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For professional / qualified / institutional clients and investors only

Sustainable ETFs for a better tomorrow

Your journey with UBS ETFs

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Sustainable ETFs for a better tomorrow

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Sustainable investment solutions have made quite a journey, and there's no end to this trend in sight. At UBS Asset Management, we have had a focus on sustainable finance for over two decades, and today, it is embedded in our firm and commitment to our clients: we strive to be the financial provider of choice to help clients mobilize their capital towards a more sustainable world.

Sustainable investing has also been a key focus for UBS Exchange Traded Funds (ETFs) for more than a decade, and we have seen it growing from niche to mainstream. Today, we are one of the largest providers of sustainable ETFs in Europe (Source: ETFGI ETFs industry in Europe industry insights report. Data as at 31 December 2023). UBS ETF has remained at the forefront of innovation, being among the first to bring innovative sustainable solutions to the market, and we will continue to work with a range of index providers to create sustainable solutions for our clients.

ETFs have grown in popularity among institutional investors in recent years, and sustainable strategies in particular have grown to become a crucial part of their asset allocation. We engage with our clients to exchange ideas and feedback. This helps drive our product innovation and efforts to provide a diverse ESG offering for our clients, including recently launched ETFs tracking Bloomberg MSCI Global Green Bond 1–10 Year Sustainability Select index and S&P ESG Elite High Yield Dividend Aristocrats index.

Be assured that we continue to bring the ideas, understanding, and clarity to guide your choices, so you can deliver your investment priorities and your values.

By creating products that take ESG considerations into account, we believe our investments are well-positioned to meet clients' needs while helping drive positive change, beyond just financial returns.

What drives sustainable investing

In recent years attitudes towards sustainable investing have undergone a transformational shift. Once a ’nice to have’, today it is a clear ’must have’ as more and more investors prioritize sustainable investing in their investment processes.

We see four clear factors driving this trend all of which are structural, long-lasting, and set to be significant drivers of flows in the years ahead.

A shift in societal values
Public awareness of ESG-related risks and opportunities has placed sustainable investing at the top of the global agenda and led to the creation of major milestones, including the Paris Agreement and the UN Sustainable Development Goals (SDGs). The COVID-19 pandemic has further highlighted the materiality of ESG issues.

Changing perception of risk
Institutional investors, in particular pension funds, are pivoting toward sustainable investing, driven by growing regulatory obligations and changing perceptions of their fiduciary duties. Up to 79% of institutional investors plan to increase their allocations to ESG products over the course of next two years, according to a recent study by PWC.[1]

Sustainable investing performance
Evidence strongly suggests that investing in sustainable investing-focused funds won't compromise returns: a 2020 study by Morningstar of more than 700 European sustainable funds showed that over one, three, five and ten years the majority of those funds outperformed non-ESG funds[2].

COVID-19 has further highlighted the resilience of sustainable investing-focused funds in distressed markets. According to MSCI, during the first six months of 2020 – a period of high market volatility – all major MSCI ESG ACWI indexes outperformed the MSCI ACWI[3].

In 2022, investors in ESG equities had to accept lower returns compared to conventional investments due to market changes triggered by the war in Ukraine. However, passive ESG strategies with small tracking errors haven't experienced significant performance deviations versus conventional strategies. During the course of 2023, sustainable equities saw a positive reversal in performance compared to their core counterparts for most exposures, particularly for broad exposures.

Regulation
Growing regulatory pressure is increasingly driving institutional client demand, particularly in the EU.

Changes to existing regulations, led by the EU Taxonomy and Sustainable Finance Disclosure Regulation, look set to make reporting on ESG outcomes a requirement for client disclosures, which, in turn, will fundamentally underpin the continued flow of assets into sustainable investing funds. Beyond the EU we are seeing regulators in other markets, such as Switzerland, UK and Asia, intensify their focus on sustainability.

[1] www.pwc.lu/bm/en/press-releases/asset-wealth-management-revolution-2022-report.html
[2] www.morningstar.in/posts/58587/esg-stocks-outperform-wider-market.aspx
[3] www.msci.com/www/blog-posts/is-esg-investing-a-price-bubble/02231869256
You can read our full sustainable investment policy online at https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html

Defining the E, the S and the G

E

Environmental Factors
Environmental issues can be both positive and negative from an investor's perspective. The assessment of these factors considers a company's ability to control their direct and indirect environmental impact. For example, how, and to what extent, is it limiting energy consumption, reducing greenhouse emissions, fighting resource depletion and protecting biodiversity? Is the company making a positive contribution, perhaps by developing new technologies, which can accelerate the transition to a lower-carbon future?

S

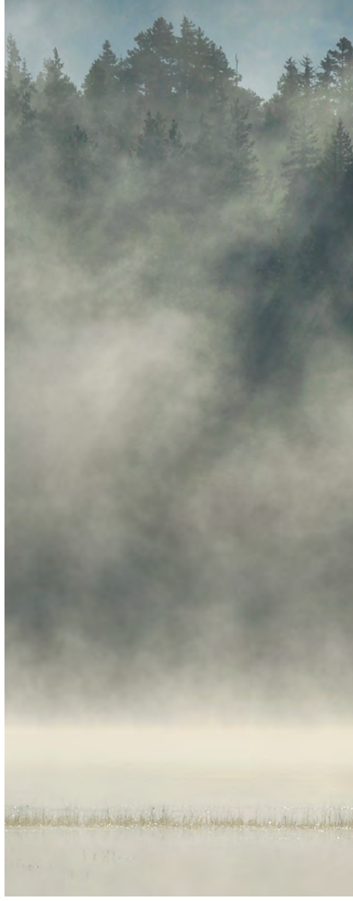
Social Factors
Assessing social factors requires an evaluation of two key elements. The first relates to a company's strategy for developing its human capital, based on a series of fundamental, universally accepted principles. The second element is linked to the company's approach to broader human rights.

G

Governance Factors
Governance encompasses corporate considerations such as levels of board diversity, executive pay, accounting policies, and ownership and control structures. Corporate behavior is also a constituent element of governance evaluations.
For example, how transparent is a company around taxation? What are its policies in relation to anti-competitive practices? Does it uphold a clear set of business ethics?

You can read our full sustainable investment policy online at
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html

Our approach to stewardship



Proxy voting
It is our belief that voting rights have economic value and should be treated accordingly. As a result we consider voting to be an important part of our fiduciary duty to clients and integral to both the investment process and our overall stewardship approach. We have been voting on a discretionary basis on behalf of our clients since 1995 and implemented our first internal voting policy in 1998. The policy continues to be reviewed annually to take into account changes in global standards and best practice related to Corporate Governance and Sustainability.

While there is no absolute set of standards that determine appropriate governance under all circumstances, and no set of values that will guarantee ethical board behavior, there are certain principles which we consider are appropriate to protect the economic value of our clients' investments. Our policy is therefore applied globally but also allows us the discretion to reflect local laws or standards where appropriate.

Our approach is to vote in all markets, unless we feel that by doing so we will impede our ability to manage a portfolio, or that the logistics involved in voting are prohibitive and would not deliver sufficient benefit to clients.

Engagement
We believe that engaging with investee companies and prospective investee companies can steer those companies toward longer-term issues that drive company value and that we believe will likely contribute to the success of the investment thesis over time. These discussions relate to the governance structure and increasingly to longer-term sustainability trends that have a material impact on company performance, such as climate change, environmental management and human capital performance.

These efforts involve reaching out to both executive and, ideally, non-executive, board members in order to influence the company strategy. Finally, engagements entail working closely with corporate management to take appropriate and concrete measures to unlock long-term value.

Most fundamentally, engagements linked to the investment case provide a differentiated means of creating better longer-term returns for clients. Such engagements lead investment teams to approach each company's investment decision as an owner, transforming the investment process from simply developing a view on the current short-term price in the market to instead making a commitment to work collaboratively with companies on realizing positive change.

UBS Asset Management's proxy voting and engagement activities are overseen by the Stewardship Committee. The Stewardship Committee is chaired by the Head of Investments and comprises the Head of Sustainable Research & Investment Specialists, the Head of Active Equities, the Head of Systematic and Index Investing, the Head of Research and Stewardship and the Head of Global Institutional Client Coverage.

Further information

As part of its investment processes,
UBS considers adverse impacts.
Read our Adverse Impacts Statement online.

UBS Asset Management
Stewardship Statement

UBS Asset Management
Proxy Voting Policy

You can read our full sustainable investment policy online.

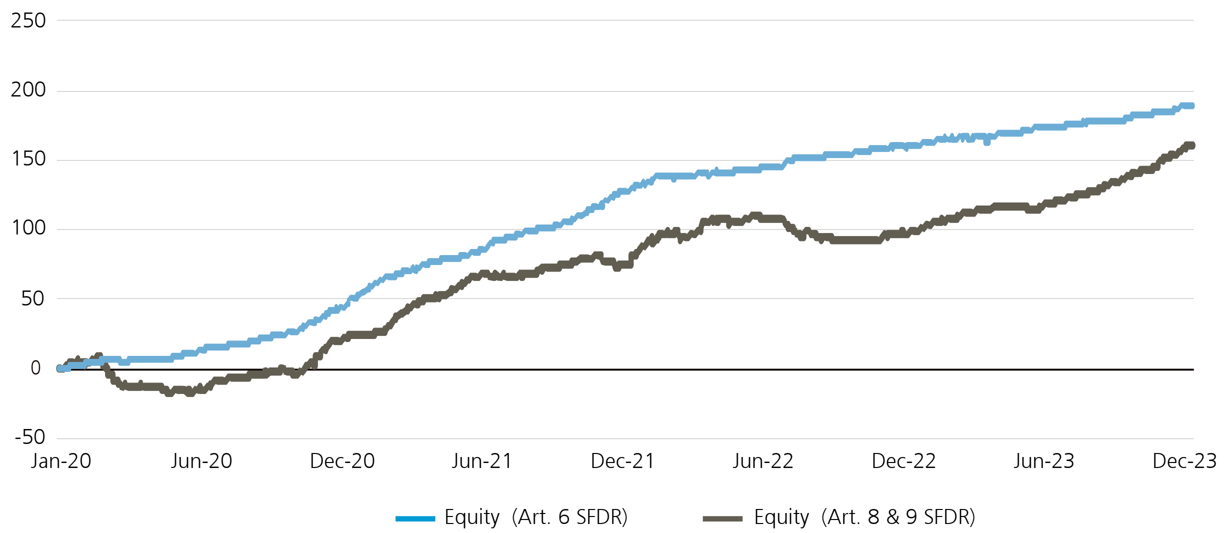
Sustainable ETF flows

Investors have increasingly been adopting an ESG approach in recent years.

Assets invested in sustainable ETFs (UCITS) have reached USD 405 bn as of 31 December 2023 (source: etfbook.com).

Investors have shown a strong commitment to ESG since the beginning of the COVID-19 pandemic. In fact, net inflows into equity ETFs labelled as SFDR Art. 8 & 9 since the beginning of 2020 totaled USD 190.3 bn, as compared to USD 162.3 bn for equity exposures labelled as SFDR Article 6 (Figure 1).

Figure 1: NNM from 1 January 2020 to 29 December 2023 (in USD bn)



Source: UBS Asset Management, etfbook.com. Data from 1 January 2020 to 29 December 2023.

Our sustainable ETF journey

UBS ETFs has been at the forefront of innovation in the sustainable ETF space. The product range today consists of multiple solutions across equities and fixed income which enable investors to build global sustainable portfolios.

Sustainable invested assets have exceeded USD 41 bn (source: etfbook.com, as of 31 December 2023).

UBS Asset Management started its journey in creating sustainability ETFs in 2011 with the launch of a family of ETFs aiming for a strong ESG approach called SRI ETFs. Since then, the sustainable ETF family has grown significantly over time in terms of different solutions as well as in invested assets. See illustration on the next page.

- The vast majority of our sustainability-focused ETFs are classified as article 8 under SFDR, in some specific cases as article 9 under SFDR.
- The UBS Climate Paris Aligned and Climate Transition products are classified as article 9(3) under SFDR.
- UBS Sustainable Investment ETFs are physically replicated and do not participate in a security lending program.
- UBS Asset Management's stewardship strategy differentiates its ETF offering with a focus on climate change, collaboration, and access to senior management.

For more information on our sustainability commitment, please visit our website: ubs.com/global/en/assetmanagement/about/commitment

A pioneer in sustainable investments

2011
Launch of four MSCI SRI equity ETFs:
- EMU
- Pacific
- USA
- World

2014
Launch of MSCI Emerging Market SRI ETF

2015
Launch of the first ESG Fixed Income ETF (on US Corporates)

UBS becomes market leader for sustainable investment ETFs in Europe

2016
UBS sustainable investment ETFs surpassed USD 1bn of AuM

2017
Launch of:
- MSCI ACWI SRI and ACWI ESG Universal
- Global Gender Equality ETF
- Fixed Income Euro Area Liquid Corporates Sustainable

2018
Launch of Sustainable Development Bank Bonds ETF

2019
Launch of:
- S&P500 ESG ETF
- EURO STOXX 50 ESG ETF
- MSCI China ESG ETF
- EMD Investment Grade ESG ETF
- Global Government ESG

2020
Benchmark change on SRI ETFs to new customized indexes that are tailored to deliver a lower carbon footprint than market cap indices.

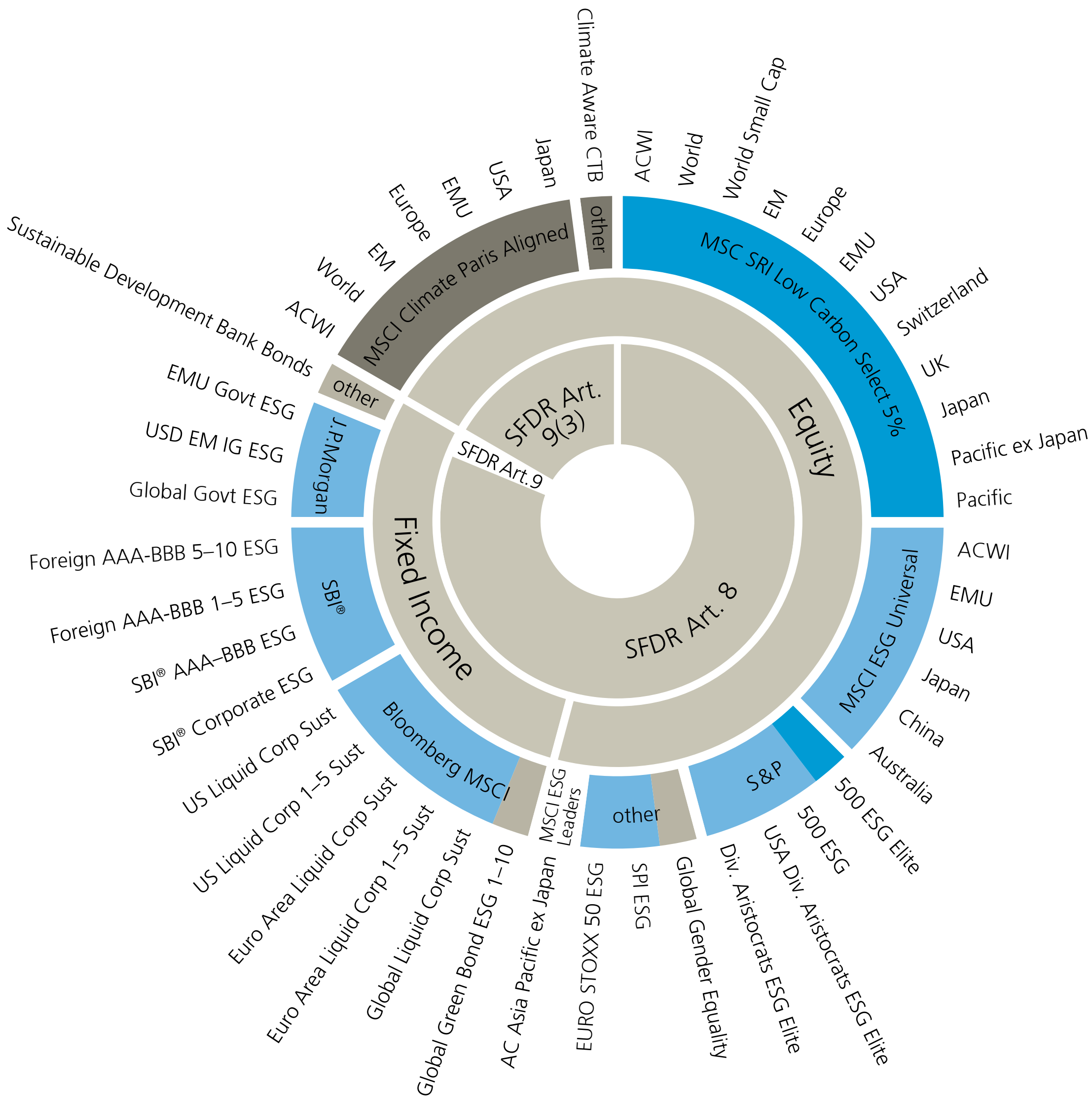
2021
UBS sustainable investment ETFs surpassed USD 30bn of AuM
Launch of:
- MSCI Climate Paris-Aligned ETF family
- MSCI ESG Universal Low Carbon Select ETF family
- S&P 500 ESG Elite

2022
Launch of:
- Euro Corporate Sustainable 1–5
- US Corporate Sustainable 1–5

2023
Launch of:
- Global Green Bond ESG 1-10
- S&P USA Dividend Aristocrats ESG Elite
- MSCI AC Asia ex Japan ESG Leaders Low Carbon Select
- MSCI Australia ESG Universal Low Carbon Select

Source: UBS Asset Management.

Our sustainable offerings



Source: UBS Asset Management. Data as of 31 December 2023.
For illustration purposes only.

At UBS Asset Management, we focus on helping our clients achieve their sustainable investment and decarbonization objectives. Over the next few pages, we provide an overview of our ETF offering in this space. Considering the UBS Asset Management ESG Product Framework[1], we will focus in particular on the Sustainable Investing products which are classified under SFDR as Article 8 and 9 funds. We commit to sustainability through our sustainable portfolio and we also may invest in non-sustainable portfolios.

12 years'

Experience in sustainable ETFs

Our sustainable offering:

- Currency hedged share classes to major currencies
- Physically-replicating ETFs
- No securities lending
- Stewardship: Proxy voting & engagement

Baseline ESG Considerations

- A solution potentially suitable as a core allocation replacement with an ESG tilt
- Designed to offer broad market representation
- Reweighting towards higher ESG-rated companies and/or exclusion of ESG laggards[1]
- Essential business activity and climate exclusions
- Qualifies as Article 8 under SFDR

Extensive ESG Considerations

- A solution aiming for a strong improvement in ESG scores
- Applies a best-in-class approach to select top 25% / 50% of highest ESG rated stocks
- Emphasis on reducing carbon footprint[2]
- Extensive business activity and climate exclusions
- Qualifies as Article 8 under SFDR

Climate

- Focused on climate objectives and limiting global warming
- Aligned and exceeding minimum standards of EU Paris-Aligned Benchmarks (PAB) or EU Climate Transition Benchmark (CTB)
- Reducing exposure to transition and physical climate risks
- Pursues opportunities arising from the transition to a lower-carbon economy
- Qualifies as Article 9(3) under SFDR

Thematic

- Focused around a particular theme such as Gender Diversity that may be aligned with Sustainable Development Goals
- Investing in green bonds or bonds of development banks such as the World Bank Group, which provides them with capital to finance high-impact development projects across developing countries
- Qualifies as Article 8 or 9 under SFDR

1 https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html
2 The ESG improvement and carbon footprint reduction of ESG indexes is relative to their respective parent indexes.

Equity indexes: MSCI

Benchmark family	MSCI ESG Universal Low Carbon Select 5%	MSCI ESG Leaders Low Carbon Select 5%
Strategy	– A solution potentially suitable as a core allocation replacement with an ESG tilt – Designed to offer broad market representation – Reweighting towards higher ESG-rated companies[1]	– A solution enabling a moderately strict sustainability approach – Applies a best-in-class selection to select top 50% of highest ESG-rated stocks – Exhibits better ESG score and reduced carbon intensity[1]
SFDR classification	Article 8	Article 8
ESG Selection	A weighting tilt towards higher-ESG rated stocks and those with a positive trend in ESG ratings	Selection of top 50% of the highest ESG-rated eligible stocks per each GICS sector
Value-based exclusions	Controversial weapons, nuclear weapons, conventional weapons, civilian firearms, tobacco, nuclear power, UNGC, severe controversies	Controversial weapons, nuclear weapons, conventional weapons, civilian firearms, tobacco, alcohol, gambling, nuclear power, UNGC, controversies
Climate-related exclusions	– Highest emitters exclusions (exclusion of 5% of companies with highest carbon footprint) – Potential emissions (exclusion of companies with highest carbon reserves) – Thermal coal mining & power generation, unconventional oil & gas extraction	– Highest emitters exclusions (exclusion of 5% of companies with highest carbon footprint) – Potential emissions (exclusion of companies with highest carbon reserves) – Thermal coal mining & power generation, unconventional oil & gas extraction

Benchmark family	MSCI SRI Low Carbon Select 5%	MSCI Climate Paris Aligned
Strategy	– A solution aiming for a strong improvement in ESG scores – Applies a best-in-class approach to select top 25% of highest ESG-rated stocks – Emphasis on reducing carbon footprint[1]	– Focused on climate objectives and limiting global warming – Aligned and exceeding minimum standards of EU Paris-Aligned Benchmarks (PAB) – Reducing exposure to transition and physical climate risks[1] – Pursues opportunities arising from the transition to a lower-carbon economy
SFDR classification	Article 8	Article 9(3)
ESG Selection	– Selection of top 25% of the highest ESG-rated eligible stocks per each GICS sector	Optimization to achieve, among others: – A 50% reduction in greenhouse gas emissions and a 10% annual reduction – A minimum 4x ratio of green revenue / brown revenue – Minimum increase of companies setting targets of 20%
Value-based exclusions	Controversial weapons, nuclear weapons, conventional weapons, civilian firearms, tobacco, alcohol, GMO, gambling, adult entertainment, nuclear power, UNGC, controversies	Nuclear weapons, civilian firearms, global norms breach (UNGC, ILO, UNGPBHR), severe controversies
Climate-related exclusions	– Highest emitters exclusions (exclusion of 10% of companies with highest carbon footprint) – Potential emissions (exclusion of companies with highest carbon reserves) – Thermal coal mining & power generation, unconventional oil & gas extraction – Conventional oil & gas extraction, oil & gas-based power generation	– Thermal coal mining, unconventional oil & gas, conventional oil & gas, power generation

1 The ESG improvement and carbon footprint reduction of ESG indexes is relative to their respective parent indexes.
The MSCI ESG Universal range is based on the MSCI ESG Universal Low Carbon Select 5% Issuer Capped Index.
The MSCI ESG Leaders fund is based on the MSCI ESG Leaders Low Carbon Select 5% Issuer Capped Index.
The MSCI SRI range is based on the MSCI SRI Low Carbon Select 5% Issuer Capped Index.
The MSCI Climate Paris Aligned range is based on the MSCI Climate Paris Aligned Index.
https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf

Key metrics	MSCI ACWI	MSCI ACWI ESG Universal Low Carbon Select 5%	MSCI ACWI SRI Low Carbon Select 5%	MSCI ACWI Climate Paris Aligned
Number of constituents	2'946	2'405	611	912
Tracking error 5Y annualized (bps)	n.a.	107	306	138
Tracking difference 5Y annualized (bps)	n.a.	59	181	18
ESG Score[1]	6.8	7.3	8.3	7.0
Environmental Pillar Score	6.0	6.3	6.6	6.5
Social Pillar Score	5.0	5.3	5.8	5.1
Governance Pillar Score	5.6	5.8	6.3	5.7
Carbon footprint Scope 1+2 (t CO_2e/USDm Sales)	129.0	65.0	36.0	37.0
Carbon footprint Scope 1+2+3 (t CO_2e/USDm Sales)	861.0	626.0	663.0	441.0

1 ESG ratings, scores and carbon footprints shown here are based on MSCI ESG data.
https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf

Source: UBS Asset Management, MSCI, Bloomberg. Carbon and ESG metrics from MSCI ESG Research. Data as of 31 December 2023

Equity indexes: S&P Dow Jones Indices

Benchmark family	S&P 500 ESG	S&P 500 ESG Elite
Strategy	– A solution potentially suitable as a core replacement – Designed to offer broad market representation – Basic values-based and climate-related exclusions	– A solution aiming for a strong improvement in ESG scores – Applies a best-in-class approach to select top 25% of highest ESG-rated stocks – Emphasis on reducing carbon footprint
SFDR classification	Article 8	Article 8
ESG Selection	Selection of top 75% of the highest ESG-rated stocks per each GICS sector[1]	Selection of top 25% of the highest ESG-rated stocks per each GICS sector
Value-based exclusions	Controversial weapons, tobacco, UNGC, military weapons, small arms	Controversial weapons, tobacco, UNGC, military weapons, small arms, alcoholic beverages, adult entertainment, gambling, predatory lending, palm oil
Climate-related exclusions	Thermal coal, oil sands	Thermal coal, oil sands, shale energy, arctic oil & gas, oil & gas, nuclear power

Benchmark family	S&P Developed ESG Elite Dividend Aristocrats[3]	S&P 500 ESG Elite High Yield Dividend Aristocrats
Strategy	– Exposure to 100 high dividend-yielding companies that have increased or maintained dividends for at least 10 years – An ESG overlay excluding ESG laggards (exclusion of lowest ESG scored 25% of companies)	– Exposure to US companies that have increased their dividends for at least 20 years – An ESG overlay excluding ESG laggards (exclusion of lowest ESG scored 25% of companies)
SFDR classification	Article 8	Article 8
ESG Selection	Removal of ESG laggards defined as companies with the lowest 25% of ESG scores in the universe.	
Value-based exclusions	Controversial weapons, tobacco, UNGC, military weapons, small arms, alcoholic beverages, adult entertainment, gambling, predatory lending, palm oil	
Climate-related exclusions	Thermal coal, oil sands, shale energy, arctic oil & gas, oil & gas, nuclear power	

Benchmark family	S&P 500 ESG	S&P 500 ESG Elite	S&P Developed ESG Elite Dividend Aristocrats[3]	S&P 500 ESG Elite High Yield Dividend Aristocrats
Number of constituents	318	93	93	70
Tracking error 5Y annualized (bps)	141	333	1’333	409
Tracking difference 5Y annualized (bps)	157	40	149	52
ESG Score[2]	7.0	7.4	7.5	6.8
Environmental Pillar Score	6.4	6.5	6.4	5.7
Social Pillar Score	5.1	5.5	5.5	4.8
Governance Pillar Score	5.5	5.8	6.3	6.2
Carbon footprint Scope 1+2 (t CO_2e/USDm Sales)	73.4	61.5	69.5	81.7

1 S&P Dow Jones Indices utilize S&P DJI ESG scores.
2 ESG ratings, scores and carbon footprints shown here are based on MSCI ESG data. https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf
3 Tracking error and difference of S&P Developed ESG Elite Dividend Aristocrats Index is calculated in reference to S&P Developed Dividend Aristocrats Index.

Source: UBS Asset Management, S&P Dow Jones, Bloomberg. Carbon and ESG metrics from MSCI ESG Research. Data as of 31 December 2023.

Equity indexes: other providers

Benchmark family	EURO STOXX 50 ESG	UBS Climate Aware Global Developed Equity CTB	Global Gender Equality
Strategy	– A solution designed to offer similar risk-return properties to the renowned EURO STOXX 50 ESG – Suitable as a core replacement – Basic values-based and climate-related exclusions	– Seeking to achieve climate objectives while controlling tracking error – EU Climate Transition Benchmark (CTB) aligned	– A thematic exposure to 100 high companies scoring highest on a range of gender and employment-related criteria – Basic values-based and climate-related exclusions
SFDR classification	Article 8	Article 9(3)	Article 8
ESG Selection	Exclusion of 20% of lowest ESG scored companies (with replacement)[1]	Achieving climate objectives: – 30% emissions reduction versus benchmark – 7% YoY self-decarbonization	100 companies with the highest scores on gender and employment related criteria (gender balance in leadership & workforce, equal compensation & work life balance, policies promoting gender equality, transparency & accountability)[2]
Value-based exclusions	Controversial weapons, military contracting, tobacco, UNGC	Controversial weapons, tobacco, UNGC	Controversial weapons, tobacco, adult entertainment, alcohol, gambling, military weapons, UNGC, companies involved in unethical practices regarding employees and customers (discrimination, marketing and advertisement practices)
Climate-related exclusions	Thermal coal extraction and power generation	Thermal coal mining and power generation, oil sands, strong misalignment with SDGs 12,13,14 and 15.	Coal mining and power generation, hydraulic fracturing, oil sands, deep water drilling, nuclear energy
Number of constituents	50.0	944.0	102.0
Tracking error 5Y annualized (bps)	182.0	188.0	632.0
Tracking difference 5Y annualized (bps)	175.0	55.0	–227.0
ESG Score[3]	7.9	7.4	7.7
Environmental Pillar Score	6.9	6.7	7.1
Social Pillar Score	5.4	5.3	5.0
Governance Pillar Score	6.2	5.8	6.3
Carbon footprint Scope 1+2 (t CO_2e/USDm Sales)	73.6	53.0	60.8

1 Based on ESG scores from Sustainalytics.
2 Selection based on Equileap assessment.
3 ESG ratings, scores and carbon footprints shown here are based on MSCI ESG data.
https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf

Source: UBS Asset Management, STOXX, Bloomberg, Solactive. Carbon and ESG metrics from MSCI ESG Research. Data as of 31 December 2023.

Fixed income indexes

Bond type	Sovereign / corporate	Corporate
Index provider	**J.P. Morgan**	**Bloomberg MSCI**
Exposure	– Global Government ESG – EMU Government ESG – EM IG ESG	– US Corporate Sustainable – Euro Area Corporate Sustainable – Global Corporate Sustainable
Strategy	– Broad exposures with similar risk and return properties as the flagship benchmarks – Liquidity filter	– Broad exposures with similar risk and return properties as the flagship benchmarks – Strict liquidity filters – Availability of short-maturity (1-5Y) variants for Euro Area and US exposures
SFDR classification	Article 8	Article 8
ESG selection	Minimum JP Morgan's ESG Score threshold and reweighting to promote highest ESG-rated sovereigns/ companies. ESG ratings from Reprisk and Sustainalytics.	Minimum ESG rating of BBB by MSCI
Value-based exclusions	Military weapons (incl. controversial), tobacco, UNGC, alcohol, civilian firearms, adult entertainment, gambling, GMO, nuclear power	Controversial, nuclear, conventional weapons, civilian firearms, tobacco, UNGC, alcohol, gambling, adult entertainment, GMO, nuclear power, companies with severe controversies
Climate-related exclusions	n.a.	Thermal coal mining and power generation, unconventional oil and gas extraction, fossil fuel reserves

Bond type	Supranational	Sovereign / corporate
Index provider	**Solactive**	**Bloomberg MSCI**
Exposure	– Sustainable Development Banks	– Global Green Bond ESG 1–10
Strategy	– Bonds issued by multilateral development banks – Capital raised through these bonds are used by development banks to fund high impact development projects – Credit rating of AAA by S&P, Moody's, Fitch	– Broad exposure to green bonds – fixed income securities issued to fund climate-related projects – Exclusion of issuers with low ESG standards – 1–10 maturity filter
SFDR classification	Article 9	Article 8
ESG selection	Development banks with all G7 countries as shareholders: World Bank Group, European Bank for Reconstruction and Development, Asian Dev. Bank, Inter-American Dev. Bank, African Dev. Bank	Minimum ESG rating of BBB by MSCI
Value-based exclusions	n.a.	Controversial weapons, conventional weapons, tobacco, alcohol, adult entertainment, gambling, civilian firearms, UNGC, severe controversies
Climate-related exclusions	n.a.	Thermal coal, oil sands, arctic oil

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ETF & Index Fund Client Coverage

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