

SFDR SCHEDULE

Pre-contractual 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: UBAM - DYNAMIC EURO BOND

Legal entity identifier: O00000869_00000002

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective: %**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ 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

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective: %**

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

This Sub-Fund promotes social characteristics by supporting the ten principles of the United Nations Global Compact through the exclusions of companies in breach of the United Nations Global Compact (UNGC).

This Sub-Fund promotes environmental characteristics by supporting transparent policies of corporate bond issuers towards a net-zero emission path.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund.

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

• **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to assess the environmental characteristic is the percentage of corporate bond issuers in this Sub-Fund with a net-zero emission plan.

The sustainability indicator used to assess social characteristic is breach to United Nations Global Compact (UNGC).

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.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective**

N/A

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

N/A

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

N/A

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 EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

☒ Yes

☐ No

The following PAIs will be considered by this Sub-Fund:

Climate and other environment-related indicators.

Green gas emissions

- * 1. GHG emissions (Scope 1, 2, and 3 where available)
- * 2. Carbon footprint
- * 3. GHG intensity of investee companies

Waste:

- * 9. Hazardous waste and radioactive waste rate

This Sub-Fund considers the above climate and other environment-related PAIs when assessing the ESG profile of the corporate bond issuers in the portfolio. The assessment is forward-looking, independent and materiality-based at the sector level. A scoring methodology is implemented by the Investment Manager to assess E, S and G characteristics.

Social and employee, respect for human rights, anti-corruption and anti-bribery matters.

Social and employee matters:

- * 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises: Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
- * 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons): Share of investments in investee companies involved in the manufacture or selling of controversial weapons

This Sub-Fund will not invest in corporate bond issuers that are embroiled in controversies, such as not adhering to international norms and principles including the UN Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises or International Labour Organization (ILO) conventions as monitored by the UBP's Responsible Investment Committee.



What investment strategy does this financial product follow?

This Sub-Fund denominated in EUR and which invests its net assets primarily in securities denominated in this currency. The average maturity of the bond portfolio excluding cash can be expected to range between 1 and 2.5 years but will not exceed 3 years at any time. As such, this Sub-Fund cannot be considered as a money market fund.

At any time, this Sub-Fund invests a majority of its net assets in bonds and other debt securities, primarily investment grade. In particular this Sub-Fund can invest in, but is not limited to:

- investment grade bonds issued by companies with a minimum rating of BBB- (Standard and Poor's or Fitch) or Baa3 (Moody's),
- interest rate and credit derivatives such as futures, options, swaps and credit default swaps, unlike money market funds.

This Sub-Fund's investments are expected to carry on average a higher risk than a typical money market investment, in particular in terms of credit risk (maturity profile, ratings profile, average spread duration) and due to the before mentioned use of derivative instruments.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

A minimum of 50% of the Sub-Fund's allocation to bonds will be invested in issuers deemed to maintain E/S characteristics as measured by MSCI ESG research or equivalent data providers.

E/S characteristics are defined as an ESG rating equal or superior to BBB for developed markets issuers and equal or superior to BB for non-developed market issuers. In the absence of a rating from MSCI, an internal rating may be assigned by the Investment Manager.

The ESG investment strategy is based on three pillars that are binding elements in the investment strategy with regards to the promotion of E/S characteristics:

1/ Exclusions applicable to Article 8 strategies according to the UBP Responsible Investment policy (available on <https://www.ubp.com/en/investment-expertise/responsible-investment>)

2/ ESG integration. ESG integration is implemented to select issuers. The issuer selection derives from the analysis of both environmental, social and governance (extra-financial) factors and financial factors.

This process has two key inputs:

- Independent and forward-looking review of the ESG risks and opportunities for an issuer relying on internal and external research. This review produces an ESG view.
- Independent and forward-looking review of the financial risks and opportunities for an issuer relying on internal and external research. This review produces a financial view. ESG and financial views are combined to select the issuers.

At least 80% of the Sub-Fund allocation to bonds is covered by the extra-financial analysis.

3/ Preference for Green and Sustainability bonds with environmental objectives. The preference for Green, and Sustainability bonds should be considered as an objective and is conditional to availability, liquidity and relative value analysis.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy***

This Sub-Fund does not apply a minimum rate to reduce the scope of the investments. However, this Sub-Fund applies an exclusion policy in accordance with the Responsible Investment policy of UBP

● ***What is the policy to assess good governance practices of the investee companies?***

The good governance practices are assessed alongside the environmental and social characteristics in the 2nd pillar of the ESG process described above.

The assessment by this Sub-Fund will be based on materiality within each sector. For instance, for the banking sector, the material governance characteristic is risk management. For the automotive sector, the material governance characteristics is the compliance policy. In addition, the Investment Manager takes into account the MSCI governance score regarding board, pay, ownership/control and accounting practices where available.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



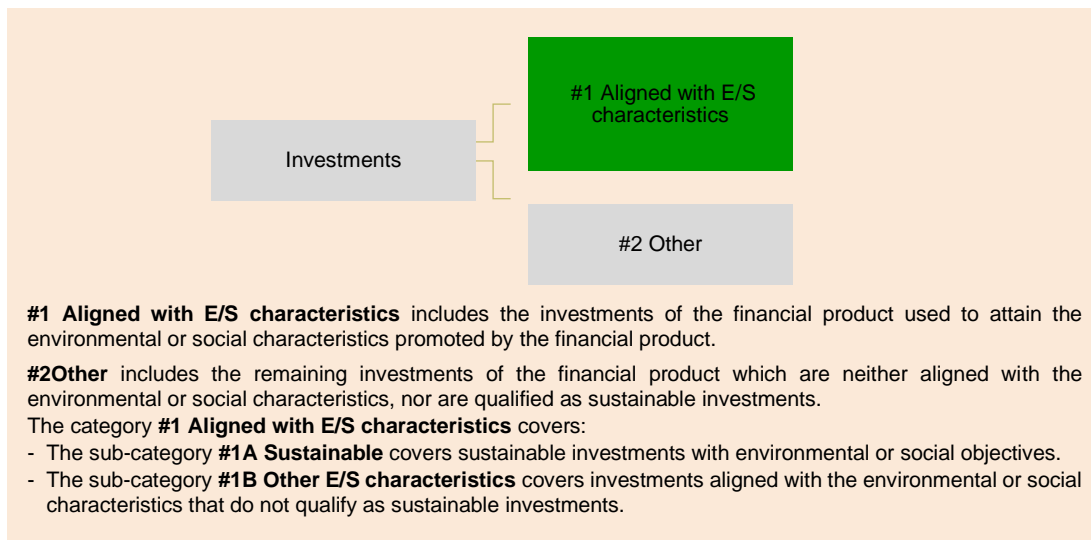
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product

The planned asset allocation of this Sub-Fund will be a 51% minimum of bonds aligned with E/S characteristics.

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.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product**

N/A

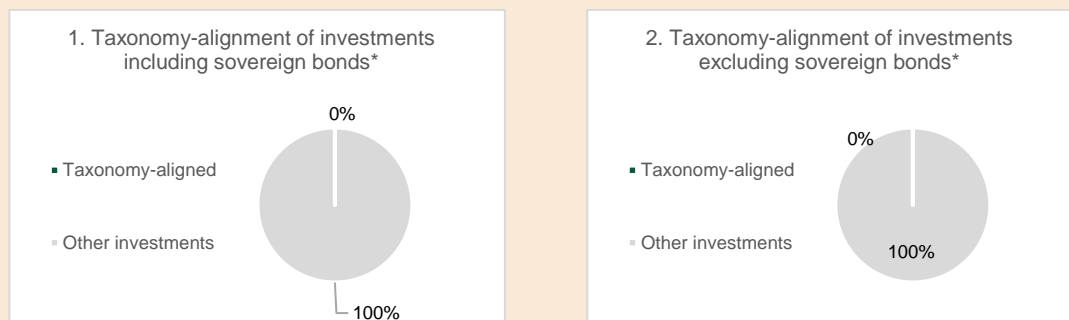


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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.

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*

- **What is the minimum share of investments in transitional and enabling activities?**

N/A



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



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A



What is the minimum share of socially sustainable investments

N/A



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included in #2 Other will be cash, cash equivalents and derivatives for liquidity management and efficient portfolio management. Those instruments do not participate in attaining the environmental or social characteristics promoted by this Sub-Fund.

Investments included in #2 Other can also include bonds. In that case, the bond investments include safeguards to the extent that the bindings elements described above also apply to them.



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

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes

No

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

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

N/A

- *Where can the methodology used for the calculation of the designated index be found?*

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.ubp.com/en/investment-expertise/responsible-investment>.