For marketing purposes
For professional / qualified / institutional clients and investors

Investing with UBS ETFs

On your journey towards a more sustainable future

UBS

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Sustainable investing with ETFs for a better tomorrow

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"By creating products that take different aspects of sustainability into account, we believe our investments are well-positioned to meet clients' needs while helping drive positive change, beyond just financial returns."

Clemens Reuter

At UBS Asset Management, we have had a focus on sustainable finance for over two decades; it is embedded in our firm and commitment to our clients. We strive to be the financial provider of choice to help clients mobilize their capital towards the achievement of the United Nations' 17 Sustainable Development Goals (UN SDG) as well as an orderly transitioning towards a low-carbon economy.

Sustainable investing has been a key focus for UBS Exchange Traded Funds (ETFs) for more than a decade, and we have seen it growing from niche to mainstream. Today, we are one of the largest providers of sustainable ETFs in Europe (Source: ETFGI ETFs industry in Europe industry insights report. Data as at 30 September 2024). UBS ETF has remained at the forefront of innovation, being among the first to bring innovative sustainable solutions to the market. As sustainability evolve over time, we will continue to engage with our clients to exchange ideas and to gather feedback, while continuing to work with a range of index providers to create a diverse range of sustainable solutions.

Recent additions to our sustainable shelf include the **MSCI Selection** range that select the stocks with the highest ESG ratings within each GICS sector, targeting 50% free float-adjusted market capitalization coverage of the parent index. The new **UBS MSCI USA Tech 125 Universal ETF** applies an MSCI Universal overlay to the MSCI USA Tech 125 index methodology and select companies associated with themes such as the internet, mobility, industrials and health. Finally, the **FTSE EPRA Nareit Developed Green ETF** has been designed for investors wanting to integrate sustainable investment considerations into their listed real estate portfolio.

Be assured that we will continue to bring ideas, understanding, and expertise to guide your choices, so you can deliver on your sustainable investment priorities and values.

What drives sustainable investing?

"We are witnessing a paradigm shift - As traditional investment strategies increasingly consider ESG elements in their investment decisions, ESG integration is no longer just a simple term or differentiator. Instead, we are seeing a continued focus on, and differentiation between approaches going beyond ESG. Not only is there a focus on sustainability goals or controlling for tracking error, but also not sacrificing financial goals"

In recent years attitudes towards sustainable investing have undergone a transformational shift. Once a 'nice to have', it has developed into a clear 'must have' as more investors continue to prioritize sustainable investing in their investment processes. Investors not only seek to achieve their social and environmental objectives, but also their financial return goals, which result in new challenges of finding the "right" (optimal) combination of asset allocation.

Global awareness of sustainability has never been higher - consumers, investors, corporations, policy-makers and non-governmental organizations are shifting their focus towards addressing environmental and social issues. Investors want to incorporate sustainable and impact objectives into their investment decisions in many different ways. This can range from ESG integration and addressing ESG risks in their overall investment strategy, to following a sustainability-driven opportunity, or applying a best-in-class approach of selecting companies or sectors with high ESG ratings. Other investors are searching for thematic or impact solutions, focusing on business activities benefiting from a long-term shift towards a more sustainable economy, or targeting investments with the objective of having a positive and measurable impact on ESG criteria. However investors adopt these objectives, whether to tackle social and environmental challenges through their investments, or to align with their values, the critical question remains how to achieve this without compromising on financial returns.

At the same time, financial regulators and policy makers in some regions have increased their focus on sustainable finance, opining on what should be considered as sustainable. They are driving change through existing and new regulations towards a more stringent framework with stricter requirements across the financial industry. In Europe for example we have seen the introduction of the Sustainable Finance Disclosure Regulation (SFDR), as well as delegated acts with a set of minimum standards for Climate Benchmarks. Most recently the ESMA Fund Naming Guidelines were established to harmonize criteria for the use of ESG, sustainability and all related terms in fund names, impacting new and existing funds that have sustainable investment objectives.

At UBS, we differentiate between sustainable investments that use specific objectives for positive effect, which we refer to as "sustainability-focused" investment, and investments that aim to contribute to incremental positive impactful outcomes, which we refer to as "impact" investment.

Sustainability focused investments reflect sustainable objectives as a core element, focusing on specific enhancements within the underlying investment basket, or applying a best-in-class construct to demonstrate leadership in terms of sustainability, or fulfilling certain goals of a climate benchmark.

Our UBS ETF shelf offers solutions for all levels of sustainable alignments, ranging from the Universal methodology (a baseline ESG tilt of ESG-rated reweighting with minor exclusion criteria and low tracking error), to the more extensive ESG alignment of the Selection and SRI methodologies, which follow a best-in-class approach, that aim for an ESG score improvement while applying extensive exclusion criteria.

These methodologies have been enhanced over the years with the implementation of a new filter (Low-Carbon-Select (LCS)) to further reduce the carbon footprint of the index by excluding companies with the highest carbon emissions. The growing focus on carbon emission reduction intensified in December 2020 with the European Union's delegation acts, providing minimum standards that led to the development of EU Climate Transition benchmarks (CTB) and EU Paris-Aligned benchmarks (PAB) with the focus to reduce green-house-gas emissions and to have an orderly transitioning towards a lower-carbon economy.

Impact investments on the other hand demonstrate explicit positive environmental and social impact goals that are measurable and verifiable. These products have a specific thematic approach and complete the overall picture of our sustainable ETF offering. UBS ETF offers such product that aims to be aligned with the UN Sustainable Goals following the Multilateral Development Bank bond index.

At UBS ETFs, most of these approaches are available for both Equity and Fixed Income ETFs. However, our approach towards sustainable investments doesn't end with these products. UBS takes an active approach to stewardship through engagement, proxy voting and advocacy. This allows us the flexibility to address emerging sustainability issues that matter most to our clients while working with firms to achieve better outcomes. Please find additional information later in this brochure.

Regulators will further influence sustainable investments while investors will continue to seek the right mix in terms of fulfilling their sustainable investment needs, while meeting their financial return goals.

Whatever lies ahead, UBS ETFs offer a variety of ESG alignments across various investment markets to cater to client's sustainable investment goals in line with their risk/return profile and we will continue working with our clients to provide the appropriate solutions.

Defining the E, the S and the G

E

Environmental Factors
Environmental issues can be both positive and negative from an investor's perspective. The assessment of these factors considers a company's ability to control their direct and indirect environmental impact. For example, how, and to what extent, is it limiting energy consumption, reducing greenhouse emissions, fighting resource depletion and protecting biodiversity? Is the company making a positive contribution, perhaps by developing new technologies, which can accelerate the transition to a lower-carbon future?

S

Social Factors
Assessing social factors requires an evaluation of two key elements. The first relates to a company's strategy for developing its human capital, based on a series of fundamental, universally accepted principles. The second element is linked to the company's approach to broader human rights.

G

Governance Factors
Governance encompasses corporate considerations such as levels of board diversity, executive pay, accounting policies, and ownership and control structures. Corporate behavior is also a constituent element of governance evaluations.

For example, how transparent is a company around taxation? What are its policies in relation to anti-competitive practices? Does it uphold a clear set of business ethics?

You can read our full sustainable investment policy online at:
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html

Our approach to stewardship

Proxy voting

It is our belief that voting rights have economic value and should be treated accordingly. As a result we consider voting to be an important part of our fiduciary duty to clients and integral to both the investment process and our overall stewardship approach. We have been voting on a discretionary basis on behalf of our clients since 1995 and implemented our first internal voting policy in 1998. The policy continues to be reviewed annually to take into account changes in global standards and best practice related to Corporate Governance and Sustainability.

While there is no absolute set of standards that determine appropriate governance under all circumstances, and no set of values that will guarantee ethical board behavior, there are certain principles which we consider are appropriate to protect the economic value of our clients' investments. Our policy is therefore applied globally but also allows us the discretion to reflect local laws or standards where appropriate.

Our approach is to vote in all markets, unless we feel that by doing so we will impede our ability to manage a portfolio, or that the logistics involved in voting are prohibitive and would not deliver sufficient benefit to clients.

Engagement

We believe that engaging with investee companies and prospective investee companies can steer those companies toward longer-term issues that drive company value and that we believe will likely contribute to the success of the investment thesis over time. These discussions relate to the governance structure and increasingly to longer-term sustainability trends that have a material impact on company performance, such as climate change, environmental management and human capital performance.

These efforts involve reaching out to both executive and, ideally, non-executive, board members in order to influence the company strategy. Finally, engagements entail working closely with corporate management to take appropriate and concrete measures to unlock long-term value.

Most fundamentally, engagements linked to the investment case provide a differentiated means of creating better longer-term returns for clients. Such engagements lead investment teams to approach each company's investment decision as an owner, transforming the investment process from simply developing a view on the current short-term price in the market to instead making a commitment to work collaboratively with companies on realizing positive change.

UBS Asset Management's proxy voting and engagement activities are overseen by the Stewardship Committee. The Stewardship Committee is chaired by the Head of Investments and comprises the Head of Sustainable Research & Investment Specialists, the Head of Active Equities, the Head of Systematic and Index Investing, the Head of Research and Stewardship and the Head of Global Institutional Client Coverage.

Further information

UBS Asset Management Active Ownership

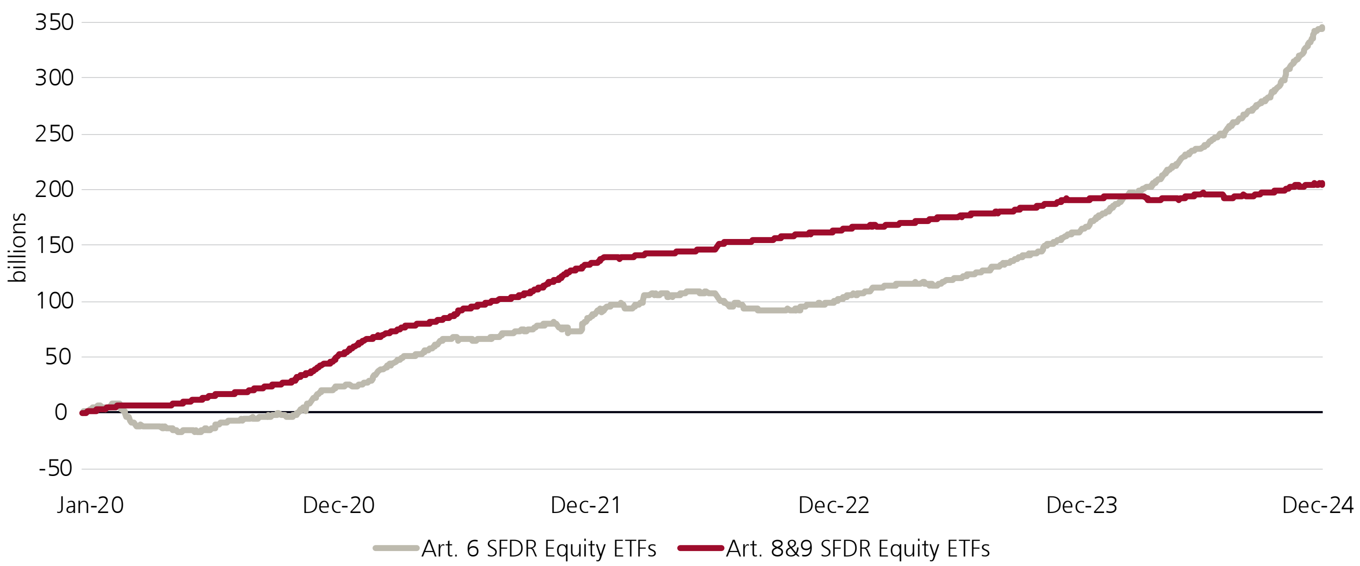
Flows into ETFs aligned with sustainable goals

Investors have consistently been adopting an ESG approach in recent years.

Assets invested in ETFs (UCITS) labelled as SFDR Art. 8 & 9 have reached USD 444.9 billions as of 31 December 2024 (source: etfbook.com).

Investors have shown a strong commitment to ESG since the beginning of the COVID-19 pandemic. Net inflows into equity ETFs in this category since the beginning of 2020 totaled USD 205.0 billion, while net inflows into core equity ETFs labelled as SFDR Article 6 in comparison have accelerated again since mid-2023, reaching USD 345.1 billion (Figure 1).

Figure 1: NNM from 1 January 2020 to 31 December 2024 (in USD billion)



Source: UBS Asset Management, etfbook.com. Data from 1 January 2020 to 31 December 2024.

Our sustainable ETF journey

UBS ETFs has been at the forefront of innovation in the sustainable ETF space. The product range today consists of multiple solutions across equities and fixed income which enable investors to build global sustainable portfolios.

Sustainable invested assets have exceeded USD 51 billion (source: etfbook.com, as of 30 September 2024).

UBS Asset Management started its journey in creating sustainability ETFs in 2011 with the launch of a family of ETFs aiming for a strong ESG approach called SRI ETFs. Since then, the sustainable ETF family has grown significantly over time in terms of different solutions as well as in invested assets. See illustration on the next page.

– The vast majority of our sustainability-focused ETFs are aligned with article 8 under SFDR, in some specific cases with article 9 under SFDR.

– The UBS Climate Paris-Aligned and Climate Transition products are aligned with article 9(3) under SFDR.

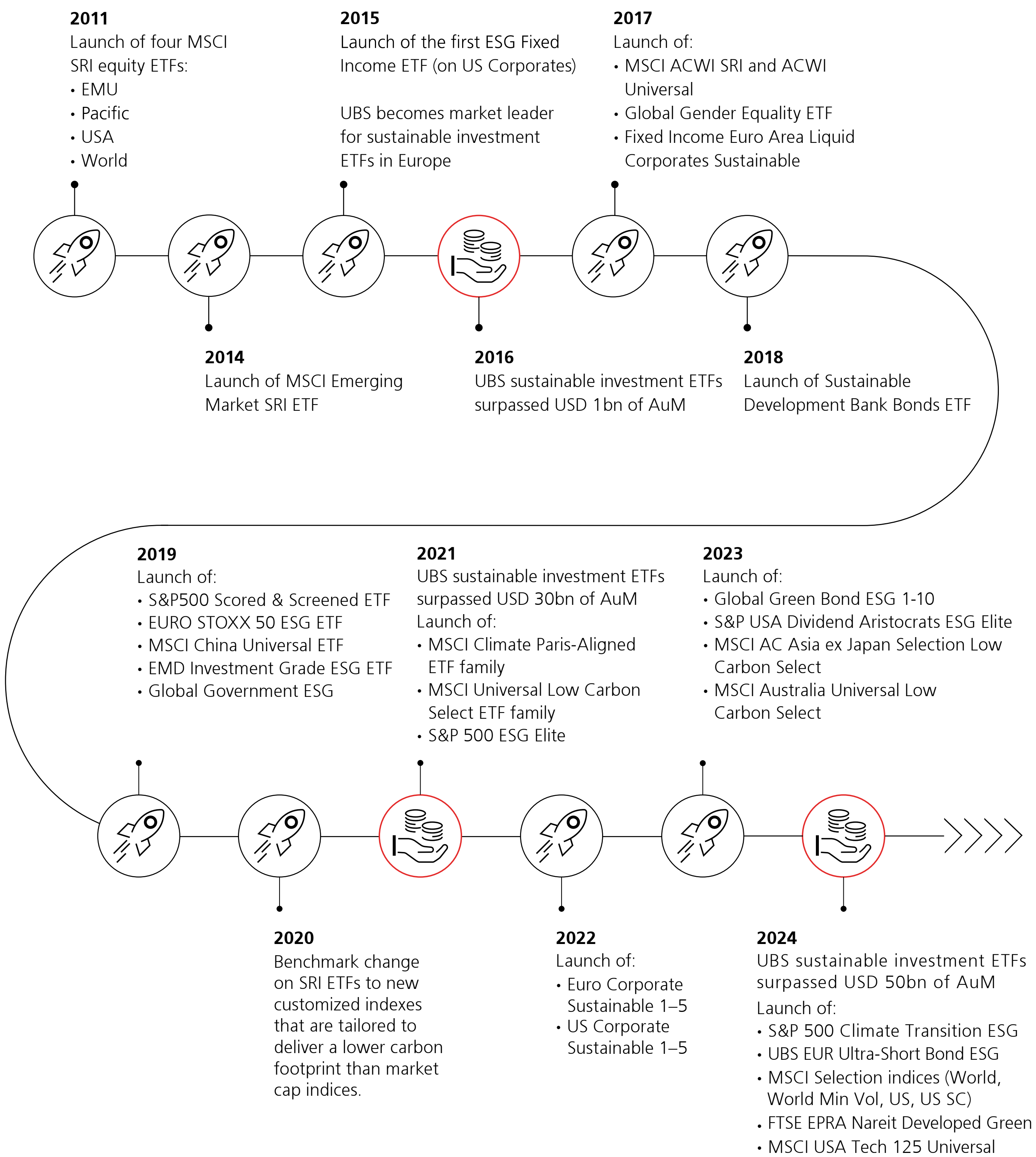
– UBS Sustainable Investment ETFs are physically replicated and do not participate in a security lending program.

– UBS Asset Management's stewardship strategy differentiates its ETF offering with a focus on climate change, collaboration, and access to senior management.

For more information on our sustainability commitment, please visit our website:
ubs.com/global/en/assetmanagement/about/commitment13

A pioneer in sustainable investments

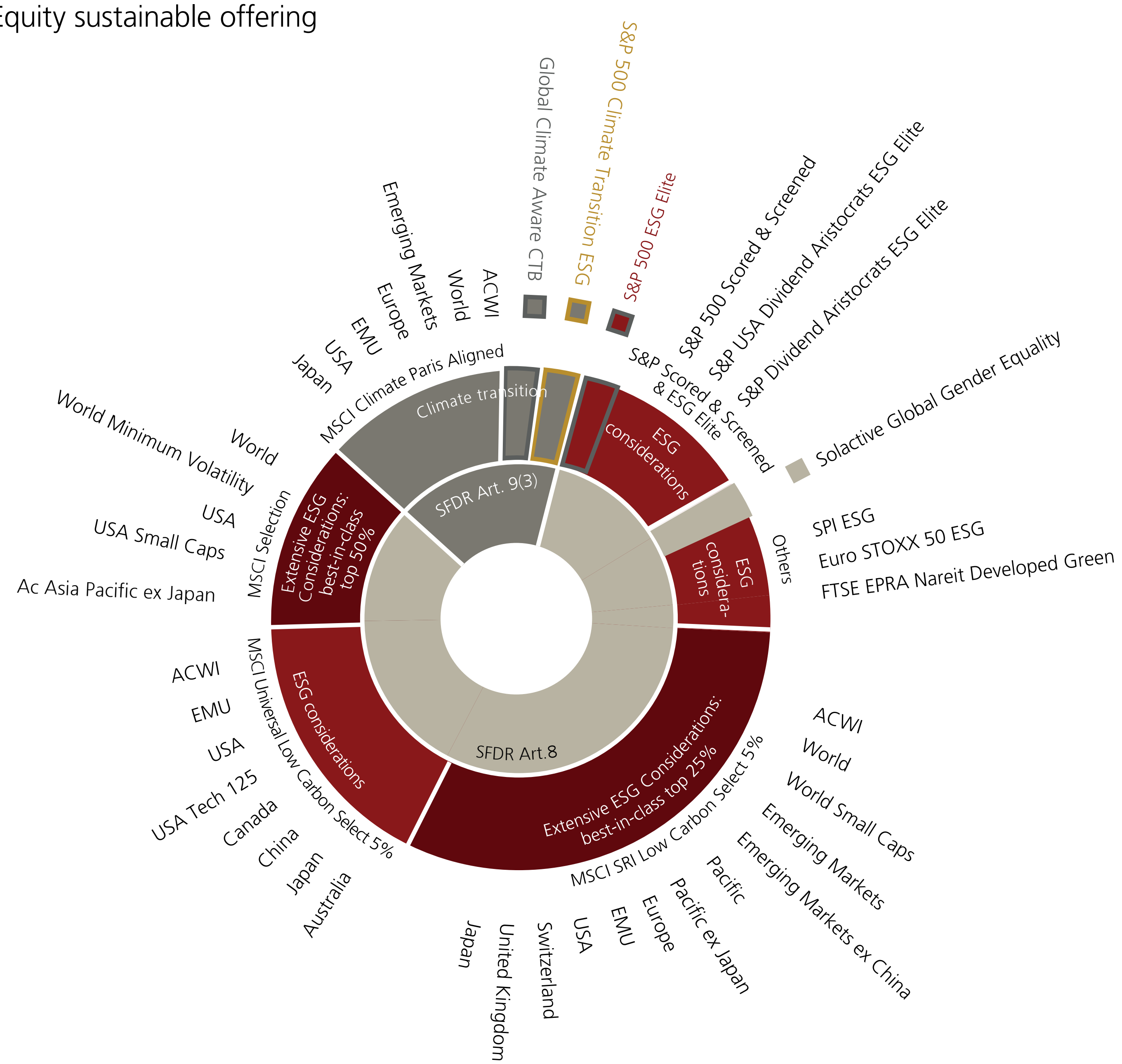
Figure 2: Sustainable path



Source: UBS Asset Management

Our sustainable offering

Equity sustainable offering



Source: UBS Asset Management. Data as of 31 December 2024.
For illustration purposes only. Sustainability risks could cause a material negative impact on the value of investments and could lead to the loss in value of an investment if materialized.

At UBS Asset Management, we focus on helping our clients achieve their sustainable investment and decarbonization objectives. Over the next few pages, we provide an overview of our ETF offering in this space. Considering the UBS Asset Management ESG Product Framework[1], we will focus in particular on the Sustainable Investing products which are aligned with Article 8 and 9 under SFDR. We commit to sustainability through our sustainable portfolio and we also may invest in non-sustainable portfolios.

13 years’

Experience in sustainable ETFs

Our sustainable offering:

- Currency hedged share classes to major currencies
- Physically-replicating ETFs
- No securities lending
- Stewardship: Proxy voting & engagement

Baseline ESG considerations

- Classified as **‘Sustainable Investing: Sustainability Focus’** under the UBS sustainability framework
- A solution potentially suitable as a core allocation replacement with an ESG tilt
- Designed to offer broad market representation
- Reweighting towards higher ESG-rated companies and/or exclusion of ESG laggards[3]
- Essential business activity and climate exclusions
- Qualifies as Article 8 under SFDR

Extensive ESG considerations

- Classified as **‘Sustainable Investing: Sustainability Focus’** under the UBS sustainability framework
- A solution aiming for a strong improvement in ESG scores
- Applies a best-in-class approach to select top 25% / 50% of highest ESG rated stocks
- Emphasis on reducing carbon footprint[2]
- Extensive business activity and climate exclusions
- Qualifies as Article 8 under SFDR

Climate

- Classified as **‘Sustainable Investing: Sustainability Focus’** under the UBS sustainability framework
- Focused on climate objectives and limiting global warming
- Aligned and exceeding minimum standards of EU Paris-Aligned Benchmarks (PAB) or EU Climate Transition Benchmark (CTB)
- Reducing exposure to transition and physical climate risks
- Pursues opportunities arising from the transition to a lower-carbon economy
- Qualifies as Article 9(3) under SFDR

Thematic

- Classified as **‘Sustainable Investing: Sustainability Focus’** or **‘Impact’** under the UBS sustainability framework
- Focused around a particular theme such as Gender Diversity that may be aligned with Sustainable Development Goals
- Investing in green bonds or bonds of development banks such as the World Bank Group, which provides them with capital to finance high-impact development projects across developing countries
- Qualifies as Article 8 or 9 under SFDR

1 https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html
2 The ESG improvement and carbon footprint reduction of ESG indexes is relative to their respective parent indexes.
3 Based on the ESG ranking/rating of the relevant ESG data provider.

Equity indexes: MSCI

Benchmark family	MSCI Universal Low Carbon Select 5%	MSCI Selection
Strategy	– A solution potentially suitable as a core allocation replacement with an ESG tilt – Designed to offer broad market representation – Reweighting towards higher ESG-rated companies[1]	– A solution enabling a moderately strict sustainability approach – Applies a best-in-class selection to select top 50% of highest ESG-rated stocks – Exhibits better ESG score and reduced carbon intensity[1]
SFDR alignment[2]	Article 8	Article 8
ESG Selection	A weighting tilt towards higher-ESG rated stocks and those with a positive trend in ESG ratings	Selection of top 50% of the highest ESG-rated eligible stocks per each GICS sector
Value-based exclusions	Controversial weapons, nuclear weapons, conventional weapons, civilian firearms, tobacco, nuclear power, UNGC, severe controversies	Controversial weapons, nuclear weapons, conventional weapons, civilian firearms, tobacco, alcohol, gambling, nuclear power, UNGC, controversies
Climate-related exclusions	– Highest emitters exclusions (exclusion of 5% of companies with highest carbon footprint) – Potential emissions (exclusion of companies with highest carbon reserves) – Thermal coal mining & power generation, unconventional oil & gas extraction	– Thermal coal mining & power generation, unconventional oil & gas extraction **MSCI Selection Low Carbon Select 5%** – Highest emitters exclusions (exclusion of 5% of companies with highest carbon footprint) – Potential emissions (exclusion of companies with highest carbon reserves)

Benchmark family	MSCI SRI Low Carbon Select 5%	MSCI Climate Paris Aligned
Strategy	– A solution aiming for a strong improvement in ESG scores – Applies a best-in-class approach to select top 25% of highest ESG-rated stocks – Emphasis on reducing carbon footprint[1]	– Focused on climate objectives and limiting global warming – Aligned and exceeding minimum standards of EU Paris-Aligned Benchmarks (PAB) – Reducing exposure to transition and physical climate risks[1] – Pursues opportunities arising from the transition to a lower-carbon economy
SFDR alignment[2]	Article 8	Article 9(3)
ESG Selection	– Selection of top 25% of the highest ESG-rated eligible stocks per each GICS sector	Optimization to achieve, among others: – A 50% reduction in greenhouse gas emissions and a 10% annual reduction – A minimum 4x ratio of green revenue / brown revenue – Minimum increase of companies setting targets of 20%
Value-based exclusions	Controversial weapons, nuclear weapons, conventional weapons, civilian firearms, tobacco, alcohol, GMO, gambling, adult entertainment, predatory lending, nuclear power, UNGC, controversies	Nuclear weapons, civilian firearms, global norms breach (UNGC, ILO, UNGPBHR), severe controversies
Climate-related exclusions	– Highest emitters exclusions (exclusion of 10% of companies with highest carbon footprint) – Potential emissions (exclusion of companies with highest carbon reserves) – Thermal coal mining & power generation, unconventional oil & gas extraction – Conventional oil & gas extraction, oil & gas-based power generation	– Thermal coal mining, unconventional oil & gas, conventional oil & gas, power generation

1 The ESG improvement and carbon footprint reduction of ESG indexes is relative to their respective parent indexes.
The MSCI Universal range is based on the MSCI Universal Low Carbon Select 5% Issuer Capped Index.
The MSCI Selection fund is based on the MSCI Selection Index or the MSCI Selection Low Carbon Select 5% Issuer Capped Index.
The MSCI SRI range is based on the MSCI SRI Low Carbon Select 5% Issuer Capped Index.
The MSCI Climate Paris Aligned range is based on the MSCI Climate Paris Aligned Index.
https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf

2 SFDR alignment refers to the underlying product tracking the benchmark.

Key metrics	MSCI USA	MSCI USA Universal Low Carbon Select 5%	MSCI USA Selection	MSCI USA SRI Low Carbon Select 5%	MSCI USA Climate Paris Aligned
Number of constituents	589	521	292	190	217
Tracking error 5Y annualized (bps)	n.a.	137	260	420	247
Tracking difference 5Y annualized (bps)	n.a.	18	25	46	-31
ESG Score[1]	6.6	6.8	7.7	8.0	7.0
Environmental Pillar Score	6.1	6.3	6.6	6.5	6.7
Social Pillar Score	5.0	5.1	5.6	5.8	5.2
Governance Pillar Score	5.5	5.6	5.6	6.1	5.5
Carbon footprint Scope 1+2 (t CO_2e/USDm Sales)	94	44	60	22	41
Carbon footprint Scope 1+2+3 (t CO_2e/USDm Sales)	677	444	502	436	348

1 ESG ratings, scores and carbon footprints shown here are based on MSCI ESG data.
https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf

Source: UBS Asset Management, MSCI, Bloomberg. Carbon and ESG metrics from MSCI ESG Research. Data as of 31 December 2024.

Equity indexes: S&P Dow Jones Indices

Benchmark family	S&P 500 Scored & Screened	S&P 500 ESG Elite
Strategy	– A solution potentially suitable as a core replacement – Designed to offer broad market representation – Basic values-based and climate-related exclusions	– A solution aiming for a strong improvement in ESG scores – Applies a best-in-class approach to select top 25% of highest ESG-rated stocks – Emphasis on reducing carbon footprint
SFDR alignment	Article 8	Article 8
ESG Selection[4]	Selection of top 75% of the highest ESG-rated stocks per each GICS sector[1]	Selection of top 25% of the highest ESG-rated stocks per each GICS sector
Value-based exclusions	Controversial weapons, tobacco, UNGC, military weapons, small arms	Controversial weapons, tobacco, UNGC, military weapons, small arms, alcoholic beverages, adult entertainment, gambling, predatory lending, palm oil
Climate-related exclusions	Thermal coal, oil sands	Thermal coal, oil sands, shale energy, arctic oil & gas, oil & gas, nuclear power

Benchmark family	S&P Developed ESG Elite Dividend Aristocrats[3]	S&P 500 ESG Elite High Yield Dividend Aristocrats
Strategy	– Exposure to 100 high dividend-yielding companies that have increased or maintained dividends for at least 10 years – Applying an ESG overlay	– Exposure to US companies that have increased their dividends for at least 20 years – Applying an ESG overlay
SFDR alignment[4]	Article 8	Article 8
ESG Selection	Removal of ESG laggards defined as companies with the lowest 25% of ESG scores in the universe.	
Value-based exclusions	Controversial weapons, tobacco, UNGC, military weapons, small arms, alcoholic beverages, adult entertainment, gambling, predatory lending, palm oil	
Climate-related exclusions	Thermal coal, oil sands, shale energy, arctic oil & gas, oil & gas, nuclear power	

Benchmark family	S&P 500 Scored & Screened	S&P 500 ESG Elite	S&P Developed ESG Elite Dividend Aristocrats[3]	S&P 500 ESG Elite High Yield Dividend Aristocrats	S&P 500 ESG Climate Transition
Number of constituents	314	97	94	68	322
Tracking error 5Y annualized (bps)	155	356	1333	427	140
Tracking difference 5Y annualized (bps)	105	-84	65	-85	107
ESG Score[2]	6.9	7.4	7.5	6.8	6.9
Environmental Pillar Score	6.2	6.4	6.4	5.5	6.4
Social Pillar Score	5.2	5.5	5.3	5.0	5.2
Governance Pillar Score	5.5	5.8	6.4	6.4	5.5
Carbon footprint Scope 1+2 (t CO_2e/USDm Sales)	69	65	57	103	90
Carbon footprint Scope 1+2+3(t CO_2e/USDm Sales)	622	445	443	639	505

1 S&P Dow Jones Indices utilize S&P DJI ESG scores.
2 ESG ratings, scores and carbon footprints shown here are based on MSCI ESG data.
https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf
3 Tracking error and difference of S&P Developed ESG Elite Dividend Aristocrats Index is calculated in reference to S&P Developed Dividend Aristocrats Index.
4 SFDR alignment refers to the underlying product tracking the benchmark.

Source: UBS Asset Management, S&P Dow Jones, Bloomberg. Carbon and ESG metrics from MSCI ESG Research. Data as of 31 December 2024.

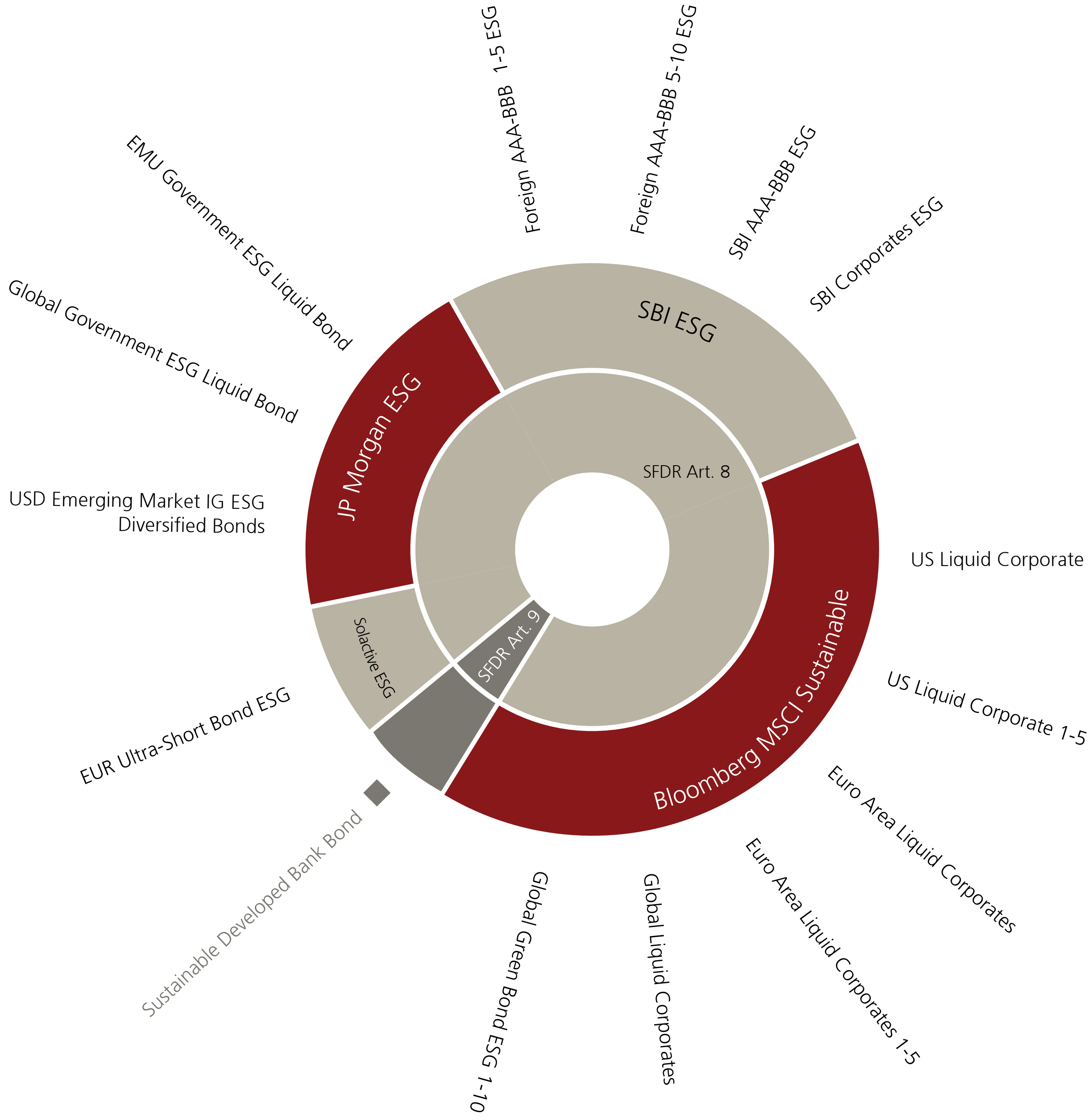
Equity indexes: other providers

Benchmark family	EURO STOXX 50 ESG	UBS Climate Aware Global Developed Equity CTB	Global Gender Equality
Strategy	– A solution designed to offer similar risk-return properties to the renowned EURO STOXX 50 ESG – Suitable as a core replacement – Basic values-based and climate-related exclusions	– Seeking to achieve climate objectives while controlling tracking error – EU Climate Transition Benchmark (CTB) aligned	– A thematic exposure to 100 high companies scoring highest on a range of gender and employment-related criteria – Basic values-based and climate-related exclusions
SFDR alignment[5]	Article 8	Article 9(3)	Article 8
ESG Selection	Exclusion of 20% of lowest ESG scored companies (with replacement)[1]	Achieving climate objectives: – 30% emissions reduction versus benchmark – 7% YoY self-decarbonization	100 companies with the highest scores on gender and employment related criteria (gender balance in leadership & workforce, equal compensation & work life balance, policies promoting gender equality, transparency & accountability)[2]
Value-based exclusions	Controversial weapons, military contracting, tobacco, UNGC	Controversial weapons, tobacco, UNGC	Controversial weapons, tobacco, adult entertainment, alcohol, gambling, military weapons, UNGC, companies involved in unethical practices regarding employees and customers (discrimination, marketing and advertisement practices)
Climate-related exclusions	Thermal coal extraction and power generation	Thermal coal mining and power generation, oil sands, strong misalignment with SDGs 12,13,14 and 15.	Coal mining and power generation, hydraulic fracturing, oil sands, deep water drilling, nuclear energy
Number of constituents	50.0	863.0	100.0
Tracking error 5Y annualized (bps)	194.0	201.0	696.0[4]
Tracking difference 5Y annualized (bps)	206.0	-67.0	-374.0[4]
ESG Score[3]	8.2	7.4	7.5
Environmental Pillar Score	7.0	6.6	6.8
Social Pillar Score	5.6	5.4	4.9
Governance Pillar Score	6.6	5.8	6.4
Carbon footprint Scope 1+2 (t CO_2e/USDm Sales)	69.0	47.0	76.0
Carbon footprint Scope 1+2+3(t CO_2e/USDm Sales)	759.0	526.0	529.0

1 Based on ESG scores from Sustainalytics.
2 Selection based on Equileap assessment.
3 ESG ratings, scores and carbon footprints shown here are based on MSCI ESG data.
https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf
4 Compared to MSCI World index
5 SFDR alignment refers to the underlying product tracking the benchmark.

Source: UBS Asset Management, STOXX, Bloomberg, Solactive. Carbon and ESG metrics from MSCI ESG Research. Data as of 31 December 2024.

Fixed Income sustainable offering



Source: UBS Asset Management. Data as of 31 December 2024.
For illustration purposes only. Sustainability risks could cause a material negative impact on the value of investments and could lead to the loss in value of an investment if materialized.

Fixed income indexes

Bond type	Sovereign / corporate	Corporate
Index provider	**J.P. Morgan**	**Bloomberg MSCI**
Exposure	– Global Government ESG – EMU Government ESG – EM IG ESG	– US Corporate Sustainable – Euro Area Corporate Sustainable – Global Corporate Sustainable
Strategy	– Broad exposures with similar risk and return properties as the flagship benchmarks – Liquidity filter	– Broad exposures with similar risk and return properties as the flagship benchmarks – Strict liquidity filters – Availability of short-maturity (1-5Y) variants for Euro Area and US exposures
SFDR alignment[1]	Article 8	Article 8
ESG selection	Minimum JP Morgan's ESG Score threshold and reweighting to promote highest ESG-rated sovereigns/ companies. ESG ratings from Reprisk and Sustainalytics.	Minimum ESG rating of BBB by MSCI
Value-based exclusions	Military weapons (incl. controversial), tobacco, UNGC, alcohol, civilian firearms, adult entertainment, gambling, GMO, nuclear power	Controversial, nuclear, conventional weapons, civilian firearms, tobacco, UNGC, alcohol, gambling, adult entertainment, GMO, nuclear power, companies with severe controversies
Climate-related exclusions	n.a.	Thermal coal mining and power generation, unconventional oil and gas extraction, fossil fuel reserves

Bond type	Supranational	Sovereign / corporate
Index provider	**Solactive**	**Bloomberg MSCI**
Exposure	– Sustainable Development Banks	– Global Green Bond ESG 1–10
Strategy	– Bonds issued by multilateral development banks – Capital raised through these bonds are used by development banks to fund high impact development projects – Credit rating of AAA by S&P, Moody's, Fitch	– Broad exposure to green bonds – fixed income securities issued to fund climate-related projects – Exclusion of issuers with low ESG standards – 1–10 maturity filter
SFDR alignment[1]	Article 9	Article 8
ESG selection	Development banks with all G7 countries as shareholders: World Bank Group, European Bank for Reconstruction and Development, Asian Dev. Bank, Inter-American Dev. Bank, African Dev. Bank	Minimum ESG rating of BBB by MSCI
Value-based exclusions	n.a.	Controversial weapons, conventional weapons, tobacco, alcohol, adult entertainment, gambling, civilian firearms, UNGC, severe controversies
Climate-related exclusions	n.a.	Thermal coal, oil sands, arctic oil

1 SFDR alignment refers to the underlying product tracking the benchmark.

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