

Product Key Facts

UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)

Management Company:



UBS Fund Management (Luxembourg) S.A.

April 2023

***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.
Portfolio Manager:	UBS Asset Management (Singapore) Ltd., Singapore (internal delegation)
Depository:	UBS Europe SE, Luxembourg Branch
Dealing frequency:	Daily (generally every Luxembourg business day)
Base currency:	USD
Ongoing charges over a year:	P-acc 2.00% [#]
[#] The ongoing charges figure is based on expenses for the year ended 30 November 2022. This figure may vary from time to time.	
Dividend policy:	P-acc Accumulating (no distribution of dividend, income will be reinvested for this Sub-Fund, if any)
Financial year end of this Sub-Fund:	30 November
Minimum investment:	0.001 unit (initial investment and any subsequent investment) (Please also check whether your sales intermediary (if any) has any specific dealing requirements)

What is this product?

The UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD) (the “**Sub-Fund**”) is a sub-fund of UBS (Lux) Equity 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 Sub-Fund promotes environmental and social as well as governance characteristics.

The Sub-Fund invests at least two-thirds of its assets following the principle of risk diversification in shares or other equity interests of companies that are domiciled or chiefly active in emerging markets and that are leading companies in sectors benefiting from trends and themes which are expected to affect the economy and society in the long term. Examples of such trends and themes include digital transformation, the evolution of consumers in emerging markets, changing pattern in healthcare driven

by an aging population and urbanization, financial inclusion (which refers to an effort to make financial products and services available and accessible to a wider part of the population), climate change and its effect on environmental policy, new technologies, etc.. “Leading companies” are companies which the Portfolio Manager believes to have or potentially have a competitive edge over most of their peers in one or multiple aspects of their business, such as quality of management, product offering, distribution, brand & reputation, research & development and technology. This will be determined by reviewing the revenue, earnings, investments and market share of each company. As such, the Sub-Fund’s assets will not be limited to a particular range of market capitalisations or to any geographical or sectoral allocation. The Sub-Fund’s portfolio is subject to the Portfolio Manager’s Sustainability Focus strategy below.

As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS ESG consensus score) that is higher than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score) or a weighted average UBS ESG consensus of between 7 and 10 (indicating a strong sustainability profile); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO2 emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.

The UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.

The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The individual investments in the Sub-Fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile).

Weighted Average Carbon Intensity (WACI): (i) Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer; (ii) Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. The exclusions include thermal coal mining and thermal coal-based energy production & oil sands; the Portfolio Manager selects investments based upon a lower absolute or relative scope 1+2 carbon intensity. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. Further details can be found in the Sub-Fund’s Annex in the Prospectus and at <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>. Note that this website has not been reviewed by the SFC.

Typically, as an indication, around 15-30% of the investment universe are excluded from investment as a result of the application of the Portfolio Manager’s Sustainability Focus strategy.

The aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the Sub-Fund will be maintained at 45% or below of its total net asset value. This exposure includes China A-Shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock

Connect (“**Stock Connect**”). Within this limit, the Sub-Fund may invest in stocks listed on the ChiNext market and/or the Science and Technology Innovation Board (the “**STAR Board**”).

The Sub-Fund may invest less than 30% 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 Sub-Fund is expected to conduct securities lending in the range of 0-40% of its net asset value. The Sub-Fund is not currently expected to engage in repurchase or reverse repurchase transactions.

To achieve the investment objective, the Sub-Fund may use financial derivative instruments (“**FDI**”) for hedging and/or investment purposes.

The Sub-Fund uses the benchmark MSCI Emerging Markets (net dividend reinvested) for performance measurement, monitoring ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use its discretion in constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. Therefore, the investment performance of the Sub-Fund may differ from the benchmark. As the Sub-Fund invests in various currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency risks.

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.

Equity risk

- The returns of listed securities are affected by various factors including the underlying strength of cash flows, balance sheets and management. These factors may impact the ability of the underlying company to meet the challenges of fluctuating economic growth, structural change and competitive forces and the ability to pay dividends to shareholders.

Emerging market risk

- As the Sub-Fund seeks to invest in companies that engage business activities in emerging markets, such as Mainland China, investors should note that 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 markets 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.

Risks associated with funds that have a sustainable investment focus

- Investing in funds that have a sustainable investment focus (“**SI Focused Funds**”) that primarily invest in issuers demonstrating sustainability characteristics carries the risk that, under certain market conditions, the SI Focused Fund may underperform funds that do not utilize a sustainable investment strategy.
- The implementation of the sustainable investment strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so. This may adversely affect the Sub-Fund’s investment performance.
- In assessing the eligibility of an issuer, there is a dependence upon information and data from external research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the Sub-Fund could have exposure to issuers who do not meet the relevant criteria. In addition, there is a lack of standardized taxonomy of ESG investments.
- As an SI Focused Fund focuses on ESG investments, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- Neither the Fund, the Management Company nor the Portfolio Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of external research data, the application of the standards issued by United Nations Sustainable Development Goals and other sustainability/ESG criteria, and the correct execution of sustainability strategy.
- The securities held by the Sub-Fund may be subject to the risk that its investments over time no longer meet the SI Focused Fund’s investment criteria. The Portfolio Manager might need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the Sub-Fund’s net asset value.

Company specific risk

- The value of investments can fluctuate because of changes to management, product distribution or the company’s business environment. Such fluctuation can result in a fall in value of 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.

Currency risk

- The Sub-Fund may hold assets that are not denominated in its base currency. In the short to medium term, the actual exchange rates can deviate from the long-term equilibrium due to different types of focus in the market such as geopolitical, capital flows, risk appetite and macroeconomic expectations. Under extreme market conditions and circumstances, such currency fluctuation may potentially result in total loss.

Counterparty risk

- 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.

Risks relating to Mainland China A-Shares risk

- The price at which securities may be purchased or sold by the Sub-Fund and the net asset value of the Sub-Fund may be adversely affected if trading markets for A-Shares are limited or absent. The A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. Market volatility and settlement difficulties in the A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Sub-Fund.
- Trading band limits are imposed by the stock exchanges in China on A-Shares, where trading in any A-Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A

suspension will render it impossible for the Portfolio Manager to liquidate positions and can thereby expose the Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Portfolio Manager to liquidate position at a favourable price.

- The Chinese government or the regulators in China may also implement policies from time to time that may affect the financial markets. Such policies, if implemented, may have a negative impact on the Sub-Fund.

Risks related to investments via the Stock Connect

- The Stock Connect is a programme novel in nature. The relevant regulations are untested and subject to change. The programme is subject to quota limitations which may restrict the Sub-Fund's ability to invest in China A-Shares through the programme on a timely basis and as a result, the Sub-Fund's ability to access the China A Shares market (and hence to pursue its investment strategy) will be adversely affected. Where a suspension in the trading through the Stock Connect is effected, the Sub-Fund's ability to access the PRC market will be adversely affected. Apart from restrictions on buying (due to quota limitations), the PRC regulations impose certain restrictions on selling (i.e. requiring that there must be sufficient China A-Shares in the account before an investor sells any China A-Share). Hence, the Sub-Fund may not be able to dispose of holdings of China A-Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect the investment portfolio or strategies of the Sub-Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. Due to the differences in trading days, the Sub-Fund may be subject to a risk of price fluctuations in China A-Shares on a day that the PRC market is open for trading but the Hong Kong market is close.
- Trading in securities through the Stock Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Sub-Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.
- The Stock Connect requires the development of new information technology systems on the part of the stock exchanges and exchange participants and may be subject to operational risk. If the relevant systems failed to function properly, trading in Hong Kong, Shanghai and Shenzhen markets through the program could be disrupted. The Sub-Fund's ability to access the China shares market (and hence to pursue its investment strategy) will be adversely affected.
- Although the PRC rules and regulation generally recognizes the Hong Kong and overseas investors (including the fund) as the "ultimate owners" of the rights and interests of China A-Shares traded via the Stock Connect, how an investor such as the Sub-Fund, as the beneficial owner of the China A-Shares, under the Stock Connect structure, exercises and enforces its rights over its holdings in the PRC courts are to be tested.

RMB currency and conversion risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.
- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Under exceptional circumstances, payment of redemptions and/or dividend payment to the Sub-Fund in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

PRC tax risk

- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Stock Connect (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.
- Based on professional and independent tax advice, the Sub-Fund currently does not make any PRC tax provision.

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.

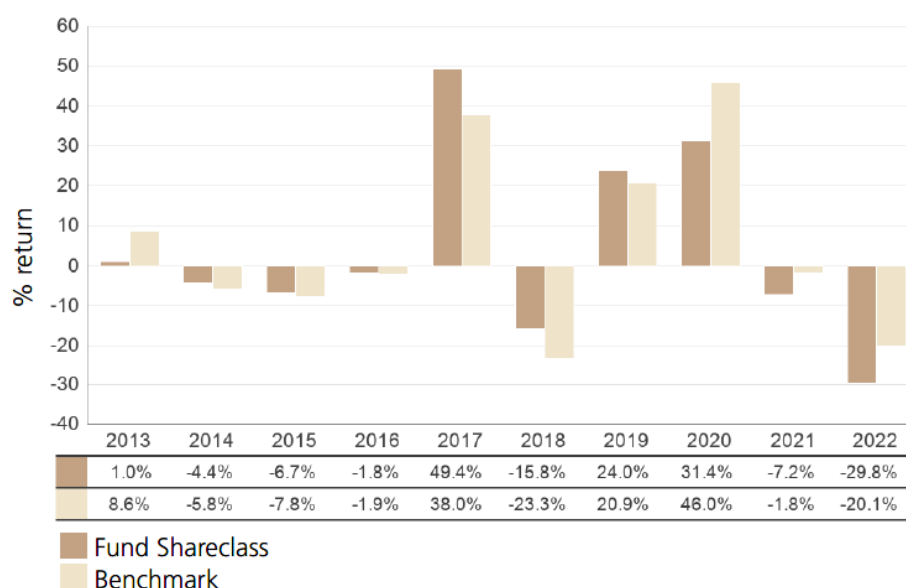
Risk associated with ChiNext market and/or the STAR Board

- *Higher fluctuation on stock prices and liquidity risk:* Listed companies on the ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.
- *Over-valuation risk:* Stocks listed on ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- *Differences in regulation:* The rules and regulations regarding companies listed on the ChiNext market and/or STAR Board are less stringent in terms of profitability and share capital than those in the main board.
- *Delisting risk:* It may be more common and faster for companies listed on the ChiNext market and/or STAR Board to delist. In particular, STAR Board has stricter criteria for delisting compared to other boards. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.
- *Concentration risk:* STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Sub-Fund to higher concentration risk.
- Investments in the ChiNext market and/or STAR Board may result in significant losses for the Sub-Fund and its investors.

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; and (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.

How has the Sub-Fund performed?



The investment policy was changed on 1 February 2021 therefore performance from 2012 to end of January 2021 were achieved under circumstances that no longer apply.

- 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.
- Sub-Fund launch date: 10 March 2000
- P-acc launch date: 10 March 2000
- P-acc is selected as representative unit class ("**Fund Shareclass**" as shown in the graph above) as it is the major unit class subscribed by investors or denominated in the Sub-Fund's base currency.
- "**Benchmark**" as shown in the graph above refers to the benchmark as disclosed under the objective and investment strategy above.

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.

Fee

Subscription fee:

What you pay

Up to 5% of the subscription amount

Switching fee (conversion fee):

Up to 5% of the net asset value per unit of the sub-fund or class from which the unitholder is switching out multiplied by the number of units to be switched by the unitholder

Redemption charge:

NIL

You should check with the relevant authorised distributors to confirm the applicable fees and charges (including any additional taxes or commissions, where applicable) incurred in Hong Kong on the issuance, redemption or conversion of units.

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:	For non-currency hedged unit classes P: Currently at 1.92% p.a. This is the maximum flat fee [^] the Sub-Fund may charge (maximum management fee currently at 1.54% 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.
- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors from <https://www.ubs.com/hk/en/assetmanagement/>*
- 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/assetmanagement/>*

* This website has not been reviewed by the SFC.

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.