UBS (Lux) Equity Fund

Investment Fund under Luxembourg law ("fonds commun de placement")

This document may not be issued, circulated or distributed unless it is accompanied by the prospectus dated February 2021 (the "**Prospectus**"), and the Product Key Fact Statement of the relevant sub-funds set out on this cover page (the "**Sub-Funds**"), which together form the offering documents (collectively the "**Hong Kong Offering Document**") for the purpose of marketing units of UBS Lux (Equity) Fund and its Sub-Funds in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"). You should note that the Prospectus should be read subject to the terms of this document. Hong Kong investors should note that, notwithstanding the contents of the Prospectus, the English and/or any Chinese translations of the Hong Kong Offering Document are equally authoritative.

March 2021

INFORMATION FOR HONG KONG INVESTORS

Hong Kong Representative	:	UBS Asset Management (Hong Kong) Limited 45-52/F, Two International Finance Centre 8 Finance Street, Central Hong Kong
Mailing Address	:	G.P.O. Box 506 Hong Kong
Telephone	:	2971 6188
Facsimile	:	2868 6251

WARNING: In relation to the funds as set out in the Prospectus, only the following Sub-Funds are authorized by the SFC (as defined below) pursuant to section 104 of the SFO (as defined below) and hence may be offered to the public in Hong Kong:

- UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD)
- UBS (Lux) Equity Fund – Tech Opportunity (USD)
- UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR)
- UBS (Lux) Equity Fund - Greater China (USD)
- UBS (Lux) Equity Fund - Euro Countries Opportunity (EUR)
- UBS (Lux) Equity Fund - China Opportunity (USD)

Please note that the Prospectus is a global offering document and therefore also contains details of the following sub-funds of the Fund which are not authorised by the SFC:

- UBS (Lux) Equity Fund - Global Sustainable (USD)
- UBS (Lux) Equity Fund - Health Care (USD)
- UBS (Lux) Equity Fund - Mid Caps Europe (EUR)
- UBS (Lux) Equity Fund - Small Caps USA (USD)
- UBS (Lux) Equity Fund - Biotech (USD)
- UBS (Lux) Equity Fund - Japan (JPY)
- UBS (Lux) Equity Fund - Mid Caps USA (USD)
- UBS (Lux) Equity Fund - US Sustainable (USD)

No offer shall be made to the public in Hong Kong in respect of the above unauthorized sub-funds of the Fund. The issue of the Prospectus was authorized by the SFC only in relation to the offer of the above SFC-authorized Sub-Funds to the public in Hong Kong. **Intermediaries should take note of this restriction.**

IMPORTANT: If you are in any doubt about the contents of the Hong Kong Offering Document, you should consult your stockbroker, bank manager, solicitor, accountant or other financial or professional adviser.

UBS (Lux) Equity Fund (the "**Fund**") and the Sub-Funds set out on the cover pagehave been authorized by the Securities and Futures Commission (the "**SFC**") in Hong Kong pursuant to section 104 of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**"). The SFC does not take responsibility for the financial soundness of the Fund or any of the Sub-Funds or for the correctness of any statements or opinions expressed in the Hong Kong Offering Document. Authorization by the SFC does not imply official approval, recommendation or endorsement of the Fund and/or the Sub-Funds nor does it guarantee the commercial merits of the same or their performance. It does not mean that the Fund and/or any Sub-Fund is/are suitable for all investors and neither is it an endorsement of their suitability for any particular investor or class of investors.

To the best of the knowledge and belief of UBS Fund Management (Luxembourg) S.A. as at the date of the Hong Kong Offering Document, there is a reasonable basis to formulate the section headed "Profile of the typical investor" in the Prospectus. The information under the section headed 'Profile of the typical investor' in the Prospectus is for reference only. Before making any investment decisions, investors should consider their own specific circumstances, including, without limitation, their own risk tolerance level, financial circumstances and investment objectives. If you are in any doubt about the information under the section headed 'Profile of the typical investor' in the Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Full details relating to the Fund and each of the Sub-Funds are set out in the Prospectus. Terms used in this document shall, unless the context otherwise requires, have the meanings given to them in the Prospectus.

UBS Fund Management (Luxembourg) S.A. (the "**Management Company**") accepts full responsibility for the accuracy of the information contained in the Hong Kong Offering Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

1. The Fund is an open ended investment fund with Sub-Funds in the form of "fonds commun de placement" organized under Luxembourg law. The Fund was founded in Luxembourg pursuant to the Management Regulations approved by the board of directors of the Management Company on 26th October, 1989. The financial year end of the Fund is 30th November.

2. The Fund previously qualified as an undertaking for collective investment in transferable securities under Part I of the Luxembourg law relating to collective investment undertakings of 20 December 2002 ("**UCITS III**") effective 1 July 2011, the Fund is subject to the provisions of the Law of 17 December 2010 on Undertakings for Collective Investment as amended (the "**Law of 2010**") ("**UCITS IV"**) and the management regulations of the Fund have been amended and approved and lodged accordingly, as necessary.

3. As a UCITS scheme, Hong Kong investors should in particular note that the Fund and its Sub-Funds may invest in a wide scope of transferable securities as defined under UCITS) which includes (but is not limited to) use of financial derivative instruments for investment purposes

and for efficient portfolio management purposes. In this regard particular attention should be made of the section in the Prospectus headed "Investment Principles" and in particular "Special techniques and instruments with securities and money market instruments as underlying assets" and "Use of financial derivative transactions". If specified as part of a Sub-Fund's investment policy, the Portfolio Manager (as defined in the Prospectus) may buy or sell futures, swaps and options on currencies for the purpose of building up or hedging foreign-exchange positions for the Sub-Fund. However, the liabilities resulting from such transactions should never exceed the value of the net assets of the Sub-Fund concerned.

The expected maximum level of leverage through the use of financial derivative instruments (i.e. expected maximum net derivative exposure) arising from derivative investments in respect of each Sub-Fund is set out under the section "Additional information on Sub-Funds" below, provided that such limits may be exceeded in such circumstances as permitted under the Code on Unit Trusts and Mutual Funds, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. Net derivative exposure shall be calculated in accordance with the Code on Unit Trusts and Mutual Funds and the requirements and supplementary guidance and/or guidelines issued by the SFC from time to time.

The following risks are associated with the aforementioned wide investment powers permitted by UCITS that the Fund and the relevant Sub-Funds may utilise:

Risks connected with the use of derivatives:

Rather than being independent investment instruments, derivative financial instruments constitute rights whose valuation derives chiefly from the price, the price fluctuations and the expectations of an underlying instrument. Derivative investments are subject to the general market risk, management risk, credit and liquidity risk.

Special features of derivative financial instruments, however, mean that the risks mentioned can be different and may sometimes be greater than risks entailed by an investment in the underlying instruments.

Therefore the use of derivatives requires not just an understanding of the underlying instrument, but also sound knowledge of the derivatives themselves.

The risk of default in the case of derivatives traded on an exchange is generally lower than the risk associated with derivatives that are traded over-the-counter on the open market, because the clearing agents, which assume the function of issuer or counterparty in relation to each derivative traded on an exchange, assume a performance guarantee. To reduce the overall risk of default, this guarantee is supported by a daily payment system maintained by the clearing agent in which the assets required for coverage are calculated. In the case of derivatives traded over-the-counter on the open market, there is no comparable clearing agent guarantee and in assessing the potential risk of default, the portfolio management companies must take account of the creditworthiness of each counterparty.

There are also liquidity risks since it can be difficult to buy or sell certain instruments. When derivative transactions are particularly large or the corresponding market is illiquid (as can be the case with derivatives traded over-the-counter on the open market), it might not be possible to execute a transaction fully or liquidate a position at normal cost.

Other risks associated with the use of derivatives reside in the risk of incorrectly valuing or pricing derivatives. There is also a possibility that derivatives do not fully correlate with the underlying assets, interest rates or indices. Many derivatives are complex and frequently valued subjectively. Inappropriate valuations can result in higher cash payment requirements in relation to counterparties or in a loss of value for the Fund or a particular Sub-Fund. There is not always a direct or parallel relationship between a derivative and the value of the assets, interest rates or indices from which it is derived. For these reasons, the use of derivatives by the Fund is not always an effective means of attaining the Fund or Sub-Fund's investment objective and can at times even have the opposite effect.

4. The Fund is compliant with the requirements of UCITS. Risk control mechanisms commensurate with the Fund's risk profile are in place. In relation to the risks involved as a result of the wider investment powers available under UCITS (for which see the section in Prospectus headed "Investment Principles"), particular attention should be paid to the sections in the Prospectus headed "Risk diversification", "Risk management" and "Leverage".

   By way of summary according to article 42 of the Law of 2010), the Fund must implement a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

   The UBS Risk Management infrastructure provides the Management Company's Board of Directors with quantitative information that measures risk exposures from the aggregate level down to the security level of the Fund's portfolio. It assists in measuring and evaluating the following risk dimensions:

   - Counterparty and Settlement Risk
   - Investment Risk
   - Liquidity Risk
   - Operational Risk
   - Derivatives Risk

   Investment risk allocation and control involves proprietary risk models and systems, whereas the other risk dimensions are controlled using investment limits and other fixed rules.

   Information relating to the quantitative limits that apply in the risk management of the Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments will be available upon request to Hong Kong investors, from the Hong Kong Representative at their offices at the address above.

5. The Fund provides investors with a choice of separate investment portfolios in a variety of currency denominations, offering a diverse range of investment objectives through investing in a wide range of transferable securities. Investors should refer to the section "Unit classes" in the Prospectus for further details on each unit class of the Fund and for information on any additional features which the unit classes may have. Investors should note that not all of the unit classes set out in the Prospectus may be offered to Hong Kong investors in respect of a Sub-Fund at any particular date. Unit classes which are available in each Sub-Fund may be obtained from the Hong Kong Representative and found in the Product Key Facts Statement of the relevant Sub-Fund. Investors should check with the Hong Kong Representative or the relevant authorized distributors if further information is required. The investment objectives in respect of the various Sub-Funds are summarized in the Prospectus. The investment powers and restrictions (including borrowing restrictions) of the Fund are fully set out in the Prospectus. The Portfolio Managers have also undertaken that each Sub-Fund shall invest at least 70% of its non-cash assets in securities and other investments which reflect the particular objectives of the relevant Sub-Fund(s) unless otherwise stated in the investment strategy of the Sub-Fund. Investors in Hong Kong should also note the section herein headed "Additional information on Sub-Funds".

   Investors should note that, in respect of issue of units, the Depositary of the Fund (or its agents) entrusted with receiving subscription payments may, at their discretion and upon investors' request, accept the payment in currencies other than the currency of account of the respective Sub-Fund and the subscription currency of the unit class to be subscribed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. Investors shall bear all fees associated with currency exchange.

In respect of redemption of units, the Depositary of the Fund (or its agents) entrusted with paying the redemption proceeds may, at their discretion and upon investors' request, make the payment in currencies other than the currency of account of the respective Sub-Fund and the currency of the unit class redeemed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. Investors shall bear all fees associated with currency exchange. These commissions, as well as any taxes, commissions and other fees incurred in the respective distribution countries will be charged to the relevant investor and deducted from the redemption proceeds.

In respect of conversion of units, the Depositary of the Fund (or its agents) entrusted with receiving conversion payments may, at their discretion and upon investors' request, accept the payment in currencies other than the currency of account of the respective Sub-Fund and/or the subscription currency of the unit class, in which the conversion will take place. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. These commissions, as well as any fees, taxes and stamp duties incurred in the individual countries for the Sub-Fund conversion are charged to the unitholders.

Additional Restrictions for Sub-Funds authorized by the SFC in Hong Kong

a. where the relevant Sub-Fund invests in any underlying scheme(s) managed by the same management company or its connected persons, all initial charges and redemption charges on the underlying scheme(s) will be waived;

b. the Management Company or any person acting on behalf of a Sub-Fund or the Management Company may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

The relevant Portfolio Managers currently managing each of the Sub-Funds are named in the Prospectus. The Prospectus provides that the investment management functions may be transferred to other associated Portfolio Managers at UBS Asset Management. Notwithstanding this, for so long as the relevant Sub-Fund remains authorised by the SFC, no transfer of the investment management functions in relation to that Sub-Fund shall take effect without the prior approval of the SFC. In addition, the Hong Kong Offering Document will be amended (as necessary) to reflect the transfer and affected Hong Kong investors of the Fund will be given 1 month's prior notice (or such other notice period as the SFC may approve in advance).

6. The Board of Directors of the Management Company may permit joint management/pooling of assets from particular Sub-Funds in the interests of efficiency. Pooling and joint management are investment techniques foreseen by the Prospectus and investors may refer to the Prospectus for further details. Notwithstanding the use of such investment techniques, they do not have any impact towards investors rights and obligations. Investors can subscribe to and redeem their interests in the sub-funds of the Fund participating in pooling and common management without any restrictions or limitations. Notwithstanding the above, such management techniques are not to be employed until further notice. In the event that such management techniques are to be introduced, prior notice will be given to affected Hong Kong investors of the Fund and the Hong Kong Offering Document will be amended (as necessary) to reflect the same.

   The Fund may for any Sub-Fund, also lend portions of securities portfolio to third parties and connected parties. Details of this are set out in the Prospectus under the section headed

"Special techniques and instruments with securities and money market instruments as underlying assets" and a summary of the key points is set out below.

- Any incremental income generated from such securities lending transactions is received by the relevant Sub-Fund of the Fund.

- According to the applicable Luxembourg law/ Commission de Surveillance du Secteur Financier ("**CSSF**") circular, in the case of securities lending transactions, the Fund must, in principle, receive collateral, and the value of which must at least correspond to the total value of the securities lent and any accrued interest thereon. This collateral must be issued in a form of financial collateral as permitted by the provisions of Luxembourg law (as of the date of this Hong Kong Offering Document, the collateral must be given in the form of cash, equities and/or bonds with a minimal rating of at least AAA or equivalent by a rating agency recognized by the supervisory authority and with a value greater than or equivalent to the value of the securities lent.

- The maximum level of the Fund's assets available for securities lending transactions is 100%.

- The principal selection criteria for selecting counterparties for securities lending transactions are:

  - Experience / track record in securities lending transactions
  - Degree and quality of market access
  - Size and quality of client network
  - Quality / efficiency of back office processes related to securities lending transactions
  - Interfaces with the Fund's Depositary and administrator
  - Reputation / important market participant
  - Financial standing

- The Management Company conducts securities lending transactions to UBS AG, Zurich, Switzerland on a principal basis.

  UBS AG has extensive experience in securities lending transactions and is an important actor in international capital markets. UBS AG's set-up for securities lending transactions ensures effective administrative processes, including quick and efficient re-calls of the Fund's lent securities.

  Details of the aforementioned connected party transactions, including but not limited to any securities lending fee(s) will be disclosed in the connected party transaction section of the Annual Report and Semi-annual Report of the Fund.

  The Fund may, for any Sub-Fund, engage on an ancillary basis in repurchase / reverse-repurchase transactions, details of which are also set out in the Prospectus under the section headed "Special techniques and instruments with securities and money market instruments as underlying assets". However, Hong Kong investors should note that the Fund is currently not involved in, and does not intend to engage in, any such repurchase or reverse repurchase transactions. Investors will be given at least one month's prior notice (or such other notice period as the SFC may approve in advance) if such there is any change to this policy.

7. Hong Kong investors should note that they will not be permitted to subscribe or redeem in RMB and that Hong Kong investors may not convert their units into a RMB denominated unit class. Full details relating to the procedures for subscription, redemption and conversion of units are set out in the Prospectus and subscribers resident or domiciled in Hong Kong should

read the relevant sections carefully and in conjunction with this document. Investors in Hong Kong should note that any conversion can only be made into a UBS sub-fund which is authorized for sale in your jurisdiction. Moreover, Hong Kong investors should note that conversion(s) may only be made into unit classes that are offered to the public in Hong Kong. Investors may refer to the section in the Prospectus headed "Distribution" for information on the distribution policy of the Sub-Funds. Investors in Hong Kong should also note that where you deal in the units through a sub-distributor, a financial adviser or other authorized sales intermediary (each a "**sales intermediary**"), you should check with such sales intermediary whether it has other / any particular dealing arrangements.

In relation to subscription for units, please note that Hong Kong investors must forward the completed application form and application monies to the relevant authorized distributor or the Hong Kong Representative, which is authorized by the Fund to receive applications for units on its behalf, for onward transmission to the Fund in Luxembourg. Except where units are purchased over the counter, payment should be made by cheque (crossed "A/C Payee Only, Not Negotiable"), banker's draft or telegraphic transfer. No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the SFO or is exempted therefrom. Applications for subscription, redemption and/or conversion of units received by the relevant authorized distributor or the Hong Kong Representative by or before 5 p.m. (Hong Kong time) on a business day in Hong Kong ("**Hong Kong Dealing Cut-off point**") will be transmitted as soon as practicable after receipt, and applicants can normally consider that their applications will be notified to the Fund on the same day. Applications received after the Hong Kong Dealing Cut-off point will, if accepted, normally be dealt with on the following Hong Kong business day. Notwithstanding the above, investors in Hong Kong should also check with their respective Hong Kong distributor(s) for their respective cut-off times for receipt of applications, as this may vary depending on the particular Hong Kong distributor. The Hong Kong Representative has, however, no authority to agree on behalf of the Fund (or otherwise) that the applications will be accepted. The Hong Kong Representative will issue receipts for application monies in respect of applications received by it.

As noted above, in relation to redemption or conversion of units, Hong Kong investors must lodge their request with the relevant authorized distributor or the Hong Kong Representative. The maximum period between any relevant valuation date following receipt by the Fund of a request for redemption and the dispatch of the redemption monies will not exceed will not usually exceed 3 working days and will, in any event, not exceed 7 working days. Where redemption and conversion orders on any order date lead to outflows of more than 10% of the total net asset value of a Sub-Fund on that date (redemption gate), the Management Company may decide to (but is not obliged to) only partially fulfil redemption and conversion orders, and to postpone the redemption and conversion orders in excess of 10% of the total net asset value of a Sub-Fund from the order date for a period generally not to exceed 20 Business Days (as defined below), with priority (relative to orders received on the next order date).

8. The minimum investment and subsequent holding per investor is one unit in respect of any Sub-Fund.

Units in respect of any Sub-Fund are issued and redeemed on every Business Day. In this context and as defined in the Prospectus, a "Business Day" refers to a normal bank business day in Luxembourg (i.e. a day when the banks are open during normal business hours), except for 24 and 31 December, individual, non-statutory days of rest in Luxembourg and days on which stock exchanges in the main countries in which the respective Sub-Fund invests are closed, or on which 50% or more of the investments of the Sub-Fund cannot be adequately valued. "Non-statutory days of rest" are days on which banks and financial institutions are closed. Furthermore, for the Sub-Funds UBS (Lux) Equity Fund - China Opportunity (USD) and UBS (Lux) Equity Fund – Greater China (USD), days on which the stock exchanges in the

People's Republic of China or Hong Kong are closed for business are not deemed business days for these Sub-Funds. No issue or redemption will take place on days on which the Management Company has decided not to calculate net asset value. In addition, the Management Company is empowered to reject subscription applications at its discretion. The Management Company may offer full or partial redemptions in kind at its own discretion. Redemptions in kind are subject to the written consent of the affected individual investor.

The net asset value of a unit may also be calculated on days where no units are issued or redeemed. In this case, the net asset value may be published, but it may only be used for the purpose of calculating performance, statistics or fees. Under no circumstances should it be used as a basis for subscription and redemption orders.

Subscription and redemption applications ("orders") received by the Administrative Agent, (i.e., Northern Trust Global Services SE, whose address is set out in the Prospectus) no later than by 16:00 Central European Time (or 15:00 Central Europe Time from 1 July 2015 onwards) on a Business Day ("order date") will be processed on the following Business Day ("value date") on the basis of the net asset value calculated for that day. By way of exception, orders for the following Sub-Funds may also be processed on the order date on the basis of the net asset value calculated for that day. For these Sub-Funds, the following cut-off times shall apply from 1 May 2015:

Sub-Fund	Cut-off time (CET) as of 01 May 2015
UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)	13:00 CET
UBS (Lux) Equity Fund – China Opportunity (USD)	
UBS (Lux) Equity Fund – Greater China (USD)	

All orders sent by fax must be received by the Administrative Agent one hour prior to the stated cut-off time of the respective Sub-fund on a Business Day, at the latest. Earlier cut-off times for receipt of orders can apply to orders placed with sales agents in Luxembourg or abroad (including Hong Kong), to ensure punctual forwarding to the Administrative Agent or central settling agent of UBS Investment Bank in Switzerland. The earlier cut-off times can be requested from the relevant authorized distributors. This means that net asset value for settlement purposes is not known when the order is placed ("forward pricing"). It will be calculated on the value date on the basis of the last known prices (i.e. closing prices or if such do not reflect reasonable market value in the opinion of the Management Company, at the last prices available at the time of valuation).

The Fund may, in consultation with the Depositary, having regard to the best interests of unitholders, temporarily suspend calculation of the net asset value and hence the issue and redemption of units for one or more Sub-Funds and the conversion between the individual Sub-Funds on one or more Business Days in the circumstances described in the Prospectus under the section headed "Suspension of net asset value calculation, and suspension of the issue, redemption and conversion of units". This section and the section headed "Redemption of units" also describes the Fund's power to compulsorily redeem units in certain circumstances. In the event that the directors of the Fund exercise the power to compulsorily redeem all units in a class if the value of the proportion of a unit class, in relation to the total net asset value of the respective Sub-Fund, falls below or does not reach a level that the directors of the Fund have fixed as the minimum level for the economically efficient management of a unit class, the Management Company undertakes to provide up to 1 month's prior notice (or such other notice period as the SFC may approve in advance) to affected Hong Kong investors of the Fund. Such power to compulsorily redeem will be exercised in the best interest of investors as a whole. During the notice period for the compulsory redemption of a unit class, affected Hong Kong investors may convert their existing holdings in the Sub-Fund into any other sub-fund within the UBS range of funds which are currently authorised by the SFC without incurring any conversion fees; or redeem their existing holdings in the Sub-Fund free of redemption charges. In the event of suspension of dealings in the Sub-Fund(s), publication will be made immediately and thereafter at least once a month during the period of suspension, in the same website on which the relevant Sub-Fund's net asset value is published as set out in paragraph 10 below.

For so long as the Fund and the relevant Sub-Fund remain authorized by the SFC in Hong Kong *inter alia* (i) profits on the disposal of securities or interest or dividends received by the Fund in respect of such Sub-Fund will not be chargeable to Hong Kong profits tax and (ii) holders of units in the relevant Sub-Fund will not be subject to any Hong Kong profits tax in respect of their acquisition, holding, conversion or disposal of such holding(s), except where transactions in those units form part of a trade, profession or business carried on in Hong Kong, and such gains arise in or are derived from Hong Kong. No Hong Kong stamp duty will be payable on the issue, redemption or conversion of units in such Sub-Fund. Moreover, as a result of the abolition of Hong Kong estate duty from 11 February 2006, no Hong Kong estate duty will be payable by holders of units.

The foregoing information is presented on the basis of the Management Company's understanding of present legislation and practice in Hong Kong. It is not meant to be, and should not be treated as, a replacement for professional tax advice. Potential applicants resident or domiciled in Hong Kong should, however, consult their own financial advisers as to their tax position in relation to any investment in the Fund and/or any Sub-Fund(s).

9. For so long as the Fund and the relevant Sub-Fund(s) remain authorized by the SFC in Hong Kong, copies of the latest constitutive documents in relation to the Fund and the relevant Sub-Fund(s) listed in the Prospectus under the heading "Inspection of documents" and a copy of the Hong Kong Representative Agreement may be inspected during usual business hours at the offices of the Hong Kong Representative and copies thereof obtained at a reasonable charge. Past performance information of the relevant Sub-Fund(s) is only available in the English language from https://www.ubs.com/hk/en/asset-management/funds-and-prices.html (which 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). Notices to unitholders will be published at www.ubs.com/lu/en/asset_management/notifications (which 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) and such notices can be sent by email to those unitholders who have provided an email address for this purpose. However, investors in Hong Kong will still receive hardcopies of notices specifically to Hong Kong investors.

Moreover, the Annual Report of the Fund (and each Sub-Fund) will be published and made available to unitholders within 4 months of the end of the financial year (as described in the Prospectus under the section headed "Regular reports and publications"). The semi Annual Report of the Fund (and each Sub-Fund) will be published and made available to unitholders within 2 months of the end of the period it covers. Copies of the latest Annual Report of the Fund (and each Sub-Fund) and its semi Annual Report (collectively the "**Reports**"), as well as the Hong Kong Offering Document, may also be obtained at any time free of charge from the offices of the Hong Kong Representative.

Notwithstanding the above, investors in Hong Kong should note that copies of the Reports will not be distributed in printed form on issue each year, but will instead be made available (in printed and electronic form) to affected unitholders. The Fund will notify Hong Kong unitholders as and when such Reports become available and within the time period stipulated above. The electronic form of these Reports can be accessed from https://www.ubs.com/hk/en/asset-management/retail-investors.html (which 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).

Please note that these Reports (whether in printed or electronic form) are only available in the English language. The aforesaid arrangement does not apply to holders of bearer units in Hong Kong, who may continue to obtain a copy of such Reports from the offices of the Hong Kong Representative. Holders of bearer units in Hong Kong shall be notified of the time and agenda of forthcoming meetings or voting arrangements through publication on the same website in which the Sub-Fund's net asset value is published, as set out in paragraph 10 below.

Units are issued as registered units only. This means that the unitholder status of the investor in the Fund with all associated rights and obligations will be based on the respective investor's entry in the Fund's register.

10. The net asset value in respect of units in each of the Sub-Funds will be available daily at the offices of the Hong Kong Representative and will also be available online at https://www.ubs.com/hk/en/asset-management/funds-and-prices.html[1] on every business day in Hong Kong.

11. Details of the level of the various fees and charges paid by or payable to the Fund and/or Sub-Fund(s), as well as details of the expenses borne by the Fund in respect of the different Sub-Funds, are set out in the Prospectus. A summary of the fees and charges applicable to the unit classes of each Sub-Fund on offer are set out below:

Payable by Hong Kong investors

Fees and charges currently payable by Hong Kong investors in respect of each unit class	
Subscription Fee	Up to 5%* of the investor's capital commitment
Redemption Charge	Nil.
Switching Fee (Conversion Fee)	Up to 5%* of the investor's capital commitment

* Investors should note that in respect of "mdist" unit classes only, a maximum of up to 6% may be charged upon giving 1 month's prior notice to affected investors.

^ In the context of the subscription fee, "investor's capital commitment" means the subscription amount.

^^In the context of the switching fee, "investor's capital commitment" means the net asset value per unit of the sub-fund from which the investor is switching multiplied by the number of units to be switched by the investor.

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

[1] 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.

Payable by the Fund

The Management Company receives from the Fund's assets a maximum flat fee based on the net asset value of the Fund, in accordance with the following provisions: This fee is charged to the Fund's assets on a pro rata basis upon every calculation of the net asset value and is paid on a monthly basis (maximum flat fee). The maximum flat fee for unit classes with “hedged” in their name may contain fees for hedging currency risk. The maximum flat fee effectively applied can be found in the annual and semi-annual reports. The maximum flat fee does not include the following fees and additional expenses which are also charged to the Fund, such as but not limited to additional expenses related to management of the Fund's asset for the sale and purchase of assets, auditor's fees for annual audit, fees for legal and tax advisors, costs for the 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”.

Unless otherwise agreed with the SFC, 1 month’s prior notice will be given to affected Hong Kong investors in respect of any increase in the aforementioned subscription fee / redemption charge / switching fee and/or in respect of any increase in the current level of the flat fee up to the maximum level set out in the Prospectus and annual and semi-annual reports.

No annual fee is currently paid to the Hong Kong Representative but such annual fee may be paid in an amount as may from time to time be agreed between the Fund and the Hong Kong Representative. Investors will be given at least one month’s prior notice (or such other notice period as the SFC may approve in advance) if such charges are introduced.

As per the section entitled "Net asset value, issue, redemption and conversion price" of the Prospectus, the pricing adjustment will be conducted in good faith, taking into account the best interest of unitholders, and in accordance with the policies and procedures established by the Management Company and in consultation with the Depositary. Further, the price reporting providers are independent third parties that are involved in determining the fair value calculations.

For the Sub-Funds of the Company which invests in money market instruments, interest income earned by the relevant Sub-Funds will be accrued and included in the valuation of the assets of the Sub-Funds for the relevant holding period and up to the order date in the valuation of the assets of the relevant Sub-Funds.

12. Transactions involving the sale and purchase of assets of the Fund and the Sub-Funds are conducted through a number of brokers and dealers, some of whom might be members of the UBS Group. The Fund and Sub-Funds do not, however, execute transactions exclusively through members of the UBS Group, but in circumstances where they do, such transactions are effected on normal commercial terms without any special privileges being afforded to either party. Members of the UBS Group adhere to the highest standards in executing transactions for the Fund and the Sub-Funds:

    (a) if the Fund’s cash is deposited with the Depositary, the Management Company, the portfolio management companies, an investment delegate or any of their connected person (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the unitholders, having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm’s length in accordance with ordinary and normal course of business;

    (b) all transactions carried out by or on behalf of the Fund will be executed at arm’s length and in the best interests of the unitholders, and executed on the best available terms. Transactions between the Fund, the Management Company, the portfolio management companies, an investment delegate, directors of the Fund or any of their connected persons (including directors of these entities) as principal may be only be made with the prior written consent of the Depositary. All such transactions shall be disclosed in the Fund's annual report;

(c) the interest charged on money borrowed (if any) from the Depositary, the Management Company, the portfolio management companies, an investment delegate or any of their connected persons (being a bank) shall be at no higher rate, and any fee for arranging or terminating the loan is of no greater amount, than is in accordance with its normal banking practice, the latter meaning the commercial rate for a loan of the size and nature of the loan in question negotiated at arm's length; and

(d) In transacting with brokers or dealers connected to the Management Company, the portfolio management companies, an investment delegate, directors of the Management Company, the Depositary or any of their connected persons, the Management Company must ensure that it complies with the following obligations:

  (i) such transactions should be on arm's length terms;
  (ii) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;
  (iii) transaction execution must be consistent with applicable best execution standards;
  (iv) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
  (v) the Management Company must monitor such transactions to ensure compliance with its obligations; and
  (vi) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the Fund's annual report.

Neither the Management Company, an investment delegate nor any of their connected persons may retain cash or other rebates from brokers or dealers in consideration of directing transactions in the Fund's property to the broker or dealer save that goods and services (soft dollars) may be retained if:

(i) the goods and services are of demonstrable benefit to the unitholders;

(ii) transaction execution is consistent with the best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;

(iii) adequate disclosure is made in the Fund's Hong Kong Offering Document;

(iv) periodic disclosure is made in the Fund's annual report in the form of a statement describing the soft dollar policies and practices of the Management Company or investment delegate, including a description of the goods and services received by them; and

(v) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Additional information on Sub-Funds

13. **UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)** is a Sub-Fund that invests at least two-thirds of its assets following the principle of risk diversification in:

a) 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; and

b) shares or other equity interests of companies which the Portfolio Manager believes to have an appropriate social and environmental profile, and maintain a good standard corporate governance approach and for which the Portfolio Manager will seek to have an average sustainability profile that exceeds the weighted average of its performance benchmark as set out in the Prospectus.

As this Sub-Fund has been designated as a Sustainable Investing Focused Fund ("**SI Focused Fund**"), sustainability/environmental, social and corporate governance ("**ESG**") factors are key considerations in the Portfolio Manager's stock selection process. For further details on how the Portfolio Manager's stock selection process will incorporate ESG factors in pursuit of this primary investment strategy, please refer to paragraph 14C.

UBS (Lux) Equity Fund - Tech Opportunity (USD), is a Sub-Fund invests in shares in technology companies and related service providers.

UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR) is a Sub-Fund which can invest directly or indirectly (ie. in up to 10% of its net assets in open-end investment funds) in small to medium sized companies. The Sub-Fund will also invest at least 70% of its assets in shares or other equity interests of companies which the Portfolio Manager believes to have an appropriate social and environmental profile, and maintain a good standard corporate governance approach and for which the Portfolio Manager will seek to have an average sustainability profile that exceeds the weighted average of its performance benchmark as set out in the Prospectus. The Sub-Fund is also permitted to increase or reduce their market exposure through the use of index futures. By buying and/or selling futures on indices, the Portfolio Manager is able to manage the flow of funds generated by subscriptions/redemptions as well as increase or decrease market exposure. Investors should note that the prudent use of futures can yield advantages. However, futures can also entail risks that are different, and in some cases higher, than those associated with traditional investments.

As this Sub-Fund has been designated as a Sustainable Investing Focused Fund ("**SI Focused Fund**"), sustainability/environmental, social and corporate governance ("**ESG**") factors are key considerations in the Portfolio Manager's stock selection process. For further details on how the Portfolio Manager's stock selection process will incorporate ESG factors in pursuit of this primary investment strategy, please refer to paragraph 14C.

UBS (Lux) Equity Fund - Euro Countries Opportunity (EUR) is a Sub-Fund which can invest directly or indirectly (ie. in up to 10% of its net assets in open-end investment funds) in small to medium sized companies. The Sub-Fund is also permitted to increase or reduce their market exposure through the use of index futures. By buying and/or selling futures on indices, the Portfolio Manager is able to manage the flow of funds generated by subscriptions/ redemptions as well as increase or decrease market exposure. Investors should note that the prudent use of futures can yield advantages. However, futures can also entail risks that are different, and in some cases higher, than those associated with traditional investments.

14. The aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the UBS (Lux) Equity Fund – Greater China (USD) and UBS (Lux) Equity Fund – China Opportunity (USD) will be maintained at 20% or below of its total net asset value. The aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD) will be maintained at 45% or below of its total net asset value. Within this limit, the UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD) may invest in stocks listed on the Small and Medium Enterprise ("**SME**") Board, the ChiNext market and/or the Science and Technology Innovation Board (the "**STAR Board**").

14A. The Sub-Funds **UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD), UBS (Lux) Equity Fund - China Opportunity (USD), UBS (Lux) Equity Fund - Euro Countries Opportunity (EUR), UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR), UBS (Lux) Equity Fund - Greater China (USD)** and **UBS (Lux) Equity Fund - Tech Opportunity (USD)** may invest less than 30% of its total net asset value in instruments with loss-absorption features including contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

14B. Use of derivatives

The net derivative exposure of the following Sub-Funds may be up to 50% of the relevant Sub-Fund's net asset value:

- UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD)
- UBS (Lux) Equity Fund - China Opportunity (USD)
- UBS (Lux) Equity Fund - Euro Countries Opportunity (EUR)
- UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR)
- UBS (Lux) Equity Fund - Greater China (USD)
- UBS (Lux) Equity Fund - Tech Opportunity (USD)

14C. SI Focused Funds

As a SI Focused Fund, the primary investment strategy of the Sub-Fund is to invest primarily in shares and equity interests of companies which the Portfolio Manager believes to have an appropriate social and environmental profile, and maintain a good standard of corporate governance and for which the Portfolio Manager will seek to have an average sustainability profile that exceeds the weighted average of its performance benchmark. For clarity:

a) "an appropriate social and environmental profile" refers to companies which demonstrate a willingness to commit to environmental (e.g. with respect to climate change and carbon footprint, pollution, waste management, sustainable energy and/or water usage) and social standards (e.g. with respect to employee health, well-being and safety), wherein such factors are to be assessed by the Portfolio Manager against other companies in the investment universe as well as in absolute terms.

b) "a good standard of corporate governance" refers to companies that demonstrate respect and compliance for issues like board independence, ethics and compliance.

To do this, the Portfolio Manager will use a combination of screening out "high risk" securities (defined below) and a stock selection process which aims to invest in shares and equity interests of companies which have in aggregate a higher average ESG Score (defined below) than that of its performance benchmark.

The process involves incorporating sustainability/ESG criteria as key considerations into the Portfolio Manager's stock selection and into the analysis of companies, taking into account factors such as a company's carbon footprint, employee health and well-being, management of the value chain, equitable treatment of clients and governance procedures. The sustainability/ESG criteria against which the Portfolio Manager will analyse companies, their sectors and activities include those defined in United Nations Sustainable Development Goals and other principles that are based on corporate governance and corporate social responsibility.

The Portfolio Manager will use a combination of proprietary tools, research techniques, analytics third party firms and qualitative and quantitative analysis to assess each company against the sustainability/ESG criteria, and assigning each company a score based on its relative standing in accordance with sustainability/ESG criteria against other companies in the investment universe (the "**ESG Score**"). Using this ESG Score, the Portfolio Manager will calculate the average ESG Scores of both the Sub-Fund's investment portfolio and its performance benchmark.

The ESG Score is first used to screen out any companies in the investment universe which demonstrate "high risk" factors when assessed against the sustainability/ESG criteria. These companies are those that have been assigned the lowest ESG Scores, which typically means that the companies either do not demonstrate commitment to ESG criteria (e.g. have no commitment to reducing carbon footprint or sustainable energy), have repeatedly violated ESG criteria or environmental laws and regulations or have been involved in ESG controversies (e.g. human rights abuses, corruption, toxic waste spill). Typically, as an indication, around 15-30% of the investment universe are flagged as "high risk" based on the ESG Scores assigned and would subsequently be screened out.

The Portfolio Manager will then aim to invest in shares or other equity interests of companies which in aggregate demonstrate a higher average ESG Score than the average ESG Score of the performance benchmark of the Sub-Fund. This means that the individual ESG Score of an investment and the effect of this ESG Score on the average ESG Score of the Sub-Fund's investment portfolio will be a key consideration of the Portfolio Manager's stock selection process. Effective as from April 2021, the average ESG Scores of the Sub-Fund and its performance benchmark shall be disclosed in a monthly report available upon request to the Management Company.

Otherwise, for the avoidance of doubt, the Sub-Fund will not track a reference ESG benchmark.

The Sub-Fund also excludes investments in companies that generate a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy from coal-fired power stations. The Sub-Fund may also exclude companies or even entire sectors with business activities that have a negative social or environmental impact in accordance with the sustainability/ESG criteria, although it is not required to do so unless falling within the above mentioned excluded sectors or its ESG Score indicates "high risk" as set out above.

14D. **ESG integration funds**

UBS (Lux) Equity Fund - Greater China (USD), UBS (Lux) Equity Fund – Tech Opportunity (USD), UBS (Lux) Equity Fund - Euro Countries Opportunity (EUR) and UBS (Lux) Equity Fund - China Opportunity (USD) have been designated as ESG Integration funds. Please refer to the section titled "ESG integration" in the Prospectus for further details.

For the avoidance of doubt, these Sub-Funds are not designated as "Green or ESG Funds" in accordance with the SFC circular to management companies of SFC-authorised unit trusts and mutual funds on Green or ESG Funds dated 11 April 2019 and ESG is not a key investment focus and consideration of these Sub-Funds.

15. Liquidity Risk Management Policies and Tools

(a) Governance Structure

The Management Company has established comprehensive risk management policies and procedures to manage and mitigate the Sub-Funds' exposure to significant market, liquidity and operational risks. The Management Company devotes significant resources to monitor liquidity risks and utilize liquidity management tools where necessary.

The Board of Directors of the Management Company provides general oversight of the Sub-Funds' investment programme and operations in accordance with the Management Company's liquidity risk management policies and procedures.

(b) Liquidity Risk Management Policy

The Management Company has, as part of its overall risk management programme, established liquidity risk management policies and procedures which are reviewed periodically from time to time.

The key elements to the Management Company's risk management policy include (but not limited to) the following in accordance with its liquidity risk management policies and procedures:

- *Considering risk appetite* – The Management Company considers the liquidity risks facing a Sub-Fund to ensure that the Sub-Fund's dealing arrangements are appropriate for its investment strategy and underlying assets. Among other things, the Management Company seeks to (a) understand and align the liquidity profile of a Sub-Fund's liabilities with the liquidity profile of the Sub-Fund's assets, (b) understand investors' historical and expected redemption patterns, and (c) determine an appropriate dealing frequency taking into account the liquidity profile of the Sub-Fund and investors' redemption patterns.

- *Ongoing liquidity risk assessment through qualitative and quantitative evaluations* – The Management Company assesses, on a regular basis, the liquidity profile of:

  i. the Sub-Fund's liabilities, in particular the Sub-Fund's investor profile and historical and future redemption patterns and likely liquidity demands; and

  ii. the Sub-Fund's assets, using both quantitative metrics (e.g. Days to Trade and Costs to Trade) and qualitative factors (e.g. asset class or credit quality) and the Management Company's professional judgment, taking into account the characteristics of the assets and markets invested in by the Sub-Fund. Risk models and targets are reviewed regularly to ensure they are appropriate and effective.

     The Management Company assesses the Sub-Fund's liquidity position against the internal liquidity indicators.

- *Stress-testing* – Liquidity stress tests are conducted on an ongoing basis as appropriate based on various scenarios, including scenarios based on both backward-looking historical market conditions and redemption demands of the Sub-Fund or other similar funds as well as forward-looking hypothetical scenarios to assess a Sub-Fund's ability to meet redemption obligations and the impact on the remaining Unitholders when there is a significant decrease in the liquidity of underlying assets or a significant increase in redemption requests. Stress test results will be reviewed by the Board of Directors of the Management Company to determine whether further action will be required.

(c) Liquidity Risk Management Tools

The Management Company may utilize the following liquidity management tools in order to protect the interests of the Unitholders:

- *Suspension of redemption* - The Management Company, in consultation with the Depositary, has discretion to suspend redemption or delay the payment of any moneys or the transfer of any securities *in specie* under exceptional circumstances, such as the closure, suspension or restriction of trading on any markets, having regard to the best interests of unitholders.. Please refer to section "Suspension of the net asset value calculation and of the issue, redemption and conversion of units" of the Prospectus for more information.

- *Limitations on redemption and conversion* - The Management Company reserves the right not to fulfil all redemption and conversion orders on any order date on which this would lead to outflows of more than 10% of the total net asset value of a Sub-Fund on that date (redemption gate) to protect the interests of Unitholders. Please refer to paragraph 7 of this Information for Hong Kong Investors ("**IHKI**") for more information.

- *Redemptions in-kind* – The Management Company has discretion to agree with redeeming Unitholders that the Sub-Fund will meet part of the redemption request in-kind, by transferring underlying assets of an equivalent value to the Unitholder. Please refer to section "Redemption of units" of the Prospectus for more information.

- Swing Pricing – Please refer to section "Net asset value, issue, redemption and conversion price" of the Prospectus for more information.

- *Other Investment and Borrowing Restrictions* - Apart from being subject to investment restrictions and borrowing restrictions as outlined in section "Investment principles" of the Prospectus, the Sub-Funds may not hold any physical commodities or engage in short selling activities.

16. Specific risk and General risk description

Specific risk description

<u>Equities</u>
<u>(Domestic and international)</u>

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.

Investment returns of international shares (and related derivatives) are also affected by fluctuations in exchange rates. The currency exposure of international funds may be hedged to a certain currency. Investments into shares listed in less developed markets, commonly referred to as Emerging Markets are riskier due to the more volatile nature of their fundamentals. Emerging markets are generally at an early stage of development which can typically result in a higher level of price volatility. These markets also provide less liquidity than their developed market counterparts. Please refer to the section "General risk information" of the Prospectus for details of the risks associated with Emerging Markets investments.

Similarly, investments into Private Equity afford limited liquidity to the investor, due to the fact that they are unlisted.

Fixed income
(Domestic and international)

The capital value of fixed income securities will rise and fall as a consequence of changes in interest rates. If interest rates rise, the value of a fixed income security falls; if interest rates fall, its value rises. The magnitude of these changes depends mainly on the term to maturity of the security. In general, a security with a longer term to maturity is more affected by interest rate changes. When investing in fixed income securities it is also necessary to consider the impact of credit risk. Credit risk refers to the issuer of a debt instrument failing to meet an obligation to pay periodic interest or to repay the principal sum at maturity. In addition, emerging markets debt which is normally below investment grade quality has a much higher risk of default. Investment returns from international bonds (and related derivatives) are also affected by fluctuations in exchange rates.

General risk description

Investment risk

The Sub-Funds are investment funds. There is no guarantee of the repayment of principal. The Sub-Funds' investment portfolio may fall in value due to any of the key factors listed in the Hong Kong Offering Document, and therefore the investors' investment in the Sub-Funds may suffer losses.

Market risk

Changes in legal, tax and economic conditions, political events, investor sentiment and market variables such as interest rates, exchange rates and equity indices can all directly or indirectly influence the value of your investments.

Fund specific risk

The value of investments can vary because of changes to management, product distribution or the Fund's business environment.

Currency rate risk

If a Sub-Fund directly or indirectly holds assets denominated in foreign currencies, it is exposed to a currency risk if foreign currency positions have not been hedged. Any devaluation of the foreign currency against the Base Currency of the Sub-Fund would cause the value of the assets denominated in the foreign currency to fall.

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, differences in accounting, legal, securities trading and settlement procedures can also impact the value of the Sub-Funds' investment.

Regulatory risk

The Sub-Funds may be adversely affected by future changes in applicable laws, including tax laws and regulations.

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.

Risks Relating to the Liquidity of a Sub-Fund

(a) Inability to Meet Redemption Obligations

The investments of the Sub-Funds are exposed to and may be affected by adverse changes to global and regional economic, geo-political and financial conditions. As Unitholders may redeem some or all of their Units on any Dealing Day, there may be a mismatch between the liquidity of the Sub-Fund's underlying investments and its redemption obligations. There is no assurance that there will be an active, liquid trading market for a Sub-Fund to sell portfolio investments (in particular where the Sub-Fund has invested in fixed income and other assets that tend to be temporarily less liquid), or the price at which the portfolio investments may be sold at to meet redemption obligations. Under such volatile and stressed market conditions, a Sub-Fund may not be able to meet its redemption obligations or may only be able to meet them after liquidation of assets on unfavourable terms. This risk is heightened where there is a significant withdrawal of capital from a Sub-Fund.

(b) Adverse Impact of Withdrawal on Remaining Unitholders and Redemption Cycle

Any actions taken by the Management Company to meet redemption obligations such as selling a Sub-Fund's more liquid portfolio investments may have an adverse impact on remaining Unitholders. Remaining Unitholders may bear the cost of any increase in the risk profile of the Sub-Fund as a result of asset disposals to meet redemption requests or of any subsequent portfolio rebalancing. The impact on Unitholders will depend on the volume of redemptions, the purchase and sale price of assets and the final composition of the Sub-Fund.

If redeeming Unitholders do not bear the full costs of redemption, Unitholders may be incentivized to be the first to redeem their Units ahead of other Unitholders. This first mover advantage may potentially trigger a significant cycle of redemptions that exacerbate the liquidity stress of the Sub-Fund.

(c) The Management Company's Risk Management Policies and Procedures May Not Adequately Address Unidentified or Unanticipated Risks

To safeguard the interests and fair treatment of all Unitholders, the Management Company has established comprehensive risk management policies and procedures to manage and mitigate the Sub-Funds' exposure to significant market, liquidity and operational risks. The Management Company devotes significant resources to monitor liquidity risks and utilize liquidity management tools where necessary. For a description of the liquidity risk management tools, policies and procedures, please see paragraph 15 of this IHKI.

However, the Management Company's risk management systems are dependent on their ability to properly identify and mark-to-market the changes in the value of investments. Inaccurate information may adversely affect the ability of the Management Company to accurately assess the liquidity risk. In addition, risks such as severe declines in asset prices, unanticipated credit events or unforeseen circumstances may not be properly accounted for. The Sub-Funds may suffer greater losses to the extent that the Management Company's assumptions, estimates and assessments prove inaccurate or not predictive of actual results. This may, in turn, have an adverse effect on the Sub-Funds' ability to meet their redemption obligations.

Derivative risk

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. The use of derivative positions to hedge the risk of physical securities will involve "basis risk", which refers to the possibility that the derivative positions may not move perfectly in line with the physical security. As a consequence, the derivative position cannot always be expected to perfectly hedge the risk of the physical security.

Credit risk

The issuer of a credit transaction may fail to meet its obligation to repay the principal or the interest payment. This risk is primarily managed by monitoring the creditworthiness of the issuer.

Custodial risk

Sub-depositary or sub-delegates may be appointed in local markets for purpose of safekeeping assets in those markets. Where a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a depositary, sub-depositary or sub-delegate, the Sub-Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by a Sub-Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

Counterparty risk

A counterparty may fail to perform contractual obligations, either in whole or in part. This risk is primarily managed by ensuring counterparties, together with the respective credit limits, are approved with stringent criteria and ensuring, where possible transactions are undertaken with a number of counterparties.

Performance risk

The Sub-Funds may fail to perform as expected in which case the Sub-Fund's investment objective may not be achieved.

Leverage risk

Certain derivatives that the Sub-Funds may use may create leverage. Derivative instruments that involve leverage can result in losses to the Sub-Funds that exceeds the amount originally invested in the derivative instruments.

Fund of Fund risk

The investment performance of a Sub-Fund investing in other funds is affected by the investment performance of the underlying funds in which the Fund invests. Through its investment in the underlying funds, the Sub-Fund is subject to the risks of the underlying funds' investments and subject to the underlying funds' expenses.

Risks associated with investing in funds designated as SI Focused Fund

Investing in 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 of a SI Focused Fund 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 SI Focused Fund's investment performance.

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.

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.

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 SI Focused 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 may need to dispose of such securities when it may be disadvantageous to do so. This may lead to a fall in the SI Focused Fund's net asset value.

Risk of early termination

The Management Company is empowered to liquidate or terminate the Fund and/or Sub-Funds under certain conditions and in the manner described in the "Liquidation and merger of the Fund and its sub-funds or unit classes" section of the Prospectus. Consequences for individual investors (for example in relation to taxation) may vary depending on their own circumstances at the time that the Fund/Sub-Funds is liquidated/are terminated. Proceeds received upon the liquidation of the Fund/Sub-Funds may be less than the amount originally invested.

In the event that it is proposed to liquidate the Fund and/or any of the Sub-Funds or merge the latter with any other Sub-Funds or another undertaking for collective investment established in accordance with the Luxembourg law relating to Undertakings for Collective

Investment of 20 December 2002 (as amended from time to time, including but not limited to any amendments / revisions introduced pursuant to the Law of 2010) or otherwise (subject to the authorization of such other scheme in your jurisdiction), this will be done in accordance with any procedures set out in the Fund's and the relevant Sub-Fund's constitutive documents or governing law and notice will be given to affected investors as determined by the SFC.

Concentration risk

Concentration risk arises if one or only few financial instruments make up a significant part of the total portfolio or if financial instruments representing a certain market sector and/or a certain geographical region make up a signification part of the total portfolio. 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.

Eurozone risk

In addition to specific national concerns, the Eurozone is experiencing a collective debt crisis. Certain countries have received very substantial financial assistance from other members of the European Union, and the question of additional funding is unclear. Investor confidence in other EU member states, as well as European banks exposed to sovereign debt of Eurozone countries experiencing financial turmoil, has been severely impacted, threatening capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, there can be no assurance that the level of funds being committed to such facilities will be sufficient to resolve the crisis going forward. It is also unclear whether ultimately a political consensus will emerge in the Eurozone concerning whether and how to restructure sovereign debt. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the withdrawal of one or more member states from the Eurozone, or even the abolition of the Euro. The withdrawal of one or more member states from the Eurozone or the abolition of the Euro could result in significant exchange rate volatility and could have an adverse impact on the financial markets, not only within Europe but globally and could have an adverse impact on the value of a Sub-Fund's investments. For the purpose of this risk, "Eurozone" means a geographic and economic region that consists of all the European Union countries that have fully incorporated the euro as their national currency; and "EU" means European Union.

Risk of distributions out of capital

The following disclosure is extracted from the Prospectus, additional disclosures regarding distributions out of capital are underlined for your reference.

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. 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. 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 (which 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). The Management Company may amend the policy with respect to distribution payment subject to the SFC's prior approval and by giving not less than one month's prior notice to investors. Also, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction of the net asset value per unit of the Sub-Fund. Investors in certain jurisdictions may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Certain investors may therefore prefer to invest in accumulating (-acc) rather than distributing (-dist, -mdist) unit classes. Investors may be taxed on income and capital arising from accumulating (-acc) unit classes at a later point in time than is the case with distributing (-dist) unit classes. Investors are advised to consult their tax adviser on this matter.

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 in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

Risks relating to Mainland China A-Shares

The price at which securities may be purchased or sold by a Sub-Fund and the net asset value of the relevant 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 relevant 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 fund manager to liquidate positions and can thereby expose the relevant Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the fund manager to liquidate position at a favourable price.

In addition, 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.

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 a Sub-Fund may adversely affect the relevant Sub-Fund's value.

Based on professional and independent tax advice, the Sub-Funds currently do not make any PRC tax provision.

Risks relating to securities trading in mainland China via Stock Connect

Quota limitation

The Stock Connect is subject to quota limitations. In particular Stock Connect is subject to a daily quota which does not belong to a Sub-Fund and can only be utilised on a first-come-first serve-basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Sub-Fund(s)' ability to invest in A Shares through Stock Connect on a timely basis, and the relevant Sub-Fund(s) may not be able to effectively pursue its investment strategies.

Suspension risk

The Hong Kong Stock Exchange ("SEHK") and Shanghai Stock Exchange ("SSE") and/or Shenzhen Stock Exchange ("SZSE") reserve the right to suspend northbound and/or southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the northbound trading through the Stock Connect is effected, the relevant Sub-Fund's ability to invest in A shares or access the PRC market through the programmes will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

Recalling of eligible stocks

Hong Kong and overseas investors will be able to trade certain stocks listed on the SSE and SZSE markets (i.e. "SSE and SZSE Securities"). When a stock is recalled from the scope of eligible stocks for trading via Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Sub-Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Participation in corporate actions and shareholders' meetings

HKSCC will keep CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK) participants informed of corporate actions of SSE or SZSE Securities. Hong Kong and overseas investors (including the relevant Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE or SZSE Securities may be as short as one business day only. Therefore, the relevant Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the relevant Sub-Fund) are holding SSE and SZSE Securities traded via Stock Connect through their brokers or custodians. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements.

Differences in trading days

Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but not for the Hong Kong market in which case a Sub-Fund will not be able to access the PRC market via Stock Connect. A Sub-Fund may be subject to a risk of price fluctuations in SSE and SZSE Securities during the time when Stock Connect is not trading as a result.

Operational risk

The Stock Connect provides a channel for investors from Hong Kong and overseas to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial programme to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect requires routing of orders across the PRC-Hong Kong border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted. A Sub-Fund's ability to access the SSE and SZSE Securities market (and hence to pursue its investment objective) will be adversely affected.

Regulatory risk

The Sub-Funds may be adversely affected by future changes in applicable laws, including tax laws and regulations.

The Stock Connect is subject to regulations circulated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be circulated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change, which may have potential retrospective effect. There can be no assurance that the Stock Connect will not be abolished. A Sub-Fund, which may invest in the PRC markets through Stock Connect, may be adversely affected as a result of such changes.

Investor Compensation

Investment through the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. For defaults occurring on or after 1 January 2020, Hong Kong's Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE or the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the relevant Sub-Fund(s) are carrying out northbound trading through securities brokers in Hong Kong but not Mainland Chinese brokers, they are not protected by the China Securities Investor Protection Fund in mainland China.

Taxation risk

For the SSE and SZSE Securities traded by the Sub-Funds under Stock Connect, any capital gains derived from the transfer of such SSE and SZSE Securities on or after 17 November 2014 would be temporarily exempt from PRC corporate income tax (CIT). Prior to this exemption, in respect of China sourced capital gains derived from the transfer of SSE and SZSE Securities, such gains would have been subject to CIT at 10% in accordance with the CIT law.

Dividends from SSE and SZSE Securities paid to the Sub-Funds would be subject to 10% withholding income tax and which is to be withheld at source. If the Sub-Funds are entitled to a lower tax treaty rate as regards capital gains and dividends, application can be made to the in-charge tax bureau of the payer for a tax refund. It is possible that any new tax laws and regulations and any new interpretations may be applied retroactively.

Risks associated with the Small and Medium Enterprise Board and/or ChiNext market

A Sub-Fund may invest in the Small and Medium Enterprise ("SME") board and/or the ChiNext market of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the relevant Sub-Fund(s) and their investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk

Stocks listed on the SME board and/or ChiNext 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 regulations

The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk

It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the relevant Sub-Fund(s) if the companies that it invests in are delisted.

Risks associated with the Science and Technology Innovation Board (also known as the "STAR Board")

A Sub-Fund may access securities listed on the STAR Board of the Shanghai Stock Exchange. Listed companies on the STAR Board are usually of an emerging nature with smaller operating scale, and focused on emerging sectors such as new technologies. These technology industries are at a very early stage of development, and many of the companies in these industries have a very short history. Rapid changes in technology could render obsolete the products and services offered by these listed companies, and cause severe or complete declines in the prices of the securities of such companies.

As such, valuation of the securities of such companies may involve uncertainties and judgmental determinations. If such valuations turn out to be incorrect, this may adversely affect the net asset value of a Sub-Fund.

In general, the securities on the STAR Board are subject to higher fluctuations in securities prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the Shanghai Stock Exchange. Due to having fewer securities in circulation, securities prices may be more susceptible to manipulation. Securities listed on the STAR Board may be overvalued and such exceptionally high valuations may not be sustainable.

As the STAR Board allows companies to list by way of a registration system, it may be more common and faster for companies listed on the STAR Board to list and delist. If the companies that a Sub-Fund invests in are delisted, this may have an adverse impact on the value of the Sub-Fund. Also, the rules and regulations regarding companies listed on the STAR Board are less stringent in terms of profitability and share capital than those on the main board of the Shanghai Stock Exchange. Listed companies may list on the STAR Board with neither a track record of profitability nor any obligation to forecast future profitability. Investments in the STAR Board may result in significant losses for a Sub-Fund and its investors.

Risks associated with instruments with loss-absorption features

A Sub-Fund may invest in instruments with loss-absorption features which are subject to greater risks when compared to traditional debt instruments as such instruments typically include terms and conditions which may result in them being partly or wholly written off, written down, or converted to ordinary shares of the issuer upon the occurrence of a pre-defined trigger event (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).

Such trigger events are likely to be outside of the issuer's control and commonly include: (i) a reduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio or other ratios; (ii) a regulatory authority, at any time, making a subjective determination that the issuer is "non-viable", i.e. a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt or otherwise carry on its business and requiring or causing the conversion of the contingent convertible debt securities into equity or write down, in circumstances that are beyond the control of the issuer; or (iii) a national authority deciding to inject capital. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of the Sub-Fund. In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class.

For example, a Sub-Fund may invest in contingent convertible debt securities. Contingent convertible debt securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible debt securities will be converted into shares of the issuing company (potentially at a discounted price as a result of the deterioration in the financial condition of the issuing company), or cause the permanent write-down to zero of the principal investment and/or accrued interest such that the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible debt securities are subject to the general risks associated with bonds and equities, and to the risks specific to convertible securities in general. Contingent convertible debt securities are also subject to additional risks specific to their structure including:

Trigger level risk/conversion risk: Trigger levels differ and determine exposure to conversion risk. It might be difficult for a Portfolio Manager to anticipate the trigger events that would require conversion. These instruments may be converted into shares potentially at a discounted price and the principal amount invested may be lost. In case of a conversion, the relevant Portfolio Manager might be forced to sell new equity shares upon conversion and such forced sale may result in the relevant Sub-Fund experiencing loss.

Coupon cancellation risk: Coupon payments on contingent convertible debt securities are discretionary and may at times also be cancelled or deferred by the issuer for any reason, and for any length of time. The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, these instruments may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

Capital structure inversion risk: Contrary to the classical capital hierarchy, investors in contingent convertible debt securities will suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/write-down of a contingent convertible debt securities is activated. This is contrary to the normal order of capital structure where equity holders are expected to suffer the first loss.

Call extension risk: Some contingent convertible debt securities are issued as perpetual instruments and only callable at pre-determined levels upon approval of the competent regulatory authority. It cannot be assumed that these perpetual contingent convertible debt securities will be called on a call date. Such contingent convertible debt securities are a form of permanent capital. The investor may not receive return of principal as expected on call date or indeed at any date.

Valuation and write-down risk: Contingent convertible debt securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible debt securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

Market value fluctuations due to unpredictable factors: The value of contingent convertible debt securities is unpredictable and will be influenced by many factors including, without limitation (i) creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (ii) supply and demand for the contingent convertible debt securities; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

Liquidity risk: In certain circumstances finding a buyer ready to invest in contingent convertible debt securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

Subordinated instruments risk: Contingent convertible debt securities will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible debt securities, such as a Sub-Fund, against the issuer in respect of or arising under the terms of the contingent convertible debt securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

Novelty and untested nature: The structure of contingent convertible debt securities is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

Sector concentration risk: Contingent convertible debt securities are issued by banking and insurance institutions. The performance of a Sub-Fund may therefore be affected by a greater extent on the overall condition of the financial services industry than for the funds following a more diversified strategy.

Foreign Account Tax Compliance ("**FATCA**")

The Fund will endeavor to satisfy the requirements imposed under FATCA or the Luxembourg IGA to avoid any withholding tax. In the event that the Fund is not able to comply with the requirements imposed by FATCA or the Luxembourg IGA and the Fund or any applicable Sub-Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Fund or the relevant Sub-Fund may be adversely affected and the Fund or the relevant Sub-Fund may suffer significant loss as a result.

Investors should also note that any withholding tax incurred by the Fund and any other related costs, interest, penalties and other losses and liabilities arising from the failure of an investor to provide the requested information to the Fund are borne by this investor. Accordingly, this investor may be liable for any resulting US withholding taxes or penalties arising under FATCA and/or the compulsory redemption or liquidation of this investor's stake in the Fund. Such withholding and compulsory redemption, if any, is permitted by applicable laws and regulations and the Fund will act in good faith and on reasonable grounds.

In addition, investors should note that the Fund is a Sponsored Foreign Financial Institution and the Management Company has obtained a global intermediary identification number as sponsor on behalf of the Fund.

Each prospective investor should consult with its own tax advisor as to the potential impact of FATCA in its own tax situation.

Automatic exchange of information

The Inland Revenue (Amendment) (No.3) Ordinance (the "**Ordinance**") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("**AEOI**"). The AEOI requires financial institutions ("**FI**") in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and to file such information with the Hong Kong Inland Revenue Department ("**IRD**") who in turn will exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement ("**CAA**"); however, FIs may further collect information relating to residents of other jurisdictions.

By investing in the Fund and the Sub-Funds and/or continuing to invest in the Fund and the Sub-Funds through FIs in Hong Kong, investors acknowledge that they may be required to provide additional information to the relevant FI in order for the relevant FI to comply with AEOI. The investor's information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such unitholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions.

Each unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Fund and the Sub-Funds through FIs in Hong Kong.

17. **Conflicts of Interest**

The Management Company and/or other companies within the UBS group may from time to time act as investment managers or advisers to other funds/clients and may act in other capacities in respect of such funds or other clients. It is widely recognized that potential conflicts of interest are inherent to integrated financial services groups such as UBS.

UBS is committed to identifying and then managing such conflicts of interest appropriately to ensure fair treatment of its clients. Conflicts of interest may be managed by using any of, or any combination of, the following measures (non-exhaustive list) like the implementation of information barriers, separate management supervision, independence arrangements, promotion of a culture of integrity, and refusal of business if necessary.

The Management Company will (in the event that any conflict of interest actually arises) endeavor to ensure that such conflict is resolved fairly and in the best interests of the Fund and in line with the above UBS procedures.

18. The Management Company, the Depositary, the Portfolio Managers and the Hong Kong Representative are all members of the UBS Group of companies.

19. Any enquiries and complaints relating to the Fund / Sub-Fund(s) should be addressed to the Hong Kong Representative (for the attention of Hong Kong Compliance) at the address set out on the cover page or by consulting the Hong Kong compliance officer at the offices of the Hong Kong Representative at 852 - 2971 6188.

UBS (Lux) Equity Fund

Investment fund under Luxembourg law ("Fonds commun de placement")

February 2021

Sales Prospectus

Units of UBS (Lux) Equity Fund (hereinafter also referred to as the ("**Fund**") may be acquired on the basis of this Sales Prospectus, the Management Regulations, the latest annual report and, if already published, the subsequent semi-annual report.

Only the information contained in the Sales Prospectus and in one of the documents referred to in the Sales Prospectus shall be deemed valid.

Furthermore, a Key Investor Information Document ("**KIID**") is made available to investors before subscribing to units. Information on whether a sub-fund of the Fund is listed on the Luxembourg Stock Exchange can be obtained from the administrative agent or the Luxembourg Stock Exchange website (www.bourse.lu).

The issue and redemption of Fund units is subject to the regulations prevailing in the country where this takes place. The Fund treats all investor information with the strictest confidentiality, unless its disclosure is required pursuant to statutory or supervisory provisions.

Units in this Fund may not be offered, sold or delivered within the United States.

Units of this Fund may not be offered, sold or delivered to investors who are US Persons. A US Person is any person who:

(i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;
(ii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));
(iii) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
(iv) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
(v) is any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the Fund.

Management and administration

Management Company
UBS Fund Management (Luxembourg) S.A., RCS Luxembourg B 154.210 (the "**Management Company**").

The Management Company was established in Luxembourg on 1 July 2010 as an Aktiengesellschaft (public limited company) for an indefinite period. Its registered office is located at 33A, avenue John F. Kennedy, L-1855 Luxembourg.

The Articles of Association of the Management Company were published on 16 August 2010 by way of a notice of deposit in the Mémorial, Recueil des Sociétés et Associations (hereinafter referred to as the "**Mémorial**").

The consolidated version of the Articles of Incorporation may be consulted at the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés). The corporate purpose of the Management Company is to manage undertakings for collective investment pursuant to Luxembourg law and to issue/redeem units or shares in these products, among other activities.
In addition to the Fund, the Management Company currently also manages other undertakings for collective investment.
The Management Company has fully paid-up equity capital of EUR 13,000,000.

Board of Directors of the Management Company (the "Board of Directors")

Chairman	André Valente, CEO, UBS Fund Management (Switzerland) AG, Basel, Switzerland
Members	Francesca Prym, CEO, UBS Fund Management (Luxembourg) S.A., Luxembourg, Grand Duchy of Luxembourg
	Gilbert Schintgen, Independent Director, Dudelange, Grand Duchy of Luxembourg
	Christian Maurer, Head of Product Management, UBS Asset Management Switzerland AG, Zurich, Switzerland

Conducting Officers of the Management Company

Valérie Bernard,
UBS Fund Management (Luxembourg) S.A.,
Luxembourg, Grand Duchy of Luxembourg

Geoffrey Lahaye,
UBS Fund Management (Luxembourg) S.A.,
Luxembourg, Grand Duchy of Luxembourg

Federica Ghirlandini,
UBS Fund Management (Luxembourg) S.A.,
Luxembourg, Grand Duchy of Luxembourg

Olivier Humbert,
UBS Fund Management (Luxembourg) S.A.,
Luxembourg, Grand Duchy of Luxembourg

Portfolio Manager

Sub-fund	Portfolio Manager
UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD) UBS (Lux) Equity Fund – Japan (JPY)	UBS Asset Management (Singapore) Ltd., Singapore
UBS (Lux) Equity Fund – Biotech (USD)	UBS Asset Management Switzerland AG, Zurich
UBS (Lux) Equity Fund – Greater China (USD) UBS (Lux) Equity Fund – China Opportunity (USD)	UBS Asset Management (Hong Kong) Limited, Hong Kong
UBS (Lux) Equity Fund – Mid Caps Europe (EUR) UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) UBS (Lux) Equity Fund – Euro Countries Opportunity (EUR)	UBS Asset Management (UK) Ltd., London
UBS (Lux) Equity Fund – Mid Caps USA (USD) UBS (Lux) Equity Fund – US Sustainable (USD) UBS (Lux) Equity Fund – Tech Opportunity (USD) UBS (Lux) Equity Fund – Small Caps USA (USD) UBS (Lux) Equity Fund – Global Sustainable (USD) UBS (Lux) Equity Fund – Health Care (USD)	UBS Asset Management (Americas) Inc., Chicago

The Portfolio Manager has been assigned the management of the securities portfolio under the supervision and responsibility of the Management Company; to this end, it carries out all transactions relevant hereto in accordance with the prescribed investment restrictions.

The Portfolio Management entities of UBS Asset Management may transfer their mandates, fully or in part, to associated Portfolio Managers within UBS Asset Management. Responsibility in each case remains with the aforementioned Portfolio Manager assigned by the Management Company.

Depositary and Main Paying Agent
UBS Europe SE, Luxembourg Branch, 33A avenue John F. Kennedy, L-1855 Luxembourg, (B.P. 2, L-2010 Luxembourg)

UBS Europe SE, Luxembourg Branch, has been appointed depositary of the Fund (the "**Depositary**"). The Depositary will also provide paying agent services to the Fund.
The Depositary is a Luxembourg branch office of UBS Europe SE, a European company (societas Europaea – SE) with its registered office in Frankfurt am Main, Germany, listed in the trade and companies register of the Frankfurt am Main district court (Handelsregister des Amtsgerichts Frankfurt am Main) under number HRB 107046. The Depositary is located at 33A, avenue John F. Kennedy, L-1855 Luxembourg, and is entered in the Luxembourg trade and companies register under B 209.123.
The Depositary has been assigned the safekeeping of those financial instruments of the Company that can be held in custody, as well as the record keeping and verification of ownership for other assets held by the Fund. The Depositary shall also ensure the effective and proper monitoring of the Fund's cash flows pursuant to the provisions of the Law of 17 December 2010 on undertakings for collective investment ("**Law of 2010**") and the depositary agreement (hereinafter referred to as the "**Depositary Agreement**"), each as amended.
Assets held in custody by the Depositary shall not be reused for their own account by the Depositary or any third party to whom custody has been delegated, unless such reuse is expressly permitted by the Law of 2010.
In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of units is carried out in accordance with Luxembourg law, the Sales Prospectus and the Management Regulations; (ii) the value of the units is calculated in accordance with Luxembourg law; (iii) the instructions of the Management Company are carried out, unless they conflict with applicable Luxembourg law, the Sales Prospectus and/or the Management Regulations; (iv) for transactions involving the Fund's assets, any consideration is remitted to the Fund within the usual time limits; and (v) the Fund's income is appropriated in accordance with Luxembourg law, the Sales Prospectus and the Management Regulations.
In accordance with the provisions of the Depositary Agreement and the Law of 2010, the Depositary may appoint one or more sub-depositaries. Subject to certain conditions and with the aim of effectively fulfilling its duties, the Depositary may thus delegate all or part of the safekeeping of those financial instruments that can be held in custody as entrusted to it, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund. The Depositary does not permit its sub-depositaries to make use of sub-delegates without its prior approval.
In accordance with the applicable laws and regulations, as well as the directive on conflicts of interest, the Depositary shall assess potential conflicts of interest that may arise from the delegation of its safekeeping tasks to a sub-depositary or sub-delegate before any such appointing takes place. The Depositary is part of the UBS Group: a global, full-service private banking, investment banking, asset management and financial services organisation that is a major player on the global financial markets. As such, conflicts of interest may arise in connection with the delegation of its safekeeping tasks, because the Depositary and its affiliates engage in various business activities and may have diverging direct or indirect interests.
Unitholders may obtain additional information free of charge by addressing a written request to the Depositary.
In order to avoid potential conflicts of interest, the Depositary does not permit the appointment of sub-depositaries or sub-delegates that belong to the UBS Group, unless such appointment is in the interest of the unitholders and no conflict of interest is identified at the time of appointment of the sub-depositary or sub-delegate. Irrespective of whether a sub-depositary or sub-delegate is part of the UBS Group, the Depositary will exercise the same level of due skill, care and diligence both in the selection and appointment as well as in the on-going monitoring of the respective sub-depositary or sub-delegate. Furthermore, the conditions determining the appointment of any sub-depositary or sub-delegate that is member of the UBS Group will be negotiated at arm's length in order to protect the interests of the Fund and its unitholders. Should a conflict of interest arise and prove impossible to mitigate, such conflict of interest will be disclosed to the unitholders, together with all decisions taken pertaining thereto. An up-to-date description of all custody tasks delegated by the Depositary, alongside an up-to-date list of these delegates and sub-delegates can be found on the following webpage: https://www.ubs.com/global/en/legalinfo2/luxembourg.html
Where the law of a third country requires that financial instruments be held in custody by a local entity and no local entity satisfies the delegation requirements of Article 34 bis, Paragraph 3, lit. b) i) of the Law of 2010, the Depositary may delegate its tasks to such local entity to the extent required by the law of such third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-depositaries providing an adequate standard of protection, the Depositary must exercise all due skill, care and diligence as required by the Law of 2010 in the selection and appointment of any sub-depositary to which it intends to delegate a portion of its tasks. Furthermore, it must continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-depositary to which it has delegated a portion of its tasks and of any arrangements entered into by the sub-depositary in respect of the matters delegated to it. In particular, delegation is only permitted if the sub-depositary keeps the assets of the Fund separate from the Depositary's own assets and the assets belonging to the sub-depositary at all times during performance of the delegated tasks pursuant to the Law of 2010. The Depositary's liability shall not be affected by any such delegation, unless otherwise stipulated in the Law of 2010 and/or the Depositary Agreement.
The Depositary is liable to the Fund and its unitholders for the loss of a financial instrument held in custody within the meaning of Article 35(1) of the Law of 2010 and Article 12 of Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to the obligations of depositaries (the "**Deposited Fund Assets**") by the Depositary and/or a sub-depositary (the "**Loss of a Deposited Fund Asset**").
In the event of the Loss of a Deposited Fund Asset, the Depositary must provide a financial instrument of the same type or value to the Fund without undue delay. In accordance with the provisions of the Law of 2010, the Depositary will not be liable for the Loss of a Deposited Fund Asset if this was the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.
The Depositary shall be liable to the Fund and its unitholders for all other direct losses suffered by them as a result of the Depositary's carelessness, negligence or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law of 2010 and the Depositary Agreement.
The Management Company and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice via registered letter. Should the Depositary decide to end its mandate or should it be removed from its role by the Management Company, the Depositary must be replaced before expiry of this notice period by a successor who shall take delivery of the Fund's assets and assume the functions and responsibilities of the Depositary. If the Management Company does not name another depositary as its successor within this time, the Depositary may notify the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier – "**CSSF**") of the situation.

Administrative agent

Northern Trust Global Services SE, 10, rue du Château d'Eau, L-3364 Leudelange

The administrative agent is responsible for the general administrative tasks involved in managing the Fund as prescribed by Luxembourg law. These administrative services mainly include calculating the net asset value per unit, keeping the Fund's accounts and carrying out reporting activities.

Auditor of the Fund
PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg.

Auditor of the Management Company
Ernst & Young S.A., 35E avenue John F. Kennedy, L-1855 Luxembourg

Paying agents
UBS Europe SE, Luxembourg Branch, 33A avenue John F. Kennedy, L-1855 Luxembourg, (B.P. 2, L-2010 Luxembourg) and other paying agents in the various distribution countries.

Distributors and other sales agents, referred to as "distributors" in the Sales Prospectus.
UBS Asset Management Switzerland AG, Zurich, and other distributors in the various distribution countries.

Profile of the typical investor

UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in companies either domiciled or chiefly active in emerging markets and targeting a leading position in sustainability. Investors should be prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Global Sustainable (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in major companies that show above-average environmental, social and economic accountability, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Greater China (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in major companies in Greater China, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Health Care (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified global portfolio of shares in pharmaceuticals, biotechnology, medical supply and medical technology companies, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Japan (JPY)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in major Japanese companies, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Mid Caps Europe (EUR)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in medium-sized European companies, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Mid Caps USA (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in medium-sized US companies, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Small Caps USA (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a portfolio of shares in smaller US companies, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – US Sustainable (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in US companies that are committed to environmental, social and economic issues, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Biotech (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified global portfolio of shares in biotechnology companies, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – China Opportunity (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of shares in companies that are either domiciled or chiefly active in China, and who are prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Euro Countries Opportunity (EUR)
The actively managed sub-fund is suitable for investors who wish to invest in a portfolio of shares in European companies in the eurozone and are prepared to accept the risks inherent in such shares.

UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)
The sub-fund is suitable for investors who wish to invest in an actively managed portfolio of shares in European companies with an acceptable environmental, social and economic profile. Investors should be prepared to accept the risks inherent in shares.

UBS (Lux) Equity Fund – Tech Opportunity (USD)
The actively managed sub-fund is suitable for investors who wish to invest in a diversified global portfolio of shares in technology companies and related service providers and are prepared to accept the risks inherent in shares.

Historical performance
The historical performance of the individual sub-funds compared to any relevant benchmark is outlined in the KIID of the relevant unit class or in the corresponding sub-fund-specific document for the Fund's distribution countries.

Risk profile
Sub-fund investments may be subject to substantial fluctuations and no guarantee can be given that the value of a Fund unit will not fall below its value at the time of acquisition.

Factors that can trigger such fluctuations or influence their magnitude include but are not limited to:
- Company-specific changes
- Changes in interest rates
- Changes in exchange rates
- Changes affecting economic factors such as employment, public expenditure and indebtedness, and inflation
- Changes in the legal environment
- Changes in investor confidence in certain asset classes (e.g. equities), markets, countries, industries and sectors
- Changes in commodity prices.
- Changes that affect the use of renewable energy sources. These include wind, water and solar power, as well as biomass.

By diversifying investments, the Portfolio Manager seeks to partly reduce the negative impact of these risks on the value of the sub-funds.

The Portfolio Manager may use special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments. These instruments may be of crucial importance for certain sub-funds. The risks associated with such techniques are described in this Sales Prospectus under "Risks connected with the use of derivatives" and "Use of futures and options".

Where sub-funds are exposed to specific risks due to their investments, information on these risks is included in the investment policy of this sub-fund.

The Fund

Fund structure

The Fund offers investors various sub-funds ("**umbrella structure**") that invest in accordance with the investment policy described in this Sales Prospectus. The specific features of each sub-fund are defined in this Sales Prospectus, which will be updated each time a new sub-fund is launched.

Unit classes

Various unit classes may be offered for each sub-fund. Information on which unit classes are available for which sub-funds can be obtained from the administrative agent or at www.ubs.com/funds.

"P"	Units in classes with "P" in their name are available to all investors. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"N"	Units in classes with "N" in their name (units with restrictions on distribution partners or countries) are issued exclusively through distributors authorised by UBS Asset Management Switzerland AG and domiciled in Spain, Italy, Portugal and Germany, or in other distribution countries insofar as this has been decided by the Board of Directors. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.

"K-1"	Units in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.1. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 5 million, BRL 20 million, CAD 5 million, CHF 5 million, CZK 100 million, DKK 35 million EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, NOK 45 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million, USD 5 million, NZD 5 million or ZAR 40 million.
"K-B"	Units in classes with "K-B" in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised distributors on investing in one or more sub-funds of this umbrella fund. The costs for asset management are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"K-X"	Units in classes with "K-X" in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the Management Company, administrative agent and the Depositary) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"F"	Units in classes with "F" in their name are exclusively reserved for UBS Group AG affiliates. The maximum flat fee for this class does not include distribution costs. These units may only be acquired by UBS Group AG affiliates, either for their own account or as part of discretionary asset management mandates concluded with UBS Group AG companies. In the latter case, the units will be returned to the Fund upon termination of the mandate at the prevailing net asset value and without being subject to charges. The smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"Q"	Units in classes with "Q" in their name are exclusively reserved for financial intermediaries that: (i) invest for their own account, or (ii) receive no distribution fees in accordance with regulatory requirements, or (iii) can only offer their clients retrocession-free classes where these are available in the investment fund in question, in accordance with written agreements concluded with them. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the sub-fund. The Management Company is not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"QL"	Units in classes with "QL" in their name are exclusively reserved for selected financial intermediaries who: (i) have received approval from the Management Company prior to first subscription, and (ii) in accordance with regulatory requirements and the written contracts with their clients may not receive any sales commission and/or may only offer their clients classes without retrocessions, where these are available in the investment fund in question. The Management Company will require a minimum investment of CHF 200 million (or the equivalent in another currency). The Management Company may waive the minimum investment temporarily or permanently. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the sub-fund. The Management Company is not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units is AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"I-A1"	Units in classes with "I-A1" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. The maximum flat fee for this class does not include distribution costs. The smallest tradable unit of these shares is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"I-A2"	Units in classes with "I-A2" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. The maximum flat fee for this class does not include distribution costs. The smallest tradable unit of these shares is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000. The minimum subscription amount for these units is CHF 10 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the list above;

	(ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 30 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies.
"I-A3"	Units in classes with "I-A3" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. The maximum flat fee for this class does not include distribution costs. The smallest tradable unit of these shares is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 200, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000. The minimum subscription amount for these units is CHF 30 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the list above; (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 100 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies.
"I-B"	Units in classes with "I-B" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. A fee covering the costs for fund administration (comprising the costs of the Management Company, the administrative agent and the Depositary) is charged directly to the sub-fund. The costs for asset management and distribution are charged to investors under the aforementioned agreement. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"I-X"	Units in classes with "I-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the Management Company, administrative agent and the Depositary) and distribution are charged to investors under the aforementioned agreement. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"U-X"	Units in classes with "U-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the Management Company, administrative agent and the Depositary) and distribution are charged to investors under the aforementioned agreement. This unit class is exclusively geared towards financial products (i.e. funds of funds or other pooled structures under various legislative frameworks). Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 10,000, BRL 40,000, CAD 10,000, CHF 10,000, CZK 200,000, DKK 70,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, NOK 90,000 PLN 50,000, RMB 100,000, RUB 350,000, SEK 70,000, SGD 10,000, USD 10,000, NZD 10,000 or ZAR 100,000.

Additional characteristics:

Currencies	The unit classes may be denominated in AUD, BRL, CAD, CHF, CZK, DKK, EUR, GBP, HKD, JPY, NOK, PLN, RMB, RUB, SEK, SGD, USD, NZD or ZAR. For unit classes issued in the currency of account of the sub-fund, this currency will not be included in the unit class name. The currency of account features in the name of the relevant sub-fund.
"hedged"	For unit classes with "hedged" in their name and with reference currencies different to the sub-fund's currency of account ("**unit classes in foreign currencies**"), the risk of fluctuations in the value of the reference currency is hedged against the sub-fund's currency of account. This hedging shall be between 95% and 105% of the total net assets of the unit class in foreign currency. Changes in the market value of the portfolio, as well as subscriptions and redemptions of unit classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The Management Company and the Portfolio Manager will take all necessary steps to bring the hedging back within the aforementioned limits. The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the sub-fund's currency of account.
"BRL hedged"	The Brazilian real (ISO 4217 currency code: BRL) may be subject to exchange control regulations and repatriation limits set by the Brazilian government. Prior to investing in BRL classes, investors should also bear in mind that the availability and tradability of BRL classes, and the conditions under which they may be available or traded, depend to a large extent on the political and regulatory developments in Brazil. The risk of fluctuations is hedged as described above under "hedged". Potential investors should be aware of the risks of reinvestment, which could arise if the BRL class has to be liquidated early due to political and/or regulatory circumstances. This does not apply to the risk associated with reinvestment due to liquidation

	of a unit class and/or the sub-fund in accordance with the section "Liquidation and merger of the Fund and its sub-funds or unit classes".
"RMB hedged"	Investors should note that the renminbi (ISO 4217 currency code: CNY) the official currency of the People's Republic of China (the "**PRC**"), is traded on two markets, namely as onshore RMB (CNY) in mainland China and offshore RMB (CNH) outside mainland China. Units in classes with "RMB hedged" in their name are units whose net asset value is calculated in offshore RMB (CNH). Onshore RMB (CNY) is not a freely convertible currency and is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Offshore RMB (CNH), on the other hand, may be traded freely against other currencies, particularly EUR, CHF and USD. This means the exchange rate between offshore RMB (CNH) and other currencies is determined on the basis of supply and demand relating to the respective currency pair. Convertibility between offshore RMB (CNH) and onshore RMB (CNY) is a regulated currency process subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government in coordination with offshore supervisory and governmental agencies (e. g. the Hong Kong Monetary Authority). Prior to investing in RMB classes, investors should bear in mind that the requirements relating to regulatory reporting and fund accounting of offshore RMB (CNH) are not clearly regulated. Furthermore, investors should be aware that offshore RMB (CNH) and onshore RMB (CNY) have different exchange rates against other currencies. The value of offshore RMB (CNH) can potentially differ significantly from that of onshore RMB (CNY) due to a number of factors including, without limitation, foreign exchange control policies and repatriation restrictions imposed by the PRC government at certain times, as well as other external market forces. Any devaluation of offshore RMB (CNH) could adversely affect the value of investors' investments in the RMB classes. Investors should therefore take these factors into account when calculating the conversion of their investments and the ensuing returns from offshore RMB (CNH) into their target currency. Prior to investing in RMB classes, investors should also bear in mind that the availability and tradability of RMB classes, and the conditions under which they may be available or traded, depend to a large extent on the political and regulatory developments in the PRC. Thus, no guarantee can be given that offshore RMB (CNH) or the RMB classes will be offered and/or traded in future, nor can there be any guarantee as to the conditions under which offshore RMB (CNH) and/or RMB classes may be made available or traded. In particular, since the currency of account of the relevant sub-funds offering the RMB classes would be in a currency other than offshore RMB (CNH), the ability of the relevant sub-fund to make redemption payments in offshore RMB (CNH) would be subject to the sub-fund's ability to convert its currency of account into offshore RMB (CNH), which may be restricted by the availability of offshore RMB (CNH) or other circumstances beyond the control of the Management Company. The risk of fluctuations is hedged as described above under "hedged". Potential investors should be aware of the risks of reinvestment, which could arise if the RMB class has to be liquidated early due to political and/or regulatory circumstances. This does not apply to the risk associated with reinvestment due to liquidation of a unit class and/or the sub-fund in accordance with the section "Liquidation and merger of the Fund and its sub-funds or unit classes".
"acc"	The income of unit classes with "-acc" in their name is not distributed unless the Management Company decides otherwise.
"dist"	The income of unit classes with "-dist" in their name is distributed unless the Management Company decides otherwise.
"qdist"	Units in classes with "-qdist" in their name may make quarterly distributions, gross of fees and expenses. Distributions may also be made out of the capital (this may include, inter alia, realised and unrealised net gains in net asset value) ("**capital**"). Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Furthermore, 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. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -qdist) unit classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) unit classes compared with distributing (-dist) unit classes. Investors should consult qualified experts for tax advice regarding their individual situation.
"mdist"	Units in classes with "-mdist" in their name may make monthly distributions, gross of fees and expenses. Distributions may also be made out of capital. Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Furthermore, 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. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) unit classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) unit classes compared with distributing (-dist) unit classes. Investors should consult qualified experts for tax advice regarding their individual situation. The maximum entry costs for units in classes with "-mdist" in their name is 6%.
"UKdist"	The aforementioned unit classes can be issued as those with "UKdist" in their name. In these cases, the Management Company intends to distribute a sum which corresponds to 100% of the reportable income within the meaning of the **UK reporting fund** rules when the unit classes are subject to these reporting fund rules. The Management Company does not intend to make taxable values for these unit classes available in other countries, as they are intended for investors whose investment in the unit class is liable to tax in the UK.

"2%", "4%", "6%", "8%"	Units in classes with "2%" / "4%" / "6%" / "8%" in their name may make monthly (-mdist), quarterly (-qdist) or annual (-dist) distributions at the respective aforementioned annual percentage rates, gross of fees and expenses. The distribution amount is calculated based on the net asset value of the respective unit class at the end of the month (in the case of monthly distributions), financial quarter (in the case of quarterly distributions) or financial year (in the case of annual distributions). These unit classes are suitable for investors who wish for more stable distributions, unrelated to the past or expected returns or income of the respective sub-fund. Distributions may thus also be made from the capital. Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Furthermore, 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. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore choose to invest in the accumulating (-acc) instead of the distributing (-dist, -qdist, -mdist) unit classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) unit classes compared with distributing (-dist, -qdist, -mdist) unit classes. Investors should consult qualified experts for tax advice regarding their individual situation.
"seeding"	Units in classes with "seeding" in their name are only offered during a limited time period. Further subscriptions are prohibited after the end of this period, unless otherwise decided by the Management Company. However, units can still be redeemed in accordance with the conditions for unit redemptions. Unless otherwise decided by the Management Company, the smallest tradeable unit, the initial issue price and the minimum subscription amount shall correspond to the characteristics of the unit classes listed above.

Legal aspects

The Fund was established as an open-ended investment fund without legally independent status in the form of a collective investment fund ("fonds commun de placement" - FCP) pursuant to Part I of the Luxembourg Law relating to undertakings for collective investment of 30 March 1988 and was adapted in November 2005 to conform to the Luxembourg Law of 20 December 2002 relating to undertakings for collective investment. Since 1 July 2011, the Fund has been subject to the Law of 2010. It was originally established under the name SBC Euro-Stock Portfolio (changed to SBC Equity Portfolio in 1993) in compliance with the Management Regulations approved by the Board of Directors of UBS Equity Fund Management Company S.A. (formerly SBC Equity Portfolio Management Company S.A.) on 26 October 1989.
The activities of UBS Equity Fund Management Company S.A. in its function as Management Company of the Fund ended on 14 October 2010. On 15 October 2010, UBS Fund Management (Luxembourg) S.A. assumed the function of Management Company.
The Management Regulations were initially published by way of a notice of deposit in the Luxembourg "Mémorial" on 14 April 1990 and most recently in the "Recueil Electronique des Sociétés et Associations" ("**RESA**") on 4 April 2017.
The Fund's Management Regulations may be amended, subject to compliance with applicable law. Any amendments thereto shall be notified by way of a notice of deposit in RESA, as well as by any other means described below in the section entitled "Regular reports and publications". The new Management Regulations shall enter into force on the date of their signature by the Management Company and the Depositary. The consolidated version may be consulted at the Trade and Companies Register (Registre de Commerce et des Sociétés).
The Fund has no legal personality as an investment fund. The entire net assets of each sub-fund are the undivided property of all unitholders who have equal rights in proportion to the number of units they hold. These assets are separate from the assets of the Management Company. The securities and other assets of the Fund are managed by the Management Company as separate trust assets in the interests and for the account of the unitholders.
The Management Regulations give the Management Company the authority to establish different sub-funds for the Fund as well as different unit classes with specific characteristics within these sub-funds. This Sales Prospectus will be updated each time a new sub-fund or additional unit class is launched.
There is no limit on the size of the net assets, the number of units, number of sub-funds and number of unit classes or the duration of the Fund and its sub-funds.
The Fund forms an indivisible legal unit. As regards the association between unitholders, each sub-fund is considered to be independent of the others. The assets of a sub-fund are only liable for liabilities incurred by that sub-fund. As no division of liabilities is made between unit classes, there is a risk that, under certain conditions, currency hedging transactions for unit classes with "hedged" in their name may result in liabilities that affect the net asset value of other unit classes of the same sub-fund.
The acquisition of Fund units implies acceptance of the Management Regulations by the unitholder.
The Management Regulations do not provide for a general meeting of the unitholders.
The Management Company asks investors to note that they only benefit from their rights as unitholders if they have been entered in their own name in the register of unitholders of the Fund following their investment in the Fund. However, if investors buy Fund units indirectly through an intermediary that makes the investment in its own name on behalf of the investor, and as a result, said intermediary is entered into the register of unitholders instead of the investor, the aforementioned rights as unitholders may be granted to the intermediary and not the investor. Investors are therefore advised to enquire as to their investor rights before making an investment decision.
The financial year of the Fund ends on the last day of the month of November.

Investment objective and investment policy of the sub-funds

Investment objective
The Fund's investment objective consists in generating strong capital appreciation with a reasonable level of income, while giving due consideration to capital security and the liquidity of the Fund's assets.

General investment policy

The assets of the sub-funds are invested following the principle of risk diversification. Provided the limit set in the relevant investment policy is not different, all sub-funds shall invest at least 70% of their assets in shares, other equity interests such as cooperative shares and participation certificates (equities and equity rights), short-term securities, dividend-right certificates and warrants of companies that may be associated with the sector or theme mentioned in the relevant sub-fund's name or that are domiciled or chiefly active in the country, geographical region or economic sector mentioned in the sub-fund's name.

Unless specified otherwise by the sub-fund's investment policy, all sub-funds may invest up to 30% of their assets in bonds and other debt instruments and claims denominated in various currencies and issued by domestic or foreign borrowers, as well as in shares, other equity interests, such as cooperative shares and participation certificates (equities and equity rights), short-term securities, dividend-right certificates and warrants of companies that do not comply with the above restrictions regarding geographical region and economic sector or the requirements regarding market capitalisation.
As set out in Point 1.1(g) and Point 5 of the investment principles, and within the statutory limits defined, special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments may be used as a main element in achieving the investment policy for each sub-fund.
The markets in warrants on securities, 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. These techniques and instruments will be employed only if they are compatible with the investment policies of the individual sub-funds and do not diminish their quality.
Each sub-fund may hold liquid funds on an ancillary basis in all currencies in which investments are made.
The sub-funds may invest up to 10% of their net assets in existing UCITS and UCIs, unless otherwise defined in the individual sub-funds' investment policy.

ESG integration
UBS Asset Management categorises certain sub-funds as ESG Integrated funds. The investment process for these sub-funds integrates key aspects related to sustainability and/or environmental, social and governance ("ESG") criteria with the process of financial analysis. ESG Integrated funds are characterised by the inclusion in the investment process of key ESG risks that may have an influence on the investment result, rather than the application of specific ethical principles or standards. The analysis of key sustainability/ESG characteristics may include various aspects of a company, such as its carbon footprint, employee health and well-being, management of the value chain, equitable treatment of clients and governance procedures. **The Portfolio Manager may continue to invest in securities with an elevated ESG risk profile if they believe that the potential profit outweighs the risks identified. For this reason, ESG Integrated funds are not sustainable focus/ESG funds, but investment funds that primarily seek to maximise financial returns, with ESG issues being an additional factor in the investment process.**

The sub-funds and their special investment policies

UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)
This actively managed 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.
The sub-fund invests in the shares of leading companies in sectors benefiting from long-term trends and themes such as consumption, urbanisation, digitalisation, financial inclusion, health care, new technologies, etc.
The sub-fund's assets are not limited to a particular range of market capitalisations, or to any geographical or sectoral allocation.
The sub-fund uses the benchmark MSCI Emerging Markets (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark are used if available. The portfolio may deviate from the benchmark in terms of allocation and performance.

As the sub-fund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.
Investors should note that the sub-fund's exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong 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.
UBS Asset Management categorises this as an SI (sustainable investing) focused fund. The sub-fund's sustainability profile is based on the sum of all individual investments. For example, the sub-fund can invest in companies whose principles are based on issues such as responsible governance (corporate social responsibility/CSR). However, it can also invest in companies active in sectors which have a positive sustainability impact for society based on the definition of sustainable development goals. On the other hand, the sub-fund may also exclude companies or even entire sectors with business activities that have a negative social or environmental impact. The objective of the investment process is to select companies with an appropriate environmental profile, an above-average commitment to social and environmental issues versus other firms, and a more progressive corporate governance approach. The fundamental analysis of sustainability/ESG criteria may include various aspects of a company, such as its carbon footprint, employee health and well-being, management of the value chain, equitable treatment of clients and governance procedures. The sub-fund does not invest directly in companies generating a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy from coal-fired power stations.
This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section "General risk information".
For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	1.920% (1.540%)	1.970% (1.580%)
Unit classes with "N" in their name	2.250% (1.800%)	2.300% (1.840%)
Unit classes with "K-1" in their name	1.400% (1.120%)	1.430% (1.140%)
Unit classes with "K-B" in their name	0.180% (0.000%)	0.180% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.850% (0.680%)	0.880% (0.700%)
Unit classes with "Q" in their name	0.980% (0.780%)	1.030% (0.820%)
Unit classes with "I-A1" in their name	0.950% (0.760%)	0.980% (0.780%)
Unit classes with "I-A2" in their name	0.900% (0.720%)	0.930% (0.740%)
Unit classes with "I-A3" in their name	0.850% (0.680%)	0.880% (0.700%)
Unit classes with "I-B" in their name	0.180% (0.000%)	0.180% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Global Sustainable (USD)

This sub-fund is an equity fund that invests at least two-thirds of its assets, according to the principle of risk diversification, in shares or equity-type instruments of leading companies (normally large caps, but also smaller caps) with a suitable ESG (Environmental, Social and Governance) profile and/or rating from a recognised agency. The ESG criteria cover the main parties of the company and may include, inter alia, the following topics (list not exhaustive): environment, dealing with environmental issues, society, employees and suppliers, buyers and customers, responsible management.

The Fund may also invest in companies that have a business model or manage products that comply to a certain extent with principles such as social responsibility or sustainable investments (SRI) and are involved in areas such as energy efficiency, environment, health and demographics or social improvements. A corresponding ESG profile is issued for these companies: The sub-fund uses the benchmark MSCI World for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark are used if available. The portfolio may deviate from the benchmark in terms of allocation and performance.

Investors should note that the sub-fund's exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong 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.

This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section "General risk information".
For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	1.740% (1.390%)	1.790% (1.430%)

Unit classes with "N" in their name	2.260% (1.810%)	2.310% (1.850%)
Unit classes with "K-1" in their name	1.080% (0.860%)	1.110% (0.890%)
Unit classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Unit classes with "I-A1" in their name	0.720% (0.580%)	0.750% (0.600%)
Unit classes with "I-A2" in their name	0.680% (0.540%)	0.710% (0.570%)
Unit classes with "I-A3" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Greater China (USD)
UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
The sub-fund invests mainly in shares and other equity interests of companies domiciled in the People's Republic of China or Taiwan as well as in other companies domiciled in East Asia that have close economic links with the People's Republic of China or Taiwan.

Investors should note that the sub-fund's exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong 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 sub-fund uses the benchmark UBS Greater China Index for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark are used if available. The portfolio may deviate from the benchmark in terms of allocation and performance.
This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section "General risk information".
For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	2.340% (1.870%)	2.390% (1.910%)
Unit classes with "N" in their name	2.750% (2.200%)	2.800% (2.240%)
Unit classes with "K-1" in their name	1.500% (1.200%)	1.530% (1.220%)
Unit classes with "K-B" in their name	0.180% (0.000%)	0.180% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.880% (0.700%)	0.910% (0.730%)
Unit classes with "Q" in their name	1.200% (0.960%)	1.250% (1.000%)
Unit classes with "I-A1" in their name	1.050% (0.840%)	1.080% (0.860%)

Unit classes with "I-A2" in their name	0.980% (0.780%)	1.010% (0.810%)
Unit classes with "I-A3" in their name	0.880% (0.700%)	0.910% (0.730%)
Unit classes with "I-B" in their name	0.180% (0.000%)	0.180% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Health Care (USD)
UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
The sub-fund invests selectively in shares and other equity interests of companies in the pharmaceuticals, biotechnology, medical technology and healthcare sectors worldwide.
Investors should note that the sub-fund's exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong 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 sub-fund uses the benchmark MSCI World Health Care (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.
This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section "General risk information".
For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	2.040% (1.630%)	2.090% (1.670%)
Unit classes with "N" in their name	2.750% (2.200%)	2.800% (2.240%)
Unit classes with "K-1" in their name	1.080% (0.860%)	1.110% (0.890%)
Unit classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Unit classes with "I-A1" in their name	0.720% (0.580%)	0.750% (0.600%)
Unit classes with "I-A2" in their name	0.680% (0.540%)	0.710% (0.570%)
Unit classes with "I-A3" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Japan (JPY)
UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
This sub-fund invests primarily in equities and other equity interests of companies domiciled or chiefly active in the country or region mentioned in its name. The sub-fund uses the benchmark TOPIX (net div. reinv.) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio

and is not tied to the benchmark in terms of equities or weightings. For unit classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

Currency of account: JPY

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with “hedged” in their name
Unit classes with “P” in their name	1.500% (1.200%)	1.550% (1.240%)
Unit classes with “N” in their name	2.500% (2.000%)	2.550% (2.040%)
Unit classes with “K-1” in their name	0.950% (0.760%)	0.980% (0.780%)
Unit classes with “K-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with “K-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “F” in their name	0.580% (0.460%)	0.610% (0.490%)
Unit classes with “Q” in their name	1.020% (0.820%)	1.070% (0.860%)
Unit classes with “I-A1” in their name	0.680% (0.540%)	0.710% (0.570%)
Unit classes with “I-A2” in their name	0.630% (0.500%)	0.660% (0.530%)
Unit classes with “I-A3” in their name	0.580% (0.460%)	0.610% (0.490%)
Unit classes with “I-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with “I-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “U-X” in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Mid Caps Europe (EUR)

UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
This sub-fund invests at least 70% of its assets in equities and other equity interests of companies that are domiciled or chiefly active in the country or region mentioned in its name. The market capitalisation of such medium-sized companies may not exceed that of the company with the largest market capitalisation in an index representative of medium-sized European companies. However, the sub-fund’s investment scope is not limited to the equities or other equity interests of companies included in indices that are representative of medium-sized European companies. The sub-fund may also invest in other assets in accordance with the Fund’s Management Regulations and general investment policy or investment principles. The sub-fund uses the benchmark MSCI European Mid Cap Index (net dividend reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with “hedged” in their name
Unit classes with “P” in their name	1.920% (1.540%)	1.970% (1.580%)
Unit classes with “N” in their name	2.500% (2.000%)	2.550% (2.040%)
Unit classes with “K-1” in their name	1.020% (0.820%)	1.050% (0.840%)
Unit classes with “K-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with “K-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “F” in their name	0.700% (0.560%)	0.730% (0.580%)
Unit classes with “Q” in their name	1.020%	1.070%

	(0.820%)	(0.860%)
Unit classes with "I-A1" in their name	0.780% (0.620%)	0.810% (0.650%)
Unit classes with "I-A2" in their name	0.740% (0.590%)	0.770% (0.620%)
Unit classes with "I-A3" in their name	0.700% (0.560%)	0.730% (0.580%)
Unit classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Mid Caps USA (USD)
UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
This sub-fund invests at least 70% of its assets in equities and other equity interests of companies that are domiciled or chiefly active in the country or region mentioned in its name. The market capitalisation of such medium-sized companies may not exceed that of the company with the largest market capitalisation in an index representative of medium-sized US companies. However, the sub-fund's investment scope is not limited to the equities or other equity interests of companies included in indices that are representative of medium-sized US companies. The sub-fund may also invest in other assets in accordance with the Fund's Management Regulations and general investment policy or investment principles. The sub-fund uses the benchmark Russell Midcap Growth (net div. reinv.) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	1.800% (1.440%)	1.850% (1.480%)
Unit classes with "N" in their name	2.500% (2.000%)	2.550% (2.040%)
Unit classes with "K-1" in their name	0.950% (0.760%)	0.980% (0.780%)
Unit classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.780% (0.620%)	0.810% (0.650%)
Unit classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Unit classes with "I-A1" in their name	0.860% (0.690%)	0.890% (0.710%)
Unit classes with "I-A2" in their name	0.820% (0.660%)	0.850% (0.680%)
Unit classes with "I-A3" in their name	0.780% (0.620%)	0.810% (0.650%)
Unit classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Small Caps USA (USD)
UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
The sub-fund invests at least 70% of its assets in equities and other equity interests of smaller companies that are domiciled or chiefly active in the US. The market capitalisation of such smaller companies may not exceed that of the company with the largest market capitalisation in an index representative of small US companies. The sub-fund uses the benchmark Russell 2000 Growth (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For

unit classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.
However, the sub-fund's investment scope is not limited to the equities or other equity interests of companies included in indices that are representative of small US companies. The sub-fund may also invest in other assets in accordance with the Fund's Management Regulations and general investment policy or investment principles.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with “hedged” in their name
Unit classes with “P” in their name	1.800% (1.440%)	1.850% (1.480%)
Unit classes with “N” in their name	2.500% (2.000%)	2.550% (2.040%)
Unit classes with “K-1” in their name	0.950% (0.760%)	0.980% (0.780%)
Unit classes with “K-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with “K-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “F” in their name	0.780% (0.620%)	0.810% (0.650%)
Unit classes with “Q” in their name	1.020% (0.820%)	1.070% (0.860%)
Unit classes with “I-A1” in their name	0.860% (0.690%)	0.890% (0.710%)
Unit classes with “I-A2” in their name	0.820% (0.660%)	0.850% (0.680%)
Unit classes with “I-A3” in their name	0.780% (0.620%)	0.810% (0.650%)
Unit classes with “I-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with “I-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “U-X” in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – US Sustainable (USD)

The sub-fund invests at least two-thirds of its assets in shares and equity rights of companies of any size that are domiciled or chiefly active in the US.
The sub-fund invests in or takes exposure to companies based on various financial factors, as well as fundamental sustainability factors such as the performance of the company in terms of environmental, social and governance (ESG) criteria. ESG criteria affect the main areas of companies and can include the following themes: carbon footprint and operational efficiency, labour standards and supply chain monitoring, board diversity, and anti-bribery and anti-corruption guidelines. A proprietary analysis is used to select mainly companies with an above-average sustainability profile and whose business model is shaped to a significant extent by sustainability criteria. The sub-fund takes ESG standards into account in its investment process. It uses positive screening and minimum exclusion criteria. The sub-fund thus avoids investing in the shares of companies that generate revenue mainly from the production or sale of alcohol, tobacco or military weapons, or from gaming operations. The sub-fund invests in particular in companies involved in areas such as energy efficiency, environment, health and demographics or social improvements. The sub-fund uses the benchmark S&P 500 (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with “hedged” in their name
Unit classes with “P” in their name	1.650% (1.320%)	1.700% (1.360%)
Unit classes with “N” in their name	2.130% (1.700%)	2.180% (1.740%)
Unit classes with “K-1” in their name	1.090% (0.870%)	1.120% (0.900%)

Unit classes with “K-B” in their name	0.080% (0.000%)	0.080% (0.000%)
Unit classes with “K-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “F” in their name	0.700% (0.560%)	0.730% (0.580%)
Unit classes with “Q” in their name	0.990% (0.790%)	1.040% 0.830%
Unit classes with “I-A1” in their name	0.860% (0.690%)	0.890% (0.710%)
Unit classes with “I-A2” in their name	0.800% (0.640%)	0.830% (0.660%)
Unit classes with “I-A3” in their name	0.700% (0.700%)	0.730% (0.580%)
Unit classes with “I-B” in their name	0.080% (0.000%)	0.080% (0.000%)
Unit classes with “I-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “U-X” in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Biotech (USD)

UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
The sub-fund mainly invests in shares and other equity interests of companies focusing on research, product development, product manufacture and distribution in the biotechnology industry and related branches. The investments can be made in equities and equity interests of large multinationals or other companies whose products are not yet ready for marketing. Investments are made worldwide without restrictions. For the aforementioned reasons, units in this sub-fund may occasionally exhibit substantial price fluctuations. The sub-fund uses the benchmark MSCI US Investable Market Biotechnology 10/40 Index (net div reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.
Investors should note that the sub-fund’s exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong 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.
This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled “General risk information”. In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section “General risk information”.
For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with “hedged” in their name
Unit classes with “P” in their name	2.040% (1.630%)	2.090% (1.670%)
Unit classes with “N” in their name	2.750% (2.200%)	2.800% (2.240%)
Unit classes with “K-1” in their name	1.080% (0.860%)	1.110% (0.890%)
Unit classes with “K-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with “K-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “F” in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with “Q” in their name	1.020% (0.820%)	1.070% (0.860%)
Unit classes with “QL” in their name	0.820% (0.660%)	0.870% (0.700%)
Unit classes with “I-A1” in their name	0.720% (0.580%)	0.750% (0.600%)
Unit classes with “I-A2” in their name	0.680%	0.710%

	(0.540%)	(0.570%)
Unit classes with "I-A3" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – China Opportunity (USD)
UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
The sub-fund invests at least two-thirds of its assets in shares and other equity interests of companies that are either domiciled or chiefly active in China.
Investors should note that the sub-fund's exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong 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 sub-fund uses the benchmark MSCI China 10/40 (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.
This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section "General risk information".
For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	2.340% (1.870%)	2.390% (1.910%)
Unit classes with "N" in their name	2.750% (2.200%)	2.800% (2.240%)
Unit classes with "K-1" in their name	1.700% (1.360%)	1.730% (1.380%)
Unit classes with "K-B" in their name	0.180% (0.000%)	0.180% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	1.000% (0.800%)	1.030% (0.820%)
Unit classes with "Q" in their name	1.400% (1.120%)	1.450% (1.160%)
Unit classes with "I-A1" in their name	1.200% (0.960%)	1.230% (0.980%)
Unit classes with "I-A2" in their name	1.130% (0.900%)	1.160% (0.930%)
Unit classes with "I-A3" in their name	1.000% (0.800%)	1.030% (0.820%)
Unit classes with "I-B" in their name	0.180% (0.000%)	0.180% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Euro Countries Opportunity (EUR)
UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
The sub-fund invests at least 70% of its assets in shares and other equity interests of companies that are domiciled or chiefly active in a Member State of the European Monetary Union (EMU). Countries of the European Monetary Union (EMU) are those that participate in the EMU and therefore have the euro as their national currency.

As part of this investment, the sub-fund may invest directly or indirectly (i.e. in open-ended investment funds and in line with the investment restrictions of 10% of the net assets, as set out in the general investment policy) in European small and/or mid caps. In accordance with Point 5 of the investment principles "Special techniques and instruments that have securities as underlying assets", the sub-fund is permitted to use index futures to raise or reduce its market exposure. The sub-fund uses the benchmark MSCI EMU (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	1.800% (1.440%)	1.850% (1.480%)
Unit classes with "N" in their name	2.500% (2.000%)	2.550% (2.040%)
Unit classes with "K-1" in their name	1.020% (0.820%)	1.050% (0.840%)
Unit classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.650% (0.520%)	0.680% (0.540%)
Unit classes with "Q" in their name	0.900% (0.720%)	0.950% (0.760%)
Unit classes with "I-A1" in their name	0.750% (0.600%)	0.780% (0.620%)
Unit classes with "I-A2" in their name	0.700% (0.560%)	0.730% (0.580%)
Unit classes with "I-A3" in their name	0.650% (0.520%)	0.680% (0.540%)
Unit classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)

The actively managed sub-fund mainly invests in shares and other equity interests of companies that are domiciled or chiefly active in Europe. As part of this investment, the sub-fund may also invest directly or indirectly (i.e. up to 10% of the net assets in open-ended investment funds) in European small and/or mid caps. In accordance with Point 5 of the investment principles "Special techniques and instruments that have securities and money market instruments as underlying assets", the sub-fund is also permitted to use index futures to raise or reduce its market exposure. The sub-fund uses the benchmark MSCI Europe (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

UBS Asset Management categorises this as an SI (sustainable investing) focused fund. The sub-fund's sustainability profile is based on the sum of all individual investments. For example, the sub-fund can invest in companies whose principles are based on issues such as responsible governance (corporate social responsibility/CSR). However, it can also invest in companies active in sectors which have a positive sustainability impact for society based on the definition of sustainable development goals. On the other hand, the sub-fund may also exclude companies or even entire sectors with business activities that have a negative social or environmental impact. The objective of the investment process is to select companies with an appropriate environmental profile, an above-average commitment to social and environmental issues versus other firms, and a more progressive corporate governance approach. The fundamental analysis of sustainability/ESG criteria may include various aspects of a company, such as its carbon footprint, employee health and well-being, management of the value chain, equitable treatment of clients and governance procedures. The sub-fund does not invest directly in companies generating a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy from coal-fired power stations.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	1.780% (1.420%)	1.830% (1.460%)
Unit classes with "N" in their name	2.310% (1.850%)	2.360% (1.890%)
Unit classes with "K-1" in their name	1.150% (0.920%)	1.180% (0.940%)
Unit classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "Q" in their name	0.990% (0.790%)	1.040% 0.830%
Unit classes with "I-A1" in their name	0.700% (0.560%)	0.730% (0.580%)
Unit classes with "I-A2" in their name	0.650% (0.520%)	0.680% (0.540%)
Unit classes with "I-A3" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

UBS (Lux) Equity Fund – Tech Opportunity (USD)

UBS Asset Management categorises this sub-fund as an ESG Integrated fund.
This sub-fund invests selectively, mainly in shares and other equity interests of technology companies worldwide. The sub-fund predominantly invests in companies benefiting more than others from the development, processing, services and distribution of technology products. In the context of this sub-fund, the term 'technology' refers to the traditional areas of information technology, such as electronic devices and applications (hardware and software) and the associated services, but also to specialised fields and technologies in the broader sense, such as online retail/web services, telecommunication/connections and media." The sub-fund uses the benchmark MSCI World Information Technology 10/40 (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	2.040% (1.630%)	2.090% (1.670%)
Unit classes with "N" in their name	2.750% (2.200%)	2.800% (2.240%)
Unit classes with "K-1" in their name	1.080% (0.860%)	1.110% (0.890%)
Unit classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "F" in their name	0.600% (0.480%)	0.630% (0.500%)
Unit classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Unit classes with "I-A1" in their name	0.720% (0.580%)	0.750% (0.600%)
Unit classes with "I-A2" in their name	0.680% (0.540%)	0.710% (0.570%)
Unit classes with "I-A3" in their name	0.600% (0.480%)	0.630% (0.500%)

Unit classes with “I-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Unit classes with “I-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with “U-X” in their name	0.000% (0.000%)	0.000% (0.000%)

General risk information:

Investing in emerging markets
Emerging markets are at an early stage of development and suffer from higher risks of expropriation and nationalisation, as well as social, political and economic instability.

The following is an overview of the general risks associated with investing in the emerging markets:

- **Counterfeit securities – due to inadequate supervisory structures, it is possible that securities purchased by the sub-fund could be counterfeit. It is therefore possible to suffer losses.**

- **Illiquidity – the buying and selling of securities can be costlier, more time-consuming and generally more difficult than on more developed markets. Difficulties with liquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility.**

- **Volatility – investments in emerging markets may post more volatile performances.**

- **Currency fluctuations – compared to the sub-fund’s currency of account, the currencies of countries in which the sub-fund invests may be subject to substantial fluctuations after the sub-fund has invested in these currencies. Such fluctuations may have a significant impact on the sub-fund’s income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries.**

- **Currency export restrictions – it cannot be ruled out that emerging markets may limit or temporarily suspend the export of currencies. Consequently, it would not be possible for the sub-fund to draw any sales proceeds without delays. To minimise the possible impact on redemption applications, the sub-fund will invest in a large number of markets.**

- **Settlement and custody risks – the settlement and custody systems in emerging market countries are less well developed than those in developed markets. Standards are not as high and the supervisory authorities not as experienced. Consequently, settlement may be delayed, thereby posing disadvantages for liquidity and securities.**

- **Restrictions on buying and selling – in some cases, emerging markets can place restrictions on the purchase of securities by foreign investors. Some equities are thus not available to the sub-fund because the maximum number allowed to be held by foreign shareholders has been exceeded. In addition, the participation of foreign investors in the net income, capital and distributions may be subject to restrictions or government approval. Emerging markets may also limit the sale of securities by foreign investors. Should the sub-fund be barred due to such a restriction from selling its securities in an emerging market, it will try to obtain an exceptional approval from the relevant authorities or to counter the negative impact of this restriction through its investments in other markets. The sub-fund will only invest in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed.**

- **Accounting – the accounting, auditing and reporting standards, methods, practices and disclosures required of companies in emerging markets differ from those in developed markets in terms of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options.**

The risks described above apply in particular to investments in the People’s Republic of China (“**PRC**”).

Risk information on investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect ("Stock Connect"):

Risks relating to securities trading in mainland China via Stock Connect
If sub-fund investments in mainland China are traded via Stock Connect, there are additional risk factors in relation to these transactions. Investors should note in particular that Stock Connect is a new trading programme. There is currently no empirical data. Furthermore, the corresponding provisions could change in future. Stock Connect is subject to quota limits that could restrict the sub-fund’s ability to perform transactions in a timely manner via Stock Connect. This could impair the sub-fund’s ability to effectively implement its investment strategy. The scope of Stock Connect initially encompasses all securities included on the SSE 180 Index and SSE 380 Index, as well as all Chinese A shares listed on the Shanghai Stock Exchange (“**SSE**”). It also extends to all

securities included in the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index with a market capitalisation of at least RMB 6 billion, as well as to all Chinese A shares listed on the Shenzhen Stock Exchange ("**SZSE**"). Investors should also note that under the applicable regulations a security can be removed from the Stock Connect programme. This could have an adverse effect on the sub-fund's ability to achieve its investment objective, for example if the Portfolio Manager wishes to acquire a security that has been removed from the Stock Connect programme.

Beneficial owner of SSE shares/SZSE shares
Stock Connect consists of the northbound link, through which investors in Hong Kong and abroad – such as the sub-fund – may acquire and hold Chinese A shares listed on the SSE ("**SSE shares**") and/or SZSE ("**SZSE shares**"), and the southbound link, through which investors in mainland China may acquire and hold shares listed on the Hong Kong Stock Exchange ("**SEHK**"). The sub-fund trades in SSE shares and/or SZSE shares through its broker, which is associated with the Fund's sub-depositary and admitted to the SEHK. After settlement by brokers or depositaries (the clearing agents), these SSE shares or SZSE shares shall be held in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**"), maintained by Hong Kong Securities and Clearing Company Limited ("**HKSCC**"), the central securities depositary in Hong Kong and the nominee. HKSCC in turn holds the SSE shares and/or SZSE shares of all participants on a "Single Nominee Omnibus Securities Account", which is registered in its name with ChinaClear, the central securities depositary in mainland China.

Since HKSCC is only the nominee and not the beneficial owner of the SSE shares and/or SZSE shares, if HKSCC were to be wound down in Hong Kong, the SSE shares and/or SZSE shares would not be deemed part of HKSCC's general assets available for distribution to creditors, even under PRC law. However, HKSCC is not required to take legal measures or initiate legal proceedings to enforce rights on behalf of investors in SSE shares and/or SZSE shares in mainland China. Foreign investors – such as the sub-fund in question – who invest through Stock Connect and hold SSE shares and/or SZSE shares via HKSCC are the beneficial owners of the assets and are therefore entitled to exercise their rights exclusively through the nominee.

Investor Compensation Fund

Investments via Stock Connect are made through brokers, and are subject to the risk that these brokers may default on their obligations. For defaults occurring on or after 1 January 2020, the Hong Kong Investor Compensation Fund will cover the losses incurred by investors with respect to securities traded in a stock market operated by the SSE or the SZSE and for which a buy or sell order may be directed through the Northbound Link of a Stock Connect agreement. However, as the relevant sub-funds execute Northbound trades through securities brokers in Hong Kong but not through securities brokers in mainland China, they are not protected by the China Securities Investor Protection Fund in mainland China. **Risk of quotas being used up**
Once the daily quotas for northbound and southbound transactions have been reached, acceptance of corresponding purchase orders will be immediately suspended and no further purchase orders will be accepted for the rest of the day. Purchase orders that have already been accepted are not affected in the event the daily quota is used up. Sell orders will continue to be accepted.

Risk of payment default at ChinaClear
ChinaClear has set up a risk management system, and has taken measures that have been approved by the China Securities Regulatory Commission ("**CSRC**") and are subject to its supervision. Under the general CCASS rules, should ChinaClear (as the central counterparty) not meet its obligations, HKSCC shall attempt, where applicable, in good faith to claim the outstanding Stock Connect securities and ChinaClear funds via the available legal channels available and during the winding up of ChinaClear.
HKSCC shall, in turn, distribute the Stock Connect securities and/or funds that can be reclaimed pro rata to qualified participants in accordance with the regulations of the competent Stock Connect authority. Investors should be aware of these regulations and the potential risk of a payment default by ChinaClear before investing in the sub-fund and its participation in northbound trading.

Risk of HKSCC payment default
Should HKSCC be delayed in fulfilling its obligations, or even fail to do so altogether, this could lead to settlement default or the loss of Stock Connect securities and/or associated funds. The sub-fund and its investors could incur losses as a result. Neither the sub-fund nor the Portfolio Manager is responsible or liable for such losses.

Ownership of Stock Connect securities
Stock Connect securities are unsecuritised and held by HKSCC on behalf of their holders. The physical deposit and withdrawal of Stock Connect securities are not available to the sub-fund under northbound trading.
The ownership and ownership rights of the sub-fund and entitlements to Stock Connect securities (regardless of the legal nature thereof, in equity jurisprudence or otherwise) are subject to the applicable requirements, including the laws on the disclosure of interests and the restrictions on foreign share ownership. It is unclear whether the Chinese courts recognise investors and would grant them standing to initiate legal proceedings against Chinese companies in the event of disputes. This is a complex legal area and investors should seek independent professional advice.

Investments in UCIs and UCITS
Sub-funds, which have invested at least half of their assets in existing UCIs and UCITS in accordance with their special investment policies, are structured as a fund of funds.
The general advantage of a fund of funds over funds investing directly is the greater level of diversification (or risk spreading). In a fund of funds, portfolio diversification extends not only to its own investments because the investment objects (target funds) themselves are also governed by the stringent principles of risk diversification. A fund of funds enables the investor to invest in a product that spreads its risks on two levels and thereby minimises the risks inherent in the individual investment objects, with the investment policy of the UCITS and UCIs in which most investments are made being required to accord as far as possible with the Fund's investment policy. The Fund additionally permits investment in a single product, by which means the investor gains an indirect investment in numerous securities.
Certain fees and charges may be incurred more than once when investing in existing funds (such as Depositary and central administrative agent fees, management/advisory fees and issuing/redemption charges of the UCI and/or UCITS in which the investment is made). Such commission payments and expenses are charged at the level of the target fund as well as of the fund of funds.

The sub-funds may also invest in UCIs and/or UCITS managed by UBS Fund Management (Luxembourg) S.A. or by a company linked to UBS Fund Management (Luxembourg) S.A. through common management or control, or through a substantial direct or indirect holding. In this case, no issuing or redemption charge will be charged on subscription to or redemption of these units. The double charging of commission and expenses referred to above does, however, remain.
The section titled "Expenses paid by the Fund" presents the general costs and expenses associated with investing in existing funds.

Use of financial derivative transactions
Financial derivative transactions are not in themselves investment instruments but rights whose valuation mainly derives from the price and the price fluctuations and expectations of an underlying instrument. Investments in financial derivative transactions are subject to the general market risk, settlement risk, credit and liquidity risk.
Depending on the specific characteristics of financial derivative transactions, however, the aforementioned risks may be of a different kind and occasionally turn out to be higher than the risks with an investment in the underlying instruments.
That is why the use of financial derivative transactions not only requires an understanding of the underlying instrument but also in-depth knowledge of the financial derivative transactions themselves.
The risk of default in the case of financial derivative transactions traded on an exchange is generally lower than the risk associated with financial derivative transactions that are traded over-the-counter on the open market, because the clearing agents, which assume the function of issuer or counterparty in relation to each financial derivative transaction traded on an exchange, assume a performance guarantee. To reduce the overall risk of default, such guarantee is supported by a daily payment system maintained by the clearing agent, in which the assets required for cover are calculated. In the case of financial derivative transactions traded over-the-counter on the open market, there is no comparable clearing agent guarantee and in assessing the potential risk of default, the Management Company must take account of the creditworthiness of each counterparty.
There are also liquidity risks since it may be difficult to buy or sell certain financial derivative instruments. When financial derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with financial derivative transactions traded over-the-counter on the open market), it may under certain circumstances not always be possible to fully execute a transaction or it may only be possible to liquidate a position by incurring increased costs.
Additional risks connected with the use of financial derivative transactions lie in the incorrect determination of prices or valuation of financial derivative transactions. There is also the possibility that financial derivative transactions do not completely correlate with their underlying assets, interest rates or indices. Many financial derivative transactions are complex and frequently valued subjectively. Inappropriate valuations can result in higher demands for cash by counterparties or in a loss of value for the Fund. There is not always a direct or parallel relationship between a financial derivative transaction and the value of the assets, interest rates or indices from which it is derived. For these reasons, the use of financial derivative transactions by the Management Company is not always an effective means of attaining the Fund's investment objective and can at times even have the opposite effect.

Swap Agreements
A sub-fund may enter into swap agreements (including total return swaps and contracts for differences) with respect to various underlyings, including currencies, interest rates, securities, collective investment schemes and indices. A swap is a contract under which one party agrees to provide the other party with something, for example a payment at an agreed rate, in exchange for receiving something from the other party, for example the performance of a specified asset or basket of assets. A sub-fund may use these techniques for example to protect against changes in interest rates and currency exchange rates. A sub-fund may also use these techniques to take positions in or protect against changes in securities indices and specific securities prices.
In respect of currencies, a sub-fund may utilise currency swap contracts where the sub-fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or vice versa. These contracts allow a sub-fund to manage its exposures to currencies in which it holds investment but also to obtain opportunistic exposure to currencies. For these instruments, the sub-fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.
In respect of interest rates, a sub-fund may utilise interest rate swap contracts where the sub-fund may exchange a fixed rate of interest against a variable rate (or the other way round). These contracts allow a sub-fund to manage its interest rate exposures. For these instruments, the sub-fund's return is based on the movement of interest rates relative to a fixed rate agreed by the parties. The sub-fund may also utilise caps and floors, Which are interest rate swap contracts in which the return is based only on the positive (in the case of a cap) or negative (in the case of a floor) movement of interest rates relative to a fixed rate agreed by the parties.
In respect of securities and securities indices a sub-fund may utilise total return swap contracts where the sub-fund may exchange interest rate cash flows for cash flows based on the return of, for example, a unit or fixed income instrument, or a securities index. These contracts allow a sub-fund to manage its exposures to certain securities or securities indices. For these instruments, the sub-fund's return is based on the movement of interest rates relative to the return on the relevant security or index. The sub-fund may also use swaps in which the sub-fund's return is relative to the volatility of price of the relevant security (a volatility swap, which is a forward contract whose underlying is the volatility of a given product. This is a pure volatility instrument allowing investors to speculate solely upon the movement of a unit's volatility without the influence of its price) or to the variance (the square of the volatility) (a variance swap that is a type of volatility swap where the payout is linear to variance rather than volatility, with the result that the payout will rise at a higher rate than volatility).
Where a sub-fund enters into total return swaps (or invests in other financial derivative instruments with the same characteristics) it will only do so on behalf of the sub-fund with counterparties that are entities with legal personality, typically located in OECD jurisdictions. These counterparties will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay. Subject to compliance with those conditions, the Portfolio Manager has full discretion as to the appointment of counterparties when entering into total return swaps in furtherance of the relevant sub-fund's investment objective and policies.
A credit default swap ("**CDS**") is a derivative instrument which is a mechanism for transferring and transforming credit risk between purchaser and seller. The protection buyer purchases protection from the protection seller for losses that might be incurred as a result of a default or other credit event in relation to an underlying security. The protection buyer pays a premium for the protection and the protection seller agrees to make a payment to compensate the protection buyer for losses incurred upon the occurrence of any one of a number of possible specified credit events, as set out in the CDS agreement. In relation to the use of CDS, the sub-

fund may be a protection buyer and/or a protection seller. A credit event is an event linked to the deteriorating creditworthiness of an underlying reference entity in a credit derivative. The occurrence of a credit event usually triggers full or partial termination of the transaction and a payment from protection seller to protection buyer. Credit events include, but are not limited to, bankruptcy, failure to pay, restructuring, and obligation default.

Insolvency risk on swap counterparties
Margin deposits made in relation to swap contracts will be held with brokers. Though there are provisions in the structure of these contracts intended to protect each party against the insolvency for the other, these provisions may not be effective. This risk will further be mitigated by the exclusive choice of reputable swap counterparties.

Potential illiquidity of exchange traded instruments and swap contracts
It may not always be possible for the Management Company to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, the Management Company may not be able to execute trades or close out positions on terms that the Portfolio Manager believes are desirable.
Swap contracts are over-the-counter contracts with a single counterparty and may as such be illiquid. Although swap contracts may be closed out to realise sufficient liquidity, such closing out may not be possible or may be very expensive for the Fund in extreme market conditions.

Liquidity risk
A sub-fund may invest in securities that subsequently prove difficult to sell due to reduced liquidity. This may have an adverse effect on their market price and consequently affect the net asset value of the sub-fund. The reduced liquidity of these securities may be due to unusual or extraordinary economic or market events such as the deterioration in an issuer's credit rating or a market's lack of efficiency. In extreme market situations, there may be few willing buyers and it may not be easy to sell the investments at the time and price desired; in addition, these sub-funds may have to agree to a lower price in order to sell the investments, or they may not be able to sell the investments at all. Trading in certain securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority, which may cause the sub-fund to incur a loss. The inability to sell a portfolio position may have a negative effect on the value of these sub-funds or prevent them from being able to exploit other investment opportunities. In order to meet redemption requests, these sub-funds may be forced to sell investments at unfavourable times and/or on unfavourable terms.

Bonds
Bonds are subject to actual and perceived measures of creditworthiness. Bonds, and in particular high-yield bonds, may be impaired by negative headlines and an unfavourable perception on the part of investors; such perceptions may not be based on a fundamental analysis, and may have a negative effect on the value and liquidity of the bond.

High yield bonds
Investing in debt instruments involves interest-rate, sector, security and credit risk. Compared with investment-grade bonds, high yield bonds generally attract a lower rating and usually offer higher yields in order to offset the lower credit rating or higher default risk associated with these securities. High yield bonds involve a greater risk of capital erosion through default or in the case of an effective interest rate that is below the current rate of interest. Economic conditions and changes in the level of interest rates may have a considerable impact on the value of these bonds. In addition, high yield bonds may be exposed to greater credit or default risk than bonds with a high rating. These bonds tend to react more to developments that affect market and credit risk than securities with a higher rating. The value of high yield bonds may be adversely affected by macroeconomic conditions, such as an economic downturn or a period of rising interest rates. High yield bonds may be less liquid and more difficult to sell or value at a favourable point in time or price than bonds with a higher rating. In particular, high yield bonds are often issued by smaller, less creditworthy and more indebted companies that are generally less able to pay capital and interest on schedule than financially sound companies.

Risks connected with the use of efficient portfolio management techniques
A sub-fund may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets". If the other party to a repurchase agreement or reverse repurchase agreement should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the sub-fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the sub-fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.
A sub-fund may enter into securities lending transactions subject to the conditions and limits set out in Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets". If the other party to a securities lending transaction should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the sub-fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.
The sub-funds will only use repurchase agreements, reverse repurchase agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant sub-fund. When using such techniques, the sub-fund will comply at all times with the provisions set out in Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets". The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on a sub-

fund's performance, the use of such techniques may have a significant effect, either negative or positive, on a sub-fund's net asset value.

Exposure to securities financing transactions
The sub-funds' exposure to total return swaps, repurchase agreements/reverse repurchase agreements and securities lending transactions is set out below (in each case as a percentage of net asset value):

Sub-fund	Total Return Swaps		Repurchase agreements/reverse repurchase agreements		Securities Lending	
	Expected	Maximum	Expected	Maximum	Expected	Maximum
UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Biotech (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – China Opportunity (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Euro Countries Opportunity (EUR)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Global Sustainable (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Greater China (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Health Care (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Japan (JPY)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Mid Caps Europe (EUR)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Mid Caps USA (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Small Caps USA (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – Tech Opportunity (USD)	0%	15%	0%	100%	0%-50%	100%
UBS (Lux) Equity Fund – US Sustainable (USD)	0%-10%	50%	0%	100%	0%-50%	100%

Risk management
Risk management in accordance with the commitment approach and the value-at-risk approach is carried out pursuant to the applicable laws and regulatory provisions. Pursuant to CSSF circular 14/592 (on the ESMA guidelines on ETFs and other UCITS issues), the risk management procedure will also be applied within the scope of collateral management (see section entitled "Collateral management" below) and techniques and instruments for the efficient management of the portfolio (see Section 5, "Special techniques and instruments with securities and money market instruments as underlying assets").

Leverage
The leverage for UCITS using the value-at-risk ("**VaR**") approach is defined pursuant to CSSF circular 11/512 as the "sum of the notionals" of the derivatives used by the respective sub-fund. Unitholders should note that this definition may lead to artificially high leverage which may not correctly reflect the actual economic risk due to, inter alia, the following reasons:

- Regardless of whether a derivative is used for investment or hedging purposes, it increases the leverage amount calculated according to the sum-of-notionals approach;
- The duration of interest rate derivatives is not taken into account. A consequence of this is that short-term interest rate derivatives generate the same leverage as long-term interest rate derivatives, even though short-term ones generate a considerably lower economic risk.

The economic risk of UCITS pursuant to the VaR approach is determined as part of a UCITS risk management process. This contains (among other things) restrictions on the VaR, which includes the market risk of all positions, including derivatives. The VaR is supplemented by a comprehensive stress-test programme.
The average leverage for each sub-fund using the VaR approach is expected to be within the range stated in the table below. Leverage is expressed as a ratio between the sum of the notionals and the net asset value of the sub-fund in question. Greater leverage amounts may be attained for all sub-funds, under certain circumstances.

Sub-fund	Global risk calculation method	Expected range of leverage	Reference portfolio
UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Biotech (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – China Opportunity (USD)	Commitment approach	n.a.	n.a.

UBS (Lux) Equity Fund – Euro Countries Opportunity (EUR)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Global Sustainable (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Greater China (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Health Care (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Japan (JPY)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Mid Caps Europe (EUR)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Mid Caps USA (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Small Caps USA (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – Tech Opportunity (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity Fund – US Sustainable (USD)	Commitment approach	n.a.	n.a.

Collateral management

If the Fund enters into OTC transactions, it may be exposed to risks associated with the creditworthiness of these OTC counterparties: should the Fund enter into futures or options contracts, or use other derivative techniques, it shall be subject to the risk that an OTC counterparty might not meet (or cannot meet) its obligations under one or more contracts.
Counterparty risk can be reduced by depositing a security ("**collateral**", see above). Collateral may be provided in the form of liquid assets in highly liquid currencies, highly liquid equities and first-rate government bonds. The Fund will only accept such financial instruments as collateral, which would allow it (after objective and appropriate valuation) to liquidate these within an appropriate time period. The Fund, or a service provider appointed by the Fund, must assess the collateral's value at least once a day. The collateral's value must be higher than the value of the position of the respective OTC counterparty. However, this value may fluctuate between two consecutive valuations.
After each valuation, however, it is ensured (where appropriate, by requesting additional collateral) that the collateral is increased by the desired amount to meet the value of the respective OTC counterparty's position (mark-to-market). In order to adequately take into account the risks related to the collateral in question, the Management Company determines whether the value of the collateral to be requested should be increased, or whether this value should be depreciated by an appropriate, conservatively measured amount (haircut). The larger the collateral's value may fluctuate, the higher the markdown.
The Management Company shall set up internal regulations determining the details of the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, and the investment policy for liquid funds that are deposited as collateral. This framework agreement is reviewed and adapted where appropriate by the Management Company on a regular basis.

The Management Company has approved instruments of the following asset classes as collateral in OTC derivative transactions and determined the following haircuts to be used on these instruments:

Asset class	Minimum haircut (% deduction from market value)
Fixed and variable-rate interest-bearing instruments	
Liquid funds in the currencies CHF, EUR, GBP, USD, JPY, CAD and AUD.	0%
Short-term instruments (up to one year) issued by one of the following countries (Australia, Austria, Belgium, Denmark, Germany, France, Japan, Norway, Sweden, UK, US) and the issuing country has a minimum rating of A	1%
Instruments that fulfil the same criteria as above and have a medium-term maturity (one to five years).	3%
Instruments that fulfil the same criteria as above and have a long-term maturity (five to ten years).	4%
Instruments that fulfil the same criteria as above and have a very long-term maturity (more than ten years).	5%
US TIPS (Treasury inflation protected securities) with a maturity of up to ten years	7%
US Treasury strips or zero coupon bonds (all maturities)	8%
US TIPS (Treasury inflation protected securities) with a maturity of over ten years	10%

The haircuts to be used on collateral from securities lending, as the case may be, are described in Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets".
Securities deposited as collateral may not have been issued by the respective OTC counterparty or be highly correlated with this OTC counterparty. For this reason, shares from the finance sector are not accepted as collateral. Securities deposited as collateral shall be held in safekeeping by the Depositary on behalf of the Fund and may not be sold, invested or pledged by the Fund.

The Fund shall ensure that the collateral received is adequately diversified, particularly regarding geographical dispersion, diversification across different markets and the spreading of concentration risk. The latter is considered to be sufficiently diversified if securities and money market instruments held as collateral and issued by a single issuer do not exceed 20% of the Fund's net assets.
In derogation to the above paragraph and in accordance with the modified Point 43(e) of the ESMA Guidelines on ETFs and other UCITS issues of 1 August 2014 (ESMA/2014/937), the Company may be fully collateralised in various transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a non-Member State, or a public international body to which one or more EU Member States belong. If this is the case, the Company must ensure that it receives securities from at least six different issues, but securities from any single issue may not account for more than 30% of the net assets of the respective sub-fund.

The Management Company has decided to make use of the exemption clause described above and accept collateralisation of up to 50% of the net assets of the respective sub-fund in government bonds that are issued or guaranteed by the following countries: the US, Japan, the UK, Germany and Switzerland.

Collateral that is deposited in the form of liquid funds may be invested by the Fund. Investments may only be made in: sight deposits or deposits at notice in accordance with Point 1.1(f) of Section 1 "Permitted investments of the Fund"; high-quality government bonds; repurchase agreements within the meaning of Section 5 "Special techniques and instruments with securities and money market instruments as underlying assets", provided the counterparty in such transactions is a credit institution within the meaning of Point 1.1(f) of Section 1 "Permitted investments of the Fund" and the Fund has the right to cancel the transaction at any time and to request the back transfer of the amount invested (incl. accrued interest); short-term money market funds within the meaning of CESR Guidelines 10-049.

The restrictions listed in the previous paragraph also apply to the spreading of concentration risk. Bankruptcy and insolvency events or other credit events involving the Depositary or within its sub-depositary/correspondent bank network may result in the rights of the Fund in connection with the collateral being delayed or restricted in other ways. If the Fund owes collateral to the OTC counterparty pursuant to an applicable agreement, then any such collateral is to be transferred to the OTC counterparty as agreed between the Fund and the OTC counterparty. Bankruptcy and insolvency events or other credit default events involving the OTC counterparty, the Depositary or its sub-depositary/correspondent bank network may result in the rights or recognition of claims of the Fund in connection with the collateral being delayed, restricted or even eliminated, which would even go so far as to force the Fund to fulfil its obligations within the framework of the OTC transaction, regardless of any collateral that had previously been provided to cover any such obligation.

Net asset value, issue, redemption and conversion price

The net asset value and the issue, redemption and conversion price per unit of each sub-fund or unit class are expressed in the currency of account of the respective sub-fund or unit class, and are calculated each business day by dividing the overall net assets of the sub-fund attributable to each unit class by the number of outstanding units in this unit class of the sub-fund. However, the net asset value of a unit may also be calculated on days where no units are issued or redeemed, as described in the following section. In this case, the net asset value may be published, but it may only be used for the purpose of calculating performance, statistics or fees. Under no circumstances should it be used as a basis for subscription and redemption orders.
The percentage of the net asset value attributable to each unit class of a sub-fund changes each time units are issued or redeemed. It is determined by the ratio of outstanding units in each unit class in relation to the total number of sub-fund units issued, taking into account the fees charged to that unit class.

The value of the assets of each sub-fund is calculated as follows:

a) Liquid assets (whether in the form of cash and bank deposits, bills of exchange, cheques, promissory notes, expense advances, cash dividends and declared or accrued interest still receivable) are valued at face value, unless this value is unlikely to be fully paid or received, in which case their value is determined by deducting an amount deemed appropriate to arrive at their real value.

b) Securities, derivatives and other assets listed on a stock exchange are valued at the most recent market prices available. If these securities, derivatives or other assets are listed on several stock exchanges, the most recently available price on the stock exchange that represents the major market for this asset shall apply.
In the case of securities, derivatives and other assets not commonly traded on a stock exchange and for which a secondary market among securities traders exists with pricing in line with the market, the Management Company may value these securities, derivatives and other investments based on these prices. Securities, derivatives and other investments not listed on a stock exchange, but traded on another regulated market that operates regularly and is recognised and open to the public, are valued at the most recently available price on this market.

c) Securities and other investments not listed on a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, are valued by the Management Company according to other principles chosen by it in good faith on the basis of probable market prices.

d) Derivatives not listed on a stock exchange (OTC derivatives) are valued on the basis of independent pricing sources. If only one independent pricing source is available for a derivative, the plausibility of the valuation obtained will be verified using calculation models that are recognised by the Management Company and the Fund's auditors, based on the market value of that derivative's underlying.

e) Units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCIs) are valued at their last known asset value.

f) Money market instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. Curve-based valuations are calculated from interest rates and credit spreads. The following principles are applied in this process: The interest rate nearest the residual maturity is interpolated for each money market instrument. Thus calculated, the interest rate is converted into a market price by adding a credit spread that reflects the creditworthiness of the underlying borrower. This credit spread is adjusted if there is a significant change in the borrower's credit rating.

g) Securities, money market instruments, derivatives and other assets denominated in a currency other than the relevant sub-fund's currency of account, and not hedged by foreign exchange transactions, are valued using the average exchange rate (between the bid and ask prices) known in Luxembourg or, if none is available, using the rate on the most representative market for that currency.

h) Term and fiduciary deposits are valued at their nominal value plus accumulated interest.

i) The value of swaps is calculated by an external service provider and a second independent valuation is provided by another external service provider. Such calculations are based on the net present value of all cash flows (both inflows and outflows). In some specific cases, internal calculations (based on models and market data made available by Bloomberg) and/or broker statement valuations may be used. The valuation method depends on the security in question and is chosen pursuant to the applicable UBS valuation policy.

The Management Company is authorised to apply other generally recognised and verifiable valuation criteria in good faith to arrive at an appropriate valuation of the net assets if a valuation in accordance with the foregoing provisions proves unfeasible or inaccurate.

Due to fees and charges as well as the buy-sell spreads for the underlying investments, the actual costs of buying and selling assets and investments for a sub-fund may differ from the last available price or, if applicable, the net asset value used to calculate the net asset value per unit. These costs have a negative impact on the value of a sub-fund and are termed "dilution". To reduce the effects of dilution, the Board of Directors may at its own discretion make a dilution adjustment to the net asset value per unit (swing pricing).

Units are issued and redeemed based on a single price: the net asset value per unit. To reduce the effects of dilution, the net asset value per unit is nevertheless adjusted on valuation days as described below; this takes place irrespective of whether the sub-fund is in a net subscription or net redemption position on the relevant valuation day. If no trading is taking place in a sub-fund or class of a sub-fund on a particular valuation day, the unadjusted net asset value per unit is applied. The Board of Directors has discretion to decide under which circumstances such a dilution adjustment should be made. The requirement to carry out a dilution adjustment generally depends on the scale of subscriptions or redemptions of units in the relevant sub-fund. The Board of Directors may apply a dilution adjustment if, in its view, the existing unitholders (in the case of subscriptions) or remaining unitholders (in the case of redemptions) could otherwise be put at a disadvantage. The dilution adjustment may take place if:

(a) a sub-fund records a steady fall (i.e. a net outflow due to redemptions);

(b) a sub-fund records a considerable volume of net subscriptions relative to its size;

(c) a sub-fund shows a net subscription or net redemption position on a particular valuation day; or

(d) In all other cases in which the Board of Directors believes a dilution adjustment is necessary in the interests of the unitholders.

When a valuation adjustment is made, a value is added to or deducted from the net asset value per unit depending on whether the sub-fund is in a net subscription or net redemption position; the extent of the valuation adjustment shall, in the opinion of the Board of Directors, adequately cover the fees and charges as well as the buy-sell spreads. In particular, the net asset value of the respective sub-fund will be adjusted (upwards or downwards) by an amount that (i) reflects the estimated tax expenses, (ii) the trading costs that may be incurred by the sub-fund, and (iii) the estimated bid-ask spread for the assets in which the sub-fund invests. As some equity markets and countries may show different fee structures on the buyer and seller side, the adjustment for net inflows and outflows may vary. Generally speaking, adjustments shall be limited to a maximum of 2% of the relevant applicable net asset value per unit. Under exceptional circumstances (e. .g. high market volatility and/or illiquidity, extraordinary market conditions, market disruptions etc.), the Board of Directors may decide to apply temporarily a dilution adjustment of more than 2% of the relevant applicable net asset value per unit in relation to each sub-fund and/or valuation date, provided that the Board of Directors is able to justify that this is representative of prevailing market conditions and is in the unitholders' best interest. This dilution adjustment shall be calculated according to the procedure specified by the Board of Directors. Unitholders shall be informed through the normal channels whenever temporary measures are introduced and once the temporary measures have ended. The net asset value of each class of the sub-fund is calculated separately. However, dilution adjustments affect the net asset value of each class to the same degree in percentage terms. The dilution adjustment is made at sub-fund level and relates to capital activity, but not to the specific circumstances of each individual investor transaction.

As some of the Fund's sub-funds may be invested in markets that are closed at the time their assets are valued, the Management Company may – by way of derogation to the aforementioned provisions – allow the net asset value per unit to be adjusted in order to more accurately reflect the fair value of these sub-funds' assets at the time of valuation. In practice, the securities in which the sub-funds are invested are generally valued on the basis of the latest available prices at the time of calculating the net asset value per unit, as described above. There may, however, be a substantial time difference between the close of the markets in which a sub-fund invests and the time of valuation.

As a result, developments that may influence the value of these securities and that occur between the closure of the markets and the time of valuation are not generally taken into account in the net asset value per unit of the sub-fund concerned. If, as a result of this, the Management Company deems that the most recently available prices of the securities in a sub-fund's portfolio do not reflect their fair value, it may allow the net asset value per unit to be adjusted in order to reflect the assumed fair value of the portfolio at the time of valuation. Such an adjustment is based on the investment policy determined by the Management Company and a number of practices. If the value is adjusted as described above, this will be applied consistently to all unit classes in the same sub-fund.

The Management Company reserves the right to apply this measure to the relevant sub-funds of the Fund whenever it deems this to be appropriate.

Valuing assets at fair value calls for greater reliability of judgement than valuing assets for which readily available market quotations can be referred to. Fair-value calculations may also be based on quantitative models used by price reporting providers to determine the fair value. No guarantee can be given that the Fund will be in a position to accurately establish the fair value of an asset when it is about to sell the asset around the time at which the Fund determines the net asset value per unit. As a consequence, if the Fund sells or redeems units at the net asset value at a time when one or more participations are valuated at fair value, this may lead to a dilution or increase in the economic participation of the existing unitholders.

If necessary, additional valuations may be made throughout the day. Such new valuations shall apply for subsequent issues and redemptions of units.

Investing in UBS (Lux) Equity Fund

Conditions for the issue and redemption of units
Sub-fund units are issued and redeemed on every business day. A "**business day**" is a normal bank business day in Luxembourg (i.e. a day when the banks are open during normal business hours), except for 24 and 31 December, individual, non-statutory days of rest in Luxembourg and days on which stock exchanges in the main countries in which the respective sub-fund invests are closed, or on which 50% or more of the investments of the sub-fund cannot be adequately valued.
"**Non-statutory days of rest**" are days on which banks and financial institutions are closed.
Furthermore, for the sub-funds UBS (Lux) Equity Fund - China Opportunity (USD) and UBS (Lux) Equity Fund – Greater China (USD), days on which the stock exchanges in the People's Republic of China or Hong Kong are closed for business are not deemed business days for these sub-funds.

No units will be issued or redeemed on days for which the Management Company has decided not to calculate any net asset values, as described in the section "Suspension of net asset value calculation, and suspension of the issue, redemption and conversion of units". In addition, the Management Company is entitled to reject subscription orders at its discretion.

The Management Company prohibits all transactions that it deems potentially detrimental to unitholder interests, including market timing and late trading. It is entitled to refuse any application for subscription or conversion that it considers to be allied to such practices. The Management Company is also entitled to take any action it deems necessary to protect unitholders from such practices.

Subscription and redemption orders ("orders") registered with the administrative agent by 15:00 CET ("cut-off time") on a business day ("order date") will be processed on the basis of the net asset value calculated for that day after the cut-off time ("valuation date"). By way of exception, the following cut-off time will apply to the sub-funds listed below:

Sub-fund	Cut-off time (CET)
UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)	13:00 CET
UBS (Lux) Equity Fund – China Opportunity (USD)	
UBS (Lux) Equity Fund – Greater China (USD)	
UBS (Lux) Equity Fund – Japan (JPY)	

All orders sent by fax must be received by the administrative agent at least one hour prior to the stated cut-off time of the respective sub-fund on a business day. However, the central settling agent of UBS AG in Switzerland, the distributors and other intermediaries may apply other cut-off times that are earlier than those specified above vis-à-vis their clients in order to ensure the correct submission of orders to the administrative agent. Information on this may be obtained from the central settlement agent of UBS AG in Switzerland, as well as from the respective distributors and other intermediaries.

For orders registered with the administrative agent after the respective cut-off time on a business day, the order date is considered to be the following business day.

The same applies to requests for the conversion of units of a sub-fund into units of another sub-fund of the Fund, carried out on the basis of the net asset values of the respective sub-funds.

This means that the net asset value used for settlement is not known at the time the order is placed (forward pricing). It will be calculated on the basis of the last-known market prices (i.e. using the latest available market prices or closing market prices, provided these are available at the time of calculation). The individual valuation principles applied are described in the section above.

Issue of units
The issue price of sub-fund units is calculated according to the provisions in the section "Net asset value, issue, redemption and conversion price".

Unless otherwise defined in the section titled "Unit classes", entry costs of up to 5% may be deducted from (or taken in addition to) the investor's capital commitment and paid to distributors and/or financial intermediaries involved in the distribution of the sub-fund's units. Different methodologies may be used to calculate entry costs.

Any taxes, charges or other fees incurred in the relevant country of distribution will also be charged. Please refer to the local offering documents where applicable for more information.

A local paying agent will carry out the requisite transactions on behalf of the final investor on a nominee basis. Costs for services of the Paying Agent may be imposed on the investor.

Subject to applicable laws and regulations, the Depositary and/or the agents entrusted with receiving subscription payments may, at their discretion and upon investors' request, accept the payment in currencies other than the currency of account of the respective sub-fund and the subscription currency of the unit class to be subscribed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. Investors shall bear all fees associated with currency exchange. Notwithstanding the above, payment of subscription prices for units denominated in RMB shall be made in RMB (CNH) only. No other currency will be accepted for the subscription of these unit classes.

The units may also be subscribed through savings plans, payment plans or conversion plans, in accordance with the locally prevailing market standards. Further information on this can be requested from the local distributors.

The issue price of units of a sub-fund is paid no later than the third day, for the two sub-funds UBS (Lux) Equity Fund - China Opportunity (USD) and UBS (Lux) Equity Fund – Greater China (USD) no later than the third business day, after the order date ("**settlement date**"), into the Depositary's account in favour of the relevant sub-fund.
If, on the settlement date or any day between the order date and the settlement date, banks in the country of the currency of the relevant unit class are not open for business or the relevant currency is not traded in an interbank settlement system, these days are disregarded for the purposes of calculating the settlement date. The settlement date can only be a day on which these banks are open or these settlement systems are available for transactions in the relevant currency.

The Management Company may accept full or partial subscriptions in kind for units at its own discretion. In such cases, the contribution in kind must suit the investment policy and restrictions of the relevant sub-fund. Such payments in kind will also be appraised by the auditor selected by the Management Company. The costs incurred will be charged to the relevant investor.

Units are issued as registered units only. This means that the unitholder status of an investor in the Fund with all associated rights and obligations will be based on that investor's entry in the Fund register. A conversion of registered units into bearer units may not be requested. Unitholders are reminded that registered units may also be cleared through recognised external clearing houses like Clearstream.

All units issued have the same rights. The Management Regulations nonetheless provide for the possibility of issuing various unit classes with specific features within a particular sub-fund.

Furthermore, fractions of units can be issued for all sub-funds/unit classes. Fractions of units are expressed up to three decimal places. If the relevant sub-fund or unit class is liquidated, fractional units entitle the holder to a distribution or proportionate share of the liquidation proceeds.

Redemption of units
Redemption orders are accepted by the Management Company, the administrative agent, the Depositary or another authorised sales or paying agent.

Consideration for sub-fund units submitted for redemption is paid no later than the third day, for the two sub-funds UBS (Lux) Equity Fund - China Opportunity (USD) and UBS (Lux) Equity Fund – Greater China (USD) no later than the third business day, after the order date ("**settlement date**") unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the redemption order has been submitted.
If, on the settlement date or any day between the order date and the settlement date, banks in the country of the currency of the relevant unit class are not open for business or the relevant currency is not traded in an interbank settlement system, these days are disregarded for the purposes of calculating the settlement date. The settlement date can only be a day on which these banks are open or these settlement systems are available for transactions in the relevant currency.

If the value of a unit class in relation to the total net asset value of a sub-fund has fallen below, or failed to reach, a level that the Board of Directors has fixed as the minimum level for the economically efficient management of a unit class, the Board of Directors may decide that all units in this class are to be redeemed against payment of the redemption price on a business day determined by the Board of Directors. Investors of the class/sub-fund concerned shall not have to bear any additional costs or other financial burdens as a result of this redemption. Where applicable, the swing pricing principle described in the section "Net asset value, issue, redemption and conversion price" shall apply.
For sub-funds with multiple unit classes that are denominated in different currencies, unitholders may, in principle, only receive any consideration for their redemption in the currency of the respective unit class.

Subject to applicable laws and regulations, the Depositary and/or the agents entrusted with paying the redemption proceeds may, at their discretion and upon investors' request, make the payment in currencies other than the currency of account of the respective sub-fund and the currency of the unit class redeemed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair.
Investors shall bear all fees associated with currency exchange. These fees, as well as any taxes, commissions or other fees that may be incurred in the relevant country of distribution and, for example, levied by correspondent banks, will be charged to the relevant investor and deducted from the redemption proceeds. Notwithstanding the above, payment of redemption proceeds for units denominated in RMB shall be made in RMB (CNH) only. The investor may not request payment of the redemption proceeds in any currency other than RMB (CNH).

Any taxes, charges or other fees incurred in the relevant country of distribution (including those levied by correspondent banks) will be charged.

No additional redemption charge may be levied in favour of the distributors.

Net asset value performance shall determine whether the redemption price is higher or lower than the issue price paid by the investor.

The Management Company reserves the right not to execute redemption and conversion orders in full (redemption gate) on any order date on which this would lead to outflows of more than 10% of the total net asset value of a sub-fund on that date. In this case, the Management Company may decide to only partially execute redemption and conversion orders, and to postpone the redemption and conversion orders for the order date that have not been executed for a period generally not to exceed 20 business days, giving them priority status.

In the event of a large volume of redemption orders, the Depositary and the Management Company may decide to postpone the execution of any redemption order until equivalent Fund assets have been sold (without undue delay). Should such a measure be necessary, all redemption orders received on the same day will be processed at the same price.

A local paying agent will carry out the requisite transactions on behalf of the final investor on a nominee basis. Costs for services of the Paying Agent as well as fees that are levied by correspondent banks may be imposed on the investor.

The Management Company may offer investors full or partial redemptions in kind for units at its own discretion. In such cases, it must be ensured that after the capital is redeemed in kind, the remaining portfolio still complies with the investment policy and restrictions of the relevant sub-fund, and that the remaining investors in the sub-fund are not disadvantaged by the redemption in kind. These payments will be audited by the auditors appointed by the Management Company. The costs incurred will be charged to the relevant investor.

Conversion of units
At any time, unitholders may convert their units into those of another unit class within the same sub-fund, and/or may convert their units into those of another sub-fund. Conversion orders are subject to the same procedures as the issue and redemption of units.

The number of units resulting from the conversion of a unitholder's existing units is calculated according to the following formula:

$$\alpha = \frac{\beta * \chi * \delta}{\varepsilon}$$

where:

α = number of units of the new sub-fund or unit class into which conversion is requested

β = number of units of the sub-fund or unit class from which conversion is requested

χ = net asset value of the units submitted for conversion

δ = foreign-exchange rate between the sub-funds or unit classes in question. If both sub-funds or unit classes are valued in the same currency of account, this coefficient equals 1

ε = net asset value of the units in the sub-fund or unit class into which conversion is requested plus any taxes, charges or other fees

A maximum conversion fee in the amount of the maximum entry costs on the investment amount may be deducted (or charged as an addition) for payment on to distributors involved in the distribution of units in the sub-fund and/or to financial intermediaries. No redemption charge is applied in such cases, in accordance with the information in the section titled "Redemption of units".

Subject to applicable laws and regulations, the Depositary and/or the agents entrusted with receiving conversion payments may, at their discretion and upon investors' request, accept the payment in currencies other than the currency of account of the respective sub-fund and/or the reference currency of the unit class, into which the conversion will take place. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. These commissions, as well as any fees, taxes and stamp duties incurred in the individual countries for a sub-fund conversion, are charged to the unitholders.

Prevention of money laundering and terrorist financing
The Fund's distributors must comply with the provisions of the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, as well as the relevant statutory provisions and applicable circulars of the CSSF.

Accordingly, investors must provide proof of their identity to the distributor or sales agent receiving their subscription. The distributor or sales agent must request the following identifying documents from investors as a minimum: natural persons must provide a certified copy of their passport/identity card (certified by the distributor or sales agent or by the local administrative authority); companies and other legal entities must provide a certified copy of the articles of incorporation, a certified copy of the extract from the trade and companies register, a copy of the most recently published annual accounts and the full name of the beneficial owner.

Depending on the circumstances, the distributor or sales agent must request additional documents or information from investors requesting subscriptions or redemptions. The distributor must ensure that the sales agents strictly adhere to the aforementioned identification procedures. The administrative agent and the Management Company may, at any time, demand assurance from the distributor that the procedures are being adhered to. The administrative agent will monitor compliance with the aforementioned provisions for all subscription and redemption orders they receive from sales agents or distributors in countries in which such sales agents or distributors are not subject to requirements equivalent to Luxembourg or EU law on fighting money laundering and terrorist financing.

Furthermore, the distributor and its sales agents must comply with all the regulations for the prevention of money laundering and terrorist financing in force in the respective countries.

Suspension of net asset value calculation, and suspension of the issue, redemption and conversion of units
The Management Company may temporarily suspend the calculation of the net asset value of one or more sub-funds, as well as the issue and redemption of units, and conversions between individual sub-funds, for one or more business days due to the following:

- the closure, other than for customary holidays, of one or more stock exchanges used to value a substantial portion of the net assets, or if trading there is suspended, or if these stock exchanges or markets become subject to restrictions or experience major short-term price fluctuations;

- events beyond the control, liability or influence of the Management Company that prevent access to the net assets under normal conditions without causing severe detriment to unitholder interests;

- disruptions in the communications network or any other event that prevents the value of a substantial portion of the net assets from being calculated;

- where it is impossible for the Management Company to repatriate funds to pay redemption orders in the sub-fund in question, or, in its esteem, to transfer funds from the sale or for the acquisition of investments, or for payments following unit redemptions, at normal exchange rates;

- political, economic, military or other circumstances beyond the Management Company's control that prevent the disposal of the Fund's assets under normal conditions without seriously harming the interests of the unitholders;

- for any other reason the value of assets held by a sub-fund cannot be promptly or accurately determined;

- the publication of the Management Company's decision to liquidate the Fund;

- the publication of the Management Company's decision to merge one or more sub-funds, justifying such a suspension for the protection of the unitholders; and

- the Fund can no longer settle its transactions due to restrictions on foreign exchange and capital movements.

Should the calculation of the net asset value, the issue and redemption of units, or the conversion of units between sub-funds be suspended, this will be notified without delay to all the relevant authorities in the countries where units of the Fund are approved for distribution to the public; in addition, notification will be published in the manner described below in the section titled "Regular reports and publications".

If investors no longer meet the requirements of a unit class, the Management Company is further obliged to request that the investors concerned:

a) return their units within 30 calendar days in accordance with the provisions on the redemption of units; or
b) transfer their units to a person who meets the aforementioned requirements for acquiring units in this class; or
c) convert their units into those of another unit class of the respective sub-fund for which they are eligible in accordance with the acquisition requirements of this unit class.

In addition, the Management Company is authorised to:

a) refuse a request to buy units, at its own discretion;
b) redeem, at any time, units subscribed or purchased in defiance of an exclusion clause.

Distributions
In accordance with Article 10 of the Management Regulations, the Management Company will decide whether and what amount of distributions are to be paid out by each sub-fund after closure of the annual accounts. Distributions may be composed of income (e.g. dividend income and interest income) or capital and they may include or exclude fees and expenses.
Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) unit classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) unit classes compared with distributing (-dist) unit classes. Investors should consult qualified experts for tax advice regarding their individual situation. Any distribution results in an immediate reduction of the net asset value per unit of the sub-fund. The payment of distributions must not result in the net assets of the Fund falling below the minimum amount for fund assets laid down by the Law of 2010. If distributions are made, payment will be effected within four months of the end of the financial year.

The Management Company is entitled to decide whether interim dividends will be paid and whether distribution payments will be suspended.

Entitlements to distributions and allotments not claimed within five years of falling due will lapse and be paid back into the respective sub-fund or unit class. If said sub-fund or unit class has already been liquidated, the distributions and allocations will accrue to the remaining sub-funds of the Fund or the remaining unit classes of the sub-fund concerned in proportion to their respective net assets. The Management Company may decide, in connection with the appropriation of net investment income and capital gains, to issue bonus units. An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

Taxes and expenses

Taxation

The Fund is subject to Luxembourg law. In accordance with current legislation in the Grand Duchy of Luxembourg, the Fund is not subject to any Luxembourg withholding, income, capital gains or wealth taxes. From the total net assets of each sub-fund, however, a tax of 0.05% p.a. ("taxe d'abonnement") payable to the Grand Duchy of Luxembourg is due at the end of every quarter (reduced taxe d'abonnement amounting to 0.01% p.a. for unit classes F, I-A1, I-A2, I-A3, I-B, I-X and U-X). This tax is calculated on the total net assets of each sub-fund at the end of every quarter. In the event that the competent tax authority changes an investor's tax status, all units in classes F, I-A1, I-A2, I-A3, I-B, I-X and U-X may be taxed at the rate of 0.05%.

The taxable values provided are based on the most recently available data at the time they were calculated.
Unitholders are not required, under current tax law, to pay any income, gift, inheritance or other tax in Luxembourg, unless they are domiciled or resident or maintain their usual place of abode in Luxembourg, or were previously resident in Luxembourg and hold more than 10% of the units in the Fund.

The aforementioned represents a summary of the fiscal impact and makes no claim to be exhaustive. It is the responsibility of purchasers of units to seek information on the laws and regulations governing the purchase, possession and sale of units in connection with their place of residence and their nationality.

Automatic exchange of information – FATCA and the Common Reporting Standard

As an investment fund established in Luxembourg, the Fund is bound by certain agreements on the automatic exchange of information – such as those described below (and others that may be introduced in future, as the case may be) – to collect specific information on its investors and their tax status, and to share this information with the Luxembourg tax authority, which may then exchange this information with the tax authorities in the jurisdictions in which the investors are resident for tax purposes.
According to the US Foreign Account Tax Compliance Act and the associated legislation ("**FATCA**"), the Fund must comply with extensive due diligence obligations and reporting requirements, established to ensure the US Treasury is informed of financial accounts belonging to specified US persons as defined in the Intergovernmental Agreement ("**IGA**") between Luxembourg and the US. Failure to comply with these requirements may subject the Fund to US withholding taxes on certain US-sourced income and, with effect from 1 January 2019, gross proceeds. In accordance with the IGA, the Fund has been classed as "compliant" and is not charged any withholding tax if it identifies financial accounts belonging to specified US persons and immediately reports these to the Luxembourg tax authorities, which then provide this information to the US Internal Revenue Service.
Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("**CRS**") to combat offshore tax evasion on a global scale. Pursuant to the CRS, financial institutions established in participating CRS jurisdictions (such as the Fund) must report to their local tax authorities all personal and account information of investors, and where appropriate controlling persons, resident in other participating CRS jurisdictions that have concluded an agreement for the exchange of information with the jurisdiction governing the financial institution. Tax authorities in participating CRS jurisdictions will exchange such information on an annual basis. Luxembourg has enacted legislation to implement the CRS. As a result, the Fund is required to comply with the CRS due diligence and reporting requirements adopted by Luxembourg.
In order to enable the Fund to meet its obligations under FATCA and the CRS, prospective investors are required to provide the Fund with information about their person and tax status prior to investment, and to update this information on an ongoing basis. Prospective investors should note that the Fund is obliged to disclose this information to the Luxembourg tax authorities. The investors accept that the Fund may take any action it deems necessary regarding their stake in the Fund to ensure that any withholding tax incurred by the Fund and any other related costs, interest, penalties and other losses and liabilities arising from the failure of an investor to provide the requested information to the Fund are borne by this investor. This may include making this investor liable for any resulting US withholding taxes or penalties arising under FATCA or the CRS, and/or the compulsory redemption or liquidation of this investor's stake in the Fund.
Prospective investors should consult qualified experts for tax advice regarding FATCA and the CRS and the potential consequences of such automatic exchange of information regimes.

"Specified US person" as defined by FATCA

The term "specified US person" refers to any citizen or resident of the United States, and any company or trust established in the US or under US federal or state law in the form of a partnership or corporation, provided (i) a court within the United States is authorised, pursuant to applicable law, to issue orders or pass rulings in connection with all aspects of the administration of the trust, or (ii) one or more specified US persons are authorised to take all essential decisions regarding the trust or the estate of a testator who was a US citizen or resident. The section must comply with the US Internal Revenue Code.

Investments in Chinese A shares via Stock Connect

On 14 November 2014 and 2 December 2016, the Chinese authorities released Caishui [2014] No. 81 ("Circular 81") and Caishui [2016] No. 127 ("Circular 127") in order to clarify questions concerning taxation in the PRC in relation to Stock Connect. Pursuant to Circular 81 and Circular 127, capital gains made by foreign investors from trading in Chinese A shares via Stock Connect are temporarily exempt from the corporate income tax applicable in the PRC, as well as individual income and business taxes. Foreign investors are obliged to pay the 10% withholding tax on dividends applicable in the PRC. This will be withheld by companies listed in the PRC and remitted to the competent tax authorities in the PRC. Investors resident for tax purposes in a jurisdiction that has concluded a tax treaty with the PRC can apply for a refund of any excess withholding tax paid, provided the relevant tax treaty stipulates a lower rate for the withholding tax on dividends in the PRC than the one paid.

The Fund is subject to the stamp duty of 0.1% applicable in the PRC when disposing of Chinese A shares via Stock Connect.

Taxation in the United Kingdom

Reporting sub-funds
Within the meaning of the UK Taxation (International and Other Provisions) Act 2010 (hereinafter referred to as "TIOPA"), special provisions apply to investments in offshore funds. The individual unit classes of these offshore funds are treated as separate offshore funds for this purpose. The taxation of unitholders in a reporting unit class is different to the taxation of unitholders in non-reporting unit classes. The individual taxation systems are explained below. The Board of Directors reserves the right to apply for reporting fund status for individual unit classes.

Unitholders in non-reporting unit classes

Each individual unit class is an offshore fund within the meaning of the TIOPA and the UK Offshore Funds (Tax) Regulations 2009 that came into force on 1 December 2019. Within this framework, all income from the sale, disposal or redemption of offshore fund units held by persons resident or ordinarily resident in the United Kingdom at the time of sale, disposal or redemption is taxed as income and not as capital gains. However, this is not the case if the fund is treated as a reporting fund by the UK tax authorities during the period in which the units are held. Unitholders who are resident or ordinarily resident in the United Kingdom for tax purposes and invest in non-reporting unit classes may be obliged to pay income tax on the proceeds from the sale, disposal or redemption of units. Such income is therefore taxable, even if investors would be exempt from capital gains tax under general or special provisions, which may lead to some UK investors having to bear a proportionally higher tax burden. Unitholders who are resident or ordinarily resident in the United Kingdom may offset losses on the disposal of units in non-reporting unit classes against capital gains.

Unitholders in reporting unit classes

Each individual unit class is an offshore fund within the meaning of the TIOPA. Within this framework, all income from the sale, disposal or redemption of offshore fund units at the time of the sale, disposal or redemption are taxed as income and not as capital gains. These provisions do not apply if the fund is accorded reporting fund status and maintains this status during the period in which units are held.

For a unit class to qualify as a reporting fund, the Management Company must apply to the UK tax authorities for the inclusion of the sub-fund in this category. The unit class must then report 100% of the income of the unit class for each financial year. The corresponding report is available for investors to access on the UBS website. Private investors resident in the United Kingdom should include the reportable income in their income tax return. They will then be assessed on the basis of the declared income, whether the income has been distributed or not. In order to determine the income, the income for accounting purposes is adjusted for capital and other items and is based on the reportable income of the corresponding sub-fund. Unitholders are hereby informed that income from trading (but not from investment activities) is classified as reportable income. The key criterion is the type of business activity. Given the lack of clarity in the guidelines concerning the difference between trading and investment activities, there is no guarantee that the proposed activities are not trading activities. Should the activities of the Fund be partly or wholly classified as trading activities, then the annual reportable income for unitholders and the corresponding tax burden would probably be significantly higher than would otherwise be the case. Provided that the relevant unit class fulfils the status of a reporting sub-fund, the income from this unit class will be taxed as a capital gain and not as income, unless the investor is a securities trader. Such gains may therefore be exempt from capital gains tax under general or special provisions, which may lead to some UK investors bearing a comparatively lower tax burden.

In accordance with Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 (hereinafter referred to as "2009 Regulations"), certain transactions of a regulated sub-fund such as the Company are generally not treated as trading activities for the purpose of calculating the reportable income for reporting sub-funds that fulfil a genuine diversity of ownership conditions. In this respect, the Board of Directors confirms that all unit classes are primarily for private and institutional investors and are offered to these target groups. Regarding the 2009 Regulations, the Board of Directors confirms that the units of the Fund can be easily acquired and are marketed and made available in such a way that they reach and attract the targeted categories of investors.

The attention of persons ordinarily resident in the United Kingdom is drawn to the provisions of Part 13(2) of the Income Tax Act 2007 ("Transfer of Assets Abroad"), which provide that under certain circumstances, these persons may be subject to income tax in connection with non-distributed income and profits arising on investments in sub-fund(s), or similar income and profits, which is not receivable in the United Kingdom by those persons.

In addition, it is important to note the provisions of Section 13 of the Taxation of Chargeable Gains Act of 1992, which govern the distribution of chargeable gains of companies that are not resident in the United Kingdom and that would be considered "close companies" if they were resident in the UK. These gains are distributed to investors who are domiciled or have their ordinary place of residence in the UK. Profits distributed in this manner are taxable for all investors holding a share of more than 10% of the distributed profit either individually or together with associated persons.

The members of the Board of Directors intend to make all reasonable efforts to ensure that the sub-fund or sub-funds are not classed as a "close company" within the meaning of Section 13 of the Taxation of Chargeable Gains Act if domiciled in the United Kingdom. Moreover, when determining the impact of Section 13 of the Taxation of Chargeable Gains Act of 1992, it is important to ensure that the regulations of the double taxation treaty between the United Kingdom and Luxembourg are taken into account.

Partial exemption under the German Investment Tax Act (InvStG)
In addition to the investment restrictions set out in the special investment policies of the sub-fund, all of the Fund's sub-funds will also invest at least 51% of their relevant net asset value in equity investments (the "equity investment quota") in order to establish eligibility for the partial exemption provided for under the German Investment Tax Act.

For the purposes of this investment restriction, "equity investments" includes:

1) shares in a company (not depositary receipts) that are traded or admitted to trading on a stock exchange or in another organised market that meets the criteria of a "regulated" market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; and/or
2) shares in a company other than a real estate company, which (i) is domiciled in an EU Member State or a Member State of the European Economic Area, and in which it is subject to corporate income tax and is not exempt from such tax; or (ii) is domiciled in another state and is subject to corporate income tax of at least 15%; and/or
3) units of an undertaking for collective investment in transferable securities (UCITS) that – as stated in its respective investment conditions – permanently has at least 51% of its value invested in equity investments (an "equity fund"), in which case 51% of the units of the equity fund held by the fund is considered to be an equity investment; and/or
4) units of a UCITS that – as stated in its respective investment conditions – permanently has at least 25% of its value invested in equity investments (a "mixed fund"), in which case 25% of the units of the mixed fund held by the fund is considered to be an equity investment; and/or
5) units of equity funds or mixed funds that disclose their equity investment quota in their respective investment conditions; and/or
6) units of equity funds or mixed funds that disclose their equity investment quota on a daily basis.

With the exception of the cases described in subsections (3), (4), (5) and (6), units of a UCITS are not considered to be an equity investment.
For the purposes of this section, the equity investment quota does not include any equity investments lent under a securities lending arrangement – as described in the Sales Prospectus.

Investors should consult qualified experts for tax advice regarding their individual situation.

DAC 6 – Disclosure requirements for reportable cross-border tax arrangements

On 25 June 2018 Council Directive (EU) 2018/822 ("DAC 6"), which introduces rules on the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, entered into force. DAC 6 is intended to enable EU Member States' tax authorities to obtain comprehensive and relevant information about potentially aggressive tax planning arrangements and to enable authorities to react promptly against harmful tax practices and to close loopholes by enacting legislation or by undertaking adequate risk assessments and carrying out tax audits.

While the requirements laid down by DAC 6 will only apply from 1 July 2020, any arrangements implemented between 25 June 2018 and 30 June 2020 must be reported. The Directive obliges intermediaries in the EU to pass on information to the local tax authorities concerning reportable cross-border arrangements, including specific details concerning the arrangement and information enabling the intermediaries involved and the relevant taxpayers to be identified, i.e. the persons to whom the reportable cross-border arrangement is made available. The local tax authorities then exchange this information with the tax authorities from the other EU Member States. The Fund may therefore be obliged by law to disclose to the competent tax authorities any information in its possession or under its control concerning reportable cross-border arrangements. These legal provisions may also apply to arrangements that do not necessary constitute aggressive tax planning.

Expenses paid by the Fund
The Fund pays a maximum monthly flat fee for unit classes "P", "N", "K-1", "F", "Q", "QL", "I-A1", "I-A2" and "I-A3", calculated on the average net asset value of the sub-funds.
This shall be used as follows:

1. In accordance with the following provisions, a maximum flat fee based on the net asset value of the Fund is paid from the Fund's assets for the management, administration, portfolio management and distribution of the Fund (if applicable), as well as for all Depositary tasks, such as the safekeeping and supervision of the Fund's assets, the processing of payment transactions and all other tasks listed in the "Depositary and Main Paying Agent" section. This fee is charged to the Fund's assets pro rata temporis upon every calculation of the net asset value, and is paid on a monthly basis (maximum flat fee). The maximum flat fee for unit classes with "hedged" in their name may contain fees for hedging currency risk. The relevant maximum flat fee will not be charged until the corresponding unit classes have been launched. An overview of the maximum flat fees can be found under "The sub-funds and their special investment policies".
   The maximum flat fee effectively applied can be found in the annual and semi-annual reports.

2. The maximum flat fee does not include the following fees and additional expenses, which are also taken from the Fund assets:

a) All other Fund asset management expenses for the sale and purchase of assets (bid-ask spread, market-based brokerage fees, commissions, fees, etc.); As a rule, these expenses are calculated upon the purchase or sale of the respective assets. By derogation herefrom, these additional expenses, which arise through the sale and purchase of assets in connection with the settlement of the issue and redemption of units, are covered by the application of the swing pricing principle pursuant to the section titled "Net asset value, issue, redemption and conversion price".

b) Fees of the supervisory authority for the establishment, modification, liquidation and merger of the Fund, as well as all charges payable to the supervisory authorities and any stock exchanges on which the sub-funds are listed;

c) Auditor's fees for the annual audit and for authorisations in connection with creations, alterations, liquidations and mergers within the Fund, as well as any other fees paid to the audit firm for services provided in relation to the administration of the Fund and as permitted by law;

d) Fees for legal consultants, tax consultants and notaries in connection with the creation, registration in distribution countries, alteration, liquidation and merger of the Fund, as well as for the general safeguarding of the interests of the Fund and its investors, insofar as this is not expressly prohibited by law;

e) Costs for publishing the Fund's net asset value and all costs for notices to investors, including translation costs;

f) Costs for the Fund's legal documents (prospectuses, KIIDs, annual and semi-annual reports, and other documents legally required in the countries of domiciliation and distribution);

g) Costs for the Fund's registration with any foreign supervisory authorities (if applicable), including fees payable to the foreign supervisory authorities, as well as translation costs and fees for the foreign representative or paying agent;

h) Expenses incurred through use of voting or creditors' rights by the Fund, including fees for external advisers;

i) Costs and fees related to any intellectual property registered in the Fund's name, or to the Fund's rights of usufruct;

j) All expenses arising in connection with any extraordinary measures taken by the Management Company, Portfolio Manager or Depositary to protect the interests of the investors;

k) If the Management Company participates in class-action suits in the interests of investors, it may charge expenses arising in connection with third parties (e.g. legal and depositary costs) to the Fund's assets. Furthermore, the Management Company may bill for all administrative costs, provided these are verifiable, and disclosed and accounted for in the Fund's published total expense ratio (TER);

3. The Management Company may pay trailer fees for the distribution of the Fund.

All taxes on the Fund's income and assets, particularly the *taxe d'abonnement*, shall also be borne by the Fund.

For purposes of general comparability with fee rules of different fund providers that do not have a flat fee, the term "maximum management fee" is set at 80% of the flat fee.
For unit class F, an additional fee will also be charged; this shall be determined via a separate contract between the investor and UBS Group AG or one of its authorised distribution partners.

For unit class "I-B", a fee is charged to cover the costs of fund administration (comprising the costs of the Management Company, the administrative agent and the Depositary). The costs for asset management and distribution are charged outside of the Fund under a separate contract concluded directly between the investor and UBS Asset Management Switzerland AG or one of its authorised representatives.

Costs relating to the services performed for unit classes I-X, K-X and U-X for asset management, fund administration (comprising the costs of the Management Company, the administrative agent and the Depositary) and distribution are covered by the compensation to which UBS Asset Management Switzerland AG is entitled under a separate contract with the investor.

Costs relating to the asset management services to be provided for unit classes "K-B" are covered by the compensation to which UBS Asset Management Switzerland AG or one of its authorised distributors is entitled under a separate agreement with the investor.
All costs that can be allocated to specific sub-funds will be charged to those sub-funds.

Costs that can be allocated to unit classes will be charged to those unit classes. Costs pertaining to some or all sub-funds/unit classes will be charged to those sub-funds/unit classes in proportion to their respective net asset values.
With regard to sub-funds that may invest in other UCIs or UCITS under the terms of their investment policies, fees may be incurred both at the level of the sub-fund as well as at the level of the relevant target fund. The management fees of the target fund in which the assets of the sub-fund are invested may amount to a maximum of 3%, taking into account any trailer fees.

Should a sub-fund invest in units of funds that are managed directly or by delegation by the Management Company itself or by another company linked to the Management Company through common management or control or through a substantial direct or indirect holding, no issue or redemption charges may be charged to the investing sub-fund in connection with these target fund units.

Details on the Fund's ongoing charges can be found in the KIIDs.

Information for unitholders

Regular reports and publications

An annual report is published for each sub-fund and the Fund as at 30 November and a semi-annual report as at 31 May.

The aforementioned reports contain a breakdown of each sub-fund, or respectively, each unit class in the relevant currency of account. The consolidated breakdown of assets for the Fund as a whole is given in EUR.

The annual report, which is published within four months of the end of the financial year, contains the annual accounts audited by the independent auditors. It also contains details on the underlying assets to which the respective sub-funds are exposed through the use of derivative financial instruments and the counterparties involved in these derivative transactions, as well as the amount and type of collateral provided in favour of the sub-fund by the counterparties in order to reduce the credit risk.
These reports are available to unitholders at the registered office of the Management Company and the Depositary.

The issue and redemption prices of each sub-fund are made available in Luxembourg at the registered office of the Management Company and the Depositary.
Notices to unitholders will be published at www.ubs.com/lu/en/asset_management/notifications and can be sent by email to those unitholders who have provided an email address for this purpose. Paper copies of such notices will be mailed to those unitholders who have not provided an email address at the postal address recorded in the unitholder registry. Paper copies will also be mailed to unitholders where required by Luxembourg law or supervisory authorities, or legally required in the relevant countries of distribution, and/or published in another form permitted by Luxembourg law.

Inspection of documents
The following documents are kept at the registered office of the Management Company, where they can be viewed:
1. the articles of association of the Management Company
2. Depositary Agreement;
3. Portfolio Management Agreement;
4. Administrative Agent Agreement.
The aforementioned agreements may be amended by common consent of the parties involved.

The following documents are available from the registered office of the Management Company:

1. the Management Regulations
2. the latest annual and semi-annual reports for the Fund.

Handling complaints, strategy for exercising voting rights and best execution
In accordance with Luxembourg laws and regulations, the Management Company provides additional information on procedures for handling complaints, the strategy for exercising voting rights as well as best execution on the following website: http://www.ubs.com/lu/en/asset_management/investor_information.html

Remuneration policy of the Management Company
The Board of Directors has adopted a remuneration policy that aims to ensure remuneration complies with the applicable regulations – in particular the provisions defined under (i) UCITS Directive 2014/91/EU, the ESMA final report on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016, (ii) the Alternative Investment Fund Managers (AIFM) Directive 2011/61/EU, enacted into Luxembourg national law by the AIFM Law of 12 July 2013, as amended, the ESMA guidelines on sound remuneration policies under the AIFMD, published on 11 February 2013 and (iii) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector, issued on 1 February 2010 – as well as the guidelines of the UBS Group AG remuneration policy. This remuneration policy is reviewed at least annually.
The remuneration policy promotes a solid and effective risk management framework, is aligned with the interests of investors, and prevents risks from being taken that do not comply with the risk profiles, the Management Regulations, or the Articles of Incorporation of this UCITS/AIF.
The remuneration policy also ensures compliance with the strategies, objectives, values and interests of the Management Company and the UCITS/AIF, including measures to prevent conflicts of interest.
Furthermore, this approach aims to:
• evaluate performance over a multi-year period that is suitable to the recommended holding period of investors in the sub-fund, in order to ensure that the evaluation process is based on the Fund's long-term performance and investment risks, and that performance-related remuneration is actually paid out over the same period;
• provide employees with remuneration that comprises a balanced mix of fixed and variable elements. The fixed remuneration component represents a sufficiently large portion of the total remuneration amount, which allows for a flexible bonus strategy. This includes the option not to pay any variable remuneration. This fixed remuneration is determined according to the individual employee's role, which includes their responsibilities and the complexity of their work, their performance, and the local market conditions. Furthermore, it should be noted that the Management Company may, at its own discretion, offer benefits to employees. These form an integral part of the fixed remuneration.
All information relevant hereto shall be disclosed in the annual reports of the Management Company in accordance with the provisions of UCITS Directive 2014/91/EU.
Unitholders can find more details about the current remuneration policy, including, but not limited to, the description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available at http://www.ubs.com/lu/en/asset_management/investor_information.html.
This information can also be requested in hard copy from the Management Company free of charge.

Conflicts of interest
The Management Company, the Portfolio Manager, the Depositary, the administrative agent and the other service providers of the Fund, and/or their respective affiliates, associates, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.
The Management Company, the Portfolio Manager, the administrative agent and the Depositary have adopted and implemented a policy on conflicts of interest. They have taken suitable organisational and administrative measures to identify and manage conflicts of interest so as to minimise the risk of the Fund's interests being prejudiced, as well as to ensure that the Fund's unitholders are treated fairly in the event that a conflict of interest cannot be prevented.
The Management Company, the Depositary, the Portfolio Manager and the principal distributor are part of the UBS Group (hereinafter referred to as "**Affiliated Person**").
The Affiliated Person is a global, full-service private banking, investment banking, asset management and financial services organisation that is a major player in the global financial markets. As such, the Affiliated Person is engaged in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.
The Affiliated Person (as well as its subsidiaries and branches) may serve as the counterparty in financial derivative contracts entered into with the Fund. Conflicts of interest may also potentially arise if the Depositary is closely associated with a legally independent entity of the Affiliated Person that provides other products or services to the Fund.

In the conduct of its business, the Affiliated Person shall endeavour to identify, manage and where necessary prohibit any action or transaction that may lead to a conflict of interest between the various business activities of Affiliated Person and the Fund or its unitholders. The Affiliated Person endeavours to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. To this end, the Affiliated Person has implemented procedures to ensure that any business activities giving rise to a conflict that could harm the interests of the Fund or its unitholders, are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Unitholders may obtain additional information on the Management Company and/or the Fund's policy on conflicts of interest free of charge by addressing a written request to the Management Company.
Despite the Management Company's best efforts and due care, there remains the risk that the organisational or administrative measures taken by the Management Company for the management of conflicts of interest may not be sufficient to ensure, with reasonable confidence, that all risks of damage to the interests of the Fund or its unitholders are eliminated. If this should be the case, any non-mitigated conflicts of interest and any decisions taken in relation thereto will be notified to unitholders on the following website of the Management Company: http://www.ubs.com/lu/en/asset_management/investor_information.html.
This information is also available free of charge at registered office of the Management Company.
In addition, it must be taken into account that the Management Company and the Depositary are members of the same group. Accordingly, both these entities have put in place policies and procedures to ensure that they (i) identify all conflicts of interests arising from this relationship and (ii) take all reasonable steps to avoid such conflicts of interest.
Where a conflict of interest arising out of the relationship between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of the unitholders.
A description of all custody tasks delegated by the Depositary, as well as a list of all delegates and sub-delegates of the Depositary can be found on the following webpage: https://www.ubs.com/global/en/legalinfo2/luxembourg.html. Up-to-date information on this will be made available to unitholders upon request.

Data protection

In accordance with the provisions of the Luxembourg Law of 1 August 2018 on the organisation of the National Data Protection Commission and the general data protection framework, as amended, and Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "data protection legislation"), the Fund acts as a data controller and collects, stores and processes, by electronic or other means, the data provided by investors for the purpose of performing the services required by investors and in order to meet the Fund's legal and supervisory obligations.

The data processed includes in particular the investor's name, contact details (including their postal or email address), bank account details, the amount and the nature of the investments in the Fund (and if the investor is a legal entity, the data of natural persons connected with this legal entity, such as its contact person(s) and/or beneficial owner(s)) ("personal data").

Investors may decline to transfer personal data to the Fund at their own discretion. However, in this case the Fund is entitled to reject orders to subscribe units.

Investors' personal data is processed when they enter into a relationship with the Fund and in order to carry out the subscription of units (i.e. to fulfil a contract), to safeguard the Fund's legitimate interests and to meet the Fund's legal obligations. Personal data is processed for the following purposes in particular: (i) to carry out subscriptions, redemptions and conversions of units, pay dividends to investors and administer client accounts; (ii) to manage client relationships; (iii) to carry out checks relating to excess trading and market timing practices and for tax identification that may be mandated by Luxembourg or foreign legislation and regulations (including laws and regulations relating to FATCA and the CRS); (iv) to comply with applicable anti-money laundering regulations. Data provided by unitholders is also processed, (v) to administer the Fund's register of unitholders. In addition, personal data may be used (vi) for marketing purposes.

The above-mentioned legitimate interests include:

- the purposes listed in points (ii) and (vi) of the previous paragraph of this data protection section for which data may be processed;
- meeting the accounting and supervisory obligations of the Fund in general;
- carrying out the Fund's business in accordance with appropriate market standards.

For this purpose and in accordance with the provisions of the Data Protection Act, the Fund may transmit personal data to its data recipients (hereinafter "recipients"), which are related and third-party companies providing support for the Fund's activities as regards the previously mentioned purposes. These include in particular the management company, the administrative agent, the distributors, the depositary, the paying agent, the investment manager, the domiciliary agent, the global distributor, the auditor and the legal advisor of the Fund.

The recipients may pass on the personal data on their own responsibility to their representatives and/or agents (the "sub-recipients"), who may process the personal data solely for the purpose of assisting the recipients in performing their services for the Fund and/or in meeting their legal obligations.

The recipients and sub-recipients may be located in countries inside or outside the European Economic Area (EEA) where data protection legislation may not provide an appropriate level of protection.

When transferring personal data to recipients and/or sub-recipients located in a country outside the EEA which does not have appropriate data protection standards, the Fund shall establish contractual safeguards to ensure that investors' personal data is afforded the same protection as that provided by the data protection legislation and may use the model clauses approved by the European Commission to do so. Investors are entitled to request copies of the relevant documents that enable the transfer of personal data to these countries by sending a written request to the Management Company's address listed above.

When subscribing to units, every investor is explicitly reminded that their personal data may be transferred to and processed by the above-mentioned recipients and sub-recipients, including companies located outside the EEA and in particular in countries that may not offer an appropriate level of protection.

The recipients and sub-recipients may process the personal data as processors when handling the data on the Fund's instructions, or as controllers in their own right when processing the personal data for their own purposes, i.e. to meet their own legal obligations. The Fund may also transfer personal data to third parties in accordance with the applicable legislation and regulations, such as government and supervisory authorities, including tax authorities inside or outside the EEA. In particular, personal data may be passed on to the Luxembourg tax authorities which in turn act as controllers and can forward this data to foreign tax authorities.

In accordance with the provisions of the data protection legislation, every investor has the right, by sending a written request to the Management Company's address listed above, to the following:

- Information on their personal data (i.e. the right to a confirmation from the Fund about whether their personal data is being processed, the right to certain information about how the fund is processing their personal data, the right to access this data and the right to a copy of the personal data that has been processed (subject to statutory exemptions));
- To have their personal data corrected if it is incorrect or incomplete (i.e. the right to request the Fund to update and correct incomplete or incorrect personal data or errors);
- To restrict usage of their personal data (i.e. the right to demand that the processing of their personal data is restricted under certain circumstances until they have given consent for this data to be stored);
- To object to the processing of their personal data, including prohibiting processing of their personal data for marketing purposes (i.e. the right to prohibit the Fund, for reasons relating to the investor's particular situation, from processing data in order to carry out a task in the public interest or based on its legitimate interests; the Fund will then cease to process this data, unless it can demonstrate that there are legitimate and overriding grounds for processing the data which take precedence over the interests, rights and freedoms of the investor, or that processing the data is necessary to enforce, implement or defend legal claims);
- To have their personal data deleted (i.e. the right to request the deletion of their personal data in certain circumstances, in particular if the Fund no longer needs to process this data for the purpose for which it was collected or processed);
- Data portability (i.e. the right, if technically feasible, to request the transfer of the data to the investor or another controller in a structured, widely-used and machine-readable format).

Investors also have the right to lodge a complaint with the National Data Protection Commission at 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or with another national data protection authority if they are resident in another Member State of the European Union.

Personal data will not be stored for longer than required for the purpose for which the data is being processed. The relevant statutory time limits for data storage shall apply.

Index provider

MSCI

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Benchmark Regulation

Unless specified otherwise in this Sales Prospectus, the indices used by the sub-fund as a benchmark ("use" as defined according to Regulation (EU) 2016/1011 (the "Benchmark Regulation")) have been provided by the benchmark administrators with reference to the date of this Sales Prospectus, as published in the register of administrators and benchmarks kept by ESMA pursuant to Article 36 of the Benchmark Regulation.

Up-to-date information as to whether the benchmark is provided by an administrator entered into the ESMA register of EU benchmark administrators and third country benchmarks is available at https://registers.esma.europa.eu/publication/.

In the event that a benchmark significantly changes or is no longer provided, the Management Company maintains a written plan setting out actions to be taken in such an eventuality ("Contingency Plan"), as required under Article 28(2) of the Benchmark Regulation. Unitholders may consult the Contingency Plan free of charge upon request at the registered office of the Management Company.

Liquidation and merger of the Fund and its sub-funds or unit classes

Liquidation of the Fund and its sub-funds or unit classes
Unitholders, their heirs and other beneficiaries may not demand the division or liquidation of the Fund, a sub-fund or a unit class. The Management Company, however, is authorised to liquidate the Fund, sub-funds and unit classes provided that, taking into account the unitholders' interests, such liquidation is deemed appropriate or necessary to protect the Management Company or the Fund, or due to the investment policy.

If the total net asset value of a sub-fund, or unit class within a sub-fund, has fallen below or failed to reach a value required for that sub-fund or unit class to be managed with economic efficiency; or in the event of a substantial change in the political, economic or monetary environment; or as part of a rationalisation; the Management Company may decide to redeem all units of the corresponding unit class(es) at the net asset value (taking into account the actual investment realisation rates and expenses) as at the valuation date or time at which this decision takes effect.

Any resolution to liquidate a sub-fund or unit class will be published in the manner described above in the section titled "Regular reports and publications". No units may be issued after the date of such a decision and all conversions into the sub-fund/unit class will be suspended. The redemption of units or conversion from the sub-fund/unit class will still be possible even after this decision has been implemented and it shall be ensured that the sub-fund or relevant unit class will take any liquidation costs into account. Those holding units in the sub-fund/relevant unit class at the time the decision to liquidate is taken will consequently bear such costs. In the event of liquidation, the Management Company will realise the Fund's assets in the best interests of the unitholders and instruct the Depositary to distribute the net proceeds from the liquidation of the sub-fund or unit class to the unitholders of

that sub-fund or unit class in proportion to their respective holdings. At the latest nine months after the decision to initiate the liquidation, (i) any liquidation proceeds that cannot or could not be distributed to the unitholders upon completing the liquidation will be deposited with the *Caisse de Consignation* in Luxembourg until expiry of the statute of limitations, and (ii) the liquidation process must be completed.
Liquidation of the Fund is mandatory in the cases prescribed by law and in the event of the liquidation of the Management Company. Notice of such liquidation will be published in at least two daily newspapers (one of which is a Luxembourg daily newspaper) as well as in the RESA. The liquidation procedure is identical for the Fund and its sub-funds with the exception that, in the case of the Fund, any liquidation proceeds that cannot be distributed to unitholders at the end of the liquidation procedure are immediately deposited with the Caisse de Consignation.

Merger of the Fund or of sub-funds with another undertaking for collective investment ("UCI") or with a sub-fund thereof; merger of sub-funds

"**Mergers**" are transactions in which

a) one or more UCITS or sub-funds of such UCITS (the "**absorbed UCITS**"), upon being wound up without liquidation, transfer all assets and liabilities to another existing UCITS or a sub-fund of that UCITS (the "**absorbing UCITS**"), and in return, the unitholders of the absorbed UCITS receive units in the absorbing UCITS and (if applicable) a cash payment not exceeding 10% of the net asset value of those units;
b) two or more UCITS or sub-funds of such UCITS (the "**absorbed UCITS**"), upon being wound up without liquidation, transfer all their assets and liabilities to another UCITS formed by them or by a sub-fund of that UCITS (the "**absorbing UCITS**"), and the unitholders of the absorbed UCITS receive in return units in the absorbing UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of such units;
c) one or more UCITS or sub-funds of such UCITS (the "**absorbed UCITS**") that continue to exist until liabilities have been paid off transfer all net assets to another sub-fund of the same UCITS, to another UCITS formed by them or to another existing UCITS or a sub-fund of that UCITS (the "**absorbing UCITS**").

Mergers are permissible under the conditions provided for in the Law of 2010. The legal consequences of a merger are defined in the Law of 2010.

Under the conditions described in the section "Liquidation of the Fund and its sub-funds or unit classes", the Management Company may decide to allocate the assets of a sub-fund or unit class to another existing sub-fund or unit class of the Fund, or to another Luxembourg UCI pursuant to Part 1 of the Law of 2010 or to a foreign UCITS pursuant to the provisions of the Law of 2010. The Management Company may also decide to redesignate the units of the sub-fund or unit class in question as units of another sub-fund or unit class (as a result of the scission or consolidation, if necessary, and through the payment of an amount that corresponds to the pro rata entitlement of the unitholders).

Unitholders will be informed of any such decision by the Management Company in the manner described above in the section entitled "Regular reports and publications".
Should the Management Company make such a decision, the merger shall be binding for all unitholders of the relevant sub-fund after a period of 30 days commencing on the date on which the decision is published. During this period, unitholders may submit their units for redemption without having to pay any redemption fee or administrative costs. Units not presented for redemption will be exchanged based on the net asset values of the sub-funds concerned, calculated for the same day as the one used to determine the conversion ratio.

Applicable law, place of performance and legally binding document language

The Luxembourg District Court shall have jurisdiction to hear all legal disputes between the unitholders, the Management Company and the Depositary. Luxembourg law shall apply. However, in matters concerning the claims of investors from other countries, the Management Company and/or the Depositary may elect to make themselves and the Fund subject to the jurisdiction of the countries in which the units were bought and sold.
Only the German version of this Sales Prospectus shall be legally binding. However, the Management Company and the Depositary may recognise translations (they themselves have approved) into the languages of the countries in which units are bought or sold to investors as binding upon themselves and the Fund in matters concerning those units.

Investment principles

The following conditions also apply to the investments made by each sub-fund:

1. Permitted investments of the Fund

1.1 The sub-funds' investments must consist exclusively of:

a) Securities and money market instruments that are listed or traded on a regulated market, as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
b) Securities and money market instruments that are traded in a Member State on another market that is recognised, regulated, operates regularly and is open to the public. The term "**Member State**" designates a member country of the European Union; countries that are parties to the agreement on the European Economic Area but are not Member States

of the European Union are considered equivalent to Member States of the European Union, within the limits of said agreement and its related agreements;

c) Securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or traded on another market of a European, American, Asian, African or Australasian country (hereinafter "**approved state**") which operates regularly and is recognised and open to the public;

d) Newly issued securities and money market instruments, provided the terms of issue stipulate that an application must be made for admission to official listing on one of the securities exchanges or regulated markets mentioned under Points 1.1(a)–(c), and that this admission must be granted within one year of the issue of the securities;

e) Units of UCITS admitted pursuant to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC with their registered office in a Member State as defined in the Law of 2010, or in a non-Member State, provided that

- such other UCIs have been approved in accordance with legislation subjecting them to prudential supervision that, in the opinion of the CSSF, is equivalent to that which applies under Community law, and that adequate provision exists for ensuring cooperation between authorities;

- the level of protection afforded to unitholders of the other UCIs is equivalent to that afforded to unitholders of the Fund and, in particular, regulations apply that are equivalent to those in Directive 2009/65/EC governing the segregation of assets, borrowing, lending and the short-selling of securities and money market instruments;

- the business operations of the other UCI are the subject of annual and semi-annual reports that permit an assessment to be made of the assets and liabilities, income and transactions arising during the reporting period;

- the UCITS or such other UCI, the units of which are to be acquired, may invest, pursuant to its Management Regulations or its founding documents, a maximum of 10% of its assets in units of other UCITS or UCIs.

Each sub-fund may invest no more than 10% of its assets in other UCITS or UCIs, unless otherwise stipulated in the investment policy of that sub-fund.

f) Sight deposits or deposits at notice at credit institutions with a term of up to 12 months, provided the credit institution has its registered office in an EU Member State, or (if the credit institution's registered office is located in a non-Member State) it is subject to supervisory regulations that the Luxembourg supervisory authority deems equivalent to those under Community law;

g) Derivative financial instruments ("**derivatives**"), including equivalent cash-settled instruments, that are traded on one of the regulated markets listed in (a), (b) and (c) above, and/or derivatives that are not traded on a stock exchange or regulated market ("**OTC derivatives**"), provided that

- the use of derivatives is in accordance with the investment purpose and investment policy of the respective sub-fund and is suited to achieving their goals;

- the underlyings constitute instruments as defined by Article 41(1) of the Law of 2010 or are financial indices, such as macroeconomic indices, interest rates, exchange rates or currencies in which investments may be made in line with the investment policy of the sub-fund directly or indirectly via other existing UCIs/UCITS.

- the sub-funds ensure, through adequate diversification of the underlying assets, that the diversification requirements applicable to them and listed in the section entitled "Risk diversification" are adhered to;

- the counterparties in transactions involving OTC derivatives are institutions subject to prudential supervision and belonging to the categories admitted by the CSSF and expressly approved by the Board of Directors. The approval process by the Board of Directors is based on the principles drawn up by UBS AM Credit Risk and concerning, inter alia, the creditworthiness, reputation and experience of the relevant counterparty in settling transactions of this type, as well as their willingness to provide capital. The Board of Directors maintains a list of counterparties it has approved;

- the OTC derivatives are valued daily in a reliable and verifiable manner and may be sold, liquidated or settled by means of a back-to-back transaction at any time, upon the Fund's initiative and at the appropriate fair value; and

- the counterparty is not granted discretion regarding the composition of the portfolio managed by the relevant sub-fund (e.g. in the case of a total return swap or a derivative financial instrument with similar characteristics), or regarding the underlying of the relevant OTC derivative.

h) Money market instruments within the meaning of Article 1 of the Law of 2010, which are not traded on a regulated market, provided that the issuance or issuer of these instruments is governed by rules providing protection for investors and investments and on condition that such instruments are:

- issued or guaranteed by a central, regional or local entity or the central bank of a Member State, the European Central Bank, the European Union or European Investment Bank, a non-Member State, or, in the case of a federal state, a Member State of the federation, or by a public international institution of which at least one Member State is a member;

- issued by an undertaking whose securities are traded on the regulated markets listed under Point 1.1(a), (b) and (c);

- issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in Community law, or by an institution subject to supervision that, in the opinion of the CSSF, is at least as stringent as that provided for in Community law, and that complies with Community law; or

- issued by other issuers belonging to a category approved by the CSSF, provided that regulations protecting investors that are equivalent to those in the first, second or third points above apply to investments in these instruments, and provided that the issuers constitute either a company with equity capital amounting to at least 10 million euro (EUR 10,000,000) that prepares and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC, or an entity within a group encompassing one or more listed companies and responsible for its financing, or an entity which is to fund the securitisation of liabilities by means of a credit line provided by a bank.

1.2 In derogation of the investment restrictions set out in Point 1.1, each sub-fund may invest up to 10% of its net assets in securities and money market instruments other than those named in Point 1.1.

1.3 The Management Company ensures that the overall risk associated with derivatives does not exceed the overall net value of the Fund portfolio. As part of its investment strategy, each sub-fund may invest in derivatives within the limits set out in Points 2.2 and 2.3, provided the overall risk of the underlying instruments does not exceed the investment limits stipulated in Point 2.

1.4 Each sub-fund may hold liquid assets on an ancillary basis.

2. Risk diversification

2.1 In accordance with the principle of risk diversification, the Management Company is not permitted to invest more than 10% of the net assets of a sub-fund in securities or money market instruments from a single institution. The Management Company may not invest more than 20% of the net assets in deposits with a single institution. In transactions by a sub-fund in OTC derivatives, counterparty risk must not exceed 10% of the assets of that sub-fund if the counterparty is a credit institution as defined in Point 1.1(f). The maximum allowable counterparty risk is reduced to 5% in transactions with other counterparties. The total value of all positions in the securities and money market instruments of those institutions that account for more than 5% of the net assets of a sub-fund may not exceed 40% of the net assets of that sub-fund. This restriction does not apply to deposits and transactions in OTC derivatives with financial institutions that are subject to prudential supervision.

2.2 Regardless of the maximum limits set out in Point 2.1, each sub-fund may not invest more than 20% of its net assets through a combination of

- securities or money market instruments issued by this institution,

- deposits with that institution and/or

- OTC derivatives traded with this institution.

2.3 In derogation of the above, the following applies:

a) The maximum limit of 10% mentioned in Point 2.1 is raised to 25% for certain debt instruments issued by credit institutions domiciled in an EU Member State and subject, in that particular country, to special prudential supervision by public authorities designed to protect the holders of these instruments. In particular, funds originating from the issue of such debt instruments must, in accordance with the law, be invested in assets that provide sufficient cover for the obligations arising from them during the entire term of the bonds and that provide a preferential right to payment of the capital and interest in the event of insolvency of the issuer. If a sub-fund invests more than 5% of its net assets in debt instruments of a single issuer, then the total value of these investments may not exceed 80% of the value of the net assets of the sub-fund.

b) The maximum limit of 10% is raised to 35% for securities or money market instruments issued or guaranteed by an EU Member State or its local authorities, by another approved state, or by public international bodies of which one or more EU Member States are members. Securities and money market instruments that come under the special ruling referenced in Point 2.3(a) and (b) are not accounted for in calculating the aforementioned 40% maximum limit pertaining to risk diversification.

c) The limits set out in Points 2.1, 2.2, 2.3(a) and (b) may not be aggregated; therefore, the investments listed in these paragraphs made in securities or money market instruments of a single issuing institution, or in deposits with that institution or derivatives thereof, may not exceed 35% of the net assets of a given sub-fund.

d) Companies belonging to the same group for the purposes of consolidated accounts, as defined by Council Directive 83/349/EEC or recognised international accounting rules, must be treated as a single issuer for the calculation of the investment limits set out in this section.
However, investments by a sub-fund in securities and money market instruments of a single corporate group may total up to 20% of the assets of that sub-fund.

e) **In the interest of risk diversification, the Management Company is authorised to invest up to 100% of a sub-fund's net assets in securities and money market instruments from various issues that are guaranteed or issued**

by an EU Member State or its local authorities, another authorised OECD member state, China, Russia, Brazil, Indonesia or Singapore, or by public international bodies of which one or more EU Member States are members. These securities and money market instruments must be divided into at least six different issues, with securities or money market instruments from a single issue not exceeding 30% of the total net assets of a sub-fund.

2.4 The following provisions apply with regard to investments in other UCITS or UCIs:

a) The Management Company may invest up to 20% of the net assets of a sub-fund in units of a single UCITS or other UCI. In implementing this investment limit, each sub-fund of a UCI comprising multiple sub-funds is treated as an independent issuer, provided each of these sub-funds is individually liable in respect of third parties.

b) Investments in units of UCIs other than UCITS may not exceed 30% of the sub-fund's net assets. The assets of the UCITS or other UCI in which a sub-fund has invested are not included when calculating the maximum limits set out in Points 2.1, 2.2 and 2.3.

c) For sub-funds that, in accordance with their investment policies, invest a significant portion of their assets in units of other UCITS and/or other UCIs, the maximum management fees chargeable by the sub-fund itself and by the other UCITS and/or other UCIs in which it invests are listed in the "Expenses paid by the Fund" section.

2.5 The sub-funds may subscribe, acquire and/or hold units that are to be issued by or have been issued by one or more other sub-funds of the Fund, provided that:

- the target sub-fund does not itself invest in the sub-fund that is investing in that target sub-fund; and

- the target sub-funds to be acquired may, in accordance with their sales prospectuses or articles of incorporation, invest no more than 10% of their own assets in units of other target sub-funds of the same UCI; and

- any voting rights associated with the securities in question are suspended for the period they are held by the sub-fund in question, regardless of their appropriate valuation in financial accounts and periodic reports; and

- as long as these securities are held by the sub-fund, their value is not, in any event, included in the calculation of the sub-fund's net asset value described in the Law of 2010 to verify the minimum net assets in accordance with that law; and

- no administration/subscription or redemption fees are double charged at the level of the sub-fund and that of the target sub-fund in which it invests.

2.6 The Fund may invest up to 20% of a sub-fund's assets in equities and/or debt securities of a single issuer if, according to that sub-fund's investment policy, the sub-fund's objective is to replicate a specific equity or bond index recognised by the CSSF. This is subject to the following conditions:

- the composition of the index is sufficiently diversified;

- the index is an appropriate benchmark for the market it represents;

- the index is published in an appropriate manner.

The limit is 35% provided this is justified due to exceptional market conditions; particularly on regulated markets heavily predominated by certain securities or money market instruments. Investment up to this upper limit is only permitted in the case of a single issuer.

If the limits mentioned in Points 1 and 2 are exceeded unintentionally or as a consequence of the exercise of subscription rights, the Management Company must manage the sale of its securities so as to give top priority to amending the situation while working in the best interests of the unitholders.

Provided that they continue to observe the principle of risk diversification, newly launched sub-funds may deviate from the specific restrictions mentioned under points 2.1 to 2.4 for a period of six months after being approved by the authorities.

3. Investment restrictions

The Management Company is prohibited from:

3.1 Acquiring securities for the Fund, if the subsequent sale of these is restricted in any way by contractual agreements;

3.2 Acquiring shares with voting rights that would enable the Management Company, possibly in collaboration with other investment funds under its management, to exert a significant influence on the management of an issuer;

3.3 Acquiring more than:

- 10% of the non-voting shares of a single issuer;

- 10% of the debt instruments of a single issuer;

- 25% of the units of a single UCITS or UCI;

- 10% of the money market instruments of a single issuer.

In the latter three cases, the restrictions on acquiring securities need not be observed if, at the time of acquisition, it is impossible to determine the gross sum of debt instruments or money market instruments, and the net sum of units issued.

The following are exempt from the provisions of Points 3.2 and 3.3:

- Securities and money market instruments issued or guaranteed by an EU Member State or its local authorities, or by another approved state;

- Securities and money market instruments issued or guaranteed by a non-Member State;

- Securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong;

- Shares in a company in a non-Member State that primarily invests its assets in the securities of issuers domiciled in that non-Member State, where under that non-Member State's law, holding such shares is the only way to legally invest in the securities of that non-Member State's issuers. In doing so, the provisions of the Law of 2010 must be complied with; and

- Shares in subsidiary companies carrying out certain administrative, advisory or sales activities surrounding unit redemption at the behest of unitholders, in the country in which they are located and exclusively on behalf of the Company.

3.4 Short-selling securities, money market instruments or other instruments listed in Point 1.1(f) and (g);

3.5 Acquiring precious metals or related certificates;

3.6 Investing in real estate and buying or selling commodities or commodities contracts;

3.7 Taking out loans, unless

- the loan is a back-to-back loan to purchase foreign currency;

- the loan is only temporary and does not exceed 10% of the net assets of the sub-fund in question;

3.8 Granting loans or acting as guarantor for third parties. This restriction does not prevent the acquisition of securities, money market instruments or the other instruments listed in Point 1.1(e), (g) and (h) if these are not fully paid up.

The Management Company is authorised to introduce additional investment restrictions at any time in the interests of the unitholders, provided these are necessary to ensure compliance with the laws and regulations of those countries in which Fund units are offered and sold.

4. Asset pooling

The Board of Directors may permit internal merging and/or the collective management of assets from particular sub-funds in the interest of efficiency. In such cases, assets from different sub-funds are managed collectively. A group of collectively managed assets is referred to as a "**pool**"; pooling is used exclusively for internal management purposes. Pools are not official entities and cannot be accessed directly by unitholders.

Pools

The Management Company may invest and manage all or part of the portfolio assets of two or more sub-funds (referred to as "**participating sub-funds**" in this context) in the form of a pool. Such an asset pool is created by transferring cash and other assets (provided these assets suit the relevant pool's investment policy) from each participating sub-fund to the asset pool. From then on, the Management Company can make transfers to that asset pool. Assets can also be returned to a participating sub-fund, up to the full amount equivalent to its participation.

A participating sub-fund's share in a particular asset pool is calculated in terms of notional units of equal value. When an asset pool is created, the Board of Directors must specify a starting value for the notional units (in a currency that the Board of Directors deems appropriate) and allot to each participating sub-fund units equivalent to the cash (or other assets) it has contributed. The value of a notional unit is then calculated by dividing the net assets of the asset pool by the number of existing notional units.

If additional cash or assets are contributed to or withdrawn from an asset pool, the notional units assigned to the relevant participating sub-fund are increased or reduced by a figure that is arrived at by dividing the cash or assets contributed or withdrawn by the participating sub-fund by the current value of that participating sub-fund's share in the pool. If cash is contributed to the asset pool, it is reduced for the purposes of calculation by an amount that the Board of Directors deems appropriate to cover any tax expenses, as well as for the closing charges and acquisition costs for the cash investment. If cash is withdrawn, a corresponding deduction may be made to account for any costs incurred in the disposal of securities or other assets of the asset pool.

Dividends, interest and other income-like distributions obtained from the assets of an asset pool are allocated to that asset pool, and thus increase its net assets. If the Fund is liquidated, the assets of an asset pool are allocated to the participating sub-funds in proportion to their respective shares in the asset pool.

Collective management

To reduce operating and management costs while enabling broader diversification of investments, the Board of Directors may decide to manage part or all of the assets of one or more sub-funds collectively with those of other sub-funds or other undertakings for collective investment. In the following paragraphs, the term "**collectively managed entities**" refers to the Fund and each of its sub-funds, as well as any entities between which a collective management agreement might exist. The term "**collectively managed assets**" refers to the whole of the assets of these collectively managed entities, which is managed in accordance with the aforementioned collective management agreement.

As part of the collective management agreement, the respective portfolio manager is entitled, on a consolidated basis for the relevant collectively managed entities, to make decisions on investments and sales of assets that affect the composition of the portfolio of the Fund and its sub-funds. Each collectively managed entity holds a share in the collectively managed assets in proportion with its own net assets' contribution to the aggregate value of the collectively managed assets. This proportion held (referred to in this context as a "**proportionate share**") applies to all asset classes held or acquired under collective management. Investment and/or divestment decisions have no effect on a collectively managed entity's proportionate share, and future investments are allotted in proportion with it. When assets are sold, they are subtracted proportionately from the collectively managed assets held by each collectively managed entity.

When a new subscription is made with one of the collectively managed entities, subscription proceeds are allocated to each collectively managed entity taking into account the adjusted proportionate share of the jointly managed entity to which the subscription applies; this adjustment corresponds to the increase in that entity's net assets. Allocating assets from that collectively managed entity to the others changes the net asset total of each in line with its adjusted proportionate share. By the same token, when a redemption is ordered from one of the collectively managed entities, the requisite cash is taken from the collectively managed entities' cash reserves based on the proportionate shares as adjusted for the decrease in the net assets of the collectively managed entity to which the redemption applies. In this case, too, the total net assets of each will change to match its adjusted proportionate share.

Unitholders are alerted to the fact that the collective management agreement may lead to the composition of the assets of a particular sub-fund being affected by events (e.g. subscriptions and redemptions) that concern other collectively managed entities unless extraordinary measures are taken by the Board of Directors or an entity commissioned by the Management Company. Thus, all other things being equal, subscriptions received by an entity that is collectively managed with a sub-fund will result in an increase in that sub-fund's cash reserves. Conversely, redemptions received by an entity that is collectively managed with a sub-fund will serve to reduce that sub-fund's cash reserves. However, subscriptions and redemptions can be executed on the special account opened for each collectively managed entity outside the scope of the agreement, through which subscriptions and redemptions must pass. Because a large volume of subscriptions and redemptions may be ordered to these special accounts and because the Board of Directors or entities it commissions may decide to end a sub-fund's participation in the collective management agreement at any time, that sub-fund may avoid restructuring its portfolio if this could adversely affect the interests of the Fund and its unitholders.

If a change in a given sub-fund's portfolio, occurring as a result of redemptions or payments of fees and expenses associated with another collectively managed entity (i.e. one that cannot be counted as belonging to the sub-fund), could cause a breach of the investment restrictions on that sub-fund, the relevant assets will be excluded from the agreement before the change takes effect so that they are not impacted by the resulting adjustments.

Collectively managed assets of sub-funds will only be managed collectively with assets to be invested in pursuit of the same investment objectives. This serves to ensure that investment decisions can be reconciled with the investment policy of the relevant sub-fund in every respect. Collectively managed assets may only be managed together with assets for which the same portfolio manager is authorised to make investment and divestment decisions, and for which the Depositary also acts as depositary. This serves to ensure that the Depositary is capable of fully fulfilling its obligations to the Fund and its sub-funds in accordance with the Law of 2010 and other legal requirements. The Depositary must always keep the assets of the Fund separate from those of the other collectively managed entities; this allows it to accurately determine the assets of each individual sub-fund at any time. As the investment policies of the collectively managed entities need not correspond exactly with that of any sub-fund, the collective investment policy for these entities may be more restrictive than that of the sub-fund.

The Board of Directors may decide to terminate the collective management agreement at any time without giving prior notice.

At any time, unitholders may enquire at the Management Company's registered office as to the percentage of collectively managed assets and entities with which there is a collective management agreement at the time of their enquiry.
The composition and percentages of collectively managed assets must be stated in the annual reports.

Collective management agreements with non-Luxembourg entities are permissible if (i) the agreement involving the non-Luxembourg entity is governed by Luxembourg law and subject to Luxembourg jurisdiction or (ii) each collectively managed entity is endowed with such rights that no insolvency or bankruptcy administrator, or creditor, of the non-Luxembourg entity has access to the assets or is authorised to freeze them.

5. Special techniques and instruments with securities and money market instruments as underlying assets

Subject to the conditions and limits set out in the Law of 2010, the Fund and its sub-funds may use repurchase agreements, reverse repurchase agreements, securities lending agreements and/or other techniques and instruments that have securities and money market instruments as underlying assets for efficient portfolio management purposes in accordance with the requirements defined by the CSSF (the "**techniques"**). If such transactions relate to the use of derivatives, the terms and limits must comply with the provisions of the Law of 2010. The use of these techniques and instruments must be in accordance with the best interests of the investors.
Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a sub-fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A securities lending agreement is an agreement whereby title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date ("**securities lending**").

Securities lending may be effected only via recognised clearing houses such as Clearstream International or Euroclear, or using first-class financial institutions that specialise in such activities and following the procedure specified by them.
In the case of securities lending transactions, the Fund must, in principle, receive collateral, the value of which must at least correspond to the total value of the securities lent out and any accrued interest thereon. This collateral must be issued in a form of financial collateral permitted by the provisions of Luxembourg law. Such collateral is not required if the transaction is effected via Clearstream International or Euroclear, or another organisation which guarantees the Fund that the value of the securities lent will be refunded.
The provisions of the section entitled "Collateral management" shall apply accordingly to the management of collateral that was left to the Fund within the scope of securities lending. In derogation of the provisions of the section entitled "Collateral management", units from the finance sector are accepted as securities within the framework of securities lending.
Service providers that provide services to the Fund in the field of securities lending have the right to receive a fee in return for their services that is in line with the market standards. The amount of this fee is reviewed and adapted, where appropriate, by an independent body on an annual basis.
Furthermore, the Management Company has drawn up internal framework agreements regarding securities lending. These framework agreements contain, among other things, the relevant definitions, the description of the principles and standards of the contractual management of the securities lending transactions, the quality of the collateral, the approved counterparties, the risk management, the fees to be paid to third parties and fees to be received by the Fund, as well as the information to be published in the annual and semi-annual reports.
The Board of Directors of the Management Company has approved instruments of the following asset classes as collateral from securities lending transactions and determined the following haircuts to be used on these instruments:

Asset class	**Minimum haircut (% deduction from market value)**
Fixed and variable-rate interest-bearing instruments	
Instruments issued by a state belonging to the G-10 (excluding the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons as issuers) and with a minimum rating of A**	2%
Instruments issued by the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons**	0%
Bonds with a minimum rating of A	2%
Instruments issued by supranational organisations	2%
Instruments issued by an entity and belonging to an issue with a minimum rating of A	4%
Instruments issued by a local authority and with a minimum rating of A	4%
Shares	8%
Shares listed on the following indexes are accepted as permissible collateral:	Bloomberg ID
Australia (S&P/ASX 50 INDEX)	AS31
Austria (AUSTRIAN TRADED ATX INDX)	ATX
Belgium (BEL 20 INDEX)	BEL20
Denmark (OMX COPENHAGEN 20 INDEX)	KFX
Europe (Euro Stoxx 50 Pr)	SX5E
Finland (OMX HELSINKI 25 INDEX)	HEX25
France (CAC 40 INDEX)	CAC
Germany (DAX INDEX)	DAX
Hong Kong (HANG SENG INDEX)	HSI
Japan (NIKKEI 225)	NKY
Netherlands (AEX-Index)	AEX
New Zealand (NZX TOP 10 INDEX)	NZSE10
Norway (OBX STOCK INDEX)	OBX
Singapore (Straits Times Index STI)	FSSTI
Sweden (OMX STOCKHOLM 30 INDEX)	OMX
Switzerland (SWISS MARKET INDEX)	SMI
Switzerland (SPI SWISS PERFORMANCE IX)	SPI

UK (FTSE 100 INDEX)	UKX
US (DOW JONES INDUS. AVG)	INDU
US (NASDAQ 100 STOCK INDX)	NDX
US (S&P 500 INDEX)	SPX
US (RUSSELL 1000 INDEX)	RIY

* In this table, "rating" refers to the rating scale used by S&P. Ratings by S&P, Moody's and Fitch are used with their corresponding scales. If the ratings given to a certain issuer by these rating agencies are not uniform, then the lowest rating shall apply.

** Unrated issues by these states are also permissible. No haircut is applied to these either.

In general, the following requirements apply to repurchase/reverse repurchase agreements and securities lending agreements:

(i) Counterparties to a repurchase/reverse repurchase agreement or securities lending agreement will be entities with legal personality typically located in OECD jurisdictions. These counterparties will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

(ii) The Management Company must be able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

(iii) When the Management Company enters into a reverse repurchase agreement it must ensure that it is able at any time to recall the full amount of cash (including the interest incurred up to the time of being recalled) or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the relevant sub-fund. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Management Company.

(iv) When the Company enters into a repurchase agreement it must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

(v) Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the UCITS Directive.

(vi) All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs/fees, will be returned to the relevant sub-fund.

(vii) Any direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the relevant sub-fund must not include hidden revenue. Such direct and indirect operational costs/fees will be paid to the entities outlined in the respective annual or semi-annual report of the Fund, which shall indicate the amounts of the respective fees and whether the entities are related to the Management Company or the Depositary.

The Fund and its sub-funds may under no circumstances deviate from their investment objectives for these transactions. Equally, the use of these techniques may not cause the risk level of the sub-fund in question to increase significantly with regard to its original risk level (i.e. without the use of these techniques).
With regards to the risks inherent to the use of these techniques, reference is made here to the information contained in the section entitled "Risks connected with the use of efficient portfolio management techniques".

The Management Company ensures that it or one of its appointed service providers will monitor and manage the risks incurred through the use of these techniques, particularly counterparty risk, as part of the risk management procedure. The monitoring of potential conflicts of interest arising from transactions with companies associated with the Fund, the Management Company and the Depositary is primarily carried out through reviewing the contracts and corresponding processes on a regular basis. Furthermore, the Management Company ensures that, despite the use of these techniques and instruments, the investors' redemption orders can be processed at any time.

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