



EUROPEAN
COMMISSION

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ANNEX 4

ANNEX

to the

Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX IV

Template periodic 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

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.

Product name:

Legal entity identifier

UBS (Lux) Fund Solutions – J.P. Morgan
EMU Government ESG Liquid Bond UCITS
ETF

549300L2LM976DR14286

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?



Yes



It made 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 made sustainable investments with a social objective: ____%



No



It promoted Environmental/Social (E/S) characteristics and

while it did not have as its objective a sustainable investment, it had a proportion of 48.37% 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 promoted E/S characteristics, but did not make any sustainable investments



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

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

● ***How did the sustainability indicators perform?***

The ESG promotion characteristics are measured using the following indicators respectively:

The ESG Score was 2.86% higher than that of the parent benchmark (J.P. Morgan EMU Government Bond Index) (6.20 vs. 6.03)

Indicator definitions can be found in the first page of the SFDR level 2 disclosures.

The parent benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product.

Please note that while the parent benchmark is provided by JPMorgan Chase & Co., the Portfolio Manager has also relied on data provided by MSCI to calculate the ESG Score, the benchmark and the parent benchmark. As a result, there might be a discrepancy between the figures disclosed by the Portfolio Manager and the Index / parent Index provider.

● ***...and compared to previous periods?***

2022 was the first period the indicators were calculated.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make, is to contribute to environmental and/or social objectives.

The financial product intends to make sustainable investment by investing at least 90% of its total net assets in securities that are constituents of the Index. The index applies an Environmental, Social and Governance (ESG) scoring and screening methodology to tilt toward issuers ranked higher on ESG criteria and green bond issues, and to underweight or remove issuers that rank lower.

J.P. Morgan ESG Ratings are designed to help investors identify the environmental, social and governance (ESG) risks and opportunities of their investments and to integrate these factors into their portfolio construction.

The J.P. Morgan Global EMU ESG Liquid Bond Index applies J.P. Morgan ESG (JESG) issuer scores to adjust the market value of index constituents from the respective baseline indices. JESG issuer scores are a 0-100 %ile rank calculated based on normalized raw ESG scores

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.

from third-party research providers Sustainalytics and RepRisk. An issuer's finalized JESG score incorporates a 3-month rolling average. The JESG scores are divided into ten bands that are used to scale each issue's baseline index market value, with the band rebalance occurring with a one-month lag.

Issuers in Bands 4-10 will be excluded from the index, as well as issuers identified as violating Freedom House principles. If an instrument is categorized as a "green bond" by the Climate Bonds Initiative, the security will receive a upgrade.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

This financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.

Further details can be found in the prospectus annex for each fund.

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Issuers identified as violating Freedom House principles will be removed from the index.

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 Union criteria.

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

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



How did this financial product consider principal adverse impacts on sustainability factors?

This financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.

Further details can be found in the prospectus annex for each fund.



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
<i>French Republic Government Bond OAT Bundesobligation</i>	<i>Sovereign Bonds</i>	<i>2.15</i>	<i>France</i>
<i>French Republic Government Bond OAT Bundesobligation</i>	<i>Sovereign Bonds</i>	<i>1.42</i>	<i>Germany</i>
<i>French Republic Government Bond OAT Bundesobligation</i>	<i>Sovereign Bonds</i>	<i>.93</i>	<i>France</i>
<i>French Republic Government Bond OAT Bundesobligation</i>	<i>Sovereign Bonds</i>	<i>.92</i>	<i>Germany</i>
<i>French Republic Government Bond OAT</i>	<i>Sovereign Bonds</i>	<i>.89</i>	<i>France</i>
<i>French Republic Government Bond OAT</i>	<i>Sovereign Bonds</i>	<i>.88</i>	<i>France</i>
<i>French Republic Government Bond OAT</i>	<i>Sovereign Bonds</i>	<i>.86</i>	<i>France</i>
<i>Netherlands Government Bond</i>	<i>Sovereign Bonds</i>	<i>.86</i>	<i>Netherlands</i>
<i>Kingdom of Belgium Government Bond</i>	<i>Sovereign Bonds</i>	<i>.82</i>	<i>Belgium</i>
<i>French Republic Government Bond OAT</i>	<i>Sovereign Bonds</i>	<i>.82</i>	<i>France</i>
<i>Bundesrepublik Deutschland Bundesanleihe</i>	<i>Sovereign Bonds</i>	<i>.81</i>	<i>Germany</i>
<i>French Republic Government Bond OAT</i>	<i>Sovereign Bonds</i>	<i>.80</i>	<i>France</i>
<i>Kingdom of Belgium Government Bond</i>	<i>Sovereign Bonds</i>	<i>.80</i>	<i>Belgium</i>
<i>Bundesrepublik Deutschland Bundesanleihe</i>	<i>Sovereign Bonds</i>	<i>.77</i>	<i>Germany</i>
<i>Bundesrepublik Deutschland Bundesanleihe</i>	<i>Sovereign Bonds</i>	<i>.77</i>	<i>Germany</i>

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022



What was the proportion of sustainability-related investments?

As per the end of the reference period the minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product was 99.90%. The minimum proportion of sustainable investments of the financial product was 48.37%.

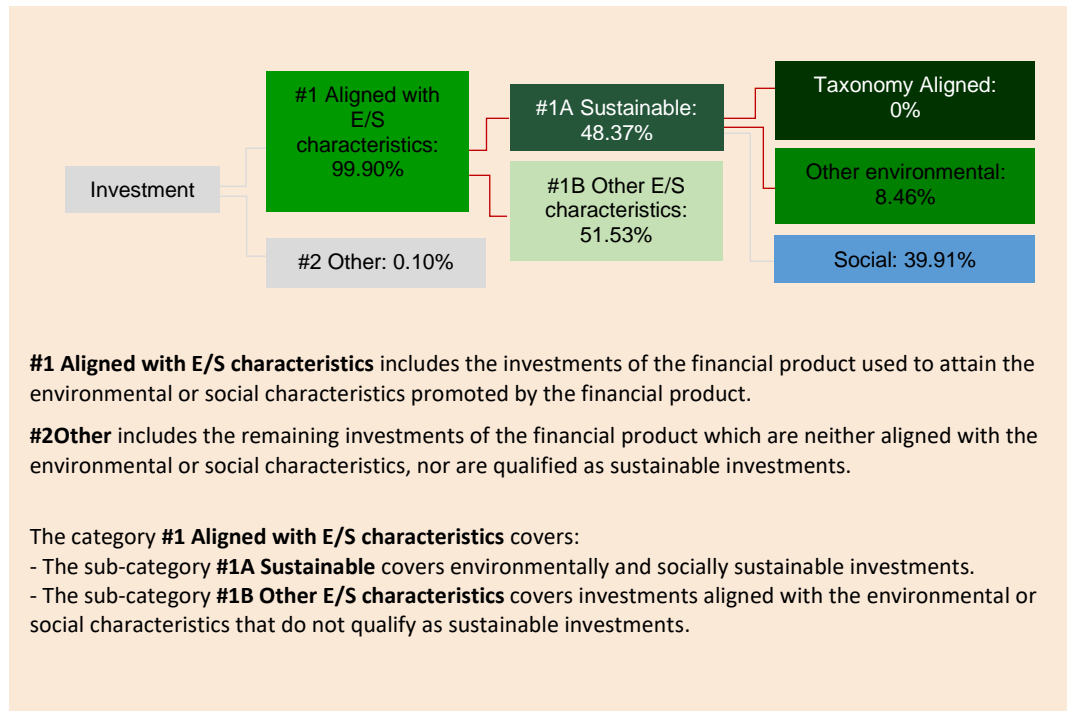
● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

The proportions of investments of the financial product were calculated as per the end of the reference period, which is: 31 December 2022

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.



● ***In which economic sectors were the investments made?***

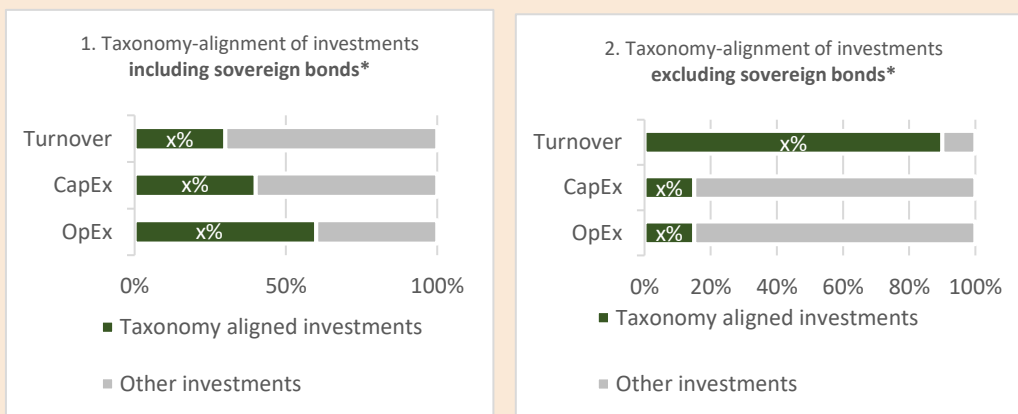
Please refer to the section “Schedule of Investments” of the relevant sub-fund of this Annual report to review the breakdown of the economic sectors where the investments were made.



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

The financial product had 0% Taxonomy Aligned Investments.

The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?

There were no investments in transitional and enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable. This is the first reference period.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The financial product had a proportion of sustainable investment with an environmental objective not aligned with the EU Taxonomy as stated in the asset allocation section of this annex.

What was the share of socially sustainable investments?

The financial product had a proportion of socially sustainable investment as stated in the asset allocation section of this annex of 39.91%

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

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 investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The alignment of the investment strategy with the methodology of the index is ensured on a continuous basis as the index provider rebalances the index on a regular basis and the Investment Manager tracks the Index in line with the limits set out in the investment policy of Fund.

The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the characteristics it seeks to promote.

The investment strategy of the fund is to track the benchmark’s return and its characteristics, including ESG characteristics, as closely as reasonably possible. The investment strategy is to replicate the index by applying stratified sampling managing the tracking error.

The investment manager reviews the index methodology when the product is set up and the Index provider may be contacted if the Index methodology is no longer in line with the investment strategy of the financial product.



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

How does the reference benchmark differ from a broad market index?

The J.P. Morgan EMU Government ESG Liquid Bond Index (Total Return) is based on a market capitalization weighting and designed to track the performance of liquid local government bonds issued by Eurozone governments across all level of maturities. The index further applies an environmental, social and governance (ESG) scoring and screening methodology of the issuer countries to tilt towards issuers ranked higher on ESG criteria and to underweight or remove issuers that rank lower. Countries are categorized into 10 bands based on their ESG score (1 = best, 10 = worst) and the countries in the lowest 5 ESG bands will be removed from the index. The ESG methodology is described in the methodology of the index provider. The index is rebalanced on a monthly basis.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

The ESG Score was 0.07% lower than that of the reference benchmark (J.P. Morgan EMU Government ESG Liquid Bond Index (Total Return)) (6.20 vs. 6.20).

Please note that while the parent benchmark is provided by JPMorgan Chase & Co., the Portfolio Manager has also relied on data provided by MSCI to calculate the ESG Score, the benchmark and the parent benchmark. As a result, there might be a discrepancy between the figures disclosed by the Portfolio Manager and the Index / parent Index provider.

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

● ***How did this financial product perform compared with the reference benchmark?***

The ESG Score was 0.07% lower than that of the reference benchmark (J.P. Morgan EMU Government ESG Liquid Bond Index (Total Return)) (6.20 vs. 6.20).

Please note that while the parent benchmark is provided by JPMorgan Chase & Co., the Portfolio Manager has also relied on data provided by MSCI to calculate the ESG Score, the benchmark and the parent benchmark. As a result, there might be a discrepancy between the figures disclosed by the Portfolio Manager and the Index / parent Index provider.

● ***How did this financial product perform compared with the broad market index?***

The ESG Score was 2.86% higher than that of the broad market Index (J.P. Morgan EMU Government Bond Index) (6.20 vs. 6.03).

Please note that while the parent benchmark is provided by JPMorgan Chase & Co., the Portfolio Manager has also relied on data provided by MSCI to calculate the ESG Score, the benchmark and the parent benchmark. As a result, there might be a discrepancy between the figures disclosed by the Portfolio Manager and the Index / parent Index provider.