

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:** UBS ETF (CH) – MSCI Switzerland IMI Dividend ESG  
**Legal entity identifier:** 391200N97TLOVQERPI50


## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<p><span style="color: green;">●●</span> <input type="checkbox"/> <b>Yes</b></p>	<p><span style="color: green;">●</span> <span style="color: grey;">●</span> <input checked="" type="checkbox"/> <b>No</b></p>
<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: ____ %</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: _____ %</p>	<p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments</p> <p style="margin-left: 20px;"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>

**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.

	<p><b>What environmental and/or social characteristics are promoted by this financial product?</b></p>
	<p>This financial product is passively managed and tracks an index (“Index/Reference Benchmark”). The following characteristics are promoted by the financial product:</p> <ul style="list-style-type: none"> <li>• tracks/tracking of a benchmark with a sustainability profile (MSCI ESG Score) that is better than the parent benchmark’s (MSCI Switzerland IMI Index) (Parent Index) sustainability profile</li> <li>• a Carbon Intensity (1, 2) emissions indicator lower than the parent benchmark (MSCI Switzerland IMI Index) (Parent Index).</li> </ul> <p>The Reference Benchmark designated for the purpose of attaining the characteristic promoted by the financial product is the UBS ETF (CH) – MSCI Switzerland IMI Dividend ESG .</p>
	<ul style="list-style-type: none"> <li>• <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The above ESG characteristics are measured using the following indicators respectively:</p> <ul style="list-style-type: none"> <li>• The MSCI_ESG_SCORE</li> <li>• Weighted average carbon intensity (Scope 1 + 2) (MSCI)</li> </ul>
	<ul style="list-style-type: none"> <li>• <b><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></b></li> </ul>
	<p>The financial product seeks to invest sustainably and, to this end, invests at least 90% of its net assets in securities included in the Index. .</p> <p>The MSCI ESG Low Carbon Select indices are designed to track the performance of an investment strategy that seeks to increase exposure to those companies that have a solid ESG profile, as well as a steady improvement in that profile, by rebalancing the free float market capitalisation weights of the components based on certain ESG criteria, while excluding other companies based on various ESG and climate change criteria.</p> <p>MSCI ESG ratings help investors to identify the ESG risks and opportunities of their investments and to integrate these factors into their portfolio structure.</p> <p>The MSCI ESG Ratings include environmental and social pillars such as climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition and social opportunities.</p> <p>MSCI Climate Change Metrics provides climate data and tools to help investors integrate climate change opportunities and risks into their investment strategy and processes. They help investors to achieve a range of objectives, including measuring and reporting climate risks, implementing low carbon and fossil fuel-free strategies, adapting to temperature pathways to limit global warming, and incorporating climate change research into their risk</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.

	management processes, particularly through climate scenario analysis for transition and physical risks.
	<ul style="list-style-type: none"> <li>● <b>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?</b></li> </ul>
	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.
	<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
	<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 indices incorporate the "MSCI ESG Controversies Score", which at an early stage excludes issuers that materially violate ESG standards.</p> <p>MSCI ESG Controversies are designed to provide timely and consistent assessments of issuers' ESG controversies. An issuer with a "Red" MSCI ESG Controversies score (i.e. a score less than 1) is excluded from sustainability indices. The Controversies Score measures an issuer's involvement in key ESG controversies and how well an issuer complies with international norms and principles.</p> <p>The financial product excludes investments in companies directly involved in or trading in the use, development, production, stockpiling or transfer of cluster munitions and/or anti-personnel mines, nuclear weapons, biological or chemical weapons.</p>
	<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>
	<p>The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the 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><a href="https://www.msci.com/documents/1296102/14524248/MSCI+ESG+Research+Controversies+Executive+Summary+Methodology+---+July+2020.pdf/b0a2bb88-2360-1728-b70e-2f0a889b6bd4">https://www.msci.com/documents/1296102/14524248/MSCI+ESG+Research+Controversies+Executive+Summary+Methodology+---+July+2020.pdf/b0a2bb88-2360-1728-b70e-2f0a889b6bd4</a></p>


*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.

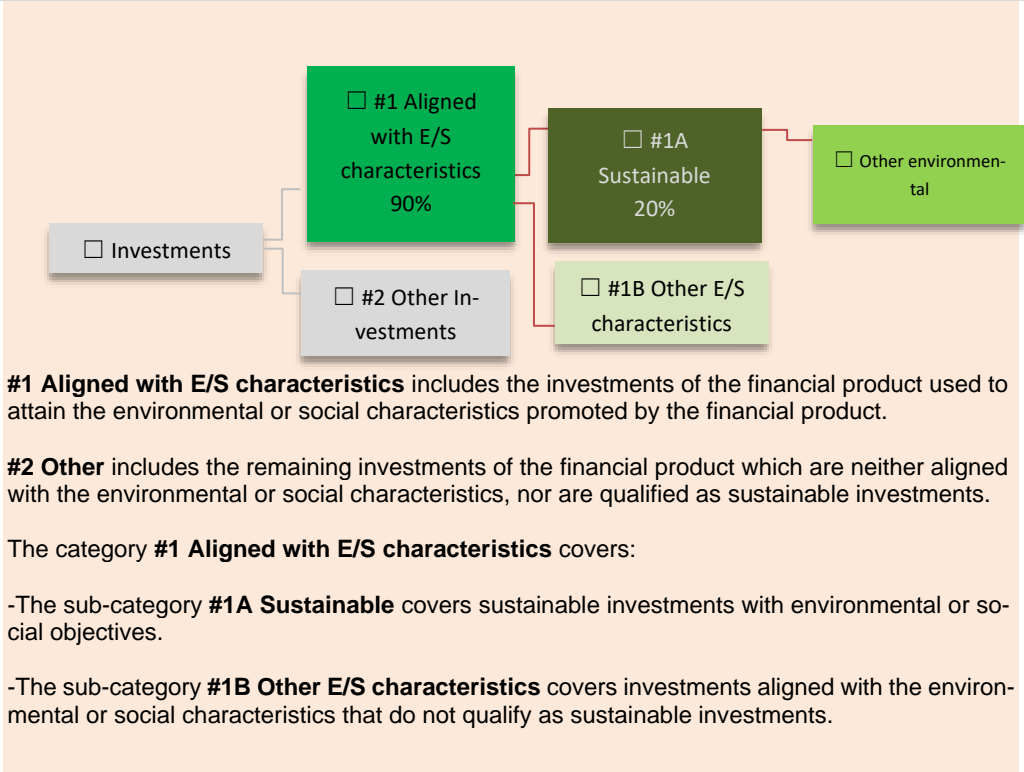
	<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p>
	<p><input checked="" type="checkbox"/> Yes</p>
	<p>Yes, this financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.</p> <p>The indices incorporate the MSCI ESG Controversies score, screening out any issuers in significant breach of ESG norms on a timely basis.</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 MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the 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>The financial product also exclude investments in companies involved directly in controversial weapons (the use, development, manufacturing, stockpiling, transfer or trade of cluster bombs, landmines, depleted uranium weapons, chemical and biological weapons, blinding laser weapons, non-detectable fragments and incendiary weapons (white phosphorus), tobacco, thermal coal mining and oil &amp; gas.</p> <p>UBS-AM does not invest in companies with interests in cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies that violate the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).</p>
	<p><input type="checkbox"/> No</p>
	<p><b>What investment strategy does this financial product follow?</b></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"> <li>• <b>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?</b></li> </ul>


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

	<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 better than the parent benchmark's (MSCI Switzerland IMI Index) (Parent Index) sustainability profile.</p> <p>Characteristic 2):</p> <p>A Carbon Intensity (1 and 2) emissions indicator that is lower than parent benchmark (MSCI Switzerland IMI Index) (Parent Index).</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"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
	<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>
<p><b>Good governance</b> practices include sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
	<p>Assessment of good governance practices of the investee companies are performed by the index provider.</p> <p>The MSCI 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 Behaviour is also monitored, including any controversies that might have a significant negative impact on the company's value.</p>
	<p><b>What is the asset allocation planned for this financial product?</b></p>
<p><b>Asset allocation</b> describes the share of investments in specific assets.</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 20%.</p>

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.




	<ul style="list-style-type: none"> <li>• <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	<p>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> <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><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></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>

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.

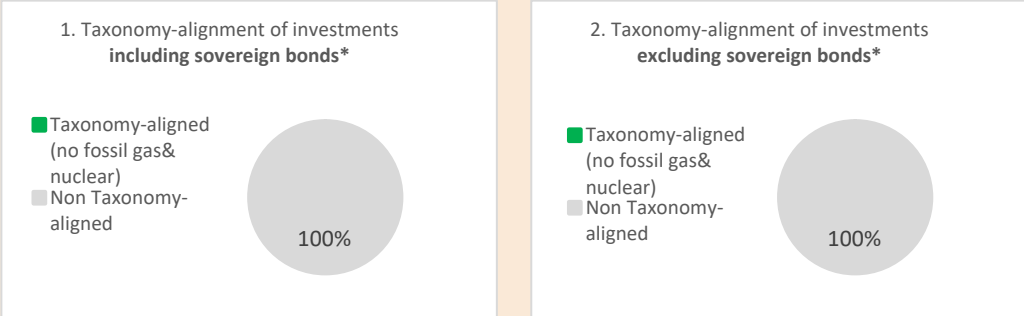
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.



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

	<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?</b></li> </ul>
	<input type="checkbox"/> Yes: <ul style="list-style-type: none"> <li><input type="checkbox"/> In fossil gas</li> <li><input type="checkbox"/> In nuclear energy</li> </ul> <input checked="" type="checkbox"/> No

*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.*





\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures


	<ul style="list-style-type: none"> <li>● <b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	<p>The sustainable investments made by the financial product contribute to either environmental objectives or social objectives or both. The financial product does not commit to a pre-determined combination of environmental or social objectives. Therefore, there is also no minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. To the extent that the financial product makes environmentally sustainable investments that are not taxonomy-aligned, this is due to the fact that the data required to determine taxonomy alignment is not available.</p>
	<b>What is the minimum share of socially sustainable investments?</b>

<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.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	<p>The sustainable investments of the financial product contribute to either environmental or social characteristics or both. The financial product does not commit to a pre-determined combination of environmental or social characteristics. Therefore, there is also no minimum share of socially sustainable investments.</p>
	<p><b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b></p>
	<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.</p>
	<p><b>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?</b></p>
	<p>The Reference Benchmark designated for the purpose of attaining the sustainable objective of the financial product is the MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index.</p>
	<ul style="list-style-type: none"> <li>• <b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
	<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"> <li>• <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
	<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 strategy is to fully replicate the index and to minimize the tracking error. 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"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
	<p>The broad market index is the MSCI Switzerland IMI Index. The MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index is based on MSCI Switzerland IMI Index, its parent index, which includes large, mid-cap and small-cap stocks of the Switzerland equity markets. The index is designed to</p>



	<p>represent the performance of a strategy that seeks systematic integration of environmental, social and governance (ESG) norms and maximizes its exposure to the Yield factor. The MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index is constructed by selecting constituents of the MSCI Switzerland IMI Index (the 'Parent Index') and applying an optimization process that aims to maximize the exposure to the Yield factor (within a given set of constraints), minimize tracking error, reduce the carbon-equivalent exposure to CO2 and other GHG, as well as reduce its exposure to potential emissions risk of fossil fuel reserves by 30% and improve the weighted-average industry-adjusted ESG score of index by 10% with respect to the Parent Index. The index excludes companies involved in Controversial Weapons, Conventional Weapons, Civilian Firearms, Nuclear Weapons, Tobacco, Thermal Coal Power and Fossil Fuel Extraction. The index also excludes companies based on Dividend Sustainability, Dividend Persistence and Price Performance screens, as described in MSCI High Dividend Yield Indexes methodology. The MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November, coinciding with the May and November Semi-Annual Index Reviews (SAIRs) of the MSCI Global Investable Market Indexes.</p>
	<ul style="list-style-type: none"> <li>• <b>Where can the methodology used for the calculation of the designated index be found?</b></li> </ul>
	<p>The methodology of the construction of the Index can be found in the fund supplement.</p> <p><a href="https://www.msci.com/index-methodology">https://www.msci.com/index-methodology</a></p> <p><a href="https://www.msci.com/equity-fact-sheet-search">https://www.msci.com/equity-fact-sheet-search</a></p> <p><a href="https://www.msci.com/indexes">https://www.msci.com/indexes</a></p>
	<p><b>Where can I find more product specific information online?</b></p> <p><b>More product-specific information can be found on the website:</b></p>
	<p><a href="http://www.ubs.com/etf">www.ubs.com/etf</a></p>