

# Product Key Facts

## UBS (Lux) Equity Fund – Asian Consumption (USD)

Management Company:

 UBS Fund Management (Luxembourg) S.A.

May 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

<b>Management company:</b>	UBS Fund Management (Luxembourg) S.A.
<b>Fund manager:</b>	UBS Asset Management (Singapore) Ltd., Singapore (internal delegation)
<b>Custodian:</b>	UBS Europe SE, Luxembourg Branch
<b>Dealing frequency:</b>	Daily (Luxembourg business day)
<b>Base currency:</b>	USD
<b>Unit classes available:</b>	P-acc
<b>Dividend policy:</b>	P-acc: Accumulating (no distribution of dividend, income will be reinvested for this sub-fund, if any)
<b>Ongoing charges over a year:</b>	P-acc: 2.11% <sup>#</sup>
<b>Financial year end of this fund:</b>	30 November
<b>Minimum investment:</b>	1 unit (initial investment and any subsequent investment) (Please also check whether your sales intermediary (if any) has any specific dealing requirements)

<sup>#</sup>The ongoing charges figure is based on expenses for the year ended 30 November 2018. This figure may vary from year to year.

### What is this product?

The UBS (Lux) Equity Fund – Asian Consumption (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 IV 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 growth with a reasonable level of income, while giving due consideration to capital security and the liquidity of the Sub-Fund's assets. The assets of the Sub-Fund are invested following the principle of risk diversification. Unless otherwise specified in the Sub-Fund's investment policy, the Sub-Fund shall invest at least 70% of its assets in equities, other equity interests such as cooperative shares and participation certificates (equities and equity rights), short-term securities, dividend-right certificates and warrants of companies which are domiciled in the country or geographic region or are chiefly active in the country, geographic region or sector mentioned in the Sub-Fund's name.

This Sub-Fund invests the predominant part of its assets in ordinary and preferred shares, including ADRs, warrants on transferable securities and equity rights which can be converted into ordinary shares, and other equity securities according to the general investment policy of the Fund, of companies that are engaged in the business activities of providing goods and services to Asian markets. These are companies that benefit considerably from the increase in consumption in Asia. They include, among others, mobile telephone and consumer finance companies. Furthermore, the portfolio may also invest in Asian consumer goods and services companies that operate globally via franchising.

The objective is long-term capital growth by investing primarily in securities within the following Asian sectors (excluding Japan): Consumer Discretionary, Consumer Staples and Health Care. To this end, the Sub-Fund can invest in line with the investment guidelines in smaller and/or non-listed companies. The markets of smaller and/or non-listed companies are more volatile, both the opportunity to achieve gains and the risk of suffering losses are greater.

Investors should note that the Sub-Fund's investment exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect ("**Stock Connect**"). Chinese A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

The aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the Sub-Fund will be maintained at 20% or below of its total net asset value.

To achieve the investment objective, the Sub-Fund may extensively use financial derivative instruments ("FDI") to hedge market exposure or for investment 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, exchange-traded FDI (futures, options, etc.) or OTC FDI (swap contracts, forward/non-deliverable forward contracts, warrants, etc.) 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 applies the commitment approach as the basis of calculation of the leverage as a result of the use of FDI and the maximum leverage employed will not exceed 100% of the net assets of the Sub-Fund. When leverage is calculated by using the commitment approach, the positions in financial derivative instruments are converted into equivalent positions of the underlying assets. The total commitment is quantified as the sum of the absolute values of the individual commitments, after consideration of the possible effects of netting.

## **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:**

- The Sub-Fund may invest up to 100% of its assets in financial derivative instruments. 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.

### **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:**

- Insofar as the Sub-Fund seeks to invest in companies that engage business activities in Asia, and given that some Asian countries are considered to be emerging markets, 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 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. Further details regarding risks associated with investments in emerging markets are presented in the section "General risk information" of the Prospectus.

Investments in Asian countries may have a more volatile performance and be more illiquid than investments in European countries. Due to the political and economic situation in various Asian countries, investments in some of these markets may be affected by legal uncertainties, by currency restrictions and by other factors arising from this special situation. Furthermore, the official regulatory system in the countries in which the Sub-Fund invests may be less efficient and, owing to the circumstances, the accounting, auditing and reporting methods may not meet the standards employed in more developed countries.

**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.

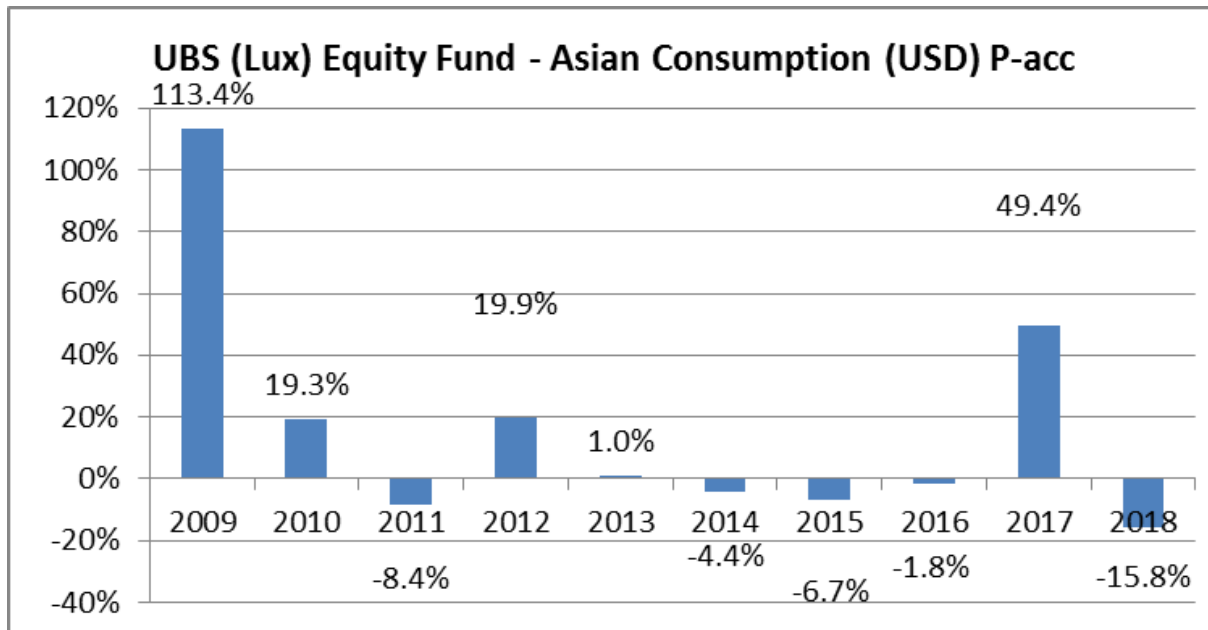
**Risks related to investments via the Stock Connect:**

- 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 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 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 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 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. Further, the Sub-Fund's investments through the Stock Connect are not covered by the Hong Kong's Investor Compensation Fund.
- 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 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.

**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.
- Sub-Fund launch date: 10 March 2000
- P-acc launch date: 10 March 2000
- P-acc is selected as representative unit class as it is the major unit class subscribed by investors or denominated in the Sub-Fund's base currency.

## **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**

Subscription fee:  
(Issuing commission)

Switching fee:  
(Conversion commission)

#### **What you pay**

Up to 3% of the subscription amount\*

Up to 3% of the subscription amount\*

Redemption fee: NIL  
(Redemption commission)

\* Investors should note that in respect of "mdist" unit class, 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.

	<b><u>Annual rate (as a % of average net asset value (NAV) of the Sub-Fund)</u></b>
Management fee:	Currently at 2.04% p.a. This is the maximum flat management fee <sup>^</sup> the Sub-Fund may charge (maximum management fee currently at 1.63% 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.
Custodian fee:	
Administration fee:	
Performance fee:	N/A

<sup>^</sup> 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/asset-management/funds-and-prices.html>\*.
- 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>\*.

\* 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 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.