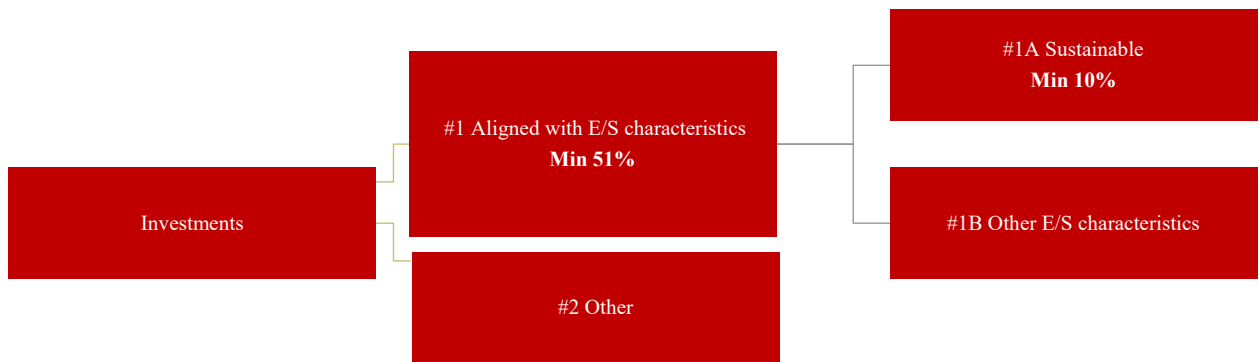


**LUX IM – ESG UBS GLOBAL BOND SUSTAINABLE (“Sub-fund”)**

**Sustainability-related disclosures required for Article 8 financial products under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector**

Section	Disclosure
<b>No sustainable investment objective</b>	<p>The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.</p> <p>The Sub-fund will allocate a minimum of 10% of its assets in sustainable investments in accordance with Article 2 (17) SFDR.</p> <p>The Sub-fund invests in securities of issuers that contribute to the Sub-fund’s promoted environmental and social characteristics, in line with the Sub-fund’s defined environmental, social and governance (hereinafter “ESG”) investment strategy.</p>
<b>Environmental or social characteristics of the financial product</b>	<p>The Sub-fund invests in securities of issuers that contribute to the Sub-fund’s promoted environmental and social characteristics, in line with the Sub-fund’s defined environmental, social and governance (hereinafter “ESG”) investment strategy. The environmental and social factors under consideration for include, but are not limited to, the following ones: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.</p> <p>The following characteristic is promoted by the financial product:</p> <ul style="list-style-type: none"> <li>The Sub-fund pursues a sustainability profile, as measures by the UBS Blended ESG score higher than its investment universe or a minimum of 51% of its net assets invested in target issuers marked by an UBS Blended ESG score of 5 or higher (i.e. between 5 and 10);</li> </ul>
<b>Investment strategy</b>	<p>The investment objective of the Sub-fund is to provide capital preservation and attractive return over the medium to long-term by investing in a diversified and flexibly managed portfolio across a broad range of global fixed income sectors such as government bonds, investment grade and high yield corporate bonds, emerging markets bonds and securitized bonds. The portfolio construction process combine the top-down macroeconomic assessment and the bottom-up analysis of the target issuers based on the analysis of the financial fundamentals and the integration of binding environmental, social and governance (“ESG”) factors, in accordance with the ESG policy adopted by the Investment Manager.</p> <p>Target investments are subject to the following sustainability indicators, in order to assess their eligibility for investment by the Sub-fund and thus to measure the attainment of the pursued environmental and social characteristics:</p> <ul style="list-style-type: none"> <li>Negative screening: exclusion of target issuers involved in controversial conduct and/or activities;</li> <li>ESG integration: taking into account material ESG risks as part of the research process.</li> <li>Consideration of principal adverse impacts (PAI)</li> </ul> <p>The following binding elements are used to select investments to attain the characteristics promoted:</p> <ul style="list-style-type: none"> <li>The Sub-fund pursues a sustainability profile, as measures by the UBS Blended ESG score higher than its investment universe or a minimum of 51% of its net assets invested in target issuers marked by an UBS Blended ESG score of 5 or higher (i.e. between 5 and 10);</li> </ul> <p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Investment Manager’s investment strategy.</p>
<b>Proportion of investments</b>	<p>The Sub-Fund will invest at least 51% of its net assets in investments that are aligned to the promoted environmental and/or social characteristics. (# 1). The minimum proportion of sustainable investments is 10%. (#1A)</p> <p>To classify as sustainable investments, target issuers meet three given criteria:</p> <ul style="list-style-type: none"> <li>contributes to an environmental or social objective;</li> <li>does not significantly harm any of such objectives; and</li> <li>it follows good governance practices.</li> </ul> <p>The following tests are applied:</p> <ul style="list-style-type: none"> <li>a negative screening test to exclude issuers that fail the good governance (based on governance qualification assessment) and/or “do no significant harm” criteria (based on the implementation of an exclusion policy and assessment of controversies);</li> <li>a positive test, which requires a given issuer to make either a positive contribution to one or more of the UN SDGs (balance-sheet based), or to the environment, or to a social objective (non-balance-sheet based)</li> </ul> <p>A target issuer that does not fail the negative screening and passes at least one of the positive tests is considered as sustainable in its entirety.</p> <p>The remaining investments of the Sub-fund (“#2 Other”) may be invested in securities of issuers not aligned with the promoted environmental or social characteristics, such as (i) ancillary cash and cash equivalents for liquidity purposes within the limits prescribed by applicable laws , (ii) derivatives which may be used for hedging and investment purposes as per the applicable provisions of the Investment Policy of the Sub-fund; (iii) investments in securities of target issuers which are not aligned with the promoted environmental or social characteristics and/or for which data needed for the measurement of attainment of environmental or social characteristics is not available and may be used within the Sub-fund’s investment objective of capital preservation and attractive return over the medium to long-term No specific minimum environmental or social safeguards are applied for investments in cash; financial derivatives and securities not aligned with the pursued ESG characteristics. A negative screening is applied</p>

Section	Disclosure
	<p>to direct investments in target issuers, avoiding that investments are made in issuers involved in controversial behaviours and/or controversial activities.</p>  <pre> graph LR     Investments --&gt; #1["#1 Aligned with E/S characteristics Min 51%"]     Investments --&gt; #2["#2 Other"]     #1 --&gt; #1A["#1A Sustainable Min 10%"]     #1 --&gt; #1B["#1B Other E/S characteristics"] </pre>
<b>Monitoring of environmental or social characteristics</b>	<p>The ESG analysis of the target issuers relies on internal research activity complemented with external research and data from specialised external providers.</p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. For non-corporate issuers, the Investment Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</p> <p>The Investment Manager integrates the ESG analysis within the following investments selection processes:</p> <ul style="list-style-type: none"> <li>Negative screening (severe controversies and specific activities, e.g. controversial and nuclear weapons; conventional weapons; adult entertainment; coal; tobacco; gambling; thermal coal mining and thermal coal-based energy production &amp; oil sands)</li> <li>ESG integration (e.g. UBS ESG material issues framework)</li> <li>PAI consideration</li> </ul> <p>The Sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk.</p> <p>The following binding elements are used to select investments to attain the characteristics promoted:</p> <ul style="list-style-type: none"> <li>The Sub-fund pursues a sustainability profile, as measures by the UBS Blended ESG score higher than its investment universe or a minimum of 51% of its net assets invested in target issuers marked by an UBS Blended ESG score of 5 or higher (i.e. between 5 and 10);</li> </ul>
<b>Methodologies for environmental or social characteristics</b>	<p>In order to attain the promoted environmental and social characteristics, the eligibility of target issuers is assessed based on ESG integration, negative screening, and consideration of principal adverse impacts.</p> <p>Internal controls are in place in respect of investment decision making for the Sub-fund. These include, but are not limited to, pre-trade and post-trade controls to ensure all applicable binding elements are observed at all times and independent oversight by risk management functions as required.</p>
<b>Data sources and processing</b>	<p>The data sources used to attain the stated environmental and social characteristics is supplied from multiple recognised industry vendors. Rather than exclusively relying on an ESG score from a single provider, the UBS Blended ESG score approach mentioned above enhances the plausibility of the sustainability profile quality. The UBS Blended ESG score is a normalised weighted average of ESG score data from internal and recognised external providers.</p>
<b>Limitations to methodologies and data</b>	<p>The limitations to the attainment of the promoted environmental and social characteristics are deemed non-material, as the Investment Manager applies a minimum coverage threshold for the data sources in order to ensure that the binding elements can be monitored and measured.</p>
<b>Due Diligence</b>	<p>In order to qualify for initial investment, the investments must comply with the binding elements applied by the Sub-fund. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place.</p>
<b>Engagement Policies</b>	<p>Through the adopted research process the Investment Manager will also seek to identify companies where material ESG and sustainability factors may present a future negative risk. The Investment Manager will prioritize such companies for engagement to minimize adverse impacts where appropriate.</p>
<b>Designated reference benchmark</b>	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>