

Pre-contractual 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

Product name:

Legal entity identifier:

UBS (Irl) Fund Solutions II ICAV – MSCI Emerging Markets Low Carbon Target Index Fund 549300ERQ5HOEHR4ZS11

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ____ %

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective:** _____ %

It promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?

This financial product is passively managed and tracks an index (“Index/Reference Benchmark”). The following characteristics are promoted by the financial product:

- tracks/tracking of a benchmark with a sustainability profile (ESG Score) that is higher than the parent benchmark’s sustainability profile
- a Carbon Intensity (1, 2) emissions indicator lower than parent benchmark (MSCI)

The Reference Benchmark designated for the purpose of attaining the characteristic promoted by the financial product is the MSCI Emerging Markets Low Carbon Target Total Return Net.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

- MSCI ESG Score

MSCI ESG Scores are provided by MSCI ESG Research and are measured on a scale from 0 (lowest/worst score) to 10 (highest/best score). The MSCI ESG Score is based on the underlying company’ s exposure to industry-specific ESG risks and their ability to mitigate those risks relative to their peers. MSCI ESG Scores are also shown as a breakdown of the E, S and G scores, in reference to the different components that are considered for the environmental, social and government pillars. The components are also rated on a scale of 0-10. Based on the individual E, S and G values, a weighted average can be calculated. This is dynamic and takes into account the direct changes of all underlying results, which affect the individual E, S and G values. The MSCI ESG Score measures the most financially significant environmental, social and governance risks and opportunities of companies on the basis of the Key ESG themes. In addition, sectoral differences are taken into account through identifying key industry specific ESG issues relevant to each Key ESG Theme. This assessment of risk and opportunity makes the MSCI ESG Score a rather static measure, as the relative valuation of a sector remains constant over a longer period of time. Companies with the highest ratings are those assessed as best managing their exposures to the above mentioned Key ESG Themes and the associated issues. Each company in the product’ s portfolio will produce a score which will contribute to the overall MSCI ESG Score of the product’ s portfolio. The product’ s MSCI ESG Score will be higher than that of the Parent Benchmark.

- Weighted average carbon intensity (Scope 1+2) MSCI

The weighted average carbon intensity (“WACI”) measures a portfolio’ s exposure to carbon-intensive companies. The WACI metric provides insight into potential risks related to the transition to a lower-carbon economy because companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks. It is the sum product of the portfolio weights and individual carbon intensities (carbon emissions scope 1+2 / USDm sales).


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| | <ul style="list-style-type: none"> • <i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i> <p>The financial product intends to make sustainable investment by investing at least 90% of its total net assets in securities that are constituents of the Index. MSCI Emerging Markets Low Carbon Target Indices aim to represent the performance of an investment strategy that by re-weighting free-float market cap weights based upon certain ESG metrics seeks to increase exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile, while excluding companies based on various ESG and climate change criteria.</p> <p>MSCI ESG Ratings are designed to help investors identify the environmental, social and governance (ESG) risks and opportunities of their investments and to integrate these factors into their portfolio construction.</p> <p>The MSCI ESG Rating includes environmental and social pillars such as climate change, natural capital, pollution & waste, environmental opportunities, human capital, product liability, stakeholder opposition & social opportunities.</p> <p>MSCI Climate Change Metrics provides climate data & tools to support investors integrating climate risk & opportunities into their investment strategy and processes. It supports investors seeking to achieve a range of objectives, including measuring and reporting on climate risk exposure, implementing low carbon and fossil fuel-free strategies, align with temperature pathways and factoring climate change research into their risk management processes, in particular through climate scenario analysis for both transition and physical risks.</p> |
| <p>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.</p> | <ul style="list-style-type: none"> • <i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i> <p>This financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.</p> |
| | <p><i>How have the indicators for adverse impacts on sustainability factors been taken into account</i></p> |
| | <p>Indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family</p> <p>The Index incorporates the MSCI ESG Controversies Score, screening out on a timely basis any issuers in significant breach of ESG norms.</p> <p>MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a “Red” MSCI ESG Controversies Score (score less than 1) is excluded from Sustainability indices. The Controversy Score measures an issuer’s involvement in major ESG controversies and how well the issuer adheres to international norms and principles.</p> <p>The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of</p> |


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| | cluster munitions and/or anti-personnel landmines, nuclear weapons, biological weapons or chemical weapons. |
| | <i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i> |
| | The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the company's operations and/or products. The MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of a company's operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy. https://www.msci.com/documents/1296102/14524248/MSCI+ESG+Research+Controversies+Executive+Summary+Methodology+-+July+2020.pdf/b0a2bb88-2360-1728-b70e-2f0a889b6bd6 |

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 EU 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.

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|  | Does this financial product consider principal adverse impacts on sustainability factors? |
| <input checked="" type="checkbox"/> | Yes |
| | <p>Yes, this financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.</p> <p>The indices incorporate the MSCI ESG Controversies score, screening out on a timely basis any issuers in significant breach of ESG norms related to a company's operations and/or products, possible breaches of international norms and principles such as the UN Global Compact, and performance with respect to these norms and principles.</p> <p>MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a "Red" MSCI ESG Controversies Score (score less than 1) is excluded from sustainability indices.</p> |

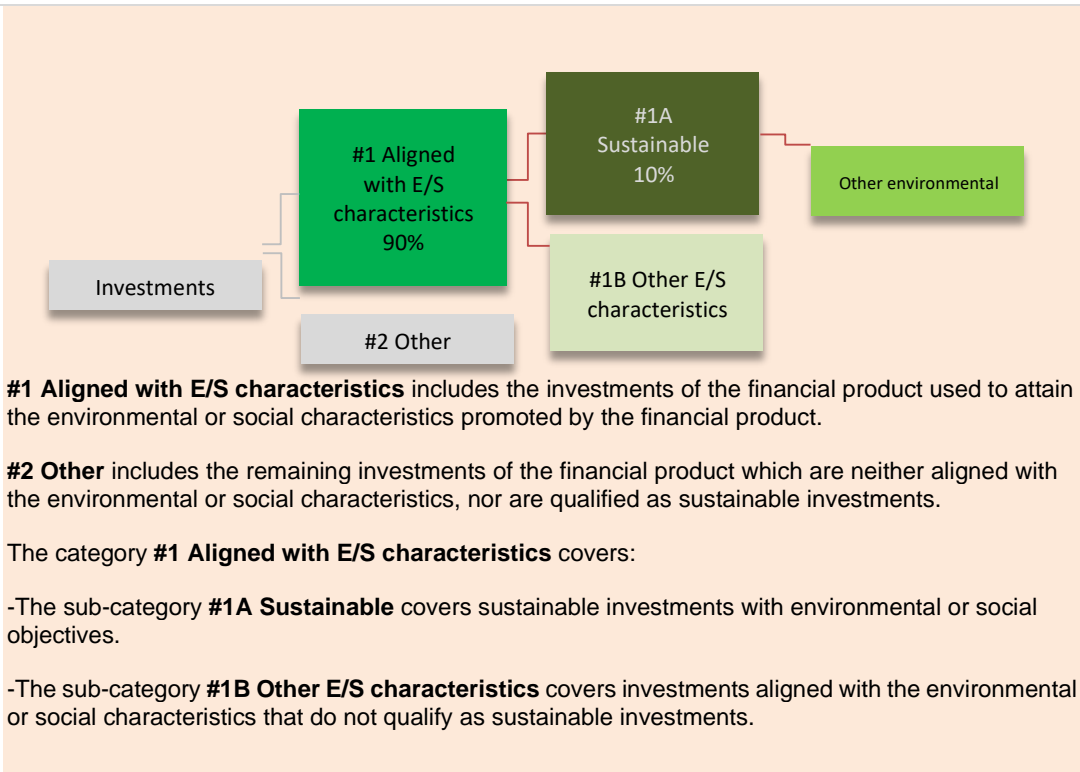
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| | <p>The MSCI ESG Controversy Score measures an issuer's involvement in major ESG controversies and how well the issuer adheres to international norms and principles.</p> <p>The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel, landmines, nuclear weapons biological weapons, or chemical weapons.</p> |
| | <p><input type="checkbox"/> No</p> |
|  | <p>What investment strategy does this financial product follow?</p> |
| | <p>This financial product seeks to promote the characteristic(s) described in this annex through Index selection and passive asset management</p> <p>This financial product is passively managed and seeks to track the performance and the ESG profile of the Index. Sustainability characteristics and risks are considered as part of the Index selection process. The Index which is stated by the index provider to be screened against environmental, social or governance criteria and any methodology used by the index provider to assess sustainability characteristics and risks of the constituents of the index can be found on the website of the index provider.</p> |
| | <ul style="list-style-type: none"> • <i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i> |
| | <p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A sustainability profile (MSCI ESG Score) that is higher than the parent benchmark's sustainability profile</p> <p>Characteristic 2):</p> <p>A Carbon Intensity (1 and 2) emissions indicator that is lower than parent benchmark (MSCI)</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all of business days' values in the quarter.</p> |
| | <ul style="list-style-type: none"> • <i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i> |
| | <p>This financial product invests at least 90% of its total net assets in securities that are constituents of the Index and the Index provider applies ESG Ratings on all of the Index constituents. It is, therefore, expected that this financial product's resulting ESG rating will be higher than the ESG rating of a financial product tracking a standard index.</p> |
| | <ul style="list-style-type: none"> • <i>What is the policy to assess good governance practices of the investee companies?</i> |

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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| | <p>Assessment of good governance practices of the investee companies is performed by the index provider.</p> <p>MSCI ESG Ratings analysis begins with an evaluation of each company's Corporate Governance, taking into consideration the company's ownership and control structures, the composition and effectiveness of its board, the effectiveness of its incentive practices and the integrity of its accounting. Corporate Behavior is also monitored, including any controversies that might have a significant negative impact on the company's value.</p> |
|  | <p>What is the asset allocation planned for this financial product?</p> |
| | <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 90%. The minimum proportion of sustainable investments of the financial product is 10%.</p> |


Asset allocation describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

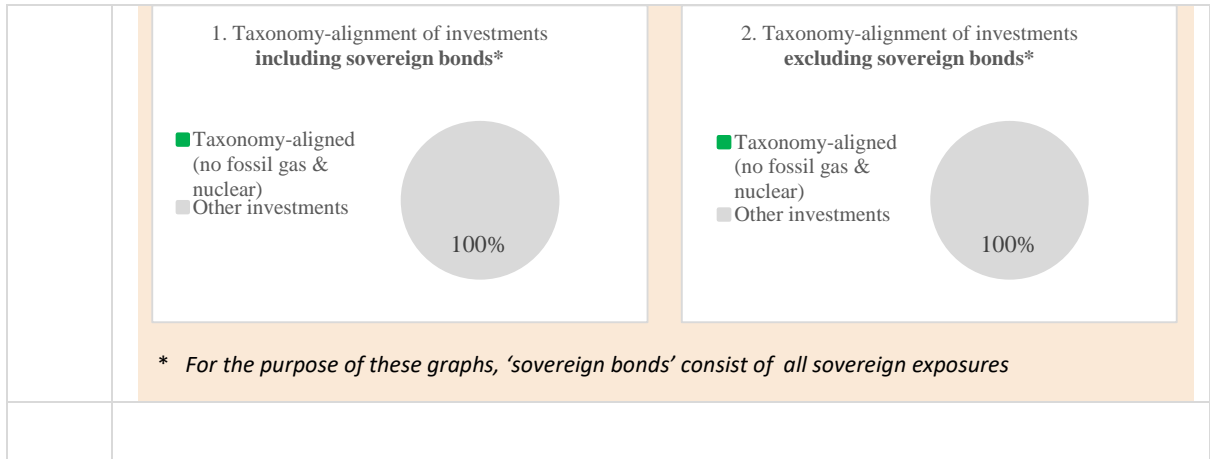
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

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| | <ul style="list-style-type: none"> • How does the use of derivatives attain the environmental or social characteristics promoted by the financial product? |
| | <p>The financial product tracks an ESG index and may replicate the performance of the index by the use of derivatives. Derivatives will only be used in case that a) the investment objective cannot be achieved by investments index components, in particular in order to reflect the performance of a currency hedge where a sub-fund replicates a currency-hedged index, or b) to generate efficiencies in gaining exposure to the constituents of the index, in particular where there are legal or practical obstacles to gaining direct access to a market to which the index refers.</p> |

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| | <p>The financial product may namely enter into a range of index related swaps (excluding funded swaps) and derivative instruments (futures, forwards, currency swaps, p-notes, options, warrants and foreign exchange contracts) in order to replicate the index.</p> |
|  | <p>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</p> |
| | <p>The minimum extent that investments underlying this financial product are sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.</p> |
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| | <ul style="list-style-type: none"> Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹? |
| | <p><input type="checkbox"/> Yes:</p> <p><input type="checkbox"/> In fossil gas <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p> |
| | <p><i>The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.</i></p> |

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.



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.



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| | <ul style="list-style-type: none"> • What is the minimum share of investments in transitional and enabling activities? |
| | Not applicable |
| | <p>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</p> |
| | The financial product targets a minimum proportion of sustainable investment as stated in the asset allocation of this annex. |
| | <p>What is the minimum share of socially sustainable investments?</p> |
| | The financial product targets a minimum share of socially sustainable investments greater than 0%. |
| | <p>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</p> |
| | Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management relative to the benchmark weighting. This category may also include securities for which relevant data is not available. |

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

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|  | <p>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</p> |
| | <p>The Reference Benchmark designated for the purpose of attaining characteristics promoted by the financial product is the MSCI Emerging Markets Low Carbon Target Total Return Net.</p> |
| | <ul style="list-style-type: none"> • <i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i> |
| | <p>The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the characteristics it seeks to promote. The Index rebalances on a quarterly basis. More details on the index methodology applied by the index provider can be found below.</p> |
| | <ul style="list-style-type: none"> • <i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i> |
| | <p>The alignment of the investment strategy with the methodology of the index is ensured on a continuous basis as the index provider rebalances the index on a regular basis and the Investment Manager will track the Index in line with the limits set out in the investment policy of Fund.</p> <p>The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the characteristics it seeks to promote.</p> <p>The investment strategy of the fund is to track the benchmark's return and its characteristics, including ESG characteristics, as closely as reasonably possible.</p> <p>The Investment manager reviews the index methodology when the product is set up and the Index provider may be contacted if the Index methodology is no longer in line with the investment strategy of the financial product.</p> |
| | <ul style="list-style-type: none"> • <i>How does the designated index differ from a relevant broad market index?</i> |
| | <p>The Index is a sub-set of the MSCI Emerging Markets Index (the "Parent Index"), being an equity index calculated, maintained, and published by international index supplier MSCI® and denominated in USD. The Index includes large and mid-cap stocks across emerging market countries.</p> |
| | <ul style="list-style-type: none"> • <i>Where can the methodology used for the calculation of the designated index be found?</i> |
|  | <p>The methodology of the construction of the Index can be found in the fund supplement.</p> |
| | <p>Where can I find more product specific information online?</p> <p>More product-specific information can be found on the website</p> |
| | <p>www.ubs.com/funds</p> |