considered financial research. It is not subject to any guidelines on financial research and independence of financial analysis. Reasonable efforts have been made to ensure that the content of this document is based on information and data obtained from reliable sources. However, UBP has not verified the information from third sources in this document and does not guarantee its accuracy or completeness. UBP makes no representations, provides no warranty and gives no undertaking, express or implied, regarding any of the information, projections or opinions contained herein, nor does it accept any liability whatsoever for any errors, omissions or misstatements. The information contained herein is subject to change without prior notice. UBP gives no undertaking to update this document or to correct any inaccuracies in it which may become apparent. This document may refer to the past performance of investment interests. **Past performance is not a guide to current or future results.** The value of investment interests can fall as well as rise. Any capital invested may be at risk and investors may not get back some or all of their original capital. Any performance data included in this document does not take into account fees, commissions, and expenses charged on issuance and redemption of securities, nor any taxes that may be levied. Changes in exchange rates may cause increases or decreases in investors' returns. All statements other than statements of historical fact in this document are "forward-looking statements". Forward-looking statements do not guarantee future performances. The financial projections included in this document do not constitute forecasts or budgets; they are purely illustrative examples based on a series of current expectations and assumptions which may not eventuate. The actual performance, results, financial condition and prospects of an investment interest may differ materially from those expressed or implied by the forward-looking statements in this document as the projected or targeted returns are inherently subject to significant economic, market and other uncertainties that may adversely affect performance. UBP also disclaims any obligation to update forward-looking statements, as a result of new information, future events or otherwise. The contents of this document should not be construed as any form of advice or recommendation to purchase or sell any security or funds. It does not replace a prospectus or any other legal documents, which can be obtained free of charge from the registered office of the fund(s) mentioned herein or from UBP. The opinions herein do not take into account individual investors' circumstances, objectives, or needs. Each investor must make their own independent decision regarding any securities or financial instruments mentioned herein and should independently determine the merits or suitability of any investment. In addition, the tax treatment of any investment in the fund(s) mentioned herein depends on each individual investor's circumstances. Investors are invited to carefully read the risk warnings and the regulations set out in the prospectus or other legal documents and are advised to seek professional counsel from their financial, legal and tax advisors. The tax treatment of any investment in a fund depends on the investor's individual circumstances and may be subject to change in the future. This document should not be deemed an offer nor a solicitation to buy, subscribe to, or sell any currency, funds, products, or financial instruments, to make any investment, or to participate in any particular trading strategy in any jurisdiction where such an offer or solicitation would not be authorised, or to any person to whom it would be unlawful to make such an offer or solicitation. Telephone calls to the telephone number stated in this presentation may be recorded. UBP will assume that, by calling this number, you consent to this recording.
Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "Disclosures Regulation" or "SFDR"), funds are required to make certain disclosures. Funds falling under the scope of Article 6 of the SFDR are those which have been deemed not to pursue an investment approach that explicitly promotes environmental or social characteristics or has sustainable investment as their objective. Notwithstanding this classification, the Investment Managers may take account of certain sustainability risks as further described in the fund's prospectus. Funds falling under the scope of Articles 8 or 9 of the SFDR are those subject to sustainability risks within the meaning of the SFDR. The sustainability risks and principal adverse impacts as stipulated in the SFDR are described in the prospectus. In addition, unless otherwise specified, all funds apply the UBP Responsible Investment Policy, which is available on https://www.ubp.com/en/investment-expertise/responsible-investment.

Any subscriptions not based on the funds' latest prospectuses, KIIDs, annual or semi-annual reports or other relevant legal documents (the "Funds' Legal Documents") shall not be acceptable. The Funds' Legal Documents may be obtained free of charge from Union Bancaire Privée, UBP SA, 96-98 rue du Rhône, P.O. Box 1320, 1211 Geneva 1, Switzerland (UBP), from UBP Asset Management (Europe) S.A., 287–289 route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg, and from Union Bancaire Gestion Institutionnelle (France) SAS, 116 avenue des Champs-Elysées, 75008 Paris, France. The Swiss representative and paying agent of the foreign funds mentioned herein is UBP. The Funds' Legal Documents may be obtained free of charge from UBP, as indicated above.
This content is being made available in the following countries:
Switzerland: UBP is authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority (FINMA). The head office is Union Bancaire Privée, UBP SA, 96-98 rue du Rhône, P.O. Box 1320, 1211 Geneva 1, Switzerland. **ubp@ubp.com** | www.ubp.com
United Kingdom: UBP is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA.
France: Sales and distribution are carried out by Union Bancaire Gestion Institutionnelle (France) SAS, a management company licensed with the French Autorité des Marchés Financiers, - licence n° AMF GP98041 ; 116, av. des Champs Elysées l 75008 Paris, France T +33 1 75 77 80 80 Fax +33 1 44 50 16 19 **www.ubpamfrance.com**.
Hong Kong: UBP Asset Management Asia Limited (CE No.: AOB278) is licensed with the Securities and Futures Commission to carry on Type 1 – Dealing in Securities, Type 4 – Advising on Securities and Type 9 – Asset Management regulated activities. The document is intended only for Institutional or Corporate Professional Investor and not for public distribution. The contents of this document have not been reviewed by the Securities and Futures Commission in Hong Kong. Investment involves risks. Past performance is not indicative of future performance. Investors should refer to the fund prospectus for further details, including the product features and risk factors. The document is intended only for **Institutional Professional Investor** and not for public distribution. The contents of this document and any attachments/links contained in this document are for general information only and are not advice. The information does not take into account your specific investment objectives, financial situation and investment needs and is not designed as a substitute for professional advice. You should seek independent professional advice regarding the suitability of an investment product, taking into account your specific investment objectives, financial situation and investment needs before making an investment. The contents of this document and any attachments/links contained in this document have been prepared in good faith. UBP Asset Management Asia Limited (UBP AM Asia) and all of its affiliates accept no liability for any errors or omissions. Please note that the information may also have become outdated since its publication. UBP AM Asia makes no representation that such information is accurate, reliable or complete. In particular, any information sourced from third parties is not necessarily endorsed by **UBP AM Asia**, and **UBP AM Asia** has not checked the accuracy or completeness of such third party information.
Singapore: This document is intended only for accredited investors and institutional investors as defined under the Securities and Futures Act (Cap. 289 of Singapore) ("SFA"). Persons other than accredited investors or institutional investors (as defined in the SFA) are not the intended recipients of this document and must not act upon or rely upon any of the information in this document. The financial products or

services to which this material relates will only be made available to clients who are accredited investors or institutional investors under the SFA. This document has not been registered as a prospectus with the MAS. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this product may not be circulated or distributed, nor may the product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to institutional investors under Section 274 or 304 of the Securities and Futures Act (Cap. 289) of Singapore ("SFA"), (ii) to relevant persons pursuant to Section 275(1) or 305(1), or any person pursuant to Section 275(1A) or 305(2) of the SFA, and in accordance with the conditions specified in Section 275 or 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. This advertisement has not been reviewed by the Monetary Authority of Singapore.
MSCI : Although Union Bancaire Privée, UBP SA information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.