Template – Regular information on the financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852

A **sustainable investment** is an investment in an economic activity that contributes to the achievement of an environmental objective or social objective, if the investment does not significantly harm any environmental or social objective. Furthermore, the companies in which the investment is made must adopt good corporate governance practices.

The **EU Taxonomy** is a classification system set out in Regulation (EU) 2020/852 and includes a directory of **environmentally sustainable economic activities**. This regulation does not include a register of socially sustainable economic activities. Sustainable investments with an environmental objective may or may not be taxonomy compliant.

Product name: UBS ETF (CH) – MSCI Switzerland IMI Dividend ESG
Legal entity identifier (LEI code): 391200N97TLOVQERPI50

Environmental and/or social characteristics

Were sustainable investments targeted with this financial product?

☐ **Yes**

- ☐ **Sustainable investments with an environmental objective** were therefore made: ___%
  - ☐ in economic activities that are classified as environmentally sustainable according to the EU taxonomy
  - ☐ in economic activities that are not classified as environmentally sustainable according to the EU taxonomy
- ☐ **Sustainable investments with a social objective** were therefore made: ___%

☒ **No**

- ☒ **Environmental/social characteristics** were therefore promoted and, although no sustainable investments were targeted, it contained 51.89% sustainable investments
  - ☐ with an environmental objective in economic activities that are classified as environmentally sustainable according to the EU taxonomy
  - ☒ with an environmental objective in economic activities that are not classified as environmentally sustainable according to the EU taxonomy
  - ☐ with a social objective
- ☐ Environmental/social characteristics were therefore promoted but **no sustainable investments were made**.

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

Sustainability indicators are used to measure to what extent the environmental or social characteristics promoted with the financial product are achieved.

How did the sustainability indicators perform?

Each of the promoted ESG characteristics advertised are measured using the following indicators:

The ESG score was 9.38% higher than that of the parent index (MSCI Switzerland IMI Index) (8.51 vs. 7.78).

MSCI's weighted average carbon intensity (Scope 1 and 2) (WACI) was 29.45% lower than that of the parent index (MSCI Switzerland IMI Index) (74.23 vs. 105.22).

The definitions of the indicators can be found on the first page of the details on Level 2 of the Sustainable Finance Disclosure Regulation (SFDR).

The parent index is a broad market index that does not take into account or evaluate environmental and/or social characteristics and is therefore inconsistent with the characteristics promoted by the financial product.

...and compared to previous periods?

2023 was the first period for which the indicators were calculated.

What were the objectives of some of the sustainable investments made with the financial product, and how does the sustainable investment contribute to those objectives?

The financial product aims at sustainable investments and for this purpose invests at least 90% of its net assets in securities included in the index.

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 capitalization weights of the components based on certain ESG criteria, while excluding other companies based on various ESG and climate change criteria.

The MSCI ESG ratings support investors in identifying the ESG risks and opportunities of their investments, and integrating these factors into their portfolio structure.

The MSCI ESG rating includes environmental and social pillars, such as climate change, natural capital, environmental pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition and social opportunities.

MSCI Climate Change Metrics provides climate data and tools that investors can use to integrate opportunities and risks related to climate change into their investment strategy and processes. They help investors to achieve a series of goals, including measuring and reporting climate risks, implementing low-carbon strategies, and

To what extent have some of the sustainable investments made with the financial product not significantly harmed environmentally or socially sustainable investment objectives?

This financial product is managed passively and replicates an index. The index provider considers indicators for adverse impacts on sustainability factors to an extent appropriate for the index family.

- How were the indicators considered for adverse impacts on sustainability factors?

The index provider considers indicators for adverse impacts on sustainability factors to an extent appropriate for the index family.

The indices include the "MSCI ESG controversies score", which excludes at an early stage issuers that materially violate the ESG standards.

MSCI ESG controversies are designed to provide early and consistent assessments of issuers' ESG controversies. An issuer with a "red" MSCI ESG controversies score (i.e. a score below 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 standards and principles.

The **most important adverse impacts** are the most significant adverse impacts of investment decisions on sustainability factors in the areas of environment, social issues and employment, respect of human rights and combating corruption and bribery.

The financial product excludes investments in companies that are directly involved in the use, development, production, storage or transfer of cluster munitions and/or anti-personnel mines, nuclear weapons, biological or chemical weapons, or trade in them.

- Are the sustainable investments in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights? Further information:

The MSCI ESG controversies tool monitors companies' involvement in notable ESG controversies related to a company's operations and/or products, possible violations of international standards and principles, such as the UN Global Compact, and alignment with these standards and principles.

The principle of do no significant harm (DNSH) is established in the EU taxonomy, whereby taxonomy-compliant investments may not significantly harm the objectives of the EU taxonomy. Specific EU criteria are included.

The principle of DNSH applies only to those underlying investments of the financial product that take into account the EU criteria for environmentally sustainable economic activities. The underlying investments of the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Likewise, all other sustainable investments may not significantly harm environmental or social objectives.

How were the most important adverse impacts on sustainability factors considered for this financial product?

This financial product is managed passively and replicates an index. The index provider takes into account the indicators for adverse impacts on sustainability indicators, based on the individual index. For further details, please refer to the prospectus appendix for the respective fund.

What are the main investments of this financial product?

The list includes the following investments, which accounted for **the largest share of the investments** made in the financial product during the reference period: 30 June 2023

Largest investments	Sector	% Assets	Country
Novartis AG	Pharmaceuticals & biotechnology	15.30	CH
Nestle SA	Food & beverage	14.55	CH
Zurich Insurance Group AG	Insurance	14.54	CH
Kuehne + Nagel International AG	Transportation	10.24	CH
Roche Holding AG	Pharmaceuticals & biotechnology	9.90	CH
Swisscom AG	Telecommunications	4.69	CH
Logitech International SA	Electrical devices & components	4.61	CH
Givaudan SA	Chemicals	4.14	CH
SGS SA	Commercial services	4.07	CH
Mobimo Holding AG	Real estate	3.47	CH
Galenica AG	Pharmaceuticals & biotechnology	2.75	CH
Temenos AG	Software	1.80	CH
OC Oerlikon Corp AG	Electrical devices & components	1.65	CH
Holcim Ltd	Construction materials	1.60	CH
Cembra Money Bank AG	Banks	1.39	CH

What was the share of sustainability-related investments?

The **asset allocation** indicates the respective proportion of the investments in specific assets.

At the end of the reference period, the minimum share of investments used to meet the environmental and/or social characteristics promoted by the financial product was 99.95%. The minimum share of the financial product in sustainable investments was 51.89%.

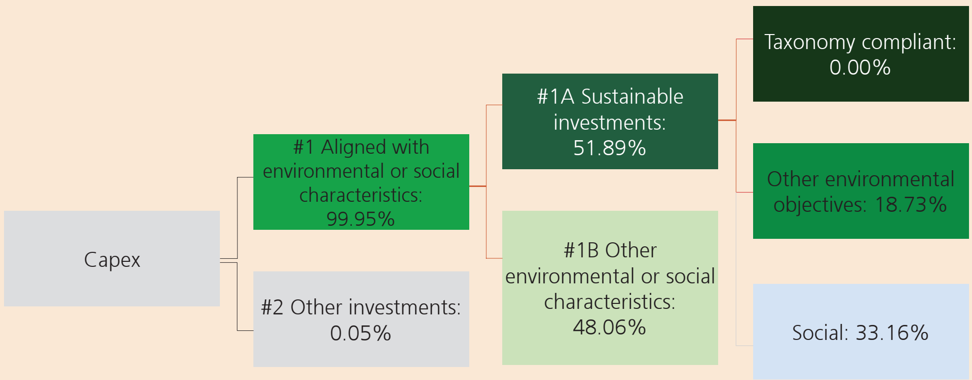
What did the asset allocation look like?

The shares in investments of the financial product were determined at the end of the reference period, i.e. as at: 30 June 2023.

With regard to compliance with the EU taxonomy, the criteria for **fossil gas** include reducing emissions and switching to fully renewable energy or low-carbon fuels by the end of 2035. The criteria for **nuclear energy** include comprehensive safety and waste management regulations.

Enabling activities enable other activities to make a direct significant contribution to the environmental objectives.

Transitional activities are activities for which no low-carbon alternatives are yet available and have greenhouse gas (GHG) emission levels that correspond to best performance in the industry.



#1 Aligned with environmental or social characteristics includes investments of the financial product that were made to achieve the promoted environmental or social characteristics.

#2 Other investments include the financial product's other investments that are neither focused on environmental or social characteristics, nor are classified as sustainable investments.

Category #1 Aligned with environmental or social characteristics includes the following sub-categories:
- Sub-category **#1A Sustainable investments** includes environmentally and socially sustainable investments.
- Sub-category **#1B Other environmental or social characteristics** includes investments that are focused on environmental or social features but are not classified as sustainable investments.

In which sectors of the economy were the investments made?

Please refer to the "Inventory of fund assets" section of the respective sub-fund in this annual report for a breakdown of the economic sectors in which investments were made.

To what extent were the sustainable investments with an environmental objective compliant with the EU taxonomy?

The financial product had 0% taxonomy-compliant investments.

- ***Did the financial product invest in EU taxonomy-compliant activities in fossil gas and/ or nuclear energy[1]?***

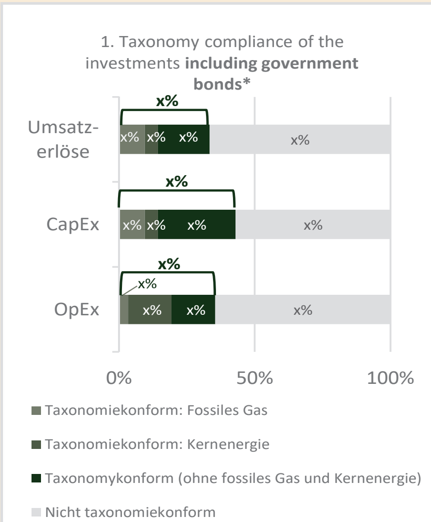
☐ Yes:

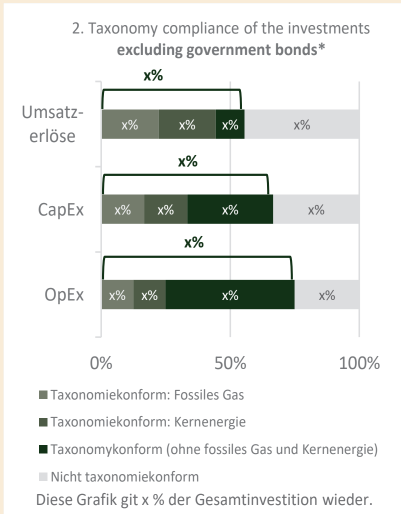
☐ In fossil gas ☐ In nuclear energy

☒ No

Taxonomy-compliant activities expressed as the proportion of:
- **Revenues** that reflect the share of income from environmentally friendly activities of the companies in which investments are made
- **Capital expenditure** (CapEx) that shows the environmentally friendly investments made by the companies in which investments are made, e.g., for the transition to a green economy
- **Operating expenses** (OpEx) that reflect the environmentally friendly operational activities of the companies in which investments are made

The charts below show the minimum percentage of EU taxonomy-compliant investments in green. Since there is no appropriate method to determine the taxonomy compliance of government bonds*, the first chart shows the taxonomy compliance with respect to all of the financial product's investments, including government bonds, while the second chart shows the taxonomy compliance only with respect to the financial product's investments that do not include government bonds.





** For the purposes of these charts, the term "government bonds" includes all risk positions vis-à-vis sovereigns.*

- ***What proportion of the investments is made in transitional and enabling activities?***

There were no investments in transitional and enabling activities.

- ***How has the share of investments brought into line with the EU taxonomy developed compared to previous reference periods?***

Not applicable. This is the first reference period.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What proportion of the non-EU taxonomy compliant sustainable investments had an environmental objective?

The financial product had a share of non-EU taxonomy compliant sustainable investments with an environmental objective, as indicated in the section on asset allocation in this appendix.

[1] Activities in fossil gas and/or nuclear energy are only compliant with the EU taxonomy if they contribute to climate change mitigation (climate protection) and do not significantly harm any EU taxonomy objective – see explanation in the left margin. The full criteria for EU taxonomy-compliant economic activities in fossil gas and nuclear energy are set out in Commission Delegated Regulation (EU) 2022/1214.

What was the share of social sustainable investments?

The financial product had a 33.16% share in social sustainable investments, as indicated in the section on asset allocation in this appendix.

What investments fell under "Other investments", what was their investment objective and was there any minimum environmental or social protection?

"#2 Other investments" include cash and unrated instruments for liquidity and portfolio risk management purposes, relative to the benchmark weighting. This category may also include securities for which no relevant data are available.

What measures were taken during the reference period to meet the environmental and/or social characteristics?

The reconciliation of the investment strategy with the index method is continuously ensured, as the index provider regularly rebalances the index. When replicating the index, the investment manager follows the thresholds set out in the fund's investment policy.

The financial product originally selected the benchmark for its relevance in relation to the investment strategy and characteristics that this index seeks to promote.

The fund's investment strategy is to replicate the index's returns and characteristics (including ESG characteristics) as far as is reasonably possible. The fund's investment strategy is to replicate the index, by applying stratified sampling by managing the tracking error.

The investment manager reviews the index method when establishing the product and may contact the index provider if the index method is no longer in line with the financial product's investment strategy.

How did this financial product perform compared to the specific benchmark?

The **benchmarks** are indices used to measure whether the financial product achieves the promoted environmental or social characteristics.

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

  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 its parent index, the MSCI Switzerland IMI Index, which includes large, mid and small-cap shares of Swiss equity markets. The index is designed to replicate the performance of a strategy that seeks to systematically integrate environmental, social and governance (ESG) standards and maximize exposure to the yield factor. The MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index is constructed by selecting components of the MSCI Switzerland IMI Index (the parent index) and applying an optimization process. This process aims to maximize exposure to the yield factor (within given constraints), minimize the tracking error, reduce exposure to CO_2 and other greenhouse gases in carbon equivalents, reduce exposure to potential emission risks of fossil fuel reserves by 30% and to improve the weighted average and sector-adjusted ESG score of the index by 10% relative to the parent index. The index excludes companies operating in the areas of controversial weapons, conventional weapons, civilian firearms, nuclear weapons, tobacco, coal-fired power generation and fossil fuel extraction. It also excludes companies according to the criteria of sustainability and continuity of dividends as well as price performance, as described in the methodology of the MSCI High Dividend Yield Indices. The MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index is rebalanced on a semi-annual basis, generally at the end of the last business day in May and November. This coincides with the Semi-Annual Index Reviews (SAIRs) of the MSCI Global Investable Market Indices in May and November.

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

  The ESG score was 0.00% lower than the benchmark (MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index) (8.51 vs. 8.51).

  The combined weighted average carbon intensity (Scope 1 and Scope 2) was 0.05% lower than that of the benchmark (MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index) (74.23 vs. 74.19).

- ***How did this financial product perform compared to the specific benchmark?***

  The ESG score was 0.00% higher than the benchmark (MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index) (8.51 vs. 8.51).

  The combined weighted average carbon intensity (Scope 1 and Scope 2) was 0.05% lower than that of the benchmark (MSCI Switzerland IMI High Dividend Yield ESG Low Carbon Select Index) (74.23 vs. 74.19).

- ***How did this financial product compare to the broad market index?***

  The ESG score was 9.38% higher than that of the parent index (MSCI Switzerland IMI Index) (8.51 vs. 7.78).

  The combined weighted average carbon intensity (Scope 1 and Scope 2) was 29.45% lower than that of the parent index (MSCI Switzerland IMI Index) (74.23 vs. 105.22).