

# Product Key Facts

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

Management Company:

 UBS Fund Management (Luxembourg) S.A.

March 2021

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

### Quick Facts

<b>Management company:</b>	UBS Fund Management (Luxembourg) S.A.
<b>Fund manager:</b>	UBS Asset Management (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: 2.40%# P-dist*: 2.40%##

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

# The ongoing charges figure is an annualised figure based on expenses for the interim period ended 31 May 2020. This figure may vary from year to year.

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

<b>Dividend policy:</b>	P-acc:	Accumulating (no distribution of dividend, income will be reinvested for this sub-fund, if any)
	P-dist:	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
<b>Financial year end of this fund:</b>	30 November	
<b>Minimum investment:</b>	1 unit (initial investment and any subsequent investment) (Please also check whether your sales intermediary (if any) has any specific dealing requirements)	

### 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**

### **Objective**

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

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

### **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.

The Sub-Fund uses the benchmark UBS Greater China Index for performance measurement, risk management and portfolio construction purposes. The Fund 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.

The Sub-Fund may use financial derivative instruments ("**FDI**") for investment management and hedging purposes.

## **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. Further details regarding risks associated with investments in emerging markets are presented in the section "General risk information" of the Prospectus.

- 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; (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.

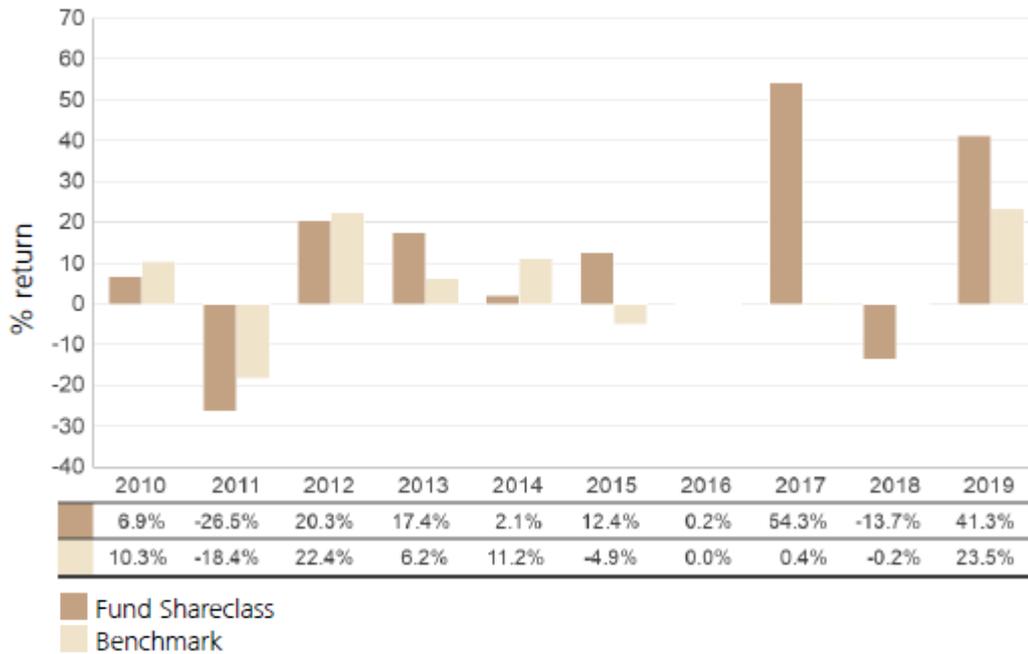
**Risks related to investments via the Stock Connect:**

- 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 fund's ability to invest in China A-Shares through the programme on a timely basis and as a result, the Sub-Fund's ability to access the China A Shares market (and hence

to pursue its investment strategy) will be adversely affected. Where a suspension in the trading through the Stock Connect is effected, the fund's ability to access the PRC market will be adversely affected. Apart from restrictions on buying (due to quota limitations), the PRC regulations impose certain restrictions on selling (i.e. requiring that there must be sufficient China A-Shares in the account before an investor sells any China A-Share). Hence, the Sub-Fund may not be able to dispose of holdings of China A-Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect the investment portfolio or strategies of the fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. Due to the differences in trading days, the fund may be subject to a risk of price fluctuations in China A-Shares on a day that the PRC market is open for trading but the Hong Kong market is close.

- Trading in securities through the Stock Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Sub-Fund may suffer delays in recovering its losses or may not be able to fully recover its losses. Further, the Sub-Fund's investments through the Stock Connect are not covered by the Hong Kong's Investor Compensation Fund.
- The Stock Connect requires the development of new information technology systems on the part of the stock exchanges and exchange participants and may be subject to operational risk. If the relevant systems failed to function properly, trading in Hong Kong, Shanghai and Shenzhen markets through the program could be disrupted. The Sub-Fund's ability to access the China shares market (and hence to pursue its investment strategy) will be adversely affected.
- Although the PRC rules and regulation generally recognizes the Hong Kong and overseas investors (including the fund) as the "ultimate owners" of the rights and interests of China A-Shares traded via the Stock Connect, how an investor such as the fund, as the beneficial owner of the China A-Shares, under the Stock Connect structure, exercises and enforces its rights over its holdings in the PRC courts are to be tested.

### 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.

<u>Fee</u>	<u>What you pay</u>
Subscription fee:	Up to 5% of the investor’s capital commitment
Switching fee: (Conversion commission)	Up to 5% of the investor’s capital commitment
Redemption charge:	NIL

<sup>^</sup> In the context of the subscription fee, “investor’s capital commitment” means the subscription amount.

<sup>^^</sup> 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.

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 subscription, 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.

	<u>Annual rate (as a % of average net asset value (NAV) of the Sub-Fund)</u>
Management fee:	For non-currency hedged unit classes P: Currently at 2.34% p.a. This is the maximum flat management 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.
Depository fee:	
Administration fee:	
Performance fee:	N/A

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

### Other Fees

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

### Additional Information

- You generally buy and redeem units at the Sub-Fund’s next-determined net asset value (NAV) after the relevant authorized distributor or the Hong Kong Representative receives your request in good order by or before 5:00 pm (Hong Kong time) on a business day in Hong Kong. The relevant authorized distributor(s) may impose different

dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the relevant authorized distributor(s) concerned.

- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors from <https://www.ubs.com/hk/en/asset-management/funds-and-prices.html>\*.
- The net asset value of this Sub-Fund is calculated, and the price of the units published, each business day (as more particularly defined and described in the offering document), the prices are available online at <https://www.ubs.com/hk/en/asset-management/funds-and-prices.html>\*.

*\* This website has not been reviewed by the SFC and may contain information on sub-funds which have not been authorised by the SFC and are 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.