

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 - GLOBAL HIGH YIELD SOLUTION
Legal entity identifier: O00000869_000000078

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.

Environmental and/or social characteristics

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?

The environmental and social characteristics promoted by this Sub-Fund only apply to the sovereign bond allocation of this Sub-Fund. The derivatives instruments, and notably high-yield CDS indices, are out of scope as described below. Thus, the environmental and social characteristics promoted encompass the interest rate exposure of this Sub-Fund but not the high-yield credit allocation of this Sub-Fund which is built via CDS indices.

In terms of the social characteristics, this Sub-Fund promotes via investments in sovereign bonds the sustainability of a country's economic performance given its efficacy meeting the basic needs of its population and reducing poverty, management of social and equity issues and investment in human capital and productivity.

In terms of the environmental characteristics, this Sub-Fund promotes via investments in sovereign bonds the sustainability of a country's economic performance given its natural resource endowment, management and supplementation and its risk or resilience to climate change and other natural hazards.

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 indicators used to assess social and environmental characteristics via investments in sovereign bonds (derivatives are out of scope as below) are based on internal environment and social scores built using data from an external provider. The external provider incorporates data relevant to all 17 UN's Sustainable Development Goals.

The indicator used to measure the attainment of the social characteristics will disclose the percentage of countries in this Sub-Fund that are in the bottom 10% of the considered universe on the internal social score.

The indicator used to measure the attainment of the environmental characteristics will disclose the percentage of countries in this Sub-Fund that are in the bottom 10% of the considered universe on the internal environmental score.

The considered universe is currently made of more than 100 countries.

● ***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.

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.



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

☒ Yes

☐ No

The following PAIs will be considered by this Sub-Fund. This Sub-Fund will consider those PAIS only to investments in sovereigns. The derivative exposure in this Sub-Fund implemented to gain exposure to the high-yield market is not incorporated in the consideration of principal adverse impact on sustainability factors.

Governance

* 21. Corruption

* 24. Rule of law

This Sub-Fund considers the above governance PAIs when assessing the ESG profile of the sovereign bond issuers in the portfolio. A scoring methodology is implemented by the Investment Manager to assess E, S and G characteristics. This Sub-Fund commits not to invest in states that are severely failing the above PAIs.



What investment strategy does this financial product follow?

This Sub-Fund actively managed denominated in USD which invests its net assets primarily in securities denominated in this currency. At any time, this Sub-Fund invests a majority of its net assets in bonds and other debt securities. This Sub-Fund will have nominal net exposure of between 80% and 120% to High Yield products via the use of CDS (Credit Default Swaps) within the framework of effective management of the portfolio.

This Sub-Fund may invest in bonds issued under any law, including securities issued under the regulations known as REG S or 144A, in respect of the investment strategy of the Sub-Fund.

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 this Sub-Fund's allocation to sovereign 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 emerging market issuers. In the absence of a rating from MSCI or equivalent data providers, an internal rating may be assigned by the Investment Manager. The derivative exposure in this Sub-Fund implemented to gain exposure to the high-yield market falls out of the scope of those requirements.

The ESG investment strategy is based on three pillars that are bidding elements in the investment strategy with regards to the promotion of E/S characteristics. The below only apply to sovereign bonds. The derivative exposure in this Sub-Fund implemented to gain exposure to the high-yield market falls out of the scope of the ESG strategy.

- Exclusions applicable to this Sub-Fund, according to the UBP Responsible Investment policy (available on <https://www.ubp.com/en/investment-expertise/responsible-investment>). In addition, in line with UBP's Group policy, securities under EU, HK, OFAC, Swiss, UK and UN sanctions are also excluded from this Sub-Fund, as well as investments in FATF "high-risk countries", while any investment in FATF "jurisdictions under increased monitoring" are subject to due diligence and approval.
- ESG integration.

ESG integration is implemented on sovereign issuers through a two-step process:

- External data sources provide information to an internal model to build a quantitative scoring system for each sovereign issuer.
- A qualitative check follows this, where adjustments to the score are possible.

Sovereign issuers deemed to have severe ESG deficiencies, based on this approach, are excluded from the investment universe. 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.

- Preference for green bonds and sustainability bonds with environmental objectives ("Green Bonds"). The preference for Green Bonds should be considered as an objective and is conditional to availability, liquidity conditions and relative value analysis. The investment universe for Green Bonds as targeted by this Sub-Fund is currently limited. This Sub-Fund ambitions to increase its allocation to Green Bonds to 10% on a best effort basis should the depth of the market increase over time.

● ***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, the Investment Manager.

● ***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.: ESG integration. Sovereign issuers deemed to have severe ESG deficiencies, based on the approach outlined above are excluded from the investment universe.

The above only applies to the allocation to bonds in this Sub-Fund.

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



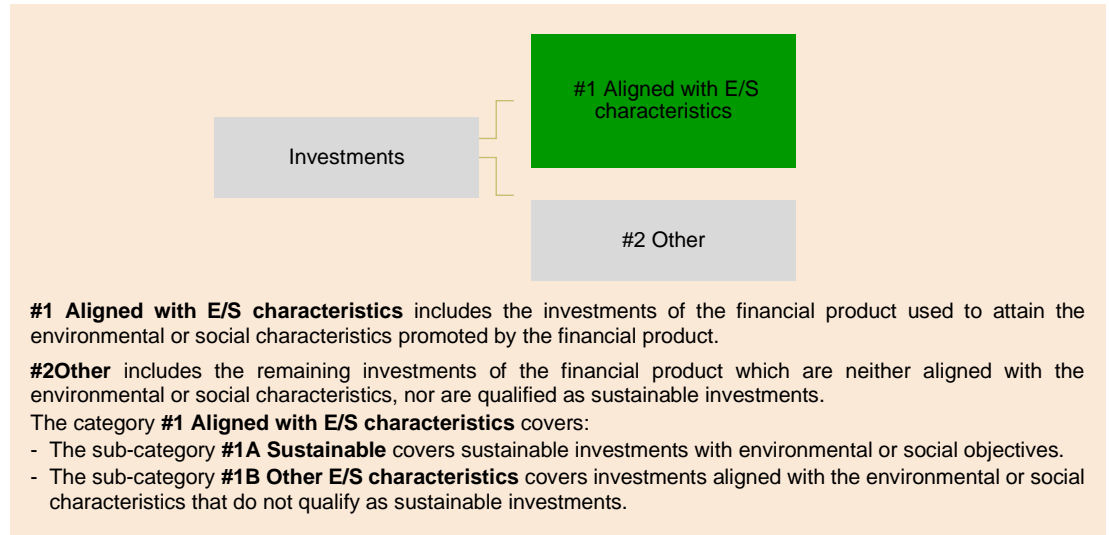
What is the asset allocation planned for this financial product

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

Asset allocation describes the share of investments in specific assets.

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

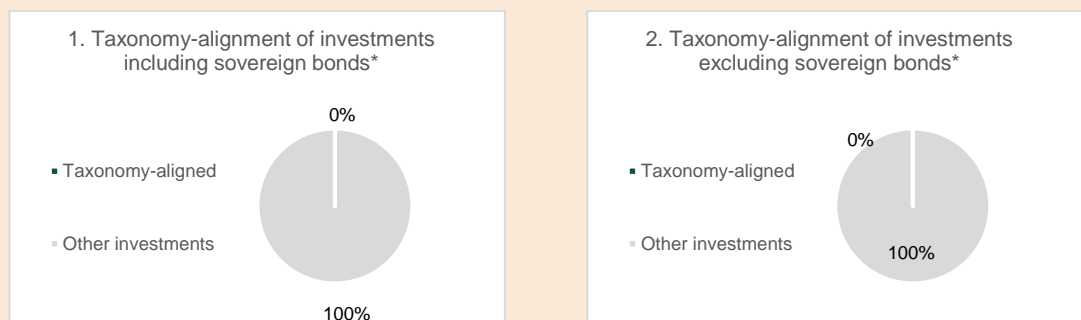


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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. Derivatives will be implemented in this Sub-Fund to gain access to the high-yield market. 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>.