

# UBS ETFs Sustainable Investing

**Your World.** Your Money.  
Worth Thinking About.

Sustainable investing, giving you access to stocks and bonds of companies with high environmental, social and corporate governance (ESG) profiles.



## Sustainable UBS ETFs - What you need to know

- Benefit from forward thinking, responsibly managed companies, which form a portfolio of a single sustainable investment solution.
- Exposure to key equity and fixed income markets around the world.
- Built upon the research of the MSCI ESG (Environmental, Social and Governance) framework.
- Mitigate foreign exchange risk with currency hedged share classes in CHF, EUR and USD.
- Available in distributing and accumulating share classes.
- All funds are UCITS V compliant.
- No securities lending activities.

## MSCI Socially Responsible Investing Indices

The MSCI Socially Responsible Investing (MSCI SRI) indices are built upon three-pillars: Environmental, Social and Governance (ESG). Based on these pillars, the SRI index selects companies using a three-step approach:

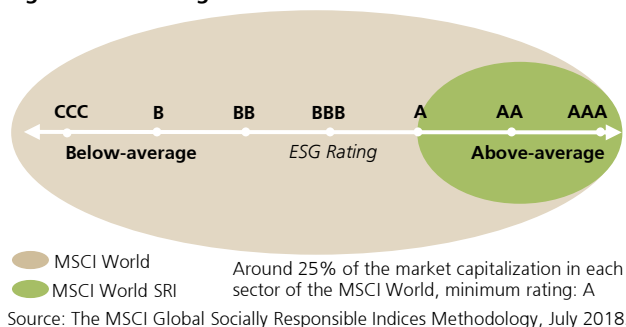
1. **Business Involvement Screening Research - Exclusion**  
Negatively screens companies with a detrimental social or environmental impact including controversial weapons (zero tolerance), civilian firearms, nuclear weapons and tobacco (minimal tolerance), alcohol, gambling, nuclear power, conventional weapons, adult entertainment and genetically modified organisms (low tolerance) as well as thermal coal (not classified under any specific tolerance level).<sup>1</sup>
2. **ESG Intangible Value Assessment (IVA) – Rating**  
Positively screens companies vis-à-vis sector peers by assigning each an ESG rating from AAA to CCC, based on ESG business practices (Figure 1). Only the highest ESG-rated companies are eligible for the SRI index.
3. **ESG Controversies – Scoring**  
Identifies companies that are involved in controversial activities, assessing how well companies adhere to international norms and principles such as UN Global Compact and ILO Core Conventions. MSCI ESG Controversies look at five different areas: Environment, Governance, Customers, Human Rights & Community and Labor Rights & Supply Chain.

In the MSCI SRI indices, stocks are market capitalization weighted and aim to provide similar performance as standard MSCI indices. The SRI indices aim to select companies with the strongest ESG profiles that cover about 25% of the market capitalization in each industry and region of the parent index.

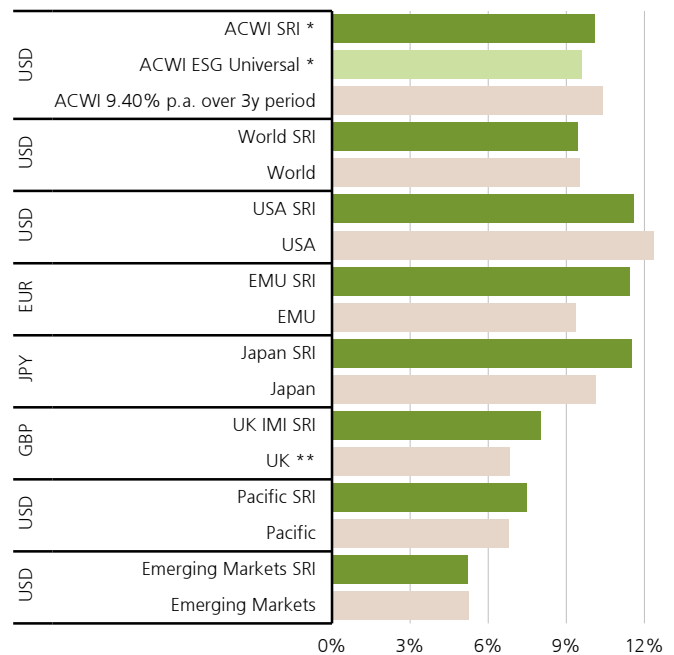
UBS Socially Responsible Equity ETFs include companies with MSCI ESG (IVA) rating of 'A' or higher<sup>2</sup> and MSCI ESG Controversy score of 4 or higher.

UBS Sustainable Fixed Income ETFs include fixed-rate, investment grade, USD and EUR denominated securities, issued by US and Eurozone corporates with an MSCI ESG rating of 'BBB' or higher and MSCI ESG Controversy score of 2 or higher.

**Figure 1: Screening universe for MSCI SRI indices**



**Figure 2: 5Y performance of the MSCI SRI 5% Issuer Capped equity indices (total net return, annualized)**



Please note that past performance is not indicative of future performance.  
 \* Index data in the marked SRI indices is only available for three years. The parent index reporting period has been adjusted to the same period to provide comparable figures.  
 \*\* UK SRI index is based on IMI universe which also incorporates small caps.  
 Source: MSCI, UBS Asset Management, July 2018.

## MSCI ESG Universal Indices

The MSCI ESG Universal index is designed to integrate ESG signals and retain diversified market exposure. But unlike the MSCI SRI framework, MSCI ESG Universal Index tilts away from market cap weights and seeks to enhance exposure to those companies that demonstrate both a higher MSCI ESG Rating and a positive ESG Trend. Based on the ESG criteria, the ESG Universal index filters companies using a three-step approach:

1. Exclusion of companies involved in controversial weapons and violations of international norms.
2. Ranking of companies based on the sector-relevant ESG Rating and ESG Trend.
3. Re-weighting of the market cap weights based upon ESG rating and its trend. The reweighting is designed to reward consistent ESG performers, but also to favor companies with strong ESG momentum (incentive to improve).

Whereas MSCI SRI indices exclude and hence divest poor ESG performers, the MSCI ESG Universal Index simply associates lower weights to poor ESG performers, whilst maintaining a very broad universe.

Source: The MSCI ESG Universal Indexes Methodology, July 2018.

<sup>1</sup> MSCI ESG Research has developed a framework designed to define significant involvement in controversial activities. According to this framework, there are three tolerance levels: Zero Tolerance, Minimal Tolerance and Low Tolerance. Companies being active as producers or distributors are either excluded based on any activity in one of these business areas or depending on a certain threshold of revenue, in relative (e.g. 5% or 15%).  
<sup>2</sup> MSCI UK and Switzerland IMI Extended SRI: The IVA rating threshold was lowered to a minimum rating of "BBB" and Controversy Score of "1" at the initial construction.

## Equity (MSCI Socially Responsible)

### All-Country World

#### World

#### Emerging Markets

USA

EMU

Japan

UK

Pacific

Switzerland

### Sustainable UBS ETFs on the SIX Swiss Exchange<sup>3,4</sup>

Fund Name	Fee	NAV Ccy.	Repl-ication	Distri-bution	ISIN	Bloomberg
UBS ETF (LU) MSCI World Socially Responsible UCITS ETF	0.38%	USD	Physical	Yes	LU0629459743	WSRUSA SW
UBS ETF (LU) MSCI USA Socially Responsible UCITS ETF	0.33%	USD	Physical	Yes	LU0629460089	ASRUSA SW
UBS ETF (LU) MSCI USA Socially Responsible hedged CHF UCITS ETF	0.43%	CHF	Physical	Yes	LU1273642733	USSRT SW
UBS ETF (LU) MSCI USA Socially Responsible hedged CHF UCITS ETF	0.43%	CHF	Physical	No	LU1273641503	USSRS SW
UBS ETF (LU) MSCI USA Socially Responsible hedged EUR UCITS ETF	0.43%	EUR	Physical	Yes	LU1280303014	USSRF SW
UBS ETF (LU) MSCI EMU Socially Responsible UCITS ETF	0.28%	EUR	Physical	Yes	LU0629460675	ESREUA SW
UBS ETF (LU) MSCI EMU Socially Responsible hedged CHF UCITS ETF	0.38%	CHF	Physical	Yes	LU1273642907	EUSRT SW
UBS ETF (LU) MSCI EMU Socially Responsible hedged CHF UCITS ETF	0.38%	CHF	Physical	No	LU1273642816	EUSRS SW
UBS ETF (LU) MSCI EMU Socially Responsible hedged USD UCITS ETF	0.38%	USD	Physical	No	LU1280300770	EUSRU SW
UBS ETF (LU) MSCI Japan Socially Responsible UCITS ETF	0.40%	JPY	Physical	Yes	LU1230561679	JPSRF SW
UBS ETF (LU) MSCI Japan Socially Responsible hedged CHF UCITS ETF	0.50%	CHF	Physical	Yes	LU1273488475	JPSRT SW
UBS ETF (LU) MSCI Japan Socially Responsible hedged EUR UCITS ETF	0.50%	EUR	Physical	No	LU1273488715	JPSRE SW
UBS ETF (LU) MSCI Japan Socially Responsible hedged USD UCITS ETF	0.50%	USD	Physical	No	LU1273489440	JPSRU SW
UBS ETF (IE) MSCI United Kingdom IMI Socially Responsible UCITS ETF	0.28%	GBP	Physical	Yes	IE00BMP3HN93	UKSRF SW
UBS ETF (IE) MSCI United Kingdom IMI Socially R. hedged CHF UCITS ETF	0.38%	CHF	Physical	Yes	IE00BZ0RTB90	UKSRT SW
UBS ETF (IE) MSCI United Kingdom IMI Socially R. hedged EUR UCITS ETF	0.38%	EUR	Physical	No	IE00BYNQMK61	UKSRE SW
UBS ETF (IE) MSCI United Kingdom IMI Socially R. hedged USD UCITS ETF	0.38%	USD	Physical	No	IE00BYNQMM85	UKSRU SW
UBS ETF (LU) MSCI Pacific Socially Responsible UCITS ETF	0.40%	USD	Physical	Yes	LU0629460832	PSRUSA SW
UBS ETF (LU) MSCI Emerging Markets Socially Responsible UCITS ETF	0.53%	USD	Physical	Yes	LU1048313891	MSRUSA SW
UBS ETF (CH) MSCI Switzerland IMI Socially Responsible	0.28%	CHF	Physical	Yes	CH0368190739	CHSRU SW
UBS ETF (IE) MSCI ACWI ESG Universal hedged CHF UCITS ETF	0.48%	CHF	Physical	Yes	IE00BDQZN667	AWESGT SW
UBS ETF (IE) MSCI ACWI ESG Universal hedged CHF UCITS ETF	0.48%	CHF	Physical	No	IE00BDQZN774	AWESGS SW
UBS ETF (IE) MSCI ACWI ESG Universal hedged EUR UCITS ETF	0.48%	EUR	Physical	No	IE00BDQZN337	AWESGE SW
UBS ETF (IE) MSCI ACWI ESG Universal hedged USD UCITS ETF	0.48%	USD	Physical	No	IE00BDQZN113	AWESGW SW
UBS ETF (IE) MSCI ACWI Socially Responsible hedged CHF UCITS ETF	0.48%	CHF	Physical	Yes	IE00BDR55D61	AWSRIT SW
UBS ETF (IE) MSCI ACWI Socially Responsible hedged CHF UCITS ETF	0.48%	CHF	Physical	No	IE00BDR55F85	AWSRIS SW
UBS ETF (IE) MSCI ACWI Socially Responsible hedged EUR UCITS ETF	0.48%	EUR	Physical	No	IE00BDR55927	AWSRIE SW
UBS ETF (IE) MSCI ACWI Socially Responsible hedged GBP UCITS ETF	0.48%	GBP	Physical	Yes	IE00BDR55B48	AWSRIH SW
UBS ETF (IE) MSCI ACWI Socially Responsible hedged USD UCITS ETF	0.48%	USD	Physical	No	IE00BDR55703	AWSRIW SW

## Fixed Income (Barclays MSCI Sustainable)

USA Corporate

Euro Area Corporate

### UBS ETFs tracking Barclays MSCI Fixed Income Sustainable index on the SIX Swiss Exchange<sup>3,4</sup>

Fund Name	Fee	NAV Ccy.	Repl-ication	Distri-bution	ISIN	Bloomberg
UBS ETF (LU) Barclays MSCI US Liquid Corporates Sustainable UCITS ETF	0.20%	USD	Physical	Yes	LU1215461085	CBSUSF SW
UBS ETF (LU) Barclays MSCI US Liquid Corp. Sustainable hedged CHF UCITS ETF	0.25%	CHF	Physical	Yes	LU1215461754	CBSUST SW
UBS ETF (LU) Barclays MSCI US Liquid Corp. Sustainable hedged EUR UCITS ETF	0.25%	EUR	Physical	No	LU1215461325	CBSUSE SW
UBS ETF (LU) Barclays MSCI US Liquid Corp. Sustainable hedged GBP UCITS ETF	0.25%	GBP	Physical	Yes	LU1215461598	CBSUSH SW
UBS ETF (LU) Barclays MSCI Euro Area Liquid Corp. Sustainable UCITS ETF	0.20%	EUR	Physical	Yes	LU1484799769	CBSEU SW
UBS ETF (LU) Barclays MSCI Euro Area Liquid Corp. Sustainable UCITS ETF	0.20%	EUR	Physical	No	LU1484799843	CBSEUA SW
UBS ETF (LU) Barclays MSCI Euro Area Liq. Corp. Sust. h. CHF UCITS ETF	0.25%	CHF	Physical	Yes	LU1484800872	CBSEUT SW
UBS ETF (LU) Barclays MSCI Euro Area Liq. Corp. Sust. h. CHF UCITS ETF	0.25%	CHF	Physical	No	LU1484800955	CBSEUS SW

<sup>3</sup> ETFs may also be listed on other exchanges (incl. XETRA, Borsa Italiana, LSE, Euronext)

<sup>4</sup> All indices limit the exposure of each issuer/stock to 5% of the total market value and redistribute the excess market value index-wide on a pro rata basis.

Source: UBS Asset Management.

Current fund performance data and further product information are available at [www.ubs.com/etf](http://www.ubs.com/etf).

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### Risk disclaimer

This UBS Exchange Traded Fund invests in equities and may therefore be subject to high fluctuations in value. For this reason, an investment horizon of at least five years and corresponding risk tolerance and capacity are required. All investments are subject to market fluctuations. Every fund has specific risks, which can significantly increase under unusual market conditions. As a result, the net asset value of the funds' assets is directly dependent on the performance of the underlying index. Losses that could be avoided via active management will not be offset.

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