

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

Product name: UBS (Lux) Equity Fund - Global Sustainable Improvers (USD)

Legal entity identifier: 549300NHE4JD1CEZXT57

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

| <input checked="" type="radio"/> <input type="radio"/> Yes  | <input type="radio"/> <input checked="" type="radio"/> No  |
|---|--|
| <input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___% | <input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 43.0% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b> |

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The following characteristic was promoted by the financial product:

- The fund aims to identify companies that improve their ESG Score and/or their score in one or more of the individual pillars in the environment (E), social (S) or governance (G) areas.

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

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

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?***

The financial product achieved a net positive balance of the ESG trend rating of the companies during the last 4 quarters of the assessment period.

● ***...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?***

The objectives of the sustainable investments that the financial product partially made was to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

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

The Portfolio Manager applies exclusions to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

The exclusions include thermal coal mining and thermal coal-based energy production & oil sands. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons.

Investments are positively screened according to the environmental and/or social characteristics promoted by the financial product.

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

The Portfolio Manager employs a proprietary ESG Risk Dashboard, the Dashboard allows equity and credit analysts to quickly identify companies with significant ESG risks via the "UBS ESG Risk Signal". This clear, actionable signal serves as starting point for more in-depth analysis of the underlying sources of these risks and the links to their investment cases.

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

Companies violating the United Nations Global Compact (UNGC) principles, who do not demonstrate credible corrective action were excluded from the investment universe.

*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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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?**

The the Portfolio Manager applies exclusions to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

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Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe.



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

| Largest Investments                 | Sector                           | % Net Assets* | Country                  |
|-------------------------------------|----------------------------------|---------------|--------------------------|
| Danaher Corp                        | Mech engineering & ind equip     | 3.46          | United States of America |
| SLM Corp                            | Financial & investment companies | 2.88          | United States of America |
| Equinor ASA                         | Petroleum                        | 2.75          | Norway                   |
| Bunge Ltd                           | Food & soft drinks               | 2.70          | United States of America |
| Laboratory Corp of America Holdings | Pharmaceuticals, cosm & med prod | 2.60          | United States of America |
| TJX Cos Inc/The                     | Retail trade, department stores  | 2.56          | United States of America |
| London Stock Exchange Group PLC     | Financial & investment companies | 2.54          | United Kingdom           |
| Wells Fargo & Co                    | Banks & credit institutions      | 2.51          | United States of America |
| Ingersoll Rand Inc                  | Financial & investment companies | 2.49          | United States of America |
| Erie Indemnity Co                   | Insurance companies              | 2.46          | United States of America |
| Centene Corp                        | Healthcare & social services     | 2.44          | United States of America |
| Amazon.com Inc                      | Retail trade, department stores  | 2.34          | United States of America |
| Voya Financial Inc                  | Banks & credit institutions      | 2.33          | United States of America |
| Akamai Technologies Inc             | Internet, software & IT serv     | 2.32          | United States of America |
| Estee Lauder Cos Inc/The            | Pharmaceuticals, cosm & med prod | 2.30          | United States of America |

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

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

As per the end of the reference period the proportion of sustainability-related investments of the financial product was 43.0%.

### ● *What was the asset allocation?*

The proportions of investments of the financial product were calculated as per the end of the reference period, which is: 30.11.2022.

The list includes the investments constituting the **greatest proportion of investments** of the financial product as per the end of the reference period which is: 30.11.2022



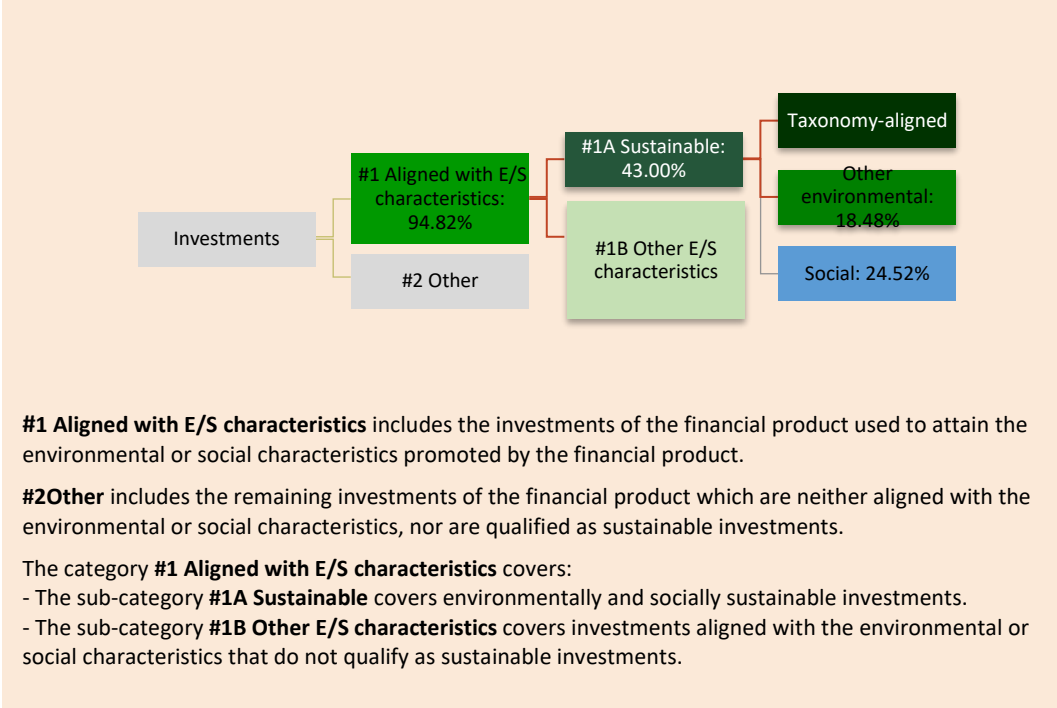
**Asset allocation** describes the share of investments in specific assets.

**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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



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

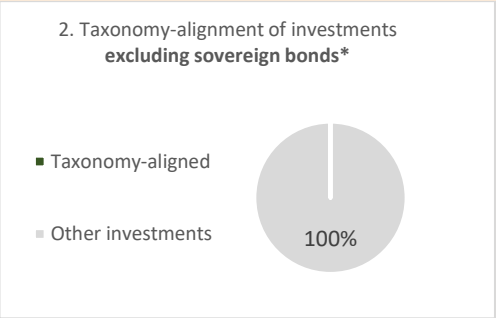
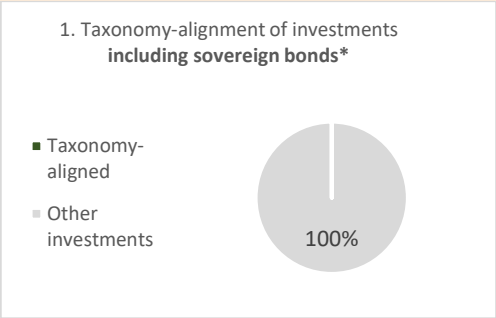
Please refer to the section “Structure of the Securities Portfolio” of the relevant sub-fund of this Annual report to review the breakdown of the economic sectors where the investments were made.



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

The financial product had 0% Taxonomy Aligned Investments.

*The graphs below show in green the percentage of investments that were 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

- **What was the share of investments made in transitional and enabling activities?**

There were no investments in transitional and enabling activities.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable. This is the first reference period.



### **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy**

The financial product had a proportion of sustainable investment with an environmental objective not aligned with the EU Taxonomy as stated in the asset allocation section of this annex.



### **What was the share of socially sustainable investments**

The financial product had a proportion of socially sustainable investment as stated in the asset allocation section of this annex.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the reference period, the environmental and/ or social characteristics were met by following the investment strategy and applying exclusion criteria as per the sales prospectus. The investment strategies and/ or exclusion criteria are monitored to ensure adherence.



### **How did this financial product perform compared to the reference benchmark?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- **How does the reference benchmark differ from a broad market index?**

Not applicable.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable.

- **How did this financial product perform compared with the reference benchmark?**

Not applicable.

- **How did this financial product perform compared with the broad market index?**

Not applicable.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under

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