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**Notice to unitholders of UBS (Lux) Equity Fund (the "Fund")**  
**UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD)**  
**UBS (Lux) Equity Fund - Greater China (USD)**  
**UBS (Lux) Equity Fund - Tech Opportunity (USD)**  
**UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR)**  
**UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR)**  
**UBS (Lux) Equity Fund - China Opportunity (USD)**  
**(the "Sub-Funds", each a "Sub-Fund")**

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**IMPORTANT:** This notice is important and requires your immediate attention. If you have any questions about the contents of this notice, you should seek independent professional advice. The information contained in this notice is in accordance with the facts and does not omit anything likely to affect the import of such information as at the date of this notice to the best of the knowledge and belief of UBS Fund Management (Luxembourg) S.A. (the "Management Company") who has taken all reasonable care to ensure that such is the case. The Management Company accepts responsibility for the accuracy of the contents of this notice accordingly.

Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Information for Hong Kong Investors of the Fund dated June 2022 (the "IHKI") and prospectus dated May 2022 (the "Prospectus") (together, the "Hong Kong Offering Documents").

To Hong Kong resident unitholders,

The Board of Directors of the Management Company ("Board of Directors") wishes to inform you of the following changes that will take effect on 13 February 2023 (the "Effective Date"):

**1. Updates to UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)**

As from the Effective Date, the investment policy of UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) will be enhanced with the following disclosure:

*"These investments may be complemented by shares and equity interest of companies that are domiciled or chiefly active outside of Europe."*

**2. Enhancement of ESG disclosures**

*In respect of UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD), UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR) and UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR):*

As from the Effective Date, the Portfolio Manager's Sustainability Focus strategy of UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD), UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR) and UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR) shall be enhanced with the following disclosure:

"As part of the Portfolio Manager's Sustainability Focus strategy, the Sub-Fund will maintain ... (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute

carbon profile (i.e. below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues). The calculations of ... WACI do not take account of cash, derivatives and unrated investment instruments."

Further, to streamline ESG disclosures, the disclosures as they relate to the Portfolio Manager's Sustainability Focus strategy with respect to the abovementioned Sub-Funds will be enhanced and revised as set out in Schedule 1.

*In respect of UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR):*

Further, as from the Effective Date, the Portfolio Manager's Sustainability Focus strategy of UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) shall be enhanced with the following disclosures:

*"The sub-funds investment universe consist of (i) mainly stocks of companies that are domiciled or chiefly active in Europe complemented by (ii) stocks of companies that are domiciled or chiefly active outside of Europe. The two parts of the investment universe are segregated and each reduced by at least 20% whereby issuers with the lowest UBS ESG consensus score are excluded."*

and

*"The Portfolio Manager shall apply the UBS ESG consensus score assessment for at least 90% of the securities in the portfolio, excluding cash, cash equivalents and derivatives for hedging purposes."*

*In respect of UBS (Lux) Equity Fund - China Opportunity (USD), UBS (Lux) Equity Fund - Greater China (USD) and UBS (Lux) Equity Fund – Tech Opportunity (USD)*

As from the Effective Date, the disclosures as they relate to the environmental, social and governance (ESG) promotion features of UBS (Lux) Equity Fund - China Opportunity (USD), UBS (Lux) Equity Fund - Greater China (USD) and UBS (Lux) Equity Fund – Tech Opportunity (USD) shall be enhanced with the following disclosure:

~~"The Portfolio Manager utilises a UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in enhances the validity/plausibility of the sustainability profile quality. The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following elements: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.~~

With respect to the sub-fund's investments the Portfolio Manager includes ESG analysis by means of the UBS ESG Consensus Score (by number of issuer) for at least (i) 90% of the securities issued by large capitalisation companies domiciled in "developed" countries and (ii) 75% of the securities issued by large capitalisation companies domiciled in "emerging" countries (by reference to the benchmark) and at least 75% for all other companies.

The Sub-Fund ~~includes~~incorporates the following environmental, social and governance (ESG) promotion features/characteristics:

- ~~the Sub-Fund does not invest directly in companies that violate the principles of the UN Global Compact without discernible corrective measures being taken;~~
- the Sub-Fund aims to achieve a lower absolute Weighted Average eCarbon Intensity than its the reference benchmark and/or a low absolute carbon profile value of less than (i.e. below 100 tonnes of CO<sub>2</sub>carbon emissions per million US dollars of revenue);

- ~~the Sub-Fund aims to have a sustainability profile that is better than its benchmark's sustainability profile and/or aims to invest at least a minimum of 51% of assets invested in companies with a better-sustainability profile than the companies in the top half of the benchmark (ranked by UBS ESG consensus score).~~

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**Please note that UBS (Lux) Equity Fund - China Opportunity (USD) and UBS (Lux) Equity Fund - Greater China (USD) are not designated by the Management Company as "ESG Funds" in accordance with the SFC's circular to management companies of SFC-authorized unit trusts and mutual funds on ESG Funds dated 29 June 2021 and ESG is not a key investment focus and consideration of these Sub-Funds.**

For avoidance of doubt, the way in which the Sub-Funds are managed and the underlying investments have not changed.

### 3. Update with respect to general investment policy on ancillary liquid assets

Currently, the general investment policy applicable to the Fund is that each Sub-Fund may hold liquid funds on an ancillary basis. As from the Effective Date, this general policy in the Hong Kong Offering Documents will be revised as follows:

~~"Each sub-fund may hold liquid funds on an ancillary basis in all currencies in which investments are made~~

Each sub-fund may hold ancillary liquid assets within a limit of 20% of its net assets. The 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of shareholders. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Bank deposits, money market instruments or money market funds that meet the criteria of Article 41(1) of the Law of 2010 are not considered to be included in the ancillary liquid assets under Article (2) b) of the Law of 2010. Ancillary liquid assets should be limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavourable market conditions. A sub-fund may not invest more than 20% of its Net Asset Value in bank deposits at sight made with the same body."

### 4. Amendment of Chinese names of the Sub-Funds

The Chinese names of the Sub-Funds shall be amended as set out below:

English name of the Sub-Fund	Current Chinese name of the Sub-Fund	New Chinese name of the Sub-Fund
UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD)	瑞銀（盧森堡）新興市場可持續領先股票基金（美元）	瑞銀新興市場可持續領先股票基金
UBS (Lux) Equity Fund - Greater China (USD)	瑞銀（盧森堡）大中華股票基金（美元）	瑞銀大中華股票基金
UBS (Lux) Equity Fund - Tech Opportunity (USD)	瑞銀（盧森堡）科技機會股票基金	瑞銀科技機會股票基金
UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR)	瑞銀（盧森堡）歐元區可持續精選股票基金（歐元）	瑞銀歐元區可持續精選股票基金
UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR)	瑞銀（盧森堡）歐洲可持續精選股票基金（歐元）	瑞銀歐洲可持續精選股票基金
UBS (Lux) Equity Fund - China Opportunity (USD)	瑞銀（盧森堡）中國精選股票基金（美元）	瑞銀中國精選股票基金

For the avoidance of doubt, the English names of the Sub-Funds remain unchanged.

## 5. Miscellaneous changes and updates

The Hong Kong Offering Documents will also be amended to reflect certain miscellaneous changes and updates, including:

- the structure of the IHKI will be re-organised, and the document will be renamed as the Hong Kong Covering Document to align with the Hong Kong offering documents of other UBS funds and for better readability for Hong Kong investors;
- changes to the Board of Directors of the Management Company;
- enhancements to disclosures relating to the Depositary
- elaboration of pre-contractual disclosures in the form of Annexes to the Prospectus to comply with Regulation (EU) of 2022/1288 which supplements Regulation (EU) 2019/2088 on Sustainability Related Disclosures in the Financial Services Sector (“SFDR”);
- enhancement of disclosures relating to Regulation (EU) 2016/1011, commonly known as the Benchmark Regulation;
- clarification of General Investment Principles that the maximum threshold of 25% net assets in securities or money market instruments issued by a single institution applies to bonds which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for bonds that were issued before 8 July 2022 by credit institutions domiciled in an EU Member State; and
- other editorial updates and clarificatory changes.

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For the avoidance of doubt, the changes set out in this notice do not amount to material changes to the Sub-Funds. There will be no material change or increase in the overall risk profile of the Sub-Funds following the changes. The changes do not have a material adverse impact on unitholders’ rights or interests.

The current Hong Kong Offering Documents and product key fact statement of the Sub-Funds are available from the Hong Kong Representative for inspection for a reasonable charge and on the website (<https://www.ubs.com/hk/en/assetmanagement.html>). Note that the website has not been reviewed by the SFC. The updated version of the same will be available on or around the Effective Date.

If you have any questions or concerns about the foregoing, you may contact the Management Company at its registered office in Luxembourg or the Hong Kong Representative at 45/F & 47/F-52/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong (Mailing Address: GPO Box 506 Hong Kong) or by telephone (852) 2971 6188.

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

11 January 2023

Schedule 1

**Amendments to the disclosures on the Portfolio Manager’s Sustainability Focus strategy of UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD), UBS (Lux) Equity Fund – Euro Countries Opportunity Sustainable (EUR) and UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)**

Sub-Fund	Current disclosure	Revised Disclosure
<p><b>UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)</b></p>	<p>The Sub-Fund invests at least two-thirds of its assets following the principle of risk diversification in:</p> <p>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...; and</p> <p>b) shares or other equity interests of companies which the Portfolio Manager believes to have strong environmental and social performance characteristics, or a strong sustainability profile.</p> <p>In order to invest in shares or other equity interests of companies which the Portfolio Manager believes to have “strong environmental and social performance characteristics, or a strong sustainability profile”, the Portfolio Manager will exclude “high or severe ESG risk” securities (defined below) from investment and use a stock selection process which aims to invest in shares and equity interests of companies which the Portfolio Manager believes in aggregate (i) outperforms the MSCI Emerging Markets (net dividend reinvested); or (ii) has a relatively stronger sustainability profile than that of the rest of the investment universe as indicated by the UBS ESG Consensus Score (as defined below).</p> <p>The process involves incorporating ESG factors as key considerations into the Portfolio Manager’s stock selection process and stock analysis. ESG factors include amongst others the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The criteria against which the Portfolio Manager will analyse the ESG factors of companies, their sectors and activities include those defined in United Nations Sustainable</p>	<p>The Sub-Fund invests at least two-thirds of its assets following the principle of risk diversification in shares or other equity interests of companies that are domiciled or chiefly active in emerging markets and that are leading companies in sectors benefiting from trends and themes which are expected to affect the economy and society in the long term.</p> <p>...</p> <p>The Sub-Fund’s portfolio is subject to the Portfolio Manager’s Sustainability Focus strategy below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS ESG consensus score) that is higher than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score) or a weighted average UBS ESG consensus of between 7 and 10 (indicating a strong sustainability profile); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO2 emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.</p> <p>The UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.</p> <p>The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to</p>

<p>Development Goals and other principles that are based on corporate governance and corporate social responsibility (“<b>ESG criteria</b>”).</p> <p>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 ESG criteria, and assign each company a score (on a scale of 1-10, with 10 having the best sustainability profile) based on its relative standing in accordance with ESG criteria against other companies in the investment universe (the “<b>ESG Score</b>”). Using the individual ESG Scores of the companies in the Sub-Fund’s investment portfolio and the constituents of its performance benchmark, the Portfolio Manager will calculate the normalised weighted average of ESG Score (the “<b>UBS ESG Consensus Score</b>”) of both the Sub-Fund’s investment portfolio and its performance benchmark.</p> <p>The ESG Score is used to exclude from investment any companies which demonstrate “high or severe ESG risk” when assessed against the 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 or severe ESG risk” based on the ESG Scores assigned and would subsequently be excluded. In exceptional circumstances, the Sub-Fund may invest in “high or severe ESG risk” securities to manage portfolio risk relative to the benchmark weighting, however, such securities will not be considered by the Portfolio Manager to have strong environmental and social performance characteristics, or a strong sustainability profile.</p> <p>The Portfolio Manager will then aim to invest in shares or other equity interests of companies such that the Sub-Fund’s investment portfolio has either (i) a higher UBS ESG Consensus Score than the UBS ESG Consensus Score of MSCI Emerging Markets (net dividend reinvested); or (ii) a UBS ESG Consensus Score of 7 or above (out of 10), indicating a strong</p>	<p>environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The individual investments in the Sub-Fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Weighted Average Carbon Intensity (WACI): (i) Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer; (ii) Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</p> <p>Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. The exclusions include thermal coal mining and thermal coal-based energy production &amp; oil sands; the Portfolio Manager selects investments based upon a lower absolute or relative scope 1+2 carbon intensity. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. Further details can be found in the Sub-Fund’s Annex in the Prospectus and at <a href="https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html">https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html</a>. Note that this website has not been reviewed by the SFC.</p> <p>Typically, as an indication, around 15-30% of the investment universe are excluded as a result of the application of the Portfolio Manager’s Sustainability Focus strategy.</p>
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	<p>sustainability profile relative to other companies in the investment universe. This means that the individual ESG Score of an investment and the effect of this ESG Score on the UBS ESG Consensus Score of the Sub-Fund’s investment portfolio will be key considerations of the Portfolio Manager’s stock selection process. The calculation does not take account of cash and unrated investment instruments.</p> <p>In addition to UBS Asset Management’s Sustainability Exclusion Policy as set out in the Prospectus, the Sub-Fund will not invest directly in companies that generate a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy generated by coal-fired power stations.</p> <p>For the avoidance of doubt, the Sub-Fund will not track a reference ESG benchmark.</p>	
<p><b>UBS (Lux) Equity Fund – Euro Countries Opportunity Sustainable (EUR)</b></p>	<p>The Sub-Fund invests at least 70% of its assets in shares and other equity of companies domiciled or chiefly active in a Member State of the European Monetary Union (“<b>EMU</b>”) and which are subject to the Portfolio Manager’s Sustainability Focus strategy set out below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, 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 ESG criteria (defined below), and assign each company a score (on a scale of 1-10, with 10 having the best sustainability profile) based on its relative standing in accordance with ESG criteria against other companies in the investment universe (the “<b>UBS ESG consensus score</b>”).</p> <p>The process involves incorporating ESG factors as key considerations into the Portfolio Manager’s stock selection process and stock analysis. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors,</p>	<p>The Sub-Fund invests at least 70% of its assets in shares and other equity of companies domiciled or chiefly active in a Member State of the European Monetary Union (“<b>EMU</b>”). The Sub-Fund’s portfolio is subject to the Portfolio Manager’s Sustainability Focus strategy below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS ESG consensus score) that is higher than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score) or a weighted average UBS ESG consensus of between 7 and 10 (indicating a strong sustainability profile); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO2 emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.</p> <p>The UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and</p>

<p>occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The criteria against which the Portfolio Manager will analyse the ESG factors of 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 (“ESG criteria”).</p> <p>The Portfolio Manager will manage the Sub-Fund’s portfolio such that Sub-Fund’s investment portfolio, exclusive of cash and unrated investment instruments, has either (i) a higher weighted average UBS ESG consensus score than the weighted average UBS ESG consensus score of MSCI EMU (net dividend reinvested); or (ii) a weighted average UBS ESG consensus score of 7 or above (out of 10), indicating a strong sustainability profile relative to other companies in the investment universe. This means that the individual UBS ESG consensus score of an investment and the effect of this UBS ESG consensus score on the weighted average UBS ESG consensus score of the Sub-Fund’s investment portfolio will be key considerations of the Portfolio Manager’s stock selection process.</p> <p>The UBS ESG consensus score is used to exclude from investment any companies which demonstrate “high or severe ESG risk” when assessed against the ESG criteria. These companies are those that have been assigned the lowest UBS ESG consensus 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 or severe ESG risk” based on the UBS ESG consensus scores assigned and would subsequently be excluded.</p> <p>In addition to UBS Asset Management’s Sustainability Exclusion Policy as set out in the Prospectus, the Sub-Fund will not invest directly in companies that generate a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy generated by coal-fired power stations.</p>	<p>recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.</p> <p>The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The individual investments in the Sub-Fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Weighted Average Carbon Intensity (WACI): (i) Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer; (ii) Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</p> <p>Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. The exclusions include thermal coal mining and thermal coal-based energy production &amp; oil sands; the Portfolio Manager selects investments based upon a lower absolute or relative scope 1+2 carbon intensity. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. Further details can be found at in the Sub-Fund’s Annex in the Prospectus and <a href="https://www.ubs.com/global/en/asset-management/investment-">https://www.ubs.com/global/en/asset-management/investment-</a></p>
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		<p><a href="#">capabilities/sustainability.html</a>. Note that this website has not been reviewed by the SFC.</p> <p>Typically, as an indication, around 15-30% of the investment universe are excluded as a result of the application of the Portfolio Manager’s Sustainability Focus strategy.</p>
<p><b>UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)</b></p>	<p>Unless otherwise specified in the Sub-Fund’s investment policy, the Sub-Fund shall invest at least 70% of its assets in:</p> <p>a) shares and other equity interests of companies that are domiciled or chiefly active in Europe (i.e. more than 50% of the companies’ business activities are related to or take place in Europe); and</p> <p>b) shares and other equity interests of companies which the Portfolio Manager believes to have strong environmental and social performance characteristics, or a strong sustainability profile</p> <p>In order to invest in shares or other equity interests of companies which the Portfolio Manager believes to have “strong environmental and social performance characteristics, or a strong sustainability profile”, the Portfolio Manager will exclude “high or severe ESG risk” securities (defined below) from investment and use a stock selection process which aims to invest in shares and equity interests of companies which the Portfolio Manager believes in aggregate (i) outperforms the MSCI Europe (net dividend reinvested); or (ii) has a relatively stronger sustainability profile than that of the rest of the investment universe as indicated by the UBS ESG Consensus Score (as defined below).</p> <p>The process involves incorporating ESG factors as key considerations into the Portfolio Manager’s stock selection process and stock analysis. ESG factors include amongst others the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The criteria against which the Portfolio Manager will analyse the ESG factors of companies, their sectors and activities include those defined in United Nations Sustainable</p>	<p>Unless otherwise specified in the Sub-Fund’s investment policy, the Sub-Fund shall invest at least 70% of its assets in shares and other equity interests of companies that are domiciled or chiefly active in Europe (i.e. more than 50% of the companies’ business activities are related to or take place in Europe).</p> <p>...</p> <p>The Sub-Fund’s portfolio is subject to the Portfolio Manager’s Sustainability Focus strategy below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS ESG consensus score) that is higher than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO2 emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.</p> <p>The UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.</p> <p>The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects</p>

<p>Development Goals and other principles that are based on corporate governance and corporate social responsibility (“<b>ESG criteria</b>”).</p> <p>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 ESG criteria, and assign each company a score (on a scale of 1-10, with 10 having the best sustainability profile) based on its relative standing in accordance with ESG criteria against other companies in the investment universe (the “<b>ESG Score</b>”). Using the individual ESG Scores of the companies in the Sub-Fund’s investment portfolio and the constituents of its performance benchmark, the Portfolio Manager will calculate the normalised weighted average of ESG Score (the “<b>UBS ESG Consensus Score</b>”) of both the Sub-Fund’s investment portfolio and its performance benchmark.</p> <p>The ESG Score is used to exclude from investment any companies which demonstrate “high or severe ESG risk” when assessed against the 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 or severe ESG risk” based on the ESG Scores assigned and would subsequently be excluded.</p> <p>The Portfolio Manager will then aim to invest in shares or other equity interests of companies such that the Sub-Fund’s investment portfolio has either (i) a higher UBS ESG Consensus Score than the UBS ESG Consensus Score of MSCI Europe (net dividend reinvested); or (ii) a UBS ESG Consensus Score of 7 or above (out of 10), indicating a strong sustainability profile relative to other companies in the investment universe. This means that the individual ESG Score of an investment and the effect of this ESG Score on the UBS ESG Consensus Score of the Sub-Fund’s investment portfolio will be key considerations of the Portfolio Manager’s stock</p>	<p>relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The individual investments in the Sub-Fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>The Sub-Fund’s investment universe consist of (i) mainly stocks of companies that are domiciled or chiefly active in Europe complemented by (ii) stocks of companies that are domiciled or chiefly active outside of Europe. The two parts of the investment universe are segregated and each reduced by at least 20% whereby issuers with the lowest UBS ESG consensus score are excluded.</p> <p>Weighted Average Carbon Intensity (WACI): (i) Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer; (ii) Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</p> <p>Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. The exclusions include thermal coal mining and thermal coal-based energy production &amp; oil sands; the Portfolio Manager selects investments based upon a lower absolute or relative scope 1+2 carbon intensity. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. Further details can be found in the Sub-Fund’s Annex in the Prospectus and at <a href="https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html">https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html</a>. Note that this website has not been reviewed by the SFC.</p>
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	<p>selection process. The calculation does not take account of cash and unrated investment instruments.</p> <p>In addition to UBS Asset Management's Sustainability Exclusion Policy as set out in the Prospectus, the Sub-Fund will not invest directly in companies that generate a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy generated by coal-fired power stations.</p> <p>For the avoidance of doubt, the Sub-Fund will not track a reference ESG benchmark.</p>	
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# Product Key Facts

## UBS (Lux) Equity Fund – Greater China (USD)

Management Company:



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

April 2022

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

### Quick Facts

<b>Management Company:</b>	UBS Fund Management (Luxembourg) S.A.	
<b>Portfolio Manager:</b>	UBS Asset Management (Hong Kong) Limited, Hong Kong (internal delegation)	
<b>Depository:</b>	UBS Europe SE, Luxembourg Branch	
<b>Dealing frequency:</b>	Daily (generally every Luxembourg business day, but except days on which the stock exchanges in the People's Republic of China or Hong Kong are closed for business)	
<b>Base currency:</b>	USD	
<b>Ongoing charges over a year:</b>	P-acc	2.39%#
<small># The ongoing charges figure is based on expenses for the year ended 30 November 2021. This figure may vary from time to time.</small>		
<b>Dividend policy:</b>	P-acc	Accumulating (no distribution of dividend, income will be reinvested for this Sub-Fund, if any)
<b>Financial year end of this Sub-Fund:</b>	30 November	
<b>Minimum investment:</b>	0.001 unit (initial investment and any subsequent investment) (Please also check whether your sales intermediary (if any) has any specific dealing requirements)	

### What is this product?

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

### Objective and Investment Strategy

The Sub-Fund shall invest its assets mainly in equities and other equity shares of companies domiciled in the People's Republic of China or Taiwan as well as in other companies domiciled in East Asia which have close economic links with the People's Republic of China or Taiwan. The aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the

Sub-Fund will be maintained at 20% or below of its total net asset value. This exposure includes China A-Shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (“**Stock Connect**”). The Sub-Fund promotes environmental and social characteristics but is not designated by the Management Company as an “ESG Fund” in accordance with the SFC circular to management companies of SFC-authorized unit trusts and mutual funds on ESG Funds dated 29 June 2021 and ESG is not a key investment focus of the Sub-Fund.

The Sub-Fund may invest less than 30% of its total net asset value in instruments with loss-absorption features including contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

The Sub-Fund includes the following environmental, social and governance (ESG) promotion features:

- the Sub-Fund does not invest directly in companies that violate the principles of the UN Global Compact without discernible corrective measures being taken;
- the Sub-Fund aims to achieve a lower absolute carbon intensity than its benchmark and/or an absolute value of less than 100 tonnes of carbon emissions per million US dollars of revenue;
- the Sub-Fund aims to have a sustainability profile (as measured by its weighted average UBS ESG consensus score<sup>1</sup>) that is better than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score<sup>1</sup>) and/or aims to invest at least 51% of assets in companies that have a better sustainability profile than the companies in top half of the benchmark (ranked by UBS ESG consensus score<sup>1</sup>).

The calculation does not take account of cash and unrated investment instruments.

The Sub-Fund uses the benchmark UBS Greater China Index in order to monitor performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with “hedged” in their name, currency-hedged versions of the benchmark may be used if available.

The Sub-Fund is expected to conduct securities lending in the range of 0-40% of its net asset value. The Sub-Fund is not currently expected to engage in repurchase or reverse repurchase transactions. The Sub-Fund may use financial derivative instruments (“**FDI**”) for investment management and hedging purposes.

<sup>1</sup> Please refer to the Sub-Fund’s investment policy in the section titled “The sub-funds and their special investment policies” in the Prospectus for further details on the UBS ESG consensus score.

## **Use of derivatives**

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

## **What are the key risks?**

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

### **Investment risk**

- The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal.
- The Sub-Fund’s investment portfolio may fall in value and therefore your investment in the Sub-Fund may suffer losses.

### **Equity risk**

- The returns of listed securities are affected by various factors including the underlying strength of cash flows, balance sheets and management. These factors may impact the ability of the

underlying company to meet the challenges of fluctuating economic growth, structural change and competitive forces and the ability to pay dividends to shareholders.

#### **Emerging market risk**

- Insofar as the Sub-Fund seeks to invest in China related securities or securities which have exposure to People's Republic of China and/or Taiwan and/or companies domiciled in East Asia, and insofar as these jurisdictions and/or geographic regions are considered to be emerging markets, investors should note that emerging markets are at an early stage of development and suffer from certain risks such as (i) increased risk of expropriation, nationalization and social, political and economic insecurity; (ii) increased risk of acquisition of counterfeit securities by the Sub-Fund due to possible weakness in supervisory structures; (iii) emerging markets are typically small, have low trading volumes and suffer from low liquidity and high price (and performance) volatility; (iv) risks associated with substantial currency fluctuations which may have a significant effect on the Sub-Fund's income; (v) settlement and custody risks as systems in emerging markets are not as well developed as those in developed markets as standards are not as high and the supervisory authorities not as experienced as those in developed markets; (vi) risks associated with restrictions on the buying of securities by foreign investors; and (vii) risks associated with accounting, auditing and reporting standards, methods, practices and disclosures required by companies in emerging markets being different from those in developed markets making it difficult to correctly evaluate the investment options.
- Due to the political situation and the initial stage of economic change in the region, investments in these markets, particularly in the People's Republic of China, may be affected by legal uncertainties or other concomitant factors. Furthermore, some East Asian markets have low capitalisations and tend to be volatile and illiquid. Moreover, the official regulatory systems may be less efficient in the markets in which the Sub-fund invests, and the accounting, auditing and reporting methods employed cannot be compared with the standards used in more developed markets.

#### **Company specific risk**

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

#### **Risks connected with the use of derivatives**

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

#### **Currency risk**

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

#### **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.

#### **Concentration Risk**

- The Sub-Fund may be subject to concentration risk, which generally 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 significant 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.

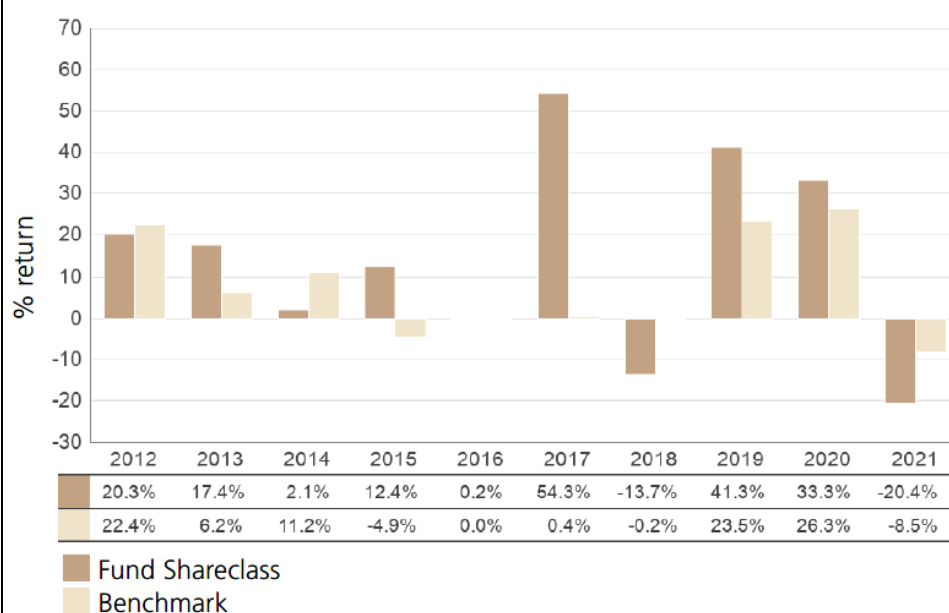
#### **Counterparty risk**

- Where a counterparty fails to perform its contractual obligations, either in whole or in part, this may result in a loss to the Sub-Fund.

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

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

## How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the unit class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Fund launch data: 31 January 1997
- P-acc launch date: 31 January 1997
- P-acc is selected as representative unit class ("**Fund Shareclass**" as shown in the graph above) as it is the major unit class subscribed by investors or denominated in the Sub-Fund's base currency.
- "**Benchmark**" as shown in the graph above refers to the benchmark as disclosed under the objective and investment strategy above.

## Is there any guarantee?

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

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

#### Fee

**Subscription fee:**

#### What you pay

Up to 5% of the subscription amount.

**Switching fee (conversion fee):**

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

**Redemption charge:**

NIL

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



### **Ongoing fees payable by this Sub-Fund**

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

#### **Annual rate (as a % of average net asset value (NAV) of the Sub-Fund)**

#### **Management fee, Depository fee & Administration fee:**

For non-currency hedged unit classes P: Currently at 2.34% p.a. This is the maximum flat fee<sup>^</sup> the Sub-Fund may charge (maximum management fee currently at 1.87% p.a.).

Investors will be given at least one month's prior notice (or such notice period as the SFC may approve in advance) in respect of any increase in the level of the flat fee.

#### **Performance fee:**

N/A

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

### **Other Fees**

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

### **Additional Information**

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value (NAV) after the relevant authorized distributor or the Hong Kong Representative receives your request in good order by or before 5:00 pm (Hong Kong time) on a business day in Hong Kong. The relevant authorized distributor(s) may impose different dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the relevant authorized distributor(s) concerned.
- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors from <https://www.ubs.com/hk/en/asset-management/>\*.
- The net asset value of this Sub-Fund is calculated, and the price of the units published, each business day (as more particularly defined and described in the offering document), the prices are available online at <https://www.ubs.com/hk/en/asset-management/>\*.

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

### **Important**

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

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