UBS

SI Focus Product*

For marketing purposes
For qualified investors only
Data as of the end of July 2024

UBS (CH) Institutional Fund 3 – Global Aggregate Bonds ESG Passive (CHF hedged) II

Portrait

- Regulation / Supervision: CISA / FINMA (Funds for qualified investors).
- Authorised investors: pension funds, insurance companies, family offices and institutional investors under CISA.
- Investments: Collective investments, government and corporate bonds and mortgage-backed securities worldwide, which are listed in the Bloomberg MSCI Global Aggregate ex CH Sustainability Index (hedged in CHF).
- No investments in securities on the recommendation list for the exclusion of SVVK-ASIR (www.svvk-asir.ch) and controversial weapons.
- Convertible and warrant bonds: none.
- Portfolio is passively managed and aims to replicate the benchmark's gross performance (gross of fees)
- Currency exposure: largely hedged
- Securities lending: not permitted.
- Use of derivatives: permitted under BVV2.
- All investments are subject to market fluctuations. Every fund has specific risks, which can significantly increase under unusual market conditions. Please consult your client advisor for more information on the investment risks of this product.

Securities no.	116,239,989
ISIN	CH1162399898
Reuters symbol	–
Bloomberg Ticker	UBCHIIX SW
Currency of account	CHF
Issue/redemption	daily
Admin/Custody fees	none
Dilution Levy in Favour of the Fund in/out	0.13%/0.05%
PM fees charged to the NAV	none
TER (as of 31.03.2024)	0.01%
Benchmark	Bloomberg MSCI Global Aggregate ex CH Sustainability (hedged CHF)

Current data

Net asset value 31.7.2024	CHF	938.12
– high last 12 months	CHF	958.45
– low last 12 months	CHF	893.43
Assets of the unit class in m	CHF	910.04
Fund assets in m	CHF	910.04
Last distribution		reinvested

Key risk figures (annualised)

	2 years	3 years
Tracking error	0.17%	n.a.
Beta	1.00	n.a.
Correlation	1.00	n.a.
Total risk	6.64%	n.a.
Sharpe ratio	-0.63	n.a.

Risk-free rate (2 years) = 1.18%

The statistical ratios were calculated on the basis of logarithmic returns.

Other key figures

	Fund
Average rating	Aa3
Modified duration	6.6
Theoretical yield to maturity (gross)	0.6

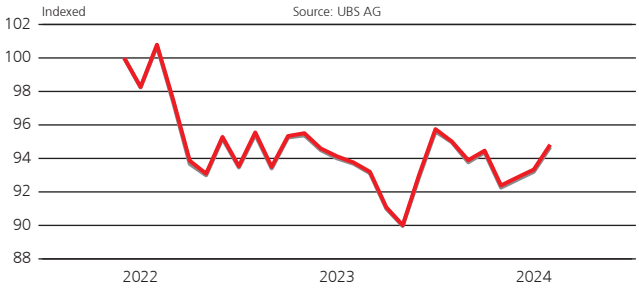
* These ratings reflect the Bloomberg index methodology. If S&P, Moody's and Fitch ratings are available the median is taken. Otherwise the lower rating is taken.

** YTM is hedged in CHF. The interest rate differentials between the currencies and thus the costs of hedging can change a great deal from day to day.

Performance (in %)

	Fund	Benchmark
08.2023	–0.60	–0.60
09.2023	–2.28	–2.27
10.2023	–1.17	–1.14
11.2023	3.34	3.25
12.2023	2.93	2.93
01.2024	–0.77	–0.67
02.2024	–1.17	–1.26
03.2024	0.61	0.63
04.2024	–2.20	–2.23
05.2024	0.52	0.52
06.2024	0.50	0.50
07.2024	1.59	1.58
2024 YTD	–0.97	–0.97
2023	2.37	2.30
2022 (since launch 05.2022)	–6.47	–6.54
Ø p.a. 2 years	–3.01	–3.04
since end of fund launch month 05.2022	–5.18	–5.32

Indexed performance



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Bloomberg MSCI Global Aggregate ex CH Sustainability (hedged CHF)

Past performance is no guarantee of future trends. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

Sectors (in %)

	Fund	Benchmark
Treasuries	54.94	55.42
MBS	13.53	13.33
Corporates – Industrial	9.78	9.91
Corporates – Financial	7.35	7.33
Government Related	6.20	6.18
Sovereign/Supranational	3.66	3.62
Collateralized	2.10	2.38
Corporates – Utility	1.86	1.83
Cash	0.58	0.00
Money Market Funds	0.00	0.00
Total	**100.00**	**100.00**

Breakdown of credit quality (in %)

Ratings	Fund	Benchmark
AAA	14.47	13.26
AA	48.28	48.96
A	23.96	23.77
BBB	13.29	14.00
BB and lower	0.00	0.01
Total	**100.00**	**100.00**

*SI Focus Product badge is based on UBS Asset Management internal classification

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UBS (CH) Institutional Fund 3 - Global Aggregate Bonds ESG Passive (CHF hedged) II

ESG Report

Terminology used within this document refers to definitions in the UBS Sustainable Investing Framework and does not refer or relate in any way to any regulatory provisions. Where applicable, a country-specific notice is provided in this document and must be read in conjunction with the factsheet.

ESG is an abbreviation for Environmental, Social and Governance (factors). These factors are used to evaluate companies and countries on how advanced they are with respect to sustainability. Once sufficient data on these factors are available, they can be used to assess and compare assets and also to inform the investment process when deciding what assets to buy, hold or sell.

This page provides transparency on key sustainability metrics that may be of interest to investors, but may not be part of the fund's investment process. This information is provided to enable comparison with other financial products and to help investors assess their exposure to ESG topics.

MSCI ESG scores, scaled (holding-weighted average 0-10)

	Fund	Reference index
	6.5	6.1
Environmental	6.3	6.0
Social	6.6	6.6
Governance	6.6	6.5

Fund actual data coverage: 95%
Reference index actual data coverage: 86%

Source: MSCI ESG Research
Reference Index: Bloomberg Global Aggregate Bond Index (CHF hedged). The reference index used on this page is the parent index which does not seek to include certain environmental or social characteristics promoted by the financial product in its construction and is different from the Designated Reference Benchmark.

UBS AM sustainability approaches applied

- ☑ Exclusion
- ☐ Impact
- ☑ ESG Integration
- ☐ Voting
- ☑ SI Focus
- ☐ Engagement Program

Source: UBS Asset Management

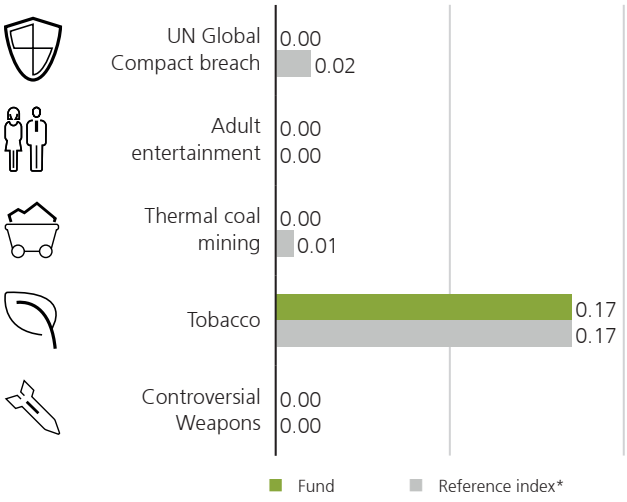
Weighted average carbon intensity, scaled – Corporate issuers (tCO_2 equivalent per USD million sales)

Fund	Reference index
51.1	53.5

Fund actual data coverage: 84%
Reference index actual data coverage: 85%

Source: MSCI ESG Research
Reference Index: Bloomberg Global Aggregate Bond Index (CHF hedged). The reference index used on this page is the parent index which does not seek to include certain environmental or social characteristics promoted by the financial product in its construction and is different from the Designated Reference Benchmark.

Controversy check
(in % of fund AuM)[1]



[1] Assets under Management

Carbon intensity, scaled – Sovereign issuers (tCO_2 equivalent per USD million in GDP)

Fund	Reference index
140.1	170.1

Fund actual data coverage: 99%
Reference index actual data coverage: 98%

Source: MSCI ESG Research
Reference Index: Bloomberg Global Aggregate Bond Index (CHF hedged). The reference index used on this page is the parent index which does not seek to include certain environmental or social characteristics promoted by the financial product in its construction and is different from the Designated Reference Benchmark.

Carbon footprint, scaled–Corporate issuers (tCO_2 equivalent per USD million invested)

Fund	Reference index
16.2	20.9

Fund actual data coverage: 65%
Reference index actual data coverage: 53%

Source: MSCI ESG Research
Reference Index: Bloomberg Global Aggregate Bond Index (CHF hedged). The reference index used on this page is the parent index which does not seek to include certain environmental or social characteristics promoted by the financial product in its construction and is different from the Designated Reference Benchmark.

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ESG Report

Country-specific notice:

UK: If this product is distributed in the UK, please note: This product is based overseas and is not subject to the UK sustainable investment labelling and disclosure requirements (SDR). This product does not make any claims under the UK SDR. Terminology used within this document refers to definitions in the UBS Sustainable Investing Framework and does not refer or relate to the UK SDR in any way.

Glossary

UBS AM sustainability approaches applied
Exclusion: Strategies that exclude securities from portfolios where they are not aligned to an investor`s values. Includes customized screening criteria.
ESG Integration: Strategies that integrate environmental, social and governance (ESG) factors into fundamental financial analysis to improve risk/return profile.
SI Focus: Strategies where sustainability is an explicit part of the investment guidelines, universe, selection and/or investment process
Impact: Strategies where the intention is to generate measurable environmental and/or social benefits ("impact") along-side the financial return.
Voting: The Voting flag is a principle-based product level classification (top down) and is based on the overall applicability of the UBS AM Policies.
UBS will actively exercise voting rights based on the principles outlined in the UBS Asset Management Proxy Voting policy and UBS Asset Management Stewardship policy, with two fundamental objectives: 1. To act in the best financial interests of our clients to enhance the long-term value of their investments. 2. To promote best practice in the boardroom and encourage strong sustainability practices. This is not an indication that voting on sustainability related topics has taken place with respect to companies held by a sub-fund during any given time period. For information about voting activities with specific companies (bottom-up transparency) please refer to
the UBS Asset Management Stewardship Annual Report. Information shown in this report might also deviate from other reports which might only focus on, for example, climate related activities.
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html
Engagement Program: The engagement program applies to UBS funds and aims to prioritize/select companies where UBS Asset Management has identified concerns or thematic topics on particular ESG factors. These companies are selected from across the universe of companies in which UBS Asset Management invests using a top-down approach in accordance with our principles, as outlined in the Global Stewardship Policy. The prioritization process will determine if and when engagement with a company is required. If a company is selected for the engagement program, the engagement dialog will be conducted for a minimum period of two years.
This is not an indication that sustainability related engagement has taken place with respect to companies in this portfolio during any given time period or that the companies in this portfolio were chosen with the goal to actively engage (bottom-up transparency). Information on UBS Asset Management's selection of companies, engagement activities, prioritization process and understanding of concerns can be found in the UBS Asset Management Stewardship Annual Report and Stewardship Policy. Information shown in this report might also deviate from other reports which might only focus on, for example, climate related activities.
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html

Controversy check: Controversial Business Involvement exposure is the exposure to companies with a revenue share exceeding a certain threshold of the respective field (production). Link to our exclusion policy for more details:
-> www.ubs.com/si-exclusion-policy

MSCI ESG scores are provided by MSCI ESG Research and are measured on a scale from 0 (lowest/worst score) to 10 (highest/best score). The individual MSCI E-, S-, and G-score indicates the resilience of issuers to environmental, social or governance related risks that are most material to an industry. The aggregated MSCI ESG score is based on these MSCI E-, S-, and G-scores but normalizes them relative to industry peers. This leads to a weighted average industry-adjusted MSCI ESG score which is comparable across industries.
The metric is scaled up to 100% if actual data coverage is above the defined thresholds - Fixed Income: 50%; Equities: 67%, Multi-Asset: 50%. Otherwise, the metric is reported as "-".

Weighted Average Carbon Intensity – Corporate issuers/ Carbon Intensity- Sovereign issuers: These metrics measure a fund's exposure to carbon-intensive companies and governments. These metrics provide insight into potential risks related to the transition to a lower-carbon economy because companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks. These metrics are applicable across asset classes.
It's the sum product of the fund weights and individual carbon intensities (carbon emissions scope 1+2/USDm sales or GDP).
The metric is scaled up to 100% if actual data coverage is above the defined thresholds – Fixed Income: 50%; Equities: 66%, Multi-Asset: 50%. Otherwise, the metric is reported as -.
Classification system to separate corporate and sovereign issuers: Bloomberg Barclays Methodology. Securitized bonds excluded from the calculation. "No exposure" in case the fund is not invested in the respective issuers for the month.
Data provider: MSCI ESG Research

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Carbon Footprint (tons CO_2e/USDm invested): Expresses the greenhouse gas footprint of an investment sum. The carbon emissions scope 1 and 2 are allocated to investors based on an enterprise value (including cash) ownership approach and are normalized by the current fund value. The carbon footprint is a normalized measure of a fund's contribution to climate change that enables comparison with a benchmark, between funds and between individual investments. The metric is total carbon emissions expressed as per currency invested.
The metric is scaled up to 100%, if actual data coverage is above the defined thresholds – fixed income: 50%, equities: 67%, multi-asset: 50%. Otherwise, the metric is reported as "-".
Classification system to separate corporate and sovereign issuers: Bloomberg Barclays Methodology. Securitized bonds are excluded from the calculation. "No exposure" if the fund is not invested in the respective issuers for the month.

Fund of fund investments, derivatives and cash
Derivatives and fund of fund investments used in the portfolio are treated on a lookthrough basis, whereby the economic exposures to the underlying basket of securities is treated as an actual investment in the individual securities that make up this basket. This might in the case of broad market derivatives or fund of fund investments lead to minimal exposures to securities that are excluded from direct investments.
Derivatives have an effect on all metric calculations and as many of the reporting frameworks available to investors today do not cover the intricacies of derivatives, metrics are provided on a reasonable efforts basis.
Portfolios for which we report the sustainability metrics may include cash.
The information disclosed in this report, in particular treatment of derivatives and cash, may or may not correspond with investment characteristics of the fund and how the fund is managed. Therefore, sustainability metrics in this report may differ from other UBS reports produced on the same date.

Aggregation of ESG/Carbon data
ESG scores of holdings in the portfolio and the reference index are aggregated based on their respective individual weights and ESG scores (sumproduct).

Passive ESG
Benchmark selection is driven by portfolio implementation considerations, in particular to closely reflect the financial and ESG objectives of the fund. For passively managed strategies, an ESG benchmark would be selected for the purpose of balancing between reasonable tracking error and high ESG alignment. In order to assess the magnitude of ESG improvements, the fund's ESG performance is also shown against a selected broad market index which closely represents the parent investment universe on which the ESG benchmark is based on.

Sources: Fund holding data: UBS Asset Management; MSCI ESG Research
*Bloomberg Global Aggregate Bond Index (CHF hedged). The reference index used on this page is the parent index which does not seek to include certain environmental or social characteristics promoted by the financial product in its construction and is different from the Designated Reference Benchmark.

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ESG Report

Important information about sustainable investing strategies
Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and portfolio construction. Strategies across geographies and styles approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or sustainable investing considerations may inhibit UBS's ability to participate in or to advise on certain investment opportunities that otherwise would be consistent with the Client's investment objectives. The returns on a portfolio consisting primarily of sustainable investments may be lower or higher than portfolios where ESG factors, exclusions, or other sustainability issues are not considered by UBS, and the investment instruments available to such portfolios may differ. Companies, product issuers and/or manufacturers may not necessarily meet high performance standards on all aspects of ESG or sustainable investing issues.

Reconciliation of Assets under Management (AuM)
This report does not contain reconciled AuM positions, it only takes in consideration positions with settlement date as of report date. This means that traded but not settled positions are not included. Therefore, AuM figures in this report may differ from other UBS reports produced on the same date.

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