

# Appendix 5 – Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (unaudited)

## ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Product name:** UBS (Lux) Bond SICAV – Global Dynamic (USD)  
**Legal entity identifier:** 549300TWKUEFOMOSFB08

### Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ____%	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ____%	<input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It promoted <b>E/S characteristics, but did not make any sustainable investments</b>	

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

From 12 October 2022 onwards, the following characteristics were promoted by the financial product:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS ESG Consensus score scale.
- 2) The percentage of subfund assets invested in sovereign bonds from issuers showing "controversies" on the UBS ESG Risk Dashboard is lower than the percentage in the benchmark.

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The extent to which the environmental and/or social characteristics promoted by this financial product is met is stated in the answer to the question “How did the sustainability indicators perform?” of this annex.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

The sustainability profile of the financial product is measured by its benchmark’s profile and the corresponding results are calculated at least once a year from the respective monthly profiles.

## ● **How did the sustainability indicators perform?**

From 12 October 2022 onwards, characteristic 1:

- The UBS ESG consensus score of the financial product was lower than that of its benchmark.
  - UBS consensus score of the financial product: 6.89
  - UBS consensus score of the benchmark: 7.03
- 73.42% of assets were invested in issuers with a sustainability profile in the top half of the benchmark.

From 12 October 2022 onwards, characteristic 2:

- The percentage of subfunds assets invested in sovereign bonds from issuers showing “controversies” on the UBS ESG Risk Dashboard is higher than that of its benchmark.
  - Assets invested in sovereign bonds from issuers showing “controversies” of the financial product: 0.00%
  - Assets invested in sovereign bonds from issuers showing “controversies” of benchmark: 0.00%

## ● **... and compared to previous periods?**

Not applicable. This is the first reference period.

## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

----- How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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----- Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

Not applicable.



## What were the top investments of this financial product?

Largest Investments	Sector	% Net Assets*	Country
United States Treasury Inflation Indexed Bonds	Countries & Central Government	14.68	United States of America
United States Treasury Note/Bond	Countries & Central Government	10.43	United States of America
New Zealand Government Bond	Countries & Central Government	8.72	New Zealand
New Zealand Government Inflation Linked Bond	Countries & Central Government	5.33	New Zealand
United Kingdom Gilt	Countries & Central Government	4.85	United Kingdom
Fannie Mae Pool	Mortgage & funding Institutions	4.13	United States of America
Mexican Bonos	Countries & Central Government	3.30	Mexico
French Republic Government Bond OAT	Countries & Central Government	3.13	France
Italy Buoni Poliennali Del Tesoro	Countries & Central Government	2.87	Italy
Spain Government Bond	Countries & Central Government	2.60	Spain
Slovenia Government Bond	Countries & Central Government	1.91	Slovenia
UBS Lux Bond SICAV - Asian High Yield USD	Investment funds & benefit found	1.54	Luxembourg
Freddie Mac Pool	Mortgage & funding Institutions	1.42	United States of America
Brazil Notas do Tesouro Nacional Serie F	Countries & Central Government	1.41	Brazil
United Kingdom Inflation-Linked Gilt	Countries & Central Government	1.35	United Kingdom

\* Minor differences with “Statement of Investments in Securities” might occur due to rounding in production system



## What was the proportion of sustainability-related investments?

Not applicable.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31 May 2023.

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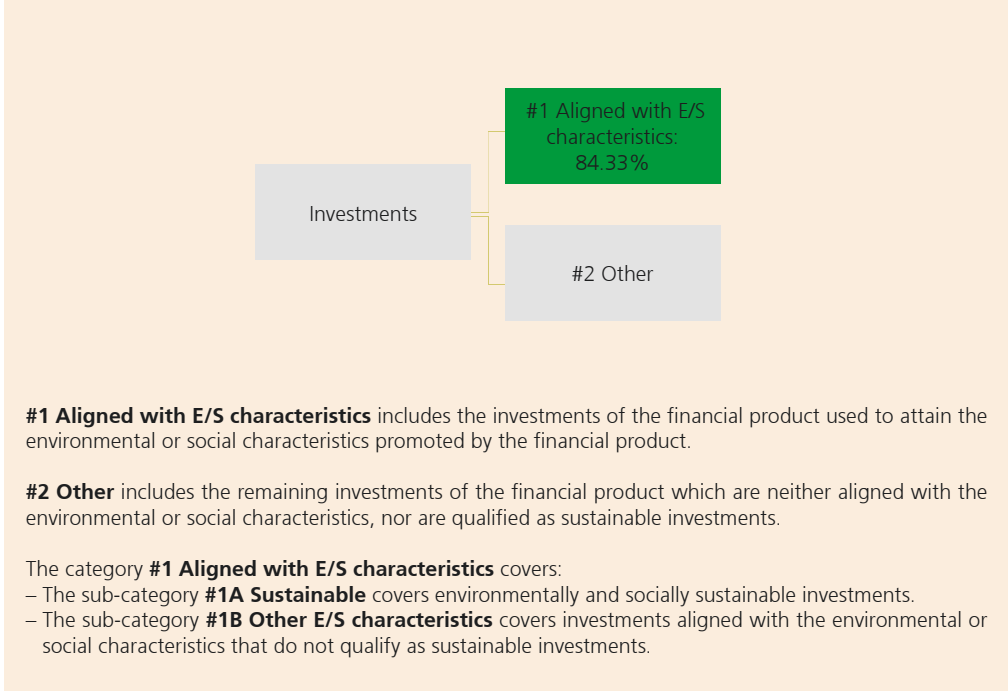
**Asset allocation**  
describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What was the asset allocation?**



● **In which economic sectors were the investments made?**

Please refer to the section “Structure of the Securities Portfolio” of the relevant subfund of this Annual report to review the breakdown of the economic sectors where the investments were made.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**



Yes:



In fossil gas



In nuclear energy



No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.