Notice to Unitholders

UBS (Lux) Bond Fund (the "Fund")

This notice is important and requires your immediate attention. If you are in any doubt about the contents of this notice you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser for independent professional advice. UBS Fund Management (Luxembourg) S.A. (the "Management Company"), the management company of the Fund accepts full responsibility for the accuracy of the information contained in this notice and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts or omission of which would make any statement misleading.

Capitalised terms used herein shall bear the same meanings as capitalised terms used in the Sales Prospectus dated August 2018 (the "Prospectus") and the Information for Hong Kong Investors (the "IHKI") dated January 2019, as may be amended and supplemented from time to time.

Dear Hong Kong resident unitholders,

We are writing to inform you of the following changes to the sub-funds of the Fund, which shall enter into force on 30 December 2019 (the "**Effective Date**"):

1) It will be specified that the sub-funds UBS (Lux) Bond Fund – Euro High Yield (EUR) and UBS (Lux) Bond Fund – Full Cycle Asian Bond (USD) may invest up to 20% of their net assets in asset-backed securities (ABS), mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS) and collateralised debt obligations (CDOs)/collateralised loan obligations (CLOs). The associated risks will be described in the Prospectus in the section "Risks connected with the use of ABS/MBS" or "Risks connected with the use of CDOs/CLOs".

2) The global risk calculation method for the sub-fund UBS (Lux) Bond Fund – Full Cycle Asian Bond (USD) will be changed from the commitment approach to the relative VaR approach, with an expected leverage range of 0%–200%. The reference portfolio of the sub-fund reflects the characteristics of a diversified portfolio of liquid fixed income bonds issued in Asia (excluding Japan) and denominated in USD.

Implications of the changes

Save for the above changes, there will be no change in the operation and/or manner in which the sub-funds are being managed. There is no material change to the investment objective and policy of the sub-funds. The above amendments will not result in any change to the risk profile of the sub-funds. The rights or interests of the existing investors would not be materially prejudiced. Further, there will be no change in the fee level or costs of managing the sub-fund following the implementation of the changes.

However, unitholders who object to the amendments listed under item (1) have the right to redeem their units free of charge[1] from the date of this notice up until the last business day before the Effective Date, in accordance with the procedure set out in the Prospectus and IHKI.

Offering documents for inspection

The Prospectus, IHKI, and the Product Key Facts Statements ("**KFS**") of the Fund and the sub-funds will be updated to reflect the changes set out above. You should refer to the updated Prospectus, the updated IHKI and KFS in respect of the Fund and the sub-funds for further details of the changes made.

The updated Prospectus, the updated IHKI and KFS of the Fund and the sub-funds will be available in due course for your inspection free of charge during normal business hours (except on Saturdays, Sundays and public holidays) at the office of the Hong Kong Representative at 45/F-52/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Enquiry

If you have any questions about the foregoing, you may contact the Fund at its registered office in Luxembourg or the Hong Kong Representative at 45/F-52/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong at telephone (852) 2971 6330 (Mailing Address: GPO Box 506 Hong Kong).

Yours sincerely,

UBS Asset Management (Hong Kong) Limited
For and on behalf of UBS Fund Management (Luxembourg) S.A.

29 November 2019

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[1] *Please note that although we will not impose any charges in respect of your redemption, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.*

Product Key Facts

UBS (Lux) Bond Fund – Full Cycle Asian Bond (USD)

Management Company:

UBS Fund Management (Luxembourg) S.A. **December 2019**

This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.

Quick Facts

Management company:	UBS Fund Management (Luxembourg) S.A.
Fund manager:	UBS Asset Management (Hong Kong) Limited, Hong Kong (internal delegation)
Depositary:	UBS Europe SE, Luxembourg Branch
Dealing frequency:	Daily (Luxembourg business day)
Base currency:	USD
Unit classes available:	P-acc, P-dist*, P-mdist^, (HKD) P-acc*, (HKD) P-mdist*^

** Unit class not yet launched. Please check with your sales intermediary for updates.*

*^ Unit classes with "-mdist" in their name may make monthly distributions excluding fees and expenses. They may also make distributions out of capital (this may include inter alia realised and unrealised net gains/losses in net asset value) ("**Capital**") , at the discretion of the Management Company, or pay distributions out of gross income while charging/ paying all or part of a Sub-Fund's fees and expenses to/ out of the Capital of the relevant Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of Capital. Any distributions involving payment of dividends out of the Sub-Fund's Capital or payment of dividends effectively out of Capital (as the case may be) may result in an immediate reduction of the net asset value per unit.*

Dividend policy:	P-acc, (HKD) P-acc:	Accumulating (no distribution of dividend, income will be reinvested for this sub-fund, if any)
	P-dist:	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
	P-mdist, (HKD) P-mdist:	Distributing monthly (the Management Company will decide whether and to what extent distributions are to be declared and paid)
Ongoing charges over a year:	P-acc: 1.57%# P-mdist: 1.56%# P-dist: 1.57%## (HKD) P-acc: 1.57%## (HKD) P-mdist: 1.57%##	
Financial year end of this fund:	31 March	
Minimum investment:	1 unit (initial investment and any subsequent investment) (Please also check whether your sales intermediary (if any) has any specific dealing requirements)	

The ongoing charges figure is an annualised figure based on expenses for the interim period ended 30 September 2019. The figure may change from year to year.

The estimated figure for this unlaunched unit class represents the sum of the estimated ongoing expenses chargeable to the unit class of the Sub-Fund over 12 months expressed as a percentage of the estimated average net asset value of the unit class of the Sub-Fund. The actual figures may differ upon the launch of the unit class and the figures may vary from year to year.

What is this product?

The UBS (Lux) Bond Fund – Full Cycle Asian Bond (USD) (the "**Sub-Fund**") is a sub-fund of UBS (Lux) Bond Fund constituted as an open-ended investment fund in the form of a Luxembourg Fonds Commun de Placement (also known as a Luxembourg common contractual fund). It is a UCITS fund and is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier.

Objective and Investment Strategy

The aim of the Sub-Fund is to achieve high current earnings, while giving due consideration to a broad diversification of the investments and the liquidity of the Sub-Fund's assets. The medium to long-term investment objective of the Sub-Fund is to achieve a competitive total yield. The Sub-Fund shall invest at least two-thirds of its non-cash assets in securities and other investments which reflect these objectives.

The Sub-Fund may invest up to 50% of its total net asset value in instruments with loss-absorption features including contingent convertible debt securities, non-preferred senior debt instruments and senior or subordinated debt instruments. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

The general policy of the Sub-Fund allows it to invest its assets following the principle of risk diversification. The Sub-Fund mainly invests its assets in debt securities and claims. The Sub-Fund may use derivative financial instruments for investment and efficient portfolio management purposes (details of which are listed in the Prospectus under the heading "Special techniques and instruments with securities and money market instruments as underlying assets" and under the heading "Permitted investments of the Fund"). The Sub-Fund may buy or sell, in a legally permitted framework, futures, swap contracts, forwards/non-deliverable forwards, options, total return bonds, credit linked notes, convertible bonds, money-market securities/liquid funds and other suitable, legally permitted investment instruments. These investment instruments can therefore be used for hedging purposes and for participation in the anticipated market development.

The Sub-Fund aims to achieve its medium to long-term investment objective through dynamic asset allocation, with which changes in the market conditions are to be anticipated. This may involve long positions used for increasing exposure and growth or synthetic short positions used for hedging purposes by means of legally permitted derivative financial instruments.

In accordance with the investment policy described above, the Sub-Fund invests a large proportion of its assets in debt instruments and claims issued by international and supranational organizations, public and parastatal institutions and companies whose registered offices are in Asia or who are principally active in Asia. Using derivatives, the composition of the portfolio is to be adapted to the economic and financial market cycles with regard to interest and credit risk. The Sub-Fund may invest in non–investment grade bond securities. The Sub-Fund may invest a maximum of 10% of its assets in bonds with a rating below CCC or with a comparable rating. In addition, as the universe of the Sub-Funds investment may at times include a substantial amount of Non-Investment Grade Securities in order to make best use of the investment opportunities, the Sub-Fund may invest up to 100% of its net asset value in securities issued and/or guaranteed by a single sovereign issuer which are below investment grade ("NIGS"), where such investment consists of at least six different issues with securities from a single issue not exceeding 30% of the total net assets of the Sub-Fund, e.g. Indonesia, Mongolia, Pakistan, Philippines, Sri Lanka and Vietnam. The Sub-Fund may invest no more than 20% of its net assets in fixed-income instruments denominated in RMB and traded on the China Interbank Bond Market ("**CIBM**") or through Bond Connect.

Use of derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

Investment risk:

The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal.

The Sub-Fund's investment portfolio may fall in value and therefore your investment in the Sub-Fund may suffer losses.

Risks connected with the use of derivatives:

Derivatives may be used to gain or reduce exposure to markets and currencies as well as to manage risk. Fluctuations in the price of a derivative will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. In addition to general market risk, management risk, credit and liquidity risk, the use of derivatives by the Sub-Fund subjects it to the following additional risks (i) possible failure of a counterparty to perform its contractual obligations, either in whole or in part; (ii) inability to execute a transaction fully or liquidate a position at normal cost (especially where derivative transactions are particularly large or the corresponding market is illiquid and where, for instance, derivatives are traded over-the-counter); (iii) risk of incorrectly valuing or pricing derivatives; (iv) risk that derivatives do not fully correlate with the underlying assets, interest rates or indices and the associated risks of inappropriate valuations; (v) potential increase in volatility of the Sub-Fund and the risk that certain derivatives used by the Sub-Fund may could create leverage which could potentially result in losses to the Sub-Fund greater than the amount originally invested. Investors should note in particular that the markets in options, futures and swaps are volatile; both the opportunity to achieve gains as well as the risk of suffering losses are higher than with investments in securities.

Under extreme market conditions and circumstances, the use of derivative financial instruments may potentially result in total loss.

Emerging market risks:

Insofar as certain Asian markets in which the Sub-Fund may invest are classified as "emerging markets" investors should note that such emerging markets are at an early stage of development and suffer from certain risks such as (i) increased risk of expropriation, nationalization and social, political and economic insecurity; (ii) increased risk of acquisition of counterfeit securities by the Sub-Fund due to possible weakness in supervisory structures; (iii) emerging markets are typically small, have low trading volumes and suffer from low liquidity and high price (and performance) volatility; (iv) risks associated with substantial currency fluctuations which may have a significant effect on the Sub-Fund's income; (v) settlement and custody risks as systems in emerging market countries are not as well developed as those in developed markets as standards are not as high and the supervisory authorities not as experienced as those in developed markets; (vi) risks associated with restrictions on the buying of securities by foreign investors; and (vii) risks associated with accounting, auditing and reporting standards, methods, practices and disclosures required by companies in emerging markets being different from those in developed markets making it difficult to correctly evaluate the investment options.

Risk of investing in below investment grade sovereign securities:

The Sub-Fund may invest its assets in securities issued by or guaranteed by countries with a credit rating below investment grade, and below investment grade sovereign securities in Indonesia, Mongolia, Pakistan, Philippines, Sri Lanka and Vietnam. Such securities have higher risks of default and may be subject to greater levels of interest rate, credit and liquidity risk. Such securities are considered predominately speculative with respect to the sovereign issuer's continuing ability to make principal and interest payments. Adverse conditions such as an economic downturn or the bankruptcy of the sovereign issuer could have a significant effect on the sovereign issuer's ability to make payments of principal and/or interest. If such adverse conditions occur, the Sub-Fund may incur substantial loss.

Since the Sub-Fund may invest up to 100% of its net asset value in NIGS, where such investment consists of at least six different issues with securities from a single issue not exceeding 30% of the total net assets of the Sub-Fund. In a market downturn such portfolios can suffer more substantial losses than diversified portfolios, i.e. portfolios where investments are spread over different assets, market sectors and/or geographical regions in order to reduce the risk of earnings fluctuations.

Credit risk and Counterparty risk:

The Sub-Fund may invest up to 10% of its assets in bonds with a rating below CCC or with a comparable rating. Debt securities with a below investment grade rating are vulnerable to adverse business, financial and economic conditions. Such investment increases the credit risk of the Sub-Fund since these issuers have a higher possibility of defaulting on such issues or failing to meet its obligation to repay the principal or any interest payment thereon. Investments in below investment grade debt securities may be partially or fully lost under such adverse conditions. Where a counterparty fails to perform its contractual obligations, either in whole or in part, this may result in a loss to the Sub-Fund.

Liquidity risk:

Some investments may be thinly traded or illiquid and cannot be traded in reasonable sizes and therefore may be sold in small lots over longer periods or even at a discount. Under extraordinary or extreme market conditions, generally liquid investments can become illiquid which may result in a loss when such assets need to be sold within a certain time frame.

Downgrading risk:

The general assessment of an issuer's creditworthiness may affect the value of the fixed income securities issued by the issuer. This assessment generally depends on the ratings assigned to the issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's. A reassessment of the creditworthiness that results in a downgrading of the rating assigned to an issuer may negatively affect the value of the fixed income securities issued by this issuer.

Interest rate risk:

The Sub-Fund invests in fixed income securities. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect a security's value, and therefore, the Sub-Fund's net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk. While changes in interest rates may affect the Sub-Fund's interest income, such changes may positively or negatively affect the net asset value of the Sub-Fund's units on a daily basis.

Risks associated with investments in instruments with loss-absorption features:

- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
- In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.
- The Sub-Fund may invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.
- The Sub-Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

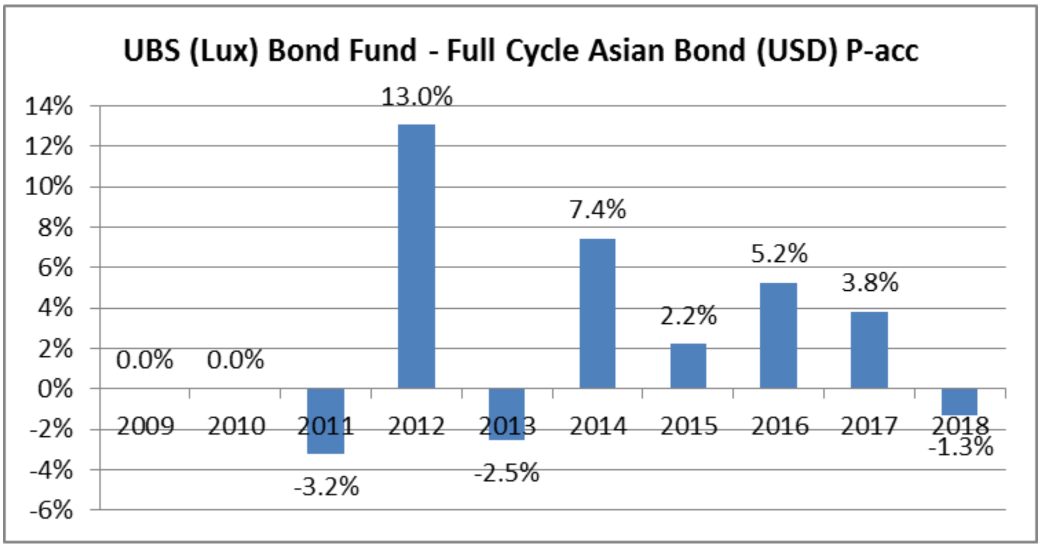
Risk relating to distribution out of Capital or out of gross income:

Any distributions from the income and/or involving the Capital result in an immediate reduction of the net asset value per unit of the Sub-Fund. Payment of dividends out of Capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment.

Foreign investment risk:

Additional risks may arise when investing overseas, including: changes in foreign exchange control regulations, foreign tax legislation and withholding tax and government policy. Additionally, difference in accounting, legal, securities trading and settlement procedures can also impact the value of the Sub-Fund's investment.

How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the unit class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 28 January 2010
- P-acc launch date: 28 January 2010

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.
(calculated on the net asset value of the unit class)

Fee	What you pay
Subscription fee: (Issuing commission)	Up to 2% of the subscription amount (except for m-dist unit class which is up to 5%)[3]
Switching fee: (Conversion commission)	Up to 2% of the subscription amount (except for m-dist unit class which is up to 5%)[3]
Redemption fee: (Redemption commission)	NIL

[3] *In respect of m-dist unit classes, Hong Kong distributors will currently only charge up to 5% of the subscription amount. However, investors should note that a maximum of up to 6% of the subscription amount may be charged upon giving 1 month's prior notice to affected investors.*

Ongoing fees payable by this Sub-Fund

The following expenses will be paid out of the Sub-Fund's assets. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of average net asset value (NAV) of the Sub-Fund)
Management fee: Depositary fee: Administration fee:	Currently at 1.50% p.a. This is the maximum flat management fee^ the Sub-Fund may charge (maximum management fee currently at 1.20% p.a.). Investors will be given at least one month's prior notice (or such notice period as the SFC may approve in advance) in respect of any increase in the level of the flat fee.
Performance fee:	N/A

^ The maximum flat fee does not include the following fees and additional expenses which are also charged to the Sub-Fund, such as but not limited to additional expenses related to management of the Sub-Fund's asset for the sale and purchase of assets, auditor's fees for annual audit, fees for legal and tax advisers, costs for the Sub-Fund's legal documents etc. The aforementioned fees and additional expenses are not an exhaustive list, for further details, please refer to the section headed "Expenses paid by the Fund" and under the heading "The sub-funds and their special investment policies" in the Prospectus.

Other Fees

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. Refer to the offering document for details.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value (NAV) after the relevant authorized distributor or the Hong Kong Representative receives your request in good order by or before 5:00 pm (Hong Kong time) on a business day in Hong Kong. The relevant authorized distributor(s) may impose different dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the relevant authorized distributor(s) concerned.
- The net asset value of this Sub-Fund is calculated, and the price of the units published, each business day (as more particularly defined and described in the offering document), the prices are available online at https://www.ubs.com/hk/en/asset-management/funds-and-prices.html[5].
- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors https://www.ubs.com/hk/en/asset-management/funds-and-prices.html[5].
- The compositions of the distributions (i.e. the relative amounts pay out of (i) net distributable income and (ii) Capital) for the last 12 months will be made available by the Hong Kong Representative on request and also on https://www.ubs.com/hk/en/asset-management/funds-and-prices.html[5].

[5] *This website has not been reviewed by the SFC and may contain information on sub-funds which have not been authorised by the SFC and are not available to the retail public in Hong Kong.*

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.