

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, 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.

Product name:

Focused SICAV - World Bank Long Term Bond USD

Legal entity identifier:

549300EQWVSTNUBK7H03

Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<p><input checked="" type="checkbox"/> Yes</p>	<p><input type="checkbox"/> No</p>
<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___ %</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 80%</p>	<p><input type="checkbox"/> 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 ___ % of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>

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 sustainable objectives of this financial product are attained.



What is the sustainable investment objective of this financial product?

Invest in World Bank Bonds, Medium Term Notes (MTN) and Private Placements issued by the International Bank for Reconstruction and Development (“IBRD”) that qualify as sustainable investments.

- **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

Issuer of the instruments is the IBRD. IBRD is an international organization and global development cooperative owned by 189 member countries. As one of the largest development banks in the world, it supports the World Bank Group’s mission by providing loans, guarantees, risk management products, and advisory services to middle-income and creditworthy low-income countries. The IBRD has been issuing bonds for over 70 years to finance its sustainable development activities and make a positive impact. All World Bank development projects are designed to achieve positive environmental and social impacts and outcomes that are consistent with the World Bank Group’s goals and in line with the UN Sustainable Development Goals.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments of the financial product are World Bank Bonds, Medium Term Notes (MTN) and Private Placements issued by the IBRD. The IBRD has policies in place to avoid and minimize harm from potential adverse impacts.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Development bank bonds make financing available for projects with positive social and environmental impact and therefore the investments have no adverse impacts on sustainability factors.

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

Issuers violating the United Nations Global Compact (UNGC) principles, who do not demonstrate credible corrective action are not part of the investment universe.

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.




Does this financial product consider principal adverse impacts on sustainability factors?

Yes

Principal adverse impacts (the “PAI”) 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. UBS integrates PAI indicators in its decision making process.

The sustainable investments of the financial product are World Bank Bonds, Medium Term Notes (MTN) and Private Placements issued by the IBRD. The IBRD is classified as a Multilateral Development Bank and due to the nature of these supranational institutions, not all principal adverse impact indicators are relevant.

At present and where relevant, exclusions are based on the following PAI indicators:

	<p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.</p> <p>Information on consideration of PAIs on sustainability factors is also available in the annual report.</p>
	<p><input type="checkbox"/> No</p>
	<p>What investment strategy does this financial product follow?</p> <p>Details of the investment strategy are set out in response to “What is the sustainable investment objective of this financial product?” and its subsections above.</p>
<p>The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.</p>	<ul style="list-style-type: none"> ● What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective? <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>The sub-fund invest 100% of its assets - excluding cash, cash equivalents, money market instruments and derivatives - in World Bank Bonds, Medium Term Notes (MTN) and Private Placements issued by the IBRD that qualify as sustainable investments. In cases where the sub-fund’s assets cannot be invested in IBRD investments and it is in the best interest of investors (e.g. due to high inflows), a portion of these assets may be temporarily invested in US government bonds.</p> <p>The binding element(s) are calculated at quarter end using the average of all business days’ values in the quarter.</p>
<p>Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<ul style="list-style-type: none"> ● What is the policy to assess good governance practices of the investee companies? <p>The sub-fund invests in World Bank Bonds, Medium Term Notes (MTN) and Private Placements issued by the IBRD that qualify as sustainable investments. In cases where the sub-fund’s assets cannot be invested in IBRD investments and it is in the best interest of investors (e.g. due to high inflows), a portion of these assets may be temporarily invested in US government bonds. The good governance practices referred to in SFDR relate to investee companies and do not apply to other types of investment such as sovereign instruments.</p>



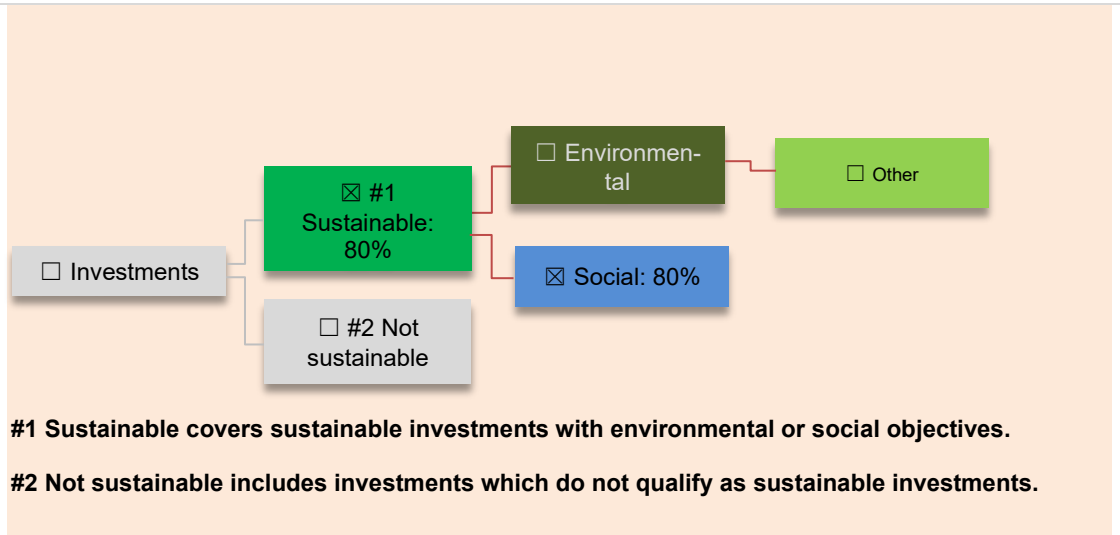
Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The minimum proportion of sustainable investments of the financial product is 80%. The minimum proportion of sustainable investments with a social objective of the financial product is 80%.

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"> ● How does the use of derivatives attain the sustainable investment objective?
	<p>Derivatives are not used for the attainment of the sustainable investment objective of this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
	<p>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</p>
	<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation (“Taxonomy Aligned Investments”). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
	<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 style="padding-left: 20px;"><input type="checkbox"/> In fossil gas <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

¹ 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.

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.

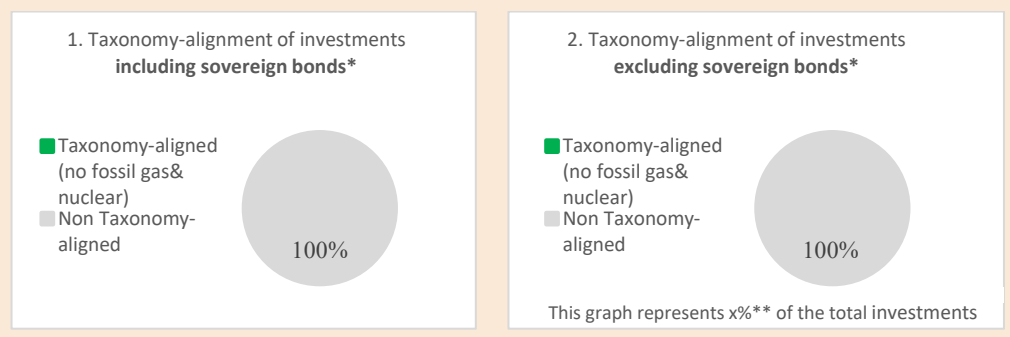
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.


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

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
 ** No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

	<ul style="list-style-type: none"> What is the minimum share of investments in transitional and enabling activities?
	There is no commitment to a minimum proportion of investments in transitional and enabling activities.
	<p>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</p> <p>The financial product does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.</p>
	<p>What is the minimum share of sustainable investments with a social objective?</p> <p>The financial product targets a minimum share of 80% of sustainable investments with a social objective.</p>
	<p>What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?</p> <p>Included in “#2 Not sustainable” are cash, cash equivalents, money market instruments and derivatives or other instruments used for ancillary liquidity or hedging purposes.</p>
	<p>Is a specific index designated as a reference benchmark to meet the sustainable investment objective?</p> <p>The sub-fund references its performance against the benchmark Solactive Global Multilateral Development Bank Bond USD 1-5 TR Index. The benchmark is aligned with the sustainable investment objective of this sub-fund.</p>

	<ul style="list-style-type: none"> • How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?
	<p>The Portfolio Manager has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the sustainable objective it seeks to achieve. The Index rebalances on a monthly basis, more details on the index methodology applied by the index provider can be found below.</p>
	<ul style="list-style-type: none"> • How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?
	<p>The alignment of the investment strategy with the methodology of the Index is ensured on a continuous basis based on the fact that the Portfolio Manager invests in a subset of issuers part of the index.</p>
	<ul style="list-style-type: none"> • How does the designated index differ from a relevant broad market index?
	<p>The benchmark differs from a broad market index in that only fixed income securities issued by Multilateral Development Banks are eligible for inclusion in the benchmark. A Multilateral Development Bank is a Development Bank whose shareholders list includes among other members all G7 countries. The World Bank is an important issuer of bonds that are constituents of the benchmark. The benchmark is aligned with the sustainable investment objective of this sub-fund.</p>
	<ul style="list-style-type: none"> • Where can the methodology used for the calculation of the designated index be found?
	<p>The index methodology can be found on the relevant webpages by the index provider: https://www.solactive.com/indices</p>
	<p>Where can I find more product specific information online?</p> <p>More product-specific information can be found on the website: www.ubs.com/funds</p>