

# **UBS (LUX) INVESTMENT SICAV**

**UBS (LUX) INVESTMENT SICAV – CHINA A OPPORTUNITY (USD)**

**ESTABLISHED IN LUXEMBOURG**

## **SINGAPORE PROSPECTUS**

This Singapore Prospectus incorporates and is not valid without the attached Luxembourg Prospectus dated December 2023 for UBS (Lux) Investment SICAV (the “**Luxembourg Prospectus**”). Unless the context otherwise requires, terms defined in the Luxembourg Prospectus shall have the same meaning when used in this Singapore Prospectus except where specifically provided for by this Singapore Prospectus.

UBS (Lux) Investment SICAV is an open-ended investment company with variable capital incorporated under the laws of Luxembourg and is constituted outside Singapore. The management company of the UBS (Lux) Investment SICAV, UBS Fund Management (Luxembourg) S.A., has appointed UBS Asset Management (Singapore) Ltd. (whose details appear in the Directory of this Singapore Prospectus) as the UBS (Lux) Investment SICAV’s Singapore Representative and agent for service of process.

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## IMPORTANT INFORMATION

The collective investment scheme offered in this Singapore Prospectus, namely, UBS (Lux) Investment SICAV – China A Opportunity (USD) (the “**Sub-Fund**”), established as a sub-fund of the UBS (Lux) Investment SICAV (the “**Company**”), is a recognised scheme under the Securities and Futures Act 2001 of Singapore (the “**SFA**”).

A copy of this Singapore Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Singapore Prospectus. The registration of this Singapore Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Sub-Fund. **You should note that other sub-funds (as defined below) or other share classes of the Sub-Fund or other sub-funds referred to in the Luxembourg Prospectus, but which are not listed or described in Paragraph 2 of this Singapore Prospectus are not available for subscription by retail investors in Singapore. Such references are not and should not be construed as an offer of shares in such other sub-funds and share classes to retail investors in Singapore.**

The date of registration of this Singapore Prospectus is 3 October 2024. This Singapore Prospectus shall be valid for a period of 12 months from the date of registration (up to and including 2 October 2025) and shall expire on 3 October 2025.

The Company is an umbrella structure with multiple compartments (collectively the “**sub-funds**”, each being a “**sub-fund**”). The Company is a single legal entity. With respect to the shareholders, each sub-fund is regarded as being separate from the others. The assets of a sub-fund can only be used to offset the liabilities which the sub-fund concerned has assumed. Please note that only the classes of shares listed or described in Paragraph 2 in respect of the Sub-Fund are available to retail investors in Singapore.

The board of directors of the Company (the “**Board of Directors**”) has taken all reasonable care to ensure that the facts stated in this Singapore Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement of fact or opinion in this Singapore Prospectus misleading. The Board of Directors accepts responsibility accordingly.

The distribution of this Singapore Prospectus and the offering of shares of the Sub-Fund may be restricted in certain jurisdictions. This Singapore Prospectus is not an offer or solicitation in any jurisdiction where such offer or solicitation is unlawful, where the person making the offer or solicitation is not authorised to make it or a person receiving the offer or solicitation may not lawfully receive it.

You should be aware of (a) the legal requirements within your own country for the purchase of the shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of the shares.

You are advised to carefully consider the risk factors set out in the Luxembourg Prospectus and under Paragraph 7 of this Singapore Prospectus. **You should note that the Sub-Fund may invest in financial derivative instruments for hedging purposes to the extent permitted under the Luxembourg laws.**

If you are in any doubt about the contents of this Singapore Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Shares are offered on the basis of the information contained in this Singapore Prospectus and the documents referred to in this Singapore Prospectus. No person is authorised to give any information or to make any representations concerning the Company or the Sub-Fund other than as contained in this Singapore Prospectus. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Singapore Prospectus will be solely at the risk of the purchaser.

The delivery of this Singapore Prospectus or the issue of shares in the Sub-Fund shall not, under any circumstances, create any implication that the affairs of the Company and/or the Sub-Fund have not changed since the date of this Singapore Prospectus. To reflect material changes, this Singapore Prospectus may be updated from time to time and you should investigate whether any more recent Singapore Prospectus is available.

You may wish to consult an independent financial adviser about the suitability of the Sub-Fund for your investment needs.

The shares of the Sub-Fund are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**IMPORTANT: PLEASE READ AND RETAIN THIS SINGAPORE PROSPECTUS FOR FUTURE REFERENCE**

## DIRECTORY

### THE COMPANY

<b>Board of Directors of the Company</b>	Robert Süttinger (Chairman)
	Francesca Guagnini
	Raphael Schmidt-Richter
	Josée Lynda Denis
	Ioana Naum

### REGISTERED OFFICE OF THE COMPANY

33A, avenue J.F. Kennedy, L-1855 Luxembourg, B.P. 91, L-2010 Luxembourg

### MANAGEMENT COMPANY

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

<b>Board of Directors of the Management Company</b>	Michael Kehl (Chairman)
	Francesca Prym
	Eugène Del Cioppo
	Ann-Charlotte Lawyer
	Miriam Uebel
<b>Conducting Officers of the Management Company</b>	Valérie Bernard
	Geoffrey Lahaye
	Federica Ghirlandini
	Olivier Humbert
	Andrea Papazzoni
	Stéphanie Minet

### REGISTERED OFFICE OF THE MANAGEMENT COMPANY

33A avenue J.F. Kennedy, L-1855 Luxembourg

**INVESTMENT MANAGER FOR UBS (LUX) INVESTMENT SICAV – CHINA A OPPORTUNITY (USD)**

UBS Asset Management (Singapore) Ltd., 9 Penang Road, Singapore 238459

**DEPOSITARY AND MAIN PAYING AGENT**

UBS Europe SE, Luxembourg Branch, 33A avenue J.F. Kennedy, L-1855 Luxembourg, (B.P. 2, L-2010 Luxembourg)

**ADMINISTRATIVE AGENT**

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

**SINGAPORE REPRESENTATIVE AND AGENT FOR SERVICE OF PROCESS IN SINGAPORE**

UBS Asset Management (Singapore) Ltd., Company Registration No. 199308367C, whose operating office is at 9 Penang Road, Singapore 238459

**AUDITOR OF THE COMPANY**

PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg

**LEGAL ADVISERS AS TO SINGAPORE LAW**

Allen & Gledhill LLP, One Marina Boulevard, #28-00, Singapore 018989

## 1. THE COMPANY

- 1.1 The Company was incorporated on 30 March 2006 in Luxembourg as an open-ended undertaking for collective investment (“UCI”) in the form of a *société d’investissement à capital variable* (“SICAV”), initially pursuant to Part II of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended (the “**Law of 2010**”). The Company was converted from a UCI subject to Part II of the Law of 2010 into a UCITS subject to Part I of the Law of the Law of 2010 with effect as of 15 October 2020. The minutes of the extraordinary general meeting of the shareholders deciding such conversion have been published in the “*Recueil Electronique des Sociétés et Associations*”. The Company is currently authorised under Part I of the Law of 2010.
- 1.2 The Company is an umbrella structure with multiple compartments or sub-funds. The Company is a single legal entity. With respect to the shareholders, each sub-fund is regarded as being separate from the others. The assets of a sub-fund can only be used to offset the liabilities which the sub-fund concerned has assumed.
- 1.3 The articles of incorporation of the Company were first published in the Luxembourg Official Gazette (as defined in the Luxembourg Prospectus) on 20 April 2006. Each amendment of the articles will be published in the Luxembourg Official Gazette by way of a notice of deposit and in the manner described below in the section entitled “REGULAR REPORTS AND PUBLICATIONS” in the Luxembourg Prospectus.
- 1.4 You may inspect copies of the articles of incorporation of the Company, free of charge, at the operating office of the Singapore Representative, during normal Singapore business hours. You may also obtain, free of charge, copies of the articles of incorporation of the Company, the latest copies of the annual and semi-annual reports and the latest copies of the semi-annual accounts and annual accounts of the Company from the Singapore Representative upon request.
- 1.5 Full details of the Company are set out under the section headed “The Company” in the Luxembourg Prospectus.
- 1.6 In the interest of efficiency, the Company may permit internal pooling and/or joint management of assets from particular sub-funds. In such cases, assets from different sub-funds will be managed together. The assets under joint management are referred to as a “pool”. Pools are used exclusively for internal management purposes, are not separate shares and cannot be accessed directly by shareholders. Full details are set out under the section headed “INVESTMENT PRINCIPLES” under the sub-headings “POOLING OF ASSETS”, “POOLING” and “JOINT MANAGEMENT” in the Luxembourg Prospectus.

## 2. THE SUB-FUND

- 2.1 The sub-fund currently offered in Singapore pursuant to this Singapore Prospectus is referred to as the “**Sub-Fund**”:

	<u>Sub-Fund</u>	<u>Currency of account</u>
2.1.1	UBS (Lux) Investment SICAV – China A Opportunity (USD)	US Dollar

- 2.2 One or more share classes may be offered within the Sub-Fund. As of the date of this Singapore Prospectus, you may be able to subscribe for shares in the following classes of shares in respect of the Sub-Fund:

Sub-Fund	Share Class	Currency Denomination of the Share Class	Use of earnings
UBS (Lux) Investment SICAV – China A Opportunity (USD)	P-acc (USD)	US Dollar	Accumulation
UBS (Lux) Investment SICAV – China A Opportunity (USD)	P-acc (SGD)	Singapore Dollar	Accumulation

- 2.3 The Company may in its discretion from time to time and in respect of the Sub-Fund, make available for subscription any other share classes with “P” in their name (with the relevant additional characteristics referenced in the Luxembourg Prospectus) in addition to the share classes listed in the table above or may close any share class to new subscriptions. The list of share classes which may be available to you for subscription may therefore change from time to time. You may wish to contact your Approved Singapore Distributor (as defined below) for the latest list of available share classes. Share classes available for subscription in Singapore pursuant to this Singapore Prospectus shall be referred to as the “**Share Classes**” and shares within such Share Classes shall be referred to as “**Shares**”.
- 2.4 Characteristics of the respective Share Classes are set out under the section headed “SHARE CLASSES” in the Luxembourg Prospectus.
- 2.5 Shares are issued as registered shares only (full details are set out in the section headed “ISSUE OF SHARES” in the Luxembourg Prospectus).
- 2.6 The Company may from time to time, subject to obtaining the relevant regulatory approvals if required, create additional share classes in respect of the Sub-Fund and may offer such additional share classes or any other existing share classes in Singapore.

### 3. MANAGEMENT AND ADMINISTRATION

#### 3.1 Board of Directors of the Company

The board of directors of the Company (the “**Board of Directors**”) as listed in the Directory herein is ultimately responsible for managing the business affairs of the Company in accordance with the Company’s articles of incorporation.

#### 3.2 Management Company and its Directors and Key Executives

##### 3.2.1 Management Company

With effect from 15 June 2011, UBS Fund Management (Luxembourg) S.A. (the “**Management Company**”) assumed the function of management company of the



Company. The Management Company was incorporated in Luxembourg on 1 July 2010 in the legal form of a public limited company (*Société Anonyme*) for an unlimited duration. The Management Company is regulated by the Commission de Surveillance du Secteur Financier (CSSF).

In addition to the Company, the Management Company currently also manages other undertakings for collective investment. The Management Company has been managing collective investment schemes since 15 September 2010. The Management Company also acts as domiciliary agent for the Company and has delegated such domiciliary agent functions to UBS Europe SE, Luxembourg Branch.

If the Management Company becomes insolvent, a liquidator will be appointed and will organise the liquidation of the Management Company. The liquidator will take day-to-day management decisions in replacement of the board of directors of the Management Company. The assets of the Management Company are always separated from the assets of the funds under its management.

Further details on the Management Company are set out under the section headed “MANAGEMENT COMPANY” in the Luxembourg Prospectus.

### 3.2.2 Directors of the Management Company

**The list of directors of the Management Company may be changed from time to time without notice.**

#### **Michael Kehl**

Mr. Michael Kehl was appointed Head of Products in April 2020 and is responsible for the development and management of the UBS Asset Management product offering. Mr. Kehl is a member of the UBS Asset Management Executive Team.

Previously, Mr. Kehl was Head of Global Fund Investment Solutions for UBS Global Wealth Management (“**GWM**”) from 2018, responsible for the traditional fund shelf used for discretionary and advisory businesses in UBS GWM globally, including manager selection, product shelf evolution, time to market and technical fit for funds used in UBS GWM. Before joining UBS GWM, Mr. Kehl worked in the UBS Asset Management fund business between 2004 – 2018, and was Head Product Management from 2016, having been previously appointed Head Products EMEA & Switzerland in 2015 and Head of Product Development for UBS Funds, responsible for all Lux/CH domiciled wholesale funds, in 2009.

Mr. Kehl started his career in portfolio management for private clients at SBC in St Gallen, before going on to hold a number of roles in Asset Management from 1996, including working with institutional clients in Geneva, leading a Portfolio Management Team in Zurich and as Deputy Functional Head of Balanced Portfolio Management until the end of 2004.

Mr. Kehl holds a BSc in Business Administration from Zürcher Fachhochschule für Wirtschaft und Verwaltung (Switzerland).

#### **Francesca Prym**

Ms. Francesca Prym has been the CEO of the Management Company since February 2019. In her role as CEO, Ms. Prym is responsible for the overall management and conduct of business.

Ms. Prym was from 2016 until February 2019 acting as Head of Compliance and Operational Risk Control of the Management Company. In this capacity, she was responsible for implementation and monitoring of the compliance policy, centralization of information on compliance issues, analysis of compliance issues, interventions and follow-up, assistance and advice to senior management and board of directors in compliance matters, complaints handling, awareness and training of staff, communication with authorities, documentation of the work and internal reporting. Ms. Prym speaks Italian, English, French and has a good basic knowledge in German. Prior to joining UBS, Ms. Prym was working as Managing Director for SMBC Nikko during 4 years and Conducting Officer in charge of Risk Management at MDO during 5 years.

Ms. Prym holds a Master's degree in Economics & Finance from Università degli Studi di Firenz (Italy) and Sup de Co Reims (France).

#### **Eugène Del Cioppo**

Mr. Eugène Del Cioppo is CEO of UBS Fund Management (Switzerland) AG and is responsible for the White Labelling Solutions unit within UBS Asset Management Products. His remit includes the management of Business Development, Client and Product Management & Development teams in Switzerland and Luxembourg offering white labelling solutions to Wholesale, Institutional and Wealth Management clients.

He joined UBS Asset Management in April 2002 and in June 2006 he was appointed to lead the Client Relationship Management team followed by a promotion in August 2010 to become a member of the Executive Board of the Swiss Management Company UBS Fund Management (Switzerland) AG, leading the Business Development and Client Relationship Management teams. Since March 1st, 2014, Mr. Del Cioppo has enlarged his responsibilities to his current role and in 2015 he became the Chairman of the board of UBS Third Party Management Company and UBS Fund Services Luxembourg.

Since joining UBS Asset Management, Mr. Del Cioppo has gained deep knowledge of the Swiss and European fund market and how to understand and transform into solutions the needs of wholesale, institutional and wealth management clients.

Mr. Del Cioppo holds a Licentiate degree in Political Science from the University of Basel.

#### **Ann-Charlotte Lawyer**

Mrs. Ann-Charlotte Lawyer is an independent non-executive member of the board. Mrs. Lawyer has extensive experience in the financial industry.

Previously, Mrs. Lawyer was executive director and head of Swedbank Management Company S.A., Luxembourg, where she was conducting officer for investment management, distribution, internal audit, finance and information technology. Before joining Swedbank in 2016, she was executive director, head of fund services and conducting officer for SEB Fund Services S.A (now known as Fundrock/Apex) for 7 years where she was responsible for risk management, compliance, internal audit and finance.

Prior to that, Mrs. Lawyer held various roles in Skandinaviska Enskilda Banken AB (publ) across a span of 18 years, including being an advisor to the Head of Merchant Banking and also had a decade of working experience in Trading and Capital Markets.

Mrs. Lawyer holds an International Economics and French degree from the University of Uppsala and a Bachelor's degree in Economics from Lawrence University, Appleton Wisconsin, USA. Mrs. Lawyer is also a CAMS – Certified Anti-Money Laundering Specialist and IFBL certified in specialist private equity administration and business processes.

### **Miriam Uebel**

Since June 2009, Ms. Miriam Uebel is responsible for institutional client relationships at UBS Asset Management in Germany. In April 2014, Ms. Uebel took over responsibility for consultant relations in Germany, Austria and Eastern Europe.

In 1995, Ms. Uebel began her professional career at Commerzbank Group where she also worked as a specialist on the management board of Asset Management. Ms. Uebel was employed as a portfolio manager and buy-side analyst within equities for a period of six years at cominvest Asset Management GmbH. In this function, she managed equity and balanced mandates for institutional investors in Germany. In 2006, Ms. Uebel moved to the institutional client relationship area where she was not only responsible for regional institutional sales activities in Germany but also for wholesale sales of cominvest' products to medium enterprises.

Since 2004, Ms. Uebel is a CFA Charterholder and Member of the CFA Institute. Since 2014, Ms. Uebel is a CAIA Charterholder and Member of the CAIA Association. She gives lectures at the University of the German Federal Bank.

Ms. Uebel holds a Bachelor's degree in Business Administration from the Johann-Wolfgang Goethe University Frankfurt (Germany).

### **3.2.3 Key Executives of the Management Company**

**The list of key executives of the Management Company may be changed from time to time without notice.**

#### **Francesca Prym (CEO)**

Please refer to Ms. Prym's biography under the section headed "3.2.2 Directors of the Management Company" above.

#### **Valérie Bernard (Conducting Officer)**

Ms. Valérie Bernard is acting as conducting officer of the Management Company, which is domiciled in Luxembourg focusing on UBS investment funds and white labelling business.

In this capacity and with respect to Distribution, Compliance, Custody and Registration functions, she is responsible for identifying, assessing and monitoring risks to which the Management Company and the Luxembourg domiciled funds under management could be exposed, and to ensure adequate oversight and monitoring is in place.

Ms. Bernard joined UBS in January 1997 and before joining the Management Company in June 2013, Ms. Bernard had management responsibilities within UBS Fund Services

Luxembourg where she acted as Product Control Head and subsequently as Head NAV Administration.

Prior to joining UBS, Ms. Bernard worked as an external auditor at Deloitte Luxembourg from 1993 to 1997.

Ms. Bernard holds a Master's in Business Administration from Liège University (Belgium) and a Masters in European Business from the University of Northampton (UK).

**Geoffrey Lahaye** (Conducting Officer)

Mr. Geoffrey Lahaye joined the Management Company on 15 September 2015, and is responsible for conducting the business of the Management Company.

In this capacity, he is responsible for identifying, assessing and monitoring risks to which the Management Company and the Luxembourg domiciled UBS funds (managed by the Management Company) could be exposed and to ensure adequate controls are in place.

Prior to joining UBS he was an Audit Manager at Ernst & Young Luxembourg for 7 years and, afterwards a Vice President at J.P. Morgan Bank Luxembourg S.A. for 7 years.

Mr. Lahaye holds a Master's in Business Administration from the University of Louvain-La-Neuve (Belgium).

**Federica Ghirlandini** (Conducting Officer)

Ms. Federica Ghirlandini has recently taken over a new role at the Management Company (FML) as Conducting Officer (CO) in charge of Discretionary Portfolio Management (DPM) oversight and FML Branches. For the DPM (segregated mandates) role, Ms. Ghirlandini will focus on strengthening the current oversight framework in line with MiFID requirements, and support business development. For the FML Branches, Ms. Ghirlandini aims to implement a Target Operating Model for governance adapted to the countries and their specificities.

Prior to this, Ms. Ghirlandini covered the role of CO in charge of FML Delegated Portfolio Management oversight for Funds. Ms. Ghirlandini has worked in UBS projects such as Convergence and Brexit. She has actively contributed to the implementation of a framework for delegated functions in line with the CSSF circular 18/698 for UBS FML. In parallel to this she has provided support for the development and implementation Directives such as SRD2 and SFDR.

Ms. Ghirlandini joined UBS in 2017 and has 20+ years' experience in the Luxembourg funds industry. She has held a position as CO since 2009 and worked in other Management Companies (ManCo) such as Notz Stucki Group. During the course of her career, Ms. Ghirlandini built up an extensive knowledge on Fund and ManCo governance.

Ms. Ghirlandini holds a degree in Economics from Università Politecnica delle Marche (Italy).

**Olivier Humbert** (Conducting Officer)

Mr. Olivier Humbert is acting as a conducting officer of the Management Company. Mr. Humbert is responsible for the risk management function. In his role, he is coordinating and overseeing all risk monitoring activities in relation to investment risks, corporate risks as well as the risks resulting from the delegation of core activities of the Management Company.

Mr. Humbert joined UBS in April 2007 as an Operational Risk Manager of the central administrator, UBS Fund Services (Luxembourg) S.A. Prior to joining UBS, he had 5 years of experience at Deloitte Luxembourg within the Audit and then Advisory departments where he had responsibilities in various assignments related to the fund business (external & internal audit, risk & advisory assignments, etc).

Mr. Humbert holds a Master's in Auditing (DESS Audit – IECS Strasbourg).

**Andrea Papazzoni** (Conducting Officer)

Mr. Andrea Papazzoni is acting as a conducting officer of the Management Company and is responsible for the ongoing implementation and management of white label funds in Luxembourg. In this role Andrea works closely with the financial intermediary market, administration service providers and financial advisors.

Prior to joining UBS, Mr. Papazzoni worked as Conducting Officer for a Japanese Management Company developing the due diligence team and he was responsible for setting up Cayman and Bermuda vehicles for Asian clients. Mr. Papazzoni also worked as Senior Risk Manager in an independent third-party management company in Luxembourg. Mr. Papazzoni started his career as a Junior Asset Manager in an Italian Family Office.

Mr. Papazzoni holds a Master's in Finance and Risk Management (University of Parma, Parma Italy).

**Stephanie Minet** (Conducting Officer)

Ms. Stephanie Minet is acting as a conducting officer and Head of Compliance of the Management Company. Ms. Minet is responsible for the Compliance and AML/CTF functions. In her role, she is responsible to manage all compliance aspects for the Management Company's business activities, anticipate, identify and assess the compliance and related operational risks in connection with the Management Company's activities and assist the Management Company's senior management in controlling these risks.

Ms. Minet worked for nearly 13 years as external auditor at PwC and Deloitte Luxembourg. She worked then as Compliance Officer in Management Companies in Luxembourg before joining the Management Company in March 2019.

Ms. Minet holds a Master's in Finances and Economics from HEC Liège (Belgium).

### 3.3 Investment Manager

Sub-Fund	Investment Manager
UBS (Lux) Investment SICAV - China A Opportunity (USD)	UBS Asset Management (Singapore) Ltd.*

*\*As at the date of this Singapore Prospectus, UBS Asset Management (Singapore) Ltd. has delegated the investment management of part of or all the assets of this Sub-Fund to UBS Asset Management (Hong Kong) Ltd.*

The Investment Manager is commissioned to manage the securities portfolio of the Sub-Fund under the supervision and responsibility of the Management Company, and to carry

out all relevant transactions while adhering to the prescribed investment restrictions of the Sub-Fund.

The Investment Manager may transfer its mandates, fully or in part, to associated portfolio managers within UBS Asset Management subject to the Law of 2010. However, responsibility in each case remains with the Investment Manager. For the avoidance of doubt, the terms “Investment Manager” and “Portfolio Manager” are used interchangeably in this Singapore Prospectus and both terms refer to the same entity.

UBS Asset Management is a business division of UBS AG. UBS Asset Management provides a diverse range of traditional, alternative, real estate, infrastructure and private equity investment solutions to private clients, financial intermediaries and institutional investors around the globe.

#### 3.3.1 **UBS Asset Management (Singapore) Ltd.**

UBS Asset Management (Singapore) Ltd., a subsidiary of UBS Asset Management AG, was incorporated in Singapore and is regulated by the Monetary Authority of Singapore.

UBS Asset Management (Singapore) Ltd. has been managing collective investment schemes and discretionary funds since 1993.

#### 3.3.2 **UBS Asset Management (Hong Kong) Limited**

UBS Asset Management (Hong Kong) Limited, a subsidiary of UBS Asset Management AG incorporated in Hong Kong, is regulated by the Hong Kong Securities and Futures Commission.

UBS Asset Management (Hong Kong) Limited has been managing collective investment schemes and discretionary funds since 1992.

***Past performance of the Management Company, the Investment Manager or their delegates, affiliates and subsidiaries is not necessarily indicative of their future performance or of the Sub-Fund.***

If the Investment Manager becomes insolvent, a liquidator will be appointed and will organise the liquidation of the Investment Manager. The liquidator will take day-to-day management decisions in replacement of the board of directors of the Investment Manager. The assets of the Investment Manager are always separated from the assets of the funds under its management.

## 4. **OTHER PARTIES**

### 4.1 **The Singapore Representative and Agent for Service of Process**

4.1.1 UBS Asset Management (Singapore) Ltd. has been appointed by the Management Company as the representative for the Sub-Fund in Singapore (the “**Singapore Representative**”) for the purposes of performing administrative and other related functions relating to the offer of Shares under Section 287 of the SFA and such other functions as the Authority may prescribe.

4.1.2 Key functions carried out by the Singapore Representative in respect of the distribution of the Sub-Fund in Singapore include:

- (i) facilitating:
  - (a) the issue and redemption of Shares in the Sub-Fund;
  - (b) the publishing of the issue and redemption prices of Shares in the Sub-Fund;
  - (c) the sending of reports of the Sub-Fund to Singapore shareholders;
  - (d) the furnishing of such books relating to the sale and redemption of Shares in the Sub-Fund as the Authority may require; and
  - (e) the inspection of instruments constituting the Company and the Sub-Fund; and
- (ii) maintaining for inspection in Singapore a subsidiary register of shareholders who subscribed for or purchased their shares in Singapore (“**Singapore Participants’ Records**”<sup>1</sup>) or maintaining in Singapore any other facility that enables the inspection or extraction of the equivalent information.

4.1.3 The Singapore Participants’ Records are available for inspection by Singapore shareholders at the operating office of the Singapore Representative during normal business hours in Singapore.

4.1.4 The Singapore Representative has also been appointed by the Management Company to act as the Company’s local agent in Singapore to accept service of process on behalf of the Company.

#### 4.2 **The Administrative Agent and registrar**

Northern Trust Global Services SE has been appointed as the administrative agent of the Company (the “**Administrative Agent**”) as well as the Company’s registrar.

The Administrative Agent is responsible for the general administrative tasks involved in managing the Company as prescribed by Luxembourg law. These administrative services mainly include calculating the net asset value per share, keeping the Company’s accounts and carrying out reporting activities.

#### 4.3 **Depository and Main Paying Agent**

UBS Europe SE, Luxembourg Branch has been appointed as depository and principal paying agent of the Company (the “**Depository**”). The Depository is regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Depository has been appointed for the safe-keeping of financial instruments of the Company that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure the effective and proper monitoring of the Company’s cash flows pursuant to the provisions of the Law of 2010.

The Depository may, subject to certain conditions and in order to effectively conduct its duties, appoint sub-custodians. In order to ensure that its tasks are only delegated to sub-custodians providing an adequate standard of protection, the Depository must exercise all

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<sup>1</sup> Commonly referred to in Singapore as a “Singapore Subsidiary Register”.

due skill, care and diligence as required by the Law of 2010 in the selection and appointment of any sub-custodian to which it intends to delegate a portion of its tasks.

If the Depositary becomes insolvent, a liquidator will be appointed and will organise the liquidation of the Depositary. The liquidator will take day-to-day management decisions in replacement of the board of directors of the Depositary. The assets of the Depositary are always separated from the assets of the funds under its custody.

Further details on the Depositary and the custodial arrangements in respect of the assets of the Company are set out under the section headed “DEPOSITARY AND MAIN PAYING AGENT” in the Luxembourg Prospectus.

## 5. INVESTMENT OBJECTIVE AND POLICY

The investment objective and policy of the Sub-Fund are described in the section headed “INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUB-FUNDS” of the Luxembourg Prospectus.

For easy reference, part of the investment objective and policy of the Sub-Fund has been extracted from these sections of the Luxembourg Prospectus and is reproduced below. **You should review the full investment objective and policy as set out in the Luxembourg Prospectus.**

### 5.1 Investment objective and investment policy of the Sub-Fund

The investment objective of the Sub-Fund is to achieve high capital gains and a reasonable return, while giving due consideration to capital security and to the liquidity of assets.

The actively managed Sub-Fund will invest at least 70% of its total net assets in equities and other equity interests in companies which are domiciled in or are chiefly active in the People’s Republic of China (“**PRC**”) and/or part of the benchmark MSCI China A Onshore. The majority of net assets are invested in Chinese A-shares. Chinese A-shares are Renminbi-denominated shares of companies domiciled in mainland China (further referred to as “**A-shares**”); these A-shares are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

The Sub-Fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”). Further information related to environmental and/or social characteristics is available in Annex I to the Luxembourg Prospectus. Please refer to Paragraphs 5.2 to 5.4 below for further details on environmental, social and governance (“**ESG**”) integration, Sustainability Exclusion Policy and Sustainability Annual Reporting.

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 normalised weighted average of ESG score data from internal and recognised external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.

The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance



(ESG) aspects. These ESG aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.

The Sub-Fund incorporates the following ESG promotion characteristics:

- A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.
- A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.

The calculations do not take account of cash, derivatives and unrated investment instruments.

The Sub-Fund uses the benchmark MSCI China A Onshore (net dividend reinvested) for performance measurement, monitoring the ESG metrics, investment risk management<sup>2</sup> 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.

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 may use standardised and non-standardised (customised) derivative financial instruments for hedging purposes. It may conduct such transactions on a stock exchange or other regulated market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (OTC trading). The base currency of the Sub-Fund is USD.

All or most of the investment in the PRC is intended to be made and held through (i) the Qualified Foreign Investors ("QFI") investments registered with the QFI status of UBS Asset Management (Singapore) Ltd and/or UBS Asset Management (Hong Kong) Limited and/or (ii) investments through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. On an ancillary basis the Company may also hold convertible bonds to get exposure to the Chinese market traded on the China Interbank Bond Market ("CIBM").

The 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,

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<sup>2</sup> This means that the benchmark is used for the purpose of portfolio management risk assessment.

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. The Sub-Fund may not invest more than 20% of its net asset value in bank deposits at sight made with the same body.

A detailed description of the risks connected with an investment in the Sub-Fund can be found under the following sections "GENERAL RISK INFORMATION" and "SPECIFIC RISKS WHEN INVESTING IN THE PRC" of the Luxembourg Prospectus. The Sub-Fund is only suitable for investors who are willing to accept these risks.

The maximum amount of leverage for the Sub-Fund, calculated based on the commitment approach, is 100%. You 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.

***No guarantee can be given that the investment objective of the Sub-Fund will be achieved.***

***You should consider carefully and understand the risks of investing in the Sub-Fund, which are set out in Paragraph 7 headed "RISK FACTORS" below, before making an investment decision.***

## 5.2 ESG Integration

UBS Asset Management categorises certain sub-funds as ESG Integration funds. The Portfolio Manager aims to achieve investors' financial objectives while incorporating sustainability into the investment process. The Portfolio Manager defines sustainability as the ability to leverage the ESG factors of business practices seeking to generate opportunities and mitigate risks that contribute to the long-term performance of issuers ("**Sustainability**"). The Portfolio Manager believes that consideration of these factors will deliver better informed investment decisions. **Unlike funds which promote ESG characteristics or with a specific sustainability or impact objective that may have a focused investment universe, ESG Integration funds are investment funds that primarily aim at maximising financial performance, whereby ESG aspects are input factors within the investment process.** Investment universe restrictions applied on all actively managed funds are captured in the Sustainability Exclusion Policy. Further binding factors, if applicable, are outlined in the investment policy of the Sub-Fund.

ESG integration is driven by taking into account material ESG risks as part of the research process. For corporate issuers, this process utilises the ESG Material Issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore

investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. For non-corporate issuers, the Portfolio Manager may apply a qualitative or quantitative ESG risk assessment that integrates data on the most material ESG factors. The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### 5.3 **Sustainability Exclusion Policy**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the Sub-Fund.

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

### 5.4 **Sustainability Annual Reporting**

The "UBS Sustainability Report" is the medium for UBS' sustainability disclosures. Published annually, the report aims to openly and transparently disclose UBS' sustainability approach and activities, consistently applying UBS' information policy and disclosure principles.

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

### 5.5 **Sustainability Focus/Impact Funds**

UBS Asset Management categorises certain sub-funds as Sustainability Focus funds. Sustainability Focus funds promote ESG characteristics or have a specific sustainability objective which is defined in the investment policy.

### 5.6 **Profile of the typical investor**

The Sub-Fund is suitable for investors who wish to invest both in a diversified portfolio with a primary focus on Chinese A-shares (as defined above) as well as in a sub-fund that promotes environmental and/or social matters. Investors should be prepared to accept the risks inherent in Chinese A-shares.

**You should consult your financial advisers if in doubt whether this product is suitable for you.**

### 5.7 **Investment Principles and Investment Restrictions**

Details on the investments that may be made by the Sub-Fund as well as the investment principles and investment restrictions on such investments are set out in the section headed "INVESTMENT PRINCIPLES" of the Luxembourg Prospectus.

#### 5.7.1 Investments in financial derivative instruments

You should note that the Sub-Fund may invest in financial derivative instruments for hedging purposes. It may conduct such transactions on a stock exchange or other regulated market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (OTC trading).

Investments by the Sub-Fund in financial derivative instruments shall be in accordance with the investment restrictions set out in paragraphs 1.1(g) and 1.3 of the section headed “INVESTMENT PRINCIPLES” under the sub-heading “PERMITTED INVESTMENTS OF THE COMPANY” in the Luxembourg Prospectus.

The Management Company will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that it has the necessary expertise to manage the risk relating to the use of financial derivative instruments.

In addition, the Company may employ the techniques and instruments for the Sub-Fund as described in the section headed “INVESTMENT PRINCIPLES” under the sub-heading “SPECIAL TECHNIQUES AND INSTRUMENTS WITH SECURITIES AND MONEY MARKET INSTRUMENTS AS UNDERLYING ASSETS” of the Luxembourg Prospectus.

You should also take note of the sections in the Luxembourg Prospectus headed “USE OF FINANCIAL DERIVATIVE TRANSACTIONS”, “RISK MANAGEMENT” and “LEVERAGE” (which sets out the global risk calculation method used for the Sub-Fund).

You may obtain supplementary information relating to the risk management methods employed by the Sub-Fund, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments from the Singapore Representative (whose contact details are set out in the Directory of this Singapore Prospectus) upon request.

#### 5.7.2 Use of repurchase agreements, reverse repurchase agreements and securities lending agreements

Subject to the conditions and limits set out in the Law of 2010, the Company 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 investment management purposes in accordance with the requirements defined by the CSSF.

The Sub-Fund 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 Sub-Fund.

If such transactions relate to the use of derivatives, the terms and limits must comply with the provisions of the Law of 2010. The techniques will be used on an ongoing basis as described in the “EXPOSURE TO SECURITIES FINANCING

TRANSACTIONS” section of the Luxembourg Prospectus, but it may be decided from time to time, depending on market conditions, to suspend or reduce exposure to securities financing transactions. The use of these techniques and instruments must be in accordance with the best interests of the investors.

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 Company 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 Company that the value of the securities lent will be refunded.

Currently, 60% of the gross revenue received from securities lending transactions negotiated at arm’s length is credited to the Sub-Fund, while 30% of the gross revenue is retained as fees by UBS Switzerland AG (the “**Securities Lending Service Provider**”) as the securities lending service provider, responsible for the ongoing securities lending activities and collateral management, and 10% of the gross revenue is retained as fees by UBS Europe SE, Luxembourg Branch (the “**Securities Lending Agent**”) as the securities lending agent, responsible for the transactions management, ongoing operational activities and collateral safekeeping. All fees for operating the securities lending program are paid from the Securities Lending Agent’s portion of the gross income. This includes all direct and indirect costs incurred through securities lending activities. The Securities Lending Agent and the Securities Lending Service Provider are part of the UBS Group. Furthermore, the 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 Company, as well as the information to be published in the annual and semi-annual reports.

The Board of Directors has approved instruments of the following asset classes as collateral from securities lending transactions: (i) fixed and variable-rate interest-bearing instruments; and (ii) shares.

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 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 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 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 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 Law of 2010.
- (vi) All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs/fees, will be returned to the 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 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 Company, which shall indicate the amounts of the respective fees and whether the entities are related to the Management Company or the Depositary.

The Company 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).

The Management Company and the Portfolio Manager currently do not expect conflicts of interest to arise in relation to such securities lending transactions. However, should any potential conflicts of interest arise, such conflicts of interest will be managed in accordance with Paragraph 17 of this Singapore Prospectus.

The Sub-Fund's exposure to repurchase agreements, reverse repurchase agreements and securities lending agreements is set out in the "EXPOSURE TO SECURITIES FINANCING TRANSACTIONS" section of the Luxembourg Prospectus.

Further details on the securities lending transactions which the Company may engage in are set out in the section headed "INVESTMENT PRINCIPLES" under the sub-heading "SPECIAL TECHNIQUES AND INSTRUMENTS WITH SECURITIES AND MONEY MARKET INSTRUMENTS AS UNDERLYING ASSETS" of the Luxembourg Prospectus.

As at the date of this Singapore Prospectus, the Management Company may intend to lend the securities of the Sub-Fund to its related corporations.

## 6. FEES, CHARGES AND EXPENSES

A summary of the fees and charges applicable to the Share Classes on offer is set out below:

<b>Fees and charges payable by you in respect of each Share Class*</b>	
<b>Subscription Charge<sup>3</sup> (or sales charge)**</b>	P-acc Share Classes: Up to 5% of the gross subscription amount
<b>Redemption Commission (or redemption charge)**</b>	Nil
<b>Conversion Commission<sup>4</sup> (or switching fee)**</b>	Up to the amount of the maximum conversion fee described under the "INVESTING IN UBS (LUX) INVESTMENT SICAV" section of the Luxembourg Prospectus under the sub-heading "CONVERSION OF SHARES"

\* You may have to pay additional fees and charges in addition to the Subscription Charge, Redemption Commission and Conversion Commission to the Approved Singapore Distributors (as defined below) depending on the specific nature of services provided to you by the Approved Singapore Distributors. You should check with the Approved Singapore Distributors to confirm the applicable fees and charges (including any additional taxes or commissions, where applicable) incurred in Singapore on the issuance, redemption or conversion of Shares.

\*\* Any Subscription Charge, Redemption Commission and Conversion Commission is currently paid to and retained by the Approved Singapore Distributors. In addition to the Subscription Charge and Redemption Commission, if you request for an in-kind subscription or redemption, you should note that the associated costs of an audit on the investments or payments for such in-kind subscription or redemption will be charged to you. You should refer to the "INVESTING IN UBS (LUX) INVESTMENT SICAV" section of the Luxembourg

<sup>3</sup> "Subscription Charge" means a charge in respect of a subscription for Shares which may be deducted from the gross subscription amount and paid to the Approved Singapore Distributors.

<sup>4</sup> "Conversion Commission" means a charge in respect of a conversion of Shares into those of another Share within the same Sub-Fund, and/or those of another Sub-Fund which may be deducted from the gross subscription amount and paid to the Approved Singapore Distributors.

Prospectus under the sub-headings “CONDITIONS FOR THE ISSUE, REDEMPTION AND CONVERSION OF SHARES”, “ISSUE OF SHARES”, “CONVERSION OF SHARES” and “REDEMPTION OF SHARES” for further information.

Fees and charges payable by the Sub-Fund		
Sub-Fund	Share Classes	Maximum flat fee <sup>Note 1</sup>
UBS (Lux) Investment SICAV – China A Opportunity (USD)	P-acc Share Classes	2.000% p.a. <sup>Note 1</sup> (a) Retained by Management Company and Portfolio Manager: 54% <sup>Note 2</sup> of maximum flat fee (b) Paid by Management Company to Distributor: 40% <sup>Note 2</sup> of maximum flat fee (c) Paid by the Sub-Fund directly or indirectly to other service providers, including Depository, Administrative Agent and Transfer Agent: 6% <sup>Note 2</sup> of maximum flat fee

Notes:

1. A maximum flat fee based on the net asset value of the Sub-Fund is paid from the Sub-Fund’s assets for the management, administration, portfolio management, investment advice and distribution of the Sub-Fund (if applicable), as well as for all Depository tasks, such as the safekeeping and supervision of the Sub-Fund’s assets, the processing of payment transactions and all other tasks listed in the “DEPOSITARY AND MAIN PAYING AGENT” section of the Luxembourg prospectus. In respect of the distribution of the Company, the Management Company has appointed UBS Asset Management Switzerland AG (the “**Distributor**”) to act as distributor of the Shares of the Sub-Fund. The Distributor may appoint sub-distributors for the distribution of Shares in different countries. A portion of the maximum flat fee received by the Management Company from the Sub-Fund will be paid to the Portfolio Manager and the Distributor in connection with the portfolio management and distribution tasks in respect of the Sub-Fund. The maximum flat fee for Share Classes with “hedged” in their name may include foreign exchange risk hedging charges. The maximum flat fee does not include certain other fees and additional expenses, listed in the “TAXES AND EXPENSES” section of the Luxembourg prospectus (under the sub-heading “Expenses paid by the Company”) which are also charged to the Sub-Fund’s assets.
2. These figures may change from time to time without prior notice depending on the agreements between the Management Company and the Distributor. Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company / Distributor.

**A more detailed description of the fees and charges payable by the Sub-Fund is set out in the “TAXES AND EXPENSES” section of the Luxembourg Prospectus. You should read this section carefully for further information on the fees and charges payable by the Sub-Fund.**



You should also note that due to duties and charges as well as the buy-sell spread for the underlying investments, the actual costs of purchasing or selling assets and investments for the Sub-Fund may deviate from the latest available price or net asset value used, as appropriate, in calculating the net asset value per Share. These costs have an adverse effect on the value of the 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 Share (swing pricing).

Shares will in principle be issued and redeemed on the basis of a single price, i.e., the net asset value per Share. However – to mitigate the effect of dilution – the net asset value per Share will be adjusted on any valuation day in the manner set out below depending on whether or not a Sub-fund is in a net subscription position or in a net redemption position on such valuation day. Where there is no dealing on a Sub-fund or Share Class of a Sub-fund on any valuation day, the applicable price will be the unadjusted net asset value per Share. The Board of Directors retains the discretion in relation to the circumstances under which to make such a dilution adjustment and intends to utilise a partial swing pricing mechanism. As a general rule, the requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the Sub-fund. The Board of Directors may make a dilution adjustment if, in its opinion, the existing shareholders (in case of subscriptions) or remaining shareholders (in case of redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be made where, for example but without limitation:

- (a) the Sub-Fund is in continual decline (i.e. is experiencing a net outflow of redemptions);
- (b) the Sub-Fund is experiencing large levels of net subscriptions relevant to its size;
- (c) the Sub-Fund is experiencing a net subscription position or net redemption position on any valuation day; or
- (d) in any other cases in which the Board of Directors is of the opinion that the interests of shareholders require the imposition of a dilution adjustment.

The dilution adjustment will involve adding to, when the Sub-Fund is in a net subscription position, and deducting from, when the Sub-Fund is in a net redemption position, the net asset value per Share such figure as the Board of Directors considers represents an appropriate figure to meet duties and charges and spreads. In particular, the net asset value of the Sub-Fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Sub-Fund and (iii) the estimated bid/offer spread of the assets in which the Sub-Fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Adjustments will however be limited to a maximum of 2% of the then applicable net asset value per Share.

The net asset value of each Share Class of the Sub-Fund will be calculated separately but any dilution adjustment will in percentage terms affect the net asset value of each Share Class will in percentage terms. The dilution adjustment will be applied on the capital activity

at the level of the Sub-Fund and will not address the specific circumstances of each individual investor transaction.

In circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the board of directors of the Management Company may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets. The board of directors of the Management Company is authorized to apply other generally recognized and auditable valuation criteria chosen in good faith in order to achieve an appropriate valuation of the net asset value if, due to extraordinary circumstances, a valuation in accordance with the above-mentioned regulations proves to be unfeasible or inaccurate. In the case of extraordinary circumstances, additional valuations, which will affect the prices of the shares to be subsequently issued or redeemed, may be carried out within one valuation day.

You should note that the Sub-Fund's performance is calculated based on the published net asset value which may be partially swung, and the use of swung prices to calculate performance returns may increase the variability of the Sub-Fund's returns. Apart from the underlying investments of the Sub-Funds, the returns of the Sub-Fund may be influenced by the level of subscription or redemption activity which may result in the application of swing pricing.

Please refer to the section headed "NET ASSET VALUE" of the Luxembourg Prospectus for further details on potential dilution adjustments to the net asset value of the Sub-Fund. The maximum flat fee of the Company is based on the total net assets of the Company which is calculated without swing pricing.

## **7. RISK FACTORS**

### **7.1 General**

You should consider and understand the risks of investing in the Sub-Fund. Investments in the Sub-Fund may go up or down due to changing economic, political or market conditions that impact the share price of the companies that the Sub-Fund invest in. There can be no assurance that the Sub-Fund will achieve their investment objectives. The value of the Shares and its dividends or coupons (if any) may rise and fall, as the capital value and distributions of the securities in which the Sub-Fund invests may fluctuate and you may not realise the value of your initial investment.

### **7.2 Risks specific to the Sub-Fund**

#### **7.2.1 UBS (Lux) Investment SICAV – China A Opportunity (USD)**

A detailed description of the risks connected with an investment in the Sub-Fund can be found under the following sections "GENERAL RISK INFORMATION" and "SPECIFIC RISKS WHEN INVESTING IN THE PRC" of the Luxembourg Prospectus. You should also read, be aware of and take into account risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, which is set out after the section headed "SPECIFIC RISKS WHEN INVESTING IN THE PRC" of the Luxembourg Prospectus.

The Sub-Fund may use standardised and non-standardised (customised) derivative financial instruments for hedging purposes.

The Sub-Fund is exposed to sustainability risks. If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment. Please refer to the section headed “GENERAL RISK INFORMATION” of the Luxembourg Prospectus under “ESG RISKS” for further details.

The Sub-Fund’s investments may fluctuate substantially. No guarantee can be given that the net asset value of the Sub-Fund will not fall below its value at the time of acquisition. You should note that the net asset value of the Sub-Fund may have a high volatility due to its investment policies or portfolio management techniques.

### 7.3 Exchange rate risks

An investment in the Shares of the Sub-Fund may entail exchange rate risks as: (i) the investments of the Sub-Fund may be denominated in currencies different from that of the currency of denomination of Shares of the Sub-Fund; and (ii) a Share Class may be denominated in a currency different from that of the Sub-Fund.

You should note that the Sub-Fund is not denominated in Singapore Dollars and the Share Classes may not be denominated in Singapore Dollars. The Investment Manager currently does not intend to hedge against currency fluctuations between the Singapore Dollar and that of the currency of denomination of the Sub-Fund and between the Singapore Dollar and that of the currency of denomination of the Share Classes. You may therefore be exposed to this exchange rate risk if your reference currency is Singapore Dollars.

You should also note that for Share Classes whose reference currencies are not identical to the currency of account of the Sub-Fund (“**Share Classes in foreign currencies**”), the fluctuations risk of the reference currency price for those Share Classes is hedged against the currency of account of the Sub-Fund. Provision is made for the amount of the hedging to be between 95% and 105% of the total net assets of the Share Class in foreign currency. Changes in the market value of the portfolio, as well as subscriptions and redemptions of Share Classes in foreign currencies, can result in the hedging temporarily surpassing the range mentioned above. The Company and the Investment Manager will take all necessary steps to bring the hedging back within the limits mentioned above.

You should also note that the hedging described above has no effect on the currency risks resulting from investments for the account of the Sub-Fund which may be acquired in currencies different from the currency of denomination of Shares of the Sub-Fund.

The Sub-Fund may engage in foreign currency transactions in order to hedge against currency fluctuations between the currency of denomination of its Shares and its underlying investments.

The Sub-Fund’s hedging transactions, while potentially reducing the currency risks to which the Sub-Fund would otherwise be exposed, involve certain other risks, including risk of default by a counterparty.

### 7.4 Risks associated with securities lending and repurchase transactions

#### 7.4.1 Securities lending transactions

A Sub-Fund may enter into securities lending transactions subject to the conditions and limits set out in Paragraph 5.7.2 of this Singapore Prospectus. Securities lending transactions involve counterparty risk, including the risk that the securities lent cannot be returned or redeemed on time. If the borrower of securities fails to return the securities lent by a Sub-Fund, there is a risk that the collateral received may be realised at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, a deterioration in the creditworthiness of the collateral issuer, illiquidity of the market on which the collateral is traded, negligence or insolvency of the custodian holding collateral or termination of legal agreements, e.g. due to insolvency, which adversely affects the performance of the Sub-Fund. If the other party to a securities lending transaction should default, that Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company 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, that 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.

#### 7.4.2 Repurchase transactions

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 Paragraph 5.7.2 of this Singapore Prospectus. If the other party to a repurchase agreement or reverse repurchase agreement should default, that 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 that 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, that 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.

You should refer to the section headed “RISKS CONNECTED WITH THE USE OF EFFICIENT INVESTMENT MANAGEMENT TECHNIQUES” of the Luxembourg Prospectus for information on the inherent risks of the securities lending and repurchase agreements and reverse repurchase agreements.

#### 7.5 **Liquidity risks associated with the redemption of Shares**

The Sub-Fund is not listed in Singapore and there is no secondary market for the Sub-Fund in Singapore. Therefore, you can only redeem your Shares on Dealing Days by submitting your redemption request as described in Paragraph 10 of this Singapore Prospectus.

The general approach taken by the Company to help manage the liquidity of the Sub-Fund is to activate liquidity management tools, which are as follows:

- (i) where the Sub-Fund is in continual decline (i.e. is experiencing a net outflow due to redemptions), or where the Sub-Fund shows a net redemption position on a particular valuation date, the Board of Directors may apply partial swing pricing to reduce the net asset value of the Sub-Fund. Please refer to Paragraph 6 above for further details;
- (ii) the Company reserves the right not to be bound to completely execute applications for redemptions or conversions on any order date when the aggregated applications amount in an outflow of more than 10% of the total net assets of the Sub-Fund on such order date (redemption gate). In addition, if there is an excessively large volume of redemption applications, the Company may decide to delay execution of the redemption applications. Please refer to Paragraph 10.3 below for further details; and
- (iii) the Company may also temporarily suspend redemption of Shares in the Sub-Fund in certain circumstances as described in Paragraph 14 below.

The activation of the last two liquidity management tools may have an adverse impact on your ability to place redemptions from the Sub-Fund. For instance, the postponement of redemptions under certain circumstances (redemption gate) as referred to in Paragraph 10.3 of this Singapore Prospectus may mean you may not be able to redeem from the Sub-Fund on that Dealing Day. Also, the suspension of dealings as described in Paragraph 14 of this Singapore Prospectus will mean that you will not be able to redeem from the Sub-Fund during the suspension period.

#### 7.6 Risks associated with the use of financial derivative instruments

The Sub-Fund uses the commitment approach as described in the Committee of European Securities Regulators' guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS, i.e. CESR/10-788 in determining the Sub-Fund's exposure to financial derivatives instruments.

You should also refer to the sections headed "USE OF FINANCIAL DERIVATIVE TRANSACTIONS", "SWAP AGREEMENTS", "INSOLVENCY RISK ON SWAP COUNTERPARTIES", "POTENTIAL ILLIQUIDITY OF EXCHANGE TRADED INSTRUMENTS AND SWAP CONTRACTS", "EXPOSURE TO SECURITIES FINANCING TRANSACTIONS", "RISK MANAGEMENT", "LEVERAGE", and "COLLATERAL MANAGEMENT" of the Luxembourg Prospectus for details of the risks associated with the use of financial derivative instruments.

#### 7.7 Other risks

Other risks on the Sub-Fund's investments are detailed in the section headed "RISK PROFILE" of the Luxembourg Prospectus and in the section headed "The Company" of the Luxembourg Prospectus. Risks that may be specific to a Share Class are detailed in the section headed "SHARE CLASSES" in the Luxembourg Prospectus.

**The above should not be considered to be an exhaustive list of the risks which you should consider before investing into the Sub-Fund. You should be aware that an investment in the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.**

## 8. SUBSCRIPTION FOR SHARES

### 8.1 Subscription Procedure

You may purchase Shares through approved Singapore distributors appointed by the Management Company (or its agents) ("**Approved Singapore Distributors**").

Your subscription for Shares should be made on a share order form as may be prescribed by the Company or the relevant Approved Singapore Distributor and sending the order form, together with the payment for the Shares as may be advised by the relevant Approved Singapore Distributor, to any Approved Singapore Distributor.

The Company reserves the right to reject in whole or in part any subscription for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares.

At the shareholders' request, the Company may also accept full or partial subscriptions in kind at its own discretion subject to certain terms and conditions as may be imposed by the Company.

#### Supplementary Retirement Scheme

Subscriptions using Supplementary Retirement Scheme ("**SRS**") monies are currently available in respect of the P-acc (SGD) Share Class only, through certain Approved Singapore distributors which are SRS operator banks. You should contact the relevant Approved Singapore distributors to check on the availability of such subscriptions. If you intend to purchase Class P-acc (SGD) Shares of the Sub-Fund using monies in your SRS account, you should instruct the relevant SRS operator bank for monies to be withdrawn from your SRS account to pay for such Shares.

Further details on the subscription procedure are set out under the "INVESTING IN UBS (LUX) INVESTMENT SICAV" section of the Luxembourg Prospectus under the sub-headings "CONDITIONS FOR THE ISSUE, REDEMPTION OF SHARES AND CONVERSION OF SHARES" and "ISSUE OF SHARES".

### 8.2 Minimum Initial Subscription Amount and Minimum Subsequent Subscription

While the Company does not currently impose any requirements on minimum initial subscription amount or minimum subsequent subscription amount, Approved Singapore Distributors may impose certain requirements on their clients. You should check with the relevant Approved Singapore Distributor whether any such requirements are imposed.

### 8.3 Dealing Deadline and Pricing Basis

Shares shall be issued on a forward pricing basis. Accordingly, the issue price of Shares shall not be ascertainable at the time of subscription. The issue price per Share is expressed in the currency of account of the relevant Share Class and is calculated for each Dealing Day<sup>5</sup> by dividing the overall net assets of the Sub-Fund attributable to the relevant Share Class by the number of Shares in circulation in that Share Class.

<sup>5</sup> "**Dealing Day**" means any Business Day. "**Business Day**" refers to the normal bank business days (i.e. a day when the banks are open during normal business hours) in Luxembourg, with the exception of 24 and 31 December and of individual,

You may place orders for subscription through the Approved Singapore Distributors. In order to subscribe for Shares on a Dealing Day, a properly completed share order form, together with any relevant supporting documents and subscription monies must be received by the Approved Singapore Distributor before 4.00 p.m. (Singapore time) on a Singapore Dealing Day<sup>6</sup> (“**Singapore Cut Off Time**”). An Approved Singapore Distributor may impose an earlier Singapore Cut Off Time, and you should confirm the applicable Singapore Cut Off Time with the relevant Approved Singapore Distributor.

The Approved Singapore Distributor shall collect all orders it receives on or before the Singapore Cut Off Time and will forward such orders to the Singapore Representative for processing with the Administrative Agent.

Orders received by the Approved Singapore Distributors before the applicable Singapore Cut Off Time will, if accepted by the Administrative Agent prior to the dealing deadline<sup>7</sup> for such Dealing Day, be processed on the basis of the net asset value calculated for that Dealing Day.

Orders received by the Approved Singapore Distributors after the Singapore Cut Off Time or at any time on a day which is not a Singapore Dealing Day shall be deemed as having been received by the Approved Singapore Distributor before the Singapore Cut Off Time on the next Singapore Dealing Day.

**Approved Singapore Distributors may impose additional requirements on supporting documents and payment of cleared funds. You should confirm the applicable dealing procedures with the relevant Approved Singapore Distributor.**

Details of determining the net asset value (including details on the dilution adjustment of the Sub-Fund’s net asset value) is set out under the section headed “NET ASSET VALUE” of the Luxembourg Prospectus.

Fractions of shares can be issued. Fractions of Shares are expressed up to three decimal places and do not confer the right to vote at general meetings. If the Sub-Fund or Share Class is liquidated, however, fractional shares entitle the holder to a distribution or proportionate share of the liquidation proceeds.

#### 8.4 Numerical Example of How Shares are Allotted

The following is an illustration of the number of Shares that will be issued based on an initial subscription amount of \$1,000, a notional issue price of \$100.00 per Share and a notional Subscription Charge of 5%. The notional issue price is for illustrative purposes only, and the actual issue price will fluctuate according to the net asset value of the relevant Share Class as well as the applicable Subscription Charge\*:

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non-statutory rest days as well as days on which exchanges in the main countries in which the Sub-Fund invests or in Hong Kong or in PRC are closed or days on which 50% or more of the investments of the Sub-Fund cannot be adequately valued.

<sup>6</sup> “**Singapore Dealing Day**” means a Singapore Business Day which is also a Dealing Day and a “**Singapore Business Day**” means any day other than Saturday or Sunday on which commercial banks in Singapore are generally open for business.

<sup>7</sup> The “dealing deadline” as referred to in this Prospectus is the “cut-off time” as defined in the Luxembourg Prospectus. Please see the “INVESTING IN UBS (LUX) INVESTMENT SICAV” section of the Luxembourg Prospectus under the sub-heading “CONDITIONS FOR THE ISSUE, REDEMPTION AND CONVERSION OF SHARES”.

$$\begin{array}{ccccccccc}
 \underline{\$1,000} & - & \underline{\$50} & = & \underline{\$950} & / & \underline{\$100.00} & = & \underline{9.5} \\
 \textit{Initial} & & \textit{Notional} & & \textit{Net} & & \textit{Notional} & & \textit{Shares} \\
 \textit{Subscription} & & \textit{Subscription} & & \textit{Subscription} & & \textit{Issue} & & \textit{Shares} \\
 \textit{Amount} & & \textit{Charge of} & & \textit{Amount} & & \textit{Price} & & \textit{Issued} \\
 & & 5\%^* & & & & & & 
 \end{array}$$

\*The Subscription Charge is currently up to 5% for the P-acc Share Classes.

## 8.5 Trade Confirmations

A trade confirmation will be sent by the Singapore Representative to the relevant Approved Singapore Distributor, normally two Singapore Business Days following the Singapore Representative's receipt of the Share allocation from the Company. You should contact your Approved Singapore Distributor for the details on when you may expect to receive the trade confirmations confirming ownership of the number of Shares issued to you as the trade confirmation policy may vary amongst the Approved Singapore Distributors. The trade confirmation will provide full details of the transaction.

## 8.6 Cancellation of Subscription

You should note that the Company does not offer a right to cancel subscription orders for Shares of the Sub-Fund after the dealing deadline<sup>9</sup>.

## 9. REGULAR SAVINGS PLAN (RSP)

An Approved Singapore Distributor may, at its discretion, allow you to invest in one or more Share Classes offered in respect of the Sub-Fund by way of a regular savings plan ("RSP").

You should check with the relevant Approved Singapore Distributor on whether any such RSP is offered and the terms and conditions on which such RSP may be offered (including the minimum amount of periodic contributions, when monies will be deducted from your account and when Shares subscribed will be allotted to you each month).

You may cease your participation in the RSP, without suffering any penalty, by giving written notice to the relevant Approved Singapore Distributor as may be required by that Approved Singapore Distributor provided that the required notice period is not longer than the period between your regular subscriptions.

## 10. REDEMPTION OF SHARES

### 10.1 Redemption Orders and Redemption Procedure

Shares may be redeemed on any Dealing Day. You must however redeem your Shares via the same Approved Singapore Distributor through whom you originally purchased your Shares. You may therefore only place redemption orders on Singapore Dealing Days.

Your orders for redemption of your Shares should be made on a share redemption form as may be prescribed by the Company or the relevant Approved Singapore Distributor and sending it, together with such documents as may be required by the Company, to the relevant Approved Singapore Distributor before the Singapore Cut Off Time (as set out in Paragraph 8.3 above).



Upon request of a shareholder, the Company at its discretion may decide, with the approval of the relevant shareholder, to effect redemptions in kind, in whole or in part subject to certain terms and conditions as may be imposed by the Company.

Full details on the redemption procedure are set out under the “INVESTING IN UBS (LUX) INVESTMENT SICAV” section of the Luxembourg Prospectus under the sub-headings “CONDITIONS FOR THE ISSUE, REDEMPTION AND CONVERSION OF SHARES” and “REDEMPTION OF SHARES”.

#### **10.2 Minimum Holding Amount and Minimum Redemption Amount**

While the Company does not currently impose any requirements as to a minimum holding amount or minimum redemption amount, Approved Singapore Distributors may impose certain requirements on their clients. You should check with the relevant Approved Singapore Distributor whether any such requirements are imposed.

#### **10.3 Dealing Deadline and Pricing Basis**

The redemption price per Share is calculated on a forward pricing basis. Therefore, the redemption price of Shares will not be ascertainable at the time of the redemption request. The redemption price for the Shares is expressed in the currency of account of the relevant Share Class and is based on the net asset value per Share calculated on each Dealing Day by dividing the net asset value that is attributable to the relevant Share Class by the number of Shares in circulation in that Share Class.

Details of determining the net asset value (including details on the dilution adjustment of a Sub-Fund’s net asset value) are set out under the section headed “NET ASSET VALUE” of the Luxembourg Prospectus.

You may place orders to redeem Shares of any Share Class up to the Singapore Cut Off Time (as set out in Paragraph 8.3 above) on any Singapore Dealing Day. An Approved Singapore Distributor may impose an earlier Singapore Cut Off Time, and you should confirm the applicable Singapore Cut Off Time with the relevant Approved Singapore Distributor.

The Approved Singapore Distributor shall collect all orders received prior to the Singapore Cut Off Time and will forward such orders to the Singapore Representative for processing with the Administrative Agent.

Orders received by the Approved Singapore Distributors before the Singapore Cut Off Time will, if accepted by the Administrative Agent prior to the dealing deadline<sup>8</sup> for such Dealing Day, be processed on the basis of the net asset value calculated for that Dealing Day (as defined above).

Orders received by the Approved Singapore Distributors after the Singapore Cut Off Time or at any time on a day which is not a Singapore Dealing Day shall be deemed as having been received by the Approved Singapore Distributor before the Singapore Cut Off Time on the next Singapore Dealing Day.

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<sup>8</sup> The “dealing deadline” as referred to in this Prospectus is the “cut-off time” as defined in the Luxembourg Prospectus. Please see the “INVESTING IN UBS (LUX) INVESTMENT SICAV” section of the Luxembourg Prospectus under the sub-heading “CONDITIONS FOR THE ISSUE, REDEMPTION AND CONVERSION OF SHARES”.

**Approved Singapore Distributors may impose additional requirements on supporting documents and timing for payment of redemption proceeds. You should confirm the applicable dealing procedures with the relevant Approved Singapore Distributor.**

The Company reserves the right not to be bound to completely execute applications for redemptions or conversions on any order date when the aggregated applications amount in an outflow of more than 10% of the total net assets of the Sub-Fund on such order date (redemption gate). In these circumstances the Company may scale down pro rata all redemptions and conversions and defer in priority the non-executed redemptions and conversions of the order date for a period normally not exceeding 20 Business Days.

In the event of an excessively large volume of redemption applications, the Company may decide to delay execution of the redemption applications until the corresponding assets of the Sub-Fund are sold without unnecessary delay. If such a measure is necessary, all redemption orders received on the same day will be settled at the same price.

#### 10.4 Numerical Examples of Calculation of Redemption Proceeds

The following is an illustration of the redemption proceeds payable based on a redemption order for 1,000 Shares and a notional redemption price of (i) \$110.00; and (ii) \$90.00 per Share. The notional redemption price is for illustrative purposes only, and the actual redemption price will fluctuate according to the net asset value of the relevant Share Class as well as the applicable Redemption Commission\*:

$$\frac{1,000}{\text{Shares}} \times \$110.00 = \$110,000.00 - \$0 = \$110,000.00$$

<i>Redemption request</i>	<i>Redemption Price</i>	<i>Gross Redemption Proceeds</i>	<i>Redemption Commission*</i>	<i>Net Redemption Proceeds</i>
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OR

$$\frac{1,000}{\text{Shares}} \times \$90.00 = \$90,000.00 - \$0 = \$90,000.00$$

<i>Redemption request</i>	<i>Redemption Price</i>	<i>Gross Redemption Proceeds</i>	<i>Redemption Commission*</i>	<i>Net Redemption Proceeds</i>
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\*There is currently no Redemption Commission payable.

#### 10.5 Payment of Redemption Proceeds

Redemption proceeds may, in principle, only be received by shareholders in the currency in which the relevant Share Class is denominated or in the currency of account of the Sub-Fund. Further details are set out under the “INVESTING IN UBS (LUX) INVESTMENT SICAV” section of the Luxembourg Prospectus under the sub-heading “REDEMPTION OF SHARES”.

Redemption proceeds will normally be paid no later than the third day after the relevant Dealing Day, unless circumstances beyond the control of the Company make it impossible to operate the redemption proceeds.

If you had invested via an Approved Singapore Distributor, your redemption proceeds will normally be paid by the Company to your Approved Singapore Distributor. You will receive your redemption proceeds from your Approved Singapore Distributor in accordance with such instructions as agreed between you and your Approved Singapore Distributor. You should contact your Approved Singapore Distributor for further details (including the period within which the redemption proceeds will be paid out to you by the Approved Singapore Distributor) as the payment policy amongst the Approved Singapore Distributors may vary. The cost of any settlement by telegraphic transfer may be passed on to you.

If you had purchased your P-acc (SGD) Shares with SRS monies, your redemption proceeds will be paid to you by transferring the proceeds to the relevant SRS operator bank for credit to your SRS account or otherwise in accordance with the provisions of any applicable law, regulations or guidelines. Where your SRS account has been closed, your redemption proceeds will be paid to you in accordance with the provisions of any applicable law, regulations or guidelines.

#### 10.6 **Compulsory Redemptions**

If the value of the portion of a Share Class on the total net asset value of a Sub-Fund falls below or has not reached a certain level set by the Board of Directors as the minimum level for an economically efficient management of this Share Class, the Board of Directors may decide to redeem all Shares of this Class upon payment of the redemption price on a Business Day to be determined by the Board of Directors. In no event, investors of the Share Class concerned and other investors in the Sub-Fund shall bear any additional costs or suffer any other financial disadvantages as a result of this redemption. Where applicable, the swing pricing principle described in the “NET ASSET VALUE” section of the Luxembourg Prospectus shall apply.

Please also refer to the “INVESTING IN UBS (LUX) INVESTMENT SICAV” section of the Luxembourg Prospectus under the sub-heading “SUSPENSION OF THE NET ASSET VALUE CALCULATION AND OF THE ISSUE, REDEMPTION AND CONVERSION OF SHARES” for information on powers of the Company to redeem Shares at any time as well as to request that a shareholder returns, transfers or converts his Shares if such shareholder no longer meets the requirements of a Share Class. Please also refer to the “TAXES AND EXPENSES” section of the Luxembourg Prospectus under the sub-heading “AUTOMATIC EXCHANGE OF INFORMATION – FATCA AND THE COMMON REPORTING STANDARD” for information on circumstances under which you may be subject to the compulsory redemption or liquidation of your interest in the Company.

### 11. **CONVERSION OF SHARES<sup>9</sup>**

At any time, you may convert your Shares into those of another Share Class within the same Sub-Fund and/or (where applicable) into those of another sub-fund of the Company which

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<sup>9</sup> More commonly referred to in Singapore as “switching”.

is a recognised scheme under the SFA, which shall be subject to payment of a Conversion Commission, if any (as set out in Paragraph 6 above).

The same procedures apply to the submission of conversion orders as to the issue and redemption of Shares.

**You should note in addition that, as a condition of your conversions, the new sub-fund of the Company or Share Class subscribed into as a result of the conversion must be available to you for subscription.**

The Company reserves the right not to be bound to completely execute applications for redemptions or conversions on any order date when the aggregated applications amount in an outflow of more than 10% of the total net assets of the Sub-Fund on such order date (redemption gate). In these circumstances the Company may scale down pro rata all redemptions and conversions and defer in priority the non-executed redemptions and conversions of the order date for a period normally not exceeding 20 Business Days.

Further details on conversion and redemption procedures are set out under the “INVESTING IN UBS (LUX) INVESTMENT SICAV” section of the Luxembourg Prospectus under the sub-headings “CONVERSION OF SHARES” and “REDEMPTION OF SHARES” respectively.

## **12. OBTAINING PRICE INFORMATION IN SINGAPORE**

The indicative issue prices and redemption prices of the Shares are normally published in Singapore on the Singapore Representative’s website at <https://www.ubs.com/sg/en/asset-management.html> within two Singapore Business Days immediately succeeding each Dealing Day.

Please refer to the provisions under the “INFORMATION TO SHAREHOLDERS” section of the Luxembourg Prospectus under the sub-heading “REGULAR REPORTS AND PUBLICATIONS” for other sources of price information.

## **13. VALUATION OF UNDERLYING INVESTMENTS**

The net asset value per Share of any Share Class is expressed in the reference currency of the respective Share Class concerned and is calculated on every Business Day. The net asset value per Share is calculated by dividing the overall total net assets of the Sub-Fund attributable to each Share Class by the number of Shares in the particular Share Class of the Sub-Fund.

Details on the method of valuation in respect of the assets of the Sub-Fund are set out under the “NET ASSET VALUE” section of the Luxembourg Prospectus.

## **14. TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Company is authorised to temporarily suspend the calculation of the net asset value and the issue, redemption and conversion of the Shares of any Class of the Sub-Fund in the circumstances described in the “INVESTING IN UBS (LUX) INVESTMENT SICAV” section of the Luxembourg Prospectus under the sub-heading “SUSPENSION OF THE NET ASSET VALUE CALCULATION AND OF THE ISSUE, REDEMPTION AND CONVERSION OF SHARES”.

Please also refer to the section titled “SHARE CLASSES” of the Luxembourg Prospectus for information on powers of the Company to refuse subscription applications, to compulsorily redeem at any time Shares that were purchased in defiance of an exclusion clause as well as to request that a shareholder returns, transfers or converts his Shares if such shareholder no longer meets the requirements of a Share Class.

## 15. PERFORMANCE OF THE SUB-FUND

### 15.1 Performance of the Sub-Fund (as at 31 July 2024)<sup>10</sup>

Sub-Fund / Share Class (in %)	One-Year	Three-Year	Five-Year	Ten-Year	Since Inception
	<b>(average compounded return)</b>				
<b>UBS (Lux) Investment SICAV – China A Opportunity (USD)</b>					
P-acc (USD) (Date of inception: 29 November 2013)					
Gross of costs and commissions*	-16.33	-14.87	-4.81	7.76	7.30
Net of costs and commissions**	-20.51	-16.32	-5.78	7.21	6.79
MSCI China A Onshore (net dividend reinvested)	-14.84	-13.17	-0.61	2.30	1.96

\* “Gross of costs and commissions” means not taking into account any costs and commissions charged when subscribing and realising shares.

\*\* “Net of costs and commissions” means taking into account such costs and commissions charged when subscribing and realising shares (and calculated based on a Subscription Charge of 5% in respect of the P-acc Share Classes and a nil redemption charge).

Share Classes which are available for subscription in Singapore as listed or described in Paragraph 2 of this Singapore Prospectus for which performance figures have not been provided in the above table have either not been incepted or a track record of at least one year is not available as at 31 July 2024.

**Any past performance of the Share Classes is not necessarily indicative of their future performance.**

<sup>10</sup> Source: UBS AG. The performance of each Share Class is calculated on a single pricing basis, with dividends being reinvested net of all charges payable upon reinvestment and in the currency denomination of the relevant Share Class. The performance of the benchmark is calculated with net dividends reinvested and, where applicable, converted at the relevant prevailing exchange rates to the currency of denomination of the relevant Share Class.

## 15.2 Expense Ratios and Turnover Ratios

The expense ratios of the Share Classes and the turnover ratio of the Sub-Fund based on the audited accounts for the financial period ended 31 January 2024 are as follows:

Sub-Fund	Share Class	Expense Ratio	Turnover Ratio
UBS (Lux) Investment SICAV – China A Opportunity (USD)	P-acc (USD)	2.07%	14.93%
UBS (Lux) Investment SICAV – China A Opportunity (USD)	P-acc (SGD)	2.11%*	

\* Expense ratios are annualized for Share Classes which are active for less than a 12 month period.

Share Classes which are available for subscription in Singapore as listed or described in Paragraph 2 of this Singapore Prospectus for which expense ratios have not been provided in the above table have either not been incepted or have been incepted after 31 January 2024, therefore, expense ratios for such Share Classes based on the Company's audited accounts for the financial period ended 31 January 2024 are not available.

### Notes:

1. The expense ratios are calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and based on figures in the Company's audited accounts for the financial period ended 31 January 2023. The following expenses, and such other expenses as may be set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:
  - (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
  - (b) interest expenses;
  - (c) foreign exchange gains and losses of the Share Classes, whether realised or unrealised;
  - (d) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
  - (e) tax deducted at source or arising from income received, including withholding tax; and
  - (f) dividends and other distributions paid to shareholders.

2. The turnover ratios are calculated based on the lesser of purchases or sales of underlying investments expressed as a percentage of daily average net asset value.

#### **16. SOFT DOLLAR COMMISSIONS / ARRANGEMENTS**

As at the date of this Singapore Prospectus, the Management Company and Investment Manager do not receive or enter into soft-dollar commissions/arrangements in respect of the Sub-Fund. Neither the Investment Manager nor any of their associates receive cash or other rebates from brokers and dealers (whether or not they are members of the UBS Group) in respect of transactions executed for the Company and/or the Sub-Fund (as the case may be).

#### **17. POTENTIAL CONFLICT OF INTERESTS**

The Board of Directors, the Management Company, the Portfolio Manager, the Depositary, the Administrative Agent and the other service providers of the Company, 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 Company.

The Management Company, the 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 Company's interests being prejudiced, as well as to ensure that the Company's shareholders are treated fairly in the event that a conflict of interest cannot be prevented.

The Management Company, the Depositary, the Portfolio Manager, the Distributor, the Securities Lending Agent and the Securities Lending Service Provider are part of the UBS Group (the "**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 Company invests.

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 Company or its shareholders, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

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 Company or its shareholders 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 shareholders on the following website of the Management Company:  
[http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html).

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

Depository will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Company and of the shareholders.

Further information is set out under the “INFORMATION TO SHAREHOLDERS” section of the Luxembourg Prospectus under the sub-heading “CONFLICTS OF INTEREST”.

## **18. REPORTS**

The financial year end for the Company is 31 January.

The annual report (which contains the audited annual accounts) is published within four months after the end of the financial year and the semi-annual report (which contains the semi-annual accounts) is published within two months after the end of the period to which it is made up and may be sent to shareholders in accordance with applicable Luxembourg laws.

Further details on the annual report and semi-annual report are set out under the “INFORMATION TO SHAREHOLDERS” section of the Luxembourg Prospectus under the sub-heading “REGULAR REPORTS AND PUBLICATIONS”.

You may inspect a copy of all these reports at the operating office of the Singapore Representative during normal Singapore business hours.

## **19. OTHER MATERIAL INFORMATION**

### **19.1 Distribution Policy of the Sub-Fund**

Please refer to the section headed “DISTRIBUTIONS” of the Luxembourg Prospectus for information on how distributions on the Shares are determined and made.

Distributions may be composed of income (e.g. dividend income and interest income) or capital and they may include or exclude fees and expenses. Any distribution results in an immediate decrease in the net asset value per Share of the Sub-Fund.

You should note that Share Classes with “-dist” in their name are distributing Share Classes of which income thereof is distributed unless the Company decides otherwise, and you may receive monthly or quarterly distributions if you invest in a Share Class with “-mdist” or “-qdist” in its name respectively. As at the date of registration of this Prospectus, there are no distributing Share Classes being offered to retail investors in Singapore.

You should note that the distributing Share Classes intend to distribute capital as well as income.

Distributions out of capital result in the reduction of an investor’s original capital invested in the Sub-Fund.

You should note that the Share Classes with “-acc” in their name are accumulating Share Classes and income thereof is reinvested and not distributed unless the Company decides otherwise.

### **19.2 Tax Considerations**

You should be aware that you may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or other kind of tax on distributions or deemed distributions of the Sub-Fund, capital gains within the Sub-Fund, whether or not realised,



income received or accrued or deemed received within the Sub-Fund. *Please note that the information provided herein is not exhaustive and does not constitute tax or legal advice. You should consult your own independent tax advisors if in doubt of your tax position.*

### 19.2.1 Certain Singapore Tax Considerations

The following is a summary of certain Singapore income tax consequences to the investors in the Sub-Fund who are tax resident in Singapore. The discussion does not purport to be a comprehensive description of all possible Singapore tax consequences to purchasers or owners of Shares in the Sub-Fund in all circumstances. The discussion below is general in nature and is based upon applicable laws of Singapore, all as in effect on the date of this Singapore Prospectus and all of which are subject to changes or differing interpretation (possibly with a retrospective effect). You are urged to consult your own tax advisors as to all Singapore income and other tax consequences of acquiring, holding or disposing of Shares of the Sub-Fund.

Singapore adopts a quasi-territorial system of taxation whereby tax is assessed on income accruing in or derived from Singapore, or income received (or deemed to be received) in Singapore from sources outside Singapore, subject to certain exemptions. Singapore income tax is only imposed on income. There is generally no capital gains tax in Singapore.

Individuals who are tax resident in Singapore will be exempt from Singapore tax on all foreign-sourced income received in Singapore on or after 1 January 2004, other than income received through a partnership in Singapore. Accordingly, individual investors should generally be exempt from Singapore tax on income distributions received from the Sub-Fund (assuming that the Sub-Fund's investment income being distributed is not itself Singapore-sourced). You should note that income distributions from the Sub-Fund may be treated as Singapore-sourced income in the hands of an investor where the distributions constitute gains or profits from a trade or business carried on by the investor in Singapore.

You should also note that the above exemption extends to resident individuals only and not to corporates or other persons or entities. Corporates or other bodies of persons who are tax resident in Singapore will be taxed on the income distributions received from the Sub-Fund at the applicable corporate tax rates. There are certain exemptions available to Singapore-resident persons (excluding individuals) on certain foreign-sourced income received by them, subject to certain conditions being met.

Singapore generally does not impose tax on capital gains. In general, gains from the disposal of the Shares in the Sub-Fund may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

Pursuant to Section 10L of the Income Tax Act 1947 of Singapore (“**ITA**”), gains received or deemed to be received in Singapore by an entity of a relevant group from the sale or disposal of any movable or immovable property outside Singapore (“**foreign assets**”) will be treated as income chargeable to Singapore income tax, subject to certain exclusions. On the basis that the Shares in any of the Sub-Funds

are regarded as such foreign assets, gains received or deemed to be received in Singapore from the sale or disposal of the Shares in any of the Sub-Funds may be treated as income chargeable to Singapore income tax in the hands of investors who fall within the scope of Section 10L of the ITA. Investors who may be subject to the tax treatment under Section 10L of the ITA should consult their own professional tax advisers regarding the Singapore income tax consequences of their sale or disposal of the Shares in any of the Sub-Funds.

In addition, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard (“**FRS**”) 109 or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of Shares in the Sub-Fund is made.

#### Tax exemption under Section 13D Scheme

As UBS Asset Management (Singapore) Ltd. has discretionary authority over the assets and investments of the Sub-Fund, reliance is made on the tax exemption scheme under Section 13D of the Income Tax Act 1947 of Singapore (“**Income Tax Act**”) and the relevant regulations (the “**Section 13D Scheme**”) in respect of the Sub-Fund. Accordingly, the income derived by the Sub-Fund from such management of its assets and investments by UBS Asset Management (Singapore) Ltd. should be exempt from tax in Singapore, subject to the relevant conditions under the Section 13D Scheme being met.

#### Financial amount payable by non-qualifying investors in the Sub-Fund

Even though the Sub-Fund may be exempt from tax as outlined above, investors should note that under certain circumstances, they may be obliged to pay a “financial amount” to the Inland Revenue Authority of Singapore (“**IRAS**”) if they are not “qualifying investors”.

Generally, “non-qualifying” investors may include, but are not limited to, non-individual shareholders who are resident in Singapore, carry on a business in Singapore or have a permanent establishment in Singapore and who, either alone or with its associates, beneficially own shares representing in excess of 50% of the total value of the issued securities of the Company (or in excess of 30% of the total value of the issued securities of the Company, to the extent the Company has less than 10 beneficial shareholders).

You should note that you are solely responsible for computing the aggregate shareholdings of you and your associates to determine if you would be a non-qualifying investor. Non-qualifying investors are obliged to declare and pay the financial amount in their respective income tax returns for the relevant year of assessment.

### **19.2.2 Representation and warranty by you**

You should note that, by subscribing for or purchasing the Shares in the Sub-Fund, you would represent and warrant that you are and, at all times whilst you hold the

Shares, will remain a qualifying investor for the purpose of the tax exemption as described in Paragraph 19.2.1. Specifically, you would represent and warrant that you are and will remain:

- (a) an individual investor;
- (b) a bona fide non-Singapore resident non-individual investor (excluding a permanent establishment in Singapore)<sup>11</sup> that:
  - (i) does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore; or
  - (ii) carries on an operation in Singapore through a permanent establishment in Singapore but does not use funds from its operation in Singapore to invest directly or indirectly in the Sub-Fund;
- (c) a "designated person" as defined in the Income Tax (Exemption of Income of Non-Residents Arising from Funds Managed by Fund Manager in Singapore) Regulations. i.e. the Government of Singapore Investment Corporation Pte. Ltd., the Monetary Authority of Singapore, or any company which is wholly owned, directly or indirectly, by the Minister (in his capacity as a corporation established under Minister for Finance (Incorporation) Act, 1959 of Singapore) and which is approved by the Minister or such person as he may appoint;
- (d) an approved company under Section 13O of the Income Tax Act which, at all times during the basis period for the year of assessment for which the income of the Sub-Fund is exempt from tax under Section 13D of the Income Tax Act;
  - (i) beneficially owns directly, 100% of the total value of all issued securities of the Sub-Fund; and
  - (ii) satisfies the conditions in Regulation 3(2) of the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010;
- (e) an approved person under Section 13U of the Income Tax Act which, at all times during the basis period for the year of assessment for which the income of the Sub-Fund is exempt from tax under Section 13D of the Income Tax Act satisfies the conditions in Regulation 3(2) of the Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010; or
- (f) an investor other than those listed in (a), (b), (c), (d) and (e) which, alone or with his associates:
  - (i) beneficially owns not more than 30% of the total value of issued securities of the Sub-Fund if the Sub-Fund has less than 10 investors; or

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<sup>11</sup> A bona fide non-Singapore resident non-individual investor is one which carries out substantial business activities for genuine commercial reasons and has not as its sole purpose the avoidance or reduction of tax or penalty under the Income Tax Act.

(ii) beneficially owns not more than 50% of the total value of issued securities of the Sub-Fund if the Sub-Fund has 10 or more investors.

You should also note that the representation and warranty given as described in Paragraph 19.2.2 may affect your and the Investment Manager's liability to taxation under Singapore law. You would, by subscribing for or purchasing the Shares in the Sub-Fund, agree (i) to notify that Investment Manager 30 days prior to the above representation (or any part thereof) no longer being true or likely to become untrue; and (ii) to provide that Investment Manager upon request any information as may be required to confirm any representation provided.

If any representation or warranty given ceases to be true or if an Investment Manager no longer reasonably believes that it has satisfactory evidence as to the truth of any representation or warranty, that Investment Manager and/or an Approved Singapore Distributor may (but is not obligated to) discuss and agree with you on possible action to be taken to ensure that you would remain as a qualifying investor. Such possible action that may be agreed include (but is not limited to) the freezing of your investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment, and the redemption of your investment by the Sub-Fund (whether in whole or in part). If no agreement is reached on any action to restore you as a qualifying investor, the Portfolio Manager may be required to disclose your identity to the IRAS. In the event that the Sub-Fund and/or an Investment Manager and/or an Approved Singapore Distributor takes any of the foregoing actions, you would, by subscribing for or purchasing the Shares, agree that you shall have no claim against the Management Company, the Company, the Sub-Fund, the board of directors of the Management Company, that Investment Manager, the Administrative Agent, the Depositary, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.

### **19.2.3 Other Tax Considerations**

Please refer to the "TAXES AND EXPENSES" section of the Luxembourg Prospectus for a summary of other tax considerations in relation to the Company and the Sub-Fund.

### **Liquidation of the Company and its Sub-Fund and merging of sub-funds**

The Company may be dissolved at any time by the general meeting of shareholders. If the total net assets of the Company fall below two-thirds or one-quarter of the prescribed minimum capital (being EUR 1,250,000 as of the date of this Singapore Prospectus), the Board of Directors of the Company must ask for a vote by the general meeting of shareholders on whether to dissolve the Company.







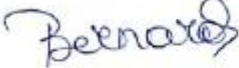

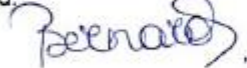

If the total net asset value of the Sub-Fund, or a Share Class within the Sub-Fund, has fallen below or failed to reach a value required for the Sub-Fund or Share Class to be managed with economic efficiency; or if there is a substantial change in the political, economic and monetary environment; or as part of a rationalisation; the general meeting of shareholders or the Board of Directors of the Company may decide to redeem all Shares of the

corresponding Share Class(es) at the net asset value (taking into account the actual investment realisation rates and expenses) as at the valuation day or time at which the decision takes effect.

Please refer to the “LIQUIDATION AND MERGING OF THE COMPANY, ITS SUB-FUNDS AND SHARE CLASSES” section of the Luxembourg Prospectus for further details on the liquidation process. Information on the powers of the Board of Directors of the Company to merge sub-funds or the Sub-Fund with another undertaking for collective investment as well as on the general meeting of shareholders for the liquidation and merger of sub-funds may also be found in that section.

**20. QUERIES AND COMPLAINTS**

You may contact the Singapore Representative at +65-6495 5333 or at its operating office during normal Singapore business hours to raise any queries or complaints regarding the Company or the Sub-Fund.

<p>Signed:</p>  <hr/> <p>Signed by <b>Valérie Bernard</b> for and on behalf of <b>Robert Süttinger</b> Chairman</p>	<p>Signed:</p>  <hr/> <p>Signed by <b>Federica Ghirlandini</b> for and on behalf of <b>Robert Süttinger</b> Chairman</p>
<p>Signed:</p>  <hr/> <p>Signed by <b>Valérie Bernard</b> for and on behalf of <b>Francesca Guagnini</b> Member of the Board of Directors</p>	<p>Signed:</p>  <hr/> <p>Signed by <b>Federica Ghirlandini</b> for and on behalf of <b>Francesca Guagnini</b> Member of the Board of Directors</p>
<p>Signed:</p>  <hr/> <p>Signed by <b>Valérie Bernard</b> for and on behalf of <b>Ioana Naum</b> Member of the Board of Directors</p>	<p>Signed:</p>  <hr/> <p>Signed by <b>Federica Ghirlandini</b> for and on behalf of <b>Ioana Naum</b> Member of the Board of Directors</p>
<p>Signed:</p>  <hr/> <p>Signed by <b>Valérie Bernard</b> for and on behalf of <b>Raphael Schmidt-Richter</b> Member of the Board of Directors</p>	<p>Signed:</p>  <hr/> <p>Signed by <b>Federica Ghirlandini</b> for and on behalf of <b>Raphael Schmidt-Richter</b> Member of the Board of Directors</p>
<p>Signed:</p>  <hr/> <p>Signed by <b>Valérie Bernard</b> for and on behalf of <b>Josée Lynda Denis</b> Member of the Board of Directors</p>	<p>Signed:</p>  <hr/> <p>Signed by <b>Federica Ghirlandini</b> for and on behalf of <b>Josée Lynda Denis</b> Member of the Board of Directors</p>

# UBS (Lux) Investment SICAV

Investment company under  
Luxembourg law (the "**Company**")

## Sales prospectus

Shares in the Company may be acquired on the basis of this sales prospectus (the "**Prospectus**"), the articles of incorporation of the Company (the "**Articles**"), the latest annual report and, if it has already been published, the subsequent semi-annual report.

Only the information contained in the Prospectus and in one of the documents referred to therein shall be deemed to be valid. Furthermore, a key information document for retail and insurance-based packaged investment products within the meaning of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for retail and insurance-based packaged investment products (PRIIPs) ("**KID**") is made available to investors before subscribing for shares. For the avoidance of doubt, UCITS Key Investor Information Documents ("**KIIDs**") shall continue to be made available to investors in the UK to the extent this remains a regulatory requirement. References to the "KID" in this Prospectus shall therefore also be read as a reference to the "KIID" where applicable. Information on whether a sub-fund is listed on the Luxembourg Stock Exchange can be obtained from the Administrative Agent or the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)).

KIDs are made available to investors before subscribing to shares on the following website [www.ubs.com/funds](http://www.ubs.com/funds) or in paper form upon request.

The issue and redemption of the shares of the sub-funds of the Company are subject to the regulations prevailing in the country concerned. The Company shall not divulge any confidential information concerning investors unless required to do so by law or regulation.

The registration of the Company on the "Official List of Undertakings for Collective Investments under Supervision of the CSSF Pursuant to the Law of 17 December 2010" does not constitute an indication of investment suitability. Any representation to the contrary is unauthorised and unlawful.

Prospective investors should consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, converting, redeeming or otherwise dealing in the shares of the Company under the laws of their countries of citizenship, residence and domicile.

**This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.**

Shares of the sub-funds mentioned in this Prospectus may not be offered, sold or delivered within the United States of America. Shares of this Company may not be offered, sold or delivered to investors who are US Persons.

n who:

ites person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code

the Treasury Regulations promulgated thereunder;

within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR §

nited 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 Company.

**PRC SELLING RESTRICTION: THIS PROSPECTUS HAS NOT BEEN APPROVED BY NOR REGISTERED WITH ANY COMPETENT REGULATORY AUTHORITY OF THE PEOPLE'S REPUBLIC OF CHINA (PRC), FOR THE PURPOSE OF THIS PROSPECTUS, EXCLUDING HONG KONG, MACAU AND TAIWAN. ACCORDINGLY, THE SHARES IN THE FUND MAY NOT BE OFFERED OR SOLD IN THE PRC EITHER PUBLICLY OR PRIVATELY. THIS OFFERING OF THE SHARES IN THE FUND UNDER THIS PROSPECTUS IS NOT AND DOES NOT PURPORT TO BE AN OFFERING IN THE PRC. IT IS PERSONAL TO THE INVESTOR TO WHOM THIS PROSPECTUS HAS BEEN ADDRESSED. THE SHARES IN THE FUND ARE NOT BEING OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE PRC TO OR FOR THE BENEFIT OF, INDIVIDUALS, INSTITUTIONS OR ASSET MANAGEMENT PLANS OF THE PRC. MOREOVER, NO INVITATION, ADVERTISEMENT, SOLICITATION OR OTHER MEANS TO OFFER, OR OFFER FOR, OR SALE OF, SHARES IN THE FUND WILL BE MADE IN THE PRC.**

**IN ADDITION, INVESTORS WHO ARE PRC CITIZENS, INSTITUTIONS INCORPORATED OR ASSET MANAGEMENT PLANS ESTABLISHED UNDER PRC LAWS MAY NEED TO OBTAIN VARIOUS APPROVALS FROM AND/OR TO COMPLETE CERTAIN REGISTRATIONS AND FILINGS WITH THE COMPETENT PRC REGULATORY AUTHORITIES BEFORE PURCHASING THE SHARES IN THE FUND, AND IT IS THE PRC INVESTORS' OBLIGATION TO OBTAIN SUCH APPROVALS AND/OR TO COMPLETE SUCH REGISTRATIONS AND FILINGS IF REQUIRED, WHETHER STATUTORILY OR OTHERWISE. INVESTORS WHO COME INTO POSSESSION OF THIS PROSPECTUS ARE REQUIRED BY THE ISSUER AND ITS REPRESENTATIVES TO OBSERVE THESE RESTRICTIONS.**

#### **Data protection**

In accordance with the provisions of the Luxembourg law of 1st August 2018 organising the National Commission for data protection and of the general system on data protection, as it may be amended from time to time and the Regulation n°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 Law**"), the Company, acting as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations.

The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Company of investors (and, if the Investor is a legal person, of any natural person related to it such as its contact person(s) and/or beneficial owner(s)) (the "**Personal Data**"). The Investor may at his/her/its discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request for shares.

Personal Data supplied by investors is processed to enter into and perform the subscription in the Company (i.e. for the performance of a contract), for the legitimate interests of the Company and to comply with the legal obligations imposed on the Company. In particular, the Personal Data is processed for the purposes of (i) processing subscriptions, redemptions and conversions of shares and payments of dividends to investors, account administration, (ii) client relationship management, (iii) performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and (iv) compliance with applicable anti-money laundering rules. Data supplied by shareholders is also processed for the purpose of (v) maintaining the register of shareholders of the Company. In addition, Personal Data may be processed for the purposes of (vi) marketing.

The "legitimate interests" referred to above are:

- the processing purposes described in points (ii) and (vi) of the above paragraph of this data protection section;
- meeting and complying with the Company's accountability requirements and regulatory obligations globally; and
- exercising the business of the Company in accordance with reasonable market standards.

To this end, and in accordance with the provisions of the Data Protection Law, Personal Data may be transferred by the Company to its data recipients (the "**Recipients**") which, in the context of the above-mentioned purposes, refer to its affiliated and third-party entities supporting the activities of the Company which include, in particular, the Management Company, Administrative Agent, Depositary, the auditor of the Company, paying agents and legal advisers of the Company.



The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Company and/or assisting the Recipients in fulfilling their own legal obligations. The Recipients and Sub-Recipients may be located within or outside the European Economic Area (the "**EEA**"), in countries whose data protection laws may not offer an adequate level of protection. In case of a transfer of Personal Data to Recipients and/or Sub-Recipients located outside the EEA in a country that does not provide an adequate level of protection, the Company will contractually ensure that the Personal Data relating to investors is protected in a manner which is equivalent to the protection offered pursuant to the Data Protection Law, which may take the form of EU Commission approved "Model Clauses". In this respect, the Investor has a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Company's address as specified above in the "Directory".

In subscribing for shares, each Investor is expressly informed of the transfer and processing of his/her/its Personal Data to the Recipients and Sub-Recipients referred to above, including entities located outside the EEA and in particular in countries which may not offer an adequate level of protection. The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Company), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Company may also transfer Personal Data to third-parties such as governmental or regulatory agencies, including tax authorities, in or outside the EEA, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions set out by the Data Protection Law, each Investor will upon written request to be addressed to the Company's address as specified above in the "Directory" have the right to:

- access his/her/its Personal Data (i.e. the right to obtain from the Company confirmation as to whether or not his/her/its Personal Data is being processed, to be provided with certain information about the Company's processing of his/her/its Personal Data, to access such data, and to obtain a copy of the Personal data undergoing processing (subject to legal exceptions));
- ask for Personal Data to be rectified where it is inaccurate or incomplete (i.e. the right to require from the Company that inaccurate or incomplete Personal Data or any material error be updated or corrected accordingly);
- restrict the use of his/her/its Personal Data (i.e. the right to obtain that, under certain circumstances, the processing of his/her/its Personal Data should be restricted to storage of such data unless his/her/its consent has been obtained);
- object to the processing of his/her/its Personal Data, including to object to the processing of his/her/its Personal Data for marketing purposes (i.e. the right to object, on grounds relating to the Investor's particular situation, to processing of Personal Data which is based on the performance of a task carried out in the public interest or the legitimate interests of the Company. The Company shall stop such processing unless it can either demonstrate compelling legitimate grounds for the processing that override Investor's interests, rights and freedoms or that it needs to process the data for the establishment, exercise or defence of legal claims);
- ask for erasure of his/her/its Personal Data (i.e. the right to require that Personal Data be erased in certain circumstances, including where it is no longer necessary for the Company to process this data in relation to the purposes for which it collected or processed);
- ask for Personal Data portability (i.e. the right to have the data transferred to the investors or another controller in a structured, commonly used and machine-readable format, where this is technically feasible).

Investors also have a right to lodge a complaint with the National Commission for Data Protection (the "**CNPD**") at the following address: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or when investors reside in another European Union Member State, with any other locally competent data protection supervisory authority. Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable statutory periods of retention.

#### **Legal framework**

The Company was incorporated on 30 March 2006 as an open-ended undertaking for collective investment ("**UCI**") in the legal form of a "*Société d'Investissement à Capital Variable*" (SICAV) pursuant to Part II of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended ("**Law of 2010**"). The Company is entered under no. B 115356 in the Luxembourg trade and companies register (*Registre de Commerce*

*et des Sociétés, "RCS")*. The Company was converted from a UCI subject to Part II of the Law of 2010 into a UCITS subject to Part I of the Law of the Law of 2010 with effect as of 15 October 2020. The minutes of the extraordinary general meeting of the Shareholders deciding such conversion have been published in the "*Recueil Electronique des Sociétés et Associations*". The Company is authorised under Part I of the Law of 2010.

The Company is an umbrella structure with multiple compartments (collectively the "**sub-funds**", each being a "**sub-fund**"). The Company is a single legal entity. With respect to the shareholders, each sub-fund is regarded as being separate from the others. The assets of a sub-fund can only be used to offset the liabilities which the sub-fund concerned has assumed.

### **Management and Administration**

**Registered office:** 33A avenue J.F. Kennedy, L-1855 Luxembourg (B.P. 91, L-2010 Luxembourg).

### **Board of Directors of the Company (the "Board of Directors")**

Chairman	Robert Süttinger, Managing Director, UBS Asset Management Switzerland AG, Zurich
Members	Francesca Guagnini, Managing Director, UBS Asset Management (UK) Ltd., London
	Josée Lynda Denis, Independent Director, Luxembourg
	Ioana Naum, Executive Director, UBS Asset Management Switzerland AG, Zurich
	Raphael Schmidt-Richter, Executive Director, UBS Asset Management (Deutschland) GmbH, Frankfurt

### **Management Company**

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

The Management Company was incorporated in Luxembourg on 1 July 2010 in the legal form of a public limited company (*Société Anonyme*) for an unlimited duration. Its registered office is located at 33A avenue J.F. Kennedy, L-1855 Luxembourg.

The articles of incorporation of the Management Company were published on 16 August 2010 in the "*Mémorial, Recueil des Sociétés et Associations*" (the "**Mémorial**") and together with the "*Recueil Electronique des Sociétés et Associations*" hereinafter referred to as the "**Luxembourg Official Gazette**") and most recently amended on 24 January 2019.

The consolidated version of the articles of incorporation of the Management Company has been deposited for inspection with the RCS. One of the purposes of the Management Company is to manage Luxembourg undertakings for collective investment under Luxembourg law and to issue/redeem shares in these products. At the date of this Prospectus, in addition to the Company, the Management Company currently manages other undertakings for collective investment. The Management Company has a fully paid-up capital of EUR 13,000,000.

The Management Company also acts as domiciliary agent for the Company.

UBS Fund Management (Luxembourg) S.A. is a management company pursuant to Chapter 15 of the Law of 2010.

### **Board of Directors of the Management Company**

Chairman	Michael Kehl Head of Products, UBS Asset Management Switzerland AG, Zurich, Switzerland
Members	Ann-Charlotte Lawyer, Independent Director, Luxembourg, Grand Duchy of Luxembourg  Francesca Prym, CEO, UBS Fund Management (Luxembourg) SA, Luxembourg, Grand Duchy of Luxembourg  Eugène Del Cioppo, CEO, UBS Fund Management (Switzerland) AG, Basel, 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
Andrea Papazzoni, UBS Fund Management (Luxembourg) S.A., Luxembourg, Grand Duchy of Luxembourg
Stéphanie Minet UBS Fund Management (Luxembourg) S.A., Luxembourg, Grand Duchy of Luxembourg

### **Investment Management**

The investment managers are commissioned to manage the securities portfolio under the supervision and responsibility of the Management Company, and to carry out all relevant transactions while adhering to the prescribed investment restrictions of the relevant sub-fund (the "Investment Manager(s)"). The Investment Management units of UBS Asset Management may transfer their mandates, fully or partially, to associated Investment Managers within UBS Asset Management subject to the Law of 2010. However, responsibility in each case remains with the aforementioned Investment Manager assigned by the Management Company.

## Investment Manager

Sub-Fund	Investment Manager
UBS (Lux) Investment SICAV - China A Opportunity (USD)	The Investment Manager of the sub-fund UBS (Lux) Investment SICAV - China A Opportunity (USD) is UBS Asset Management (Singapore) Ltd. UBS Asset Management (Singapore) Ltd. delegated the investment management of part or all of the assets of this sub-fund to UBS Asset Management (Hong Kong) Ltd.

## Depositary and Main Paying Agent

UBS Europe SE, Luxembourg Branch, 33A avenue J.F. Kennedy, L-1855 Luxembourg, (B.P. 2, L-2010 Luxembourg)

UBS Europe SE, Luxembourg Branch has been appointed as depositary and principal paying agent of the Company (the "**Depositary**") under a depositary agreement entered into between the Management Company, the Company and the Depositary for an unlimited period of time (the "**Depositary Agreement**").

The Depositary is a Luxembourg established branch of UBS Europe SE, a European Company (Societas Europaea, SE) having its registered office in Frankfurt am Main, Germany, registered with the commercial register of the District Court Frankfurt am Main under number HRB 107046. The Depositary has its address at 33A, avenue J.F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg trade and companies register under number B 209.123.

The Depositary has been appointed for the safe-keeping of financial instruments of the Company that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure for the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the Law of 2010 and the Depositary Agreement as amended from time to time (the "**Depositary Agreement**"). Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the Law of 2010.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with Luxembourg law, the Prospectus and the Articles, (ii) the value of the shares is calculated in accordance with Luxembourg law, the Prospectus and the Articles, (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law, the Prospectus and/or the Articles, (iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits, and (v) the Company's incomes are applied in accordance with Luxembourg law, the Prospectus and the Articles.

In compliance with the provisions of the Depositary Agreement and the Law of 2010, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Company to one or more sub-custodian(s), as they are appointed by the Depositary from time to time.

Prior to the appointment of any sub-custodian and sub-delegate and on an ongoing basis based on applicable laws and regulations as well as its conflict of interests policy the Depositary shall assess potential conflicts of interests that may arise from the delegation of its safekeeping functions. The Depositary is part of the UBS Group, a world-wide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safekeeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests.

Shareholders may obtain additional information free of charge by addressing their request in writing to the Depositary.

Irrespective of whether a given sub-custodian or sub-delegate is part of the UBS Group or not, the Depositary will exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian or sub-delegate.

Furthermore, the conditions of any appointment of a sub-custodian or sub-delegate that is member of the UBS Group will be negotiated at arm's length in order to ensure the interests of the Company and its shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to the shareholders. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates and sub-delegate(s) can be found on the following website: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the Law of 2010, the Depositary may delegate its functions to such local entity to the extent required by the law of that 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-custodians providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the Law of 2010 in the selection and the appointment of any sub-custodian to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian to which it has delegated parts of its tasks as well as of any arrangements of the sub-custodian in respect of the matters delegated to it. In particular, any delegation is only possible when the sub-custodian at all times during the performance of the tasks delegated to it segregates the assets of the Company from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with 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 Company or its shareholders 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 the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries (the "Fund Custodial Assets") by the Depositary and/or a sub-custodian (the "**Loss of a Fund Custodial Asset**").

In case of Loss of a Fund Custodial Asset, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the Law of 2010, the Depositary will not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

Without prejudice to the special liability of the Depositary in the event of the loss of any fund assets held in custody, the Depositary shall be liable for any loss or damage suffered by the Company resulting directly from the Depositary's negligence, fraud or wilful misconduct in the execution of the services under the Depositary Agreement, except in respect of the Depositary's duties under the Law of 2010 for which the Depositary will be liable for any loss or damage suffered by the Company resulting directly from the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Law of 2010.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice by registered letter. The Depositary Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. Pending the appointment of a new depositary, which must take place at the latest within a period of two (2) months after the termination of the Depositary Agreement becomes effective, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Company's investors. If the Company does not name such successor depositary in time the Depositary may notify the Luxembourg supervisory authority "Commission de Surveillance du Secteur Financier" (the "**CSSF**") of the situation.

The Depositary is entitled to receive out of the net assets of the Company a remuneration for its services as agreed in the Depositary Agreement. In addition, the Depositary is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

The Depositary is not involved, directly or indirectly, with the business affairs, organization or management of the Company and is not responsible for the content of this document and thus accepts no responsibility for the accuracy of any information contained herein or the validity of the structure and investments of the Company. The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments and is prohibited from meddling in the management of the Company's investments. The Depositary does not have any investment decision-making role in relation to the Company.

In case the Depositary receives investors' data, such data might be accessible and/or transferred by the Depositary to other entities controlled by the UBS Group AG currently or in the future as well as third-party service providers (the "UBS Partners"), in their capacity as service providers on behalf of the Depositary. UBS Partners are domiciled in the EU or in countries located outside the EU but with an adequate level of data protection (on the basis of an adequacy decision by the European Commission) such as Switzerland. Data could be made available to UBS entities located in Poland, the UK, Switzerland, Monaco, and Germany as well as other branches of UBS Europe SE (in France, Italy, Spain, Denmark, Sweden, Switzerland and Poland), for the purpose of outsourcing certain

infrastructure (e.g. telecommunication, software) and/or other tasks in order to streamline and/or centralize a series of processes linked to the finance, operational, back-office, credit, risk, or other support or control functions. Further information about the outsourcing and processing of personal data by the Depository is available at <https://www.ubs.com/lux-europe-se>.

#### **Administrative Agent**

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

Northern Trust Global Services SE has been appointed as administrative agent of the Company (the "**Administrative Agent**") under an administration agreement entered into between the Management Company, the Company and the Administrative Agent for an unlimited period of time.

In such capacity, the Administrative Agent is responsible for the general administrative duties involved in managing the Company and prescribed by Luxembourg law. These administrative services mainly include calculation of the net asset value per share and the keeping of the Company's accounts as well as reporting.

The rights and obligations of the Administrative Agent are governed by an administration agreement entered into between the Administrative Agent, the Management Company and the Company for an unlimited period of time. Each of the parties may terminate the Administration Agreement by giving the other not less than three months' prior written notice. The Management Company may terminate the Administration Agreement with immediate effect if and to the extent necessary to protect the interests of investors.

#### **Auditor of the Company**

PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg has been appointed as the Company's auditor and will fulfil all duties prescribed by the Law of 2010.

#### **Paying agents**

UBS Europe SE, Luxembourg Branch, 33A avenue J.F. Kennedy, L-1855 Luxembourg, as well as other authorised paying agents in the various countries in which the Company's shares are sold.

#### **Distributor and other sales agents**

UBS Asset Management Switzerland AG, Zurich, Switzerland (its branches or its affiliated companies, successors or assigns) and other distributors in the various countries in which the Company's shares are sold.

#### **Profile of the typical investor**

##### *UBS (Lux) Investment SICAV - China A Opportunity (USD)*

This sub-fund is suitable for investors who wish to invest both in a diversified portfolio with a primary focus on Chinese A-shares (as defined below) as well as in a sub-fund that promotes environmental and/or social matters. Investors should be prepared to accept the risks inherent in Chinese A-shares.

#### **Historical performance**

Information on where historical performance can be found is outlined in the KID relating to each active share class.

#### **Risk profile**

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

Factors that can trigger such fluctuations or influence their extent include but

- are not limited to: changes affecting specific companies;
- changes in interest rates;
- changes in exchange rates;
- changes affecting economic factors such as employment, public expenditure and indebtedness, inflation; changes in the legal environment;
- changes in investor confidence in certain asset classes (e.g. equities), markets, countries, industries and sectors; and changes in the prices of raw materials.

By diversifying investments, each Investment Manager endeavors to partially mitigate the negative impact of these risks on the value of the sub-fund.

For sub-funds which are subject to specific risks due to their investments, relevant risk alerts are included in the investment policy of the relevant sub-fund.

## **The Company**

### **Legal Aspects**

The Company offers investors a range of different sub-funds ("**umbrella structure**") which invest in accordance with the investment policies described in this Prospectus. The specific details on each sub-fund are defined in this Prospectus which will be updated on the inception of each new sub-fund or change to the list of eligible Investment Managers.

<b>Company</b>	
Name of the Company	UBS (Lux) Investment SICAV
Legal form:	Open-ended investment company in the legal form of a Société d'Investissement à Capital Variable ("SICAV")
Date of incorporation:	30 March 2006
Number in the Luxembourg trade and companies register:	R.C.S. B 115.356
Financial year:	1 February to 31 January
Annual general meeting:	Once a year at the registered office of the Company or such other place in the Grand Duchy of Luxembourg, as may be specified in the convening notice of such meeting.

<b>Articles of Incorporation</b>		
First Publication	20 April 2006	Published in the Luxembourg Official Gazette
Amendments	9 May 2011	Published in the Luxembourg Official Gazette
	24 November 2016	Published in the Luxembourg Official Gazette
	3 November 2020	Published in the Luxembourg Official Gazette

<b>Management Company</b>	UBS Fund Management (Luxembourg) S.A., R.C.S. Luxembourg B 154.210
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Each amendment of the Articles will be published in the Luxembourg Official Gazette by way of a notice of deposit and in the manner described below in the section entitled "Regular reports and publications". Such amendments become legally binding in respect of all shareholders subsequent to their approval by the general meeting of shareholders. The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general meetings of shareholders, if he is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights. Investors are advised to take advice on their rights.

The sum of the sub-funds' total net assets forms the total net assets of the Company, which at any time corresponds to the share capital of the Company and consists of fully paid in and non-par-value shares (the "**shares**"). At general meetings, the shareholder has the right to one vote per share held, irrespective of the difference in value of shares in the respective sub-funds. Shares of a particular sub-fund or class carry the right of one vote per share held when voting at meetings affecting this sub-fund or class. The Company is a single legal entity. However, each sub-fund corresponds to a distinct part of the assets and liabilities of the Company. For the purpose of the relations as between the shareholders, each sub-fund is regarded as being a separate entity. The assets of a sub-fund are exclusively available to satisfy the requests of that sub-fund and the right of creditors whose claims have arisen in connection with that sub-fund.

The Board of Directors is empowered at any time to establish new sub-funds and/or to liquidate existing ones or to establish various share classes with specific characteristics within these sub-funds. This Prospectus shall be updated each time a new sub-fund is established, or new share class is issued. The Company is unlimited with regard to duration and total assets.

### **Rights of investors vis-à-vis the service providers of the Company**

Irrespective of any tort or quasi-tort claims, the Company's investors shall not lay their own direct claims against the service providers appointed by the Management Company.

## Share classes

Various share classes can be offered for the sub-funds. Information on which share classes are available for which sub-fund can be obtained from the Administrative Agent or at [www.ubs.com/funds](http://www.ubs.com/funds).

"P"	Shares in classes with "P" in their name are available to all investors. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100.
"K-1"	Shares in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.001. The minimum investment amount is equivalent to the initial issue price of the share class and is applicable on the level of the clients of financial intermediaries. This minimum investment amount must be met or exceeded with every subscription order that is placed. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 5 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 or USD 5 million.
"K-B"	Shares 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 Company decides otherwise, the initial issue price of these shares 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, NZD 100, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"K-X"	Shares in classes with "K-X" in their name are exclusively reserved for investors who have signed a written agreement on investing in one or more sub-funds of this umbrella fund with UBS Asset Management Switzerland AG or with one of its authorized counterparties. The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100.
"F"	Shares in classes with "F" in their name are exclusively available to affiliates of UBS Group AG. The maximum flat fee for this class does not include distribution costs. The shares may be acquired by affiliates of UBS Group AG only for their own account or as part of discretionary asset management mandates concluded with affiliates of UBS Group AG. In the latter case, the shares will be returned to the Company at the prevailing net asset value at no charge upon termination of the mandate. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100.
"Q"	Shares of classes containing "Q" in their name are offered exclusively to financial intermediaries who (i) are investing on their own behalf, and/or (ii) who are not allowed to be paid distribution commissions according to regulatory requirements and/or (iii) can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements or agreements on fund savings plans concluded with their clients. 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 Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares 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.



"QL"	<p>Shares in classes with "QL" in their name are exclusively reserved for selected financial intermediaries that: (i) have received approval from the Management Company prior to first subscription, and (ii) receive no distribution fees in accordance with regulatory requirements and/or can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements concluded with their clients. 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 Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange.</p> <p>The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares 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.</p>
"I-A1"	<p>Shares 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. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100.</p>
"I-A2"	<p>Shares 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. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100. The minimum subscription amount for these shares is CHF 10 million (or foreign currency equivalent).</p> <p>Upon subscription,</p> <p>(i) a minimum subscription must be made pursuant to the list above or,</p> <p>(ii) based on a written agreement of the institutional investor with UBS Asset Management Switzerland AG (or with one its authorized counterparties) or on the written approval of UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 30 million (or the corresponding currency equivalent), or</p> <p>(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.</p> <p>The management company may waive the minimum subscription if the total assets under management at UBS or the holdings of UBS collective investment schemes by institutional investors exceed CHF 30 million within a specified period.</p>
"I-A3"	<p>Shares 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. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100. The minimum subscription amount for these shares is CHF 30 million (or foreign currency equivalent).</p> <p>Upon subscription,</p> <p>(i) a minimum subscription must be made pursuant to the list above or,</p> <p>(ii) based on a written agreement of the institutional investor with UBS Asset Management Switzerland AG (or with one its authorized counterparties) or on the written approval of UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 100 million (or the corresponding currency equivalent), or</p> <p>(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.</p> <p>The management company may waive the minimum subscription if the total assets under management at UBS or the holdings of UBS collective investment schemes by institutional investors exceed CHF 100 million within a specified period.</p>

"I-A4"	<p>Shares in classes with "I-A4" 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 shares 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, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 100 million (or foreign currency equivalent).</p> <p>Upon subscription:</p> <p>(i) a minimum subscription must be made in accordance with the list above; or</p> <p>(ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one its authorised contractual partners) or on the written approval of 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 500 million (or foreign currency equivalent); or</p> <p>(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.</p> <p>The Management Company may waive the minimum subscription amount if the total assets managed by UBS or the amount held in UBS collective investment schemes for institutional investors is more than CHF 500 million within a defined period. 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 Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange.</p>
"I-B"	<p>Shares 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 on investing in sub-funds of this Company with UBS Asset Management Switzerland AG or one of its authorized counterparties. A fee covering the costs for fund administration (comprising the costs of the Company, administration and Custodian Bank) is charged directly to the sub-fund. The costs for asset management and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100.</p>
"I-X"	<p>Shares 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 on investing in sub-funds of this Company with UBS Asset Management Switzerland AG or one of its authorized counterparties. The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, 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 or USD 100.</p>
"U-X"	<p>Shares 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 on investing an amount defined in the prospectus in sub-funds of this Company with UBS Asset Management Switzerland AG or one of its authorized counterparties. The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 10,000, 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 or USD 10,000.</p>

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

- a) return their shares within 30 calendar days in accordance with the provisions on redemption of shares; or
- b) transfer their shares to a person who meets the aforementioned requirements for acquisition in the share class; or
- c) convert their shares into shares in another share class of the relevant sub-fund whose acquisition requirements they are able to fulfil.

In addition, the Company is empowered:

- a) to refuse purchase orders for shares at its own discretion;
- b) to redeem at any time shares which were purchased or subscribed to in defiance of an exclusion clause.

Additional characteristics of share classes:	
Currency	The share classes may be denominated in AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, JPY, NOK, PLN, RMB, RUB, SEK, SGD or USD. For share classes issued in the currency of account of the respective sub-fund, the respective currency will not be included in the share class name. The currency of account features in the name of the relevant sub-fund.
"hedged"	<p>For share classes whose reference currencies are not identical to the currency of account of the sub-fund ("<b>share classes in foreign currencies</b>"), the fluctuation risk of the reference currency price for those share classes is hedged against the currency of account of the sub-fund. Provision is made for the amount of the hedging to be between 95% and 105% of the total net assets of the share class in foreign currency. Changes in the market value of the portfolio, as well as in subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The Company and the Investment Manager will then take all the necessary steps to bring the hedging back within the aforementioned limits.</p> <p>The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the respective sub-fund's currency of account.</p>
RMB denominated share classes	<p>Investors should note that the Renminbi (ISO 4217 currency code: CNY), abbreviated RMB, the official currency of the PRC, is traded on two markets, namely as onshore RMB (CNY) in mainland China and offshore RMB (CNH) outside mainland China.</p> <p>Share classes denominated in RMB are shares 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.</p> <p>RMB 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 regulatory or governmental agencies (e.g. the Hong Kong Monetary Authority).</p> <p>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.</p> <p>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.</p> <p>The hedging of the fluctuation risk will be carried out as described above under "hedged".</p> <p>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 reinvestment risk due to liquidation of a share class and/or the sub-fund in accordance with the section "Liquidation of the Company, its sub-funds and share classes".</p>
"acc"	For share classes with "-acc" in their name, income is not distributed unless the Company decides otherwise.
"dist"	For share classes with "-dist" in their name, income is distributed unless the Company decides otherwise.
"qdist"	Shares in classes with "-qdist" in their name may make quarterly distributions, excluding fees and expenses. They may also make distributions out of the capital (this can contain, inter alia, realised and unrealised net gains in the net asset value) (" <b>capital</b> "). Distributions out of capital result in the reduction

	of an investor's original capital invested in the sub-fund. Also, any distributions from the income and/or involving the capital result in an immediate reduction in the net asset value per share 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 shares. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -qdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice.
"mdist"	Shares in classes with "-mdist" in their name may make monthly distributions excluding fees and expenses. They may also make distributions out of the capital. Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Also, any distributions from the income and/or involving the capital result in an immediate reduction of the net asset value per share 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 Company shares. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice. The maximum entry costs for shares in classes with "-mdist" in their name are 6%.
"UKdist"	For share classes with "UKdist" in their name, the 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 share classes are subject to the reporting fund rules. The Company does not intend to make available taxable values in other countries for these share classes, as they are intended for investors whose investment in the share class is liable to tax in the UK.
"2%" "4%" "6%" "8%"	Shares 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 share 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 share classes are suitable for investors who wish for more stable distributions, unrelated to past or expected returns or income. Distributions can thus also be made out of the capital. Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Also, any distributions from the income and/or involving the capital result in an immediate reduction of the net asset value per share 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 Company shares. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -qdist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist, -qdist, -mdist) share classes. Investors should seek their own tax advice.
series of shares	The indication "2", "3", or "4" in the name of a share class (other than "I-A2" or "I-A3") refers to the fact that the shares in question are part of the same series "2", "3", or "4" within the share class in question. However, the terms and conditions of all shares of the different series within the same share class are identical.
"seeding"	Shares in classes with "seeding" in their name are only offered for a limited period of time. At the end of this period, no further subscriptions are permitted unless the Company decides otherwise. However, these shares may still be redeemed in accordance with the conditions for the redemption of shares. Unless the Company decides otherwise, the smallest tradeable unit, the initial issue price and the minimum subscription amount are those of the aforementioned asset classes.

### **Investment Objective and Investment Policy of the sub-funds**

#### *UBS (Lux) Investment SICAV - China A Opportunity (USD)*

The investment objective of the sub-fund is to achieve high capital gains and a reasonable return, while giving due consideration to capital security and to the liquidity of assets.

The actively managed sub-fund will invest at least 70% of its total net assets in equities and other equity interests in companies which are domiciled in or are chiefly active in the PRC and/or part of the benchmark MSCI China A Onshore. The majority of net assets are invested in Chinese A-shares. Chinese A-shares are Renminbi-denominated shares of companies domiciled in mainland China (further referred to as "**A-shares**"); these A-shares are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

This sub-fund promotes environmental and/or social characteristics and complies with article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further

information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

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

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

The sub-fund incorporates the following ESG promotion characteristics:

- A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile
- A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark

The calculations do not take account of cash, derivatives and unrated investment instruments.

The sub-fund uses the benchmark MSCI China A Onshore (net dividend reinvested) for performance measurement, monitoring the ESG metrics, 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.

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 may use standardised and non-standardised (customised) derivative financial instruments for hedging purposes. It may conduct such transactions on a stock exchange or other regulated market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (OTC trading). The base currency of the sub-fund is USD.

All or most of the investment in the PRC is intended to be made and held through (i) the Qualified Foreign Investors ("QFI") investments registered with the QFI status of UBS Asset Management (Singapore) Ltd and/or UBS Asset Management (Hong Kong) Limited and/or (ii) investments through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. On an ancillary basis the Company may also hold convertible bonds to get exposure to the Chinese market traded on the CIBM.

The 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. The sub-fund may not invest more than 20% of its Net Asset Value in bank deposits at sight made with the same body.

A detailed description of the risks connected with an investment in this sub-fund is given under the following sections "General Risk Information" and "Specific Risks when investing in the PRC. This sub-fund is only suitable for investors who are willing to accept these risks.

The maximum amount of leverage for this sub-fund, calculated based on the commitment approach, is 100%. 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.

### ESG Integration

UBS Asset Management categorizes certain sub-funds as ESG Integration funds. The Portfolio Manager aims to achieve investors' financial objectives while incorporating sustainability into the investment process. The Portfolio Manager defines sustainability as the ability to leverage the Environmental, Social and Governance (ESG) factors of business practices seeking to generate opportunities and mitigate risks that contribute to the long-term performance of issuers ("Sustainability"). The Portfolio Manager believes that consideration of these factors will deliver better informed investment decisions. Unlike funds which promote ESG characteristics or with a specific sustainability or impact objective that may have a focused investment universe, ESG Integrated Funds are investment funds that primarily aim at maximizing financial performance, whereby ESG aspects are input factors within the investment process. Investment universe restrictions applied on all actively managed funds are captured in the Sustainability Exclusion Policy. Further binding factors, if applicable, are outlined in the Investment Policy of the Sub-Fund.

ESG integration is driven by taking into account material ESG risks as part of the research process. For corporate issuers, this process utilizes the ESG Material Issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. For non-corporate issuers, the Portfolio Manager may apply a qualitative or quantitative ESG risk assessment that integrates data on the most material ESG factors. The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Sustainability Exclusion Policy

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applicable to the investment universe of the sub-funds.

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

### Sustainability Annual Reporting

The "UBS Sustainability Report" is the medium for UBS' sustainability disclosures. Published annually, the report aims to openly and transparently disclose UBS' sustainability approach and activities, consistently applying UBS' information policy and disclosure principles.

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

### Currency of account: USD

#### Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	2.000% (1.600%)	2.050% (1.640%)
Share classes with "K-1" in their name	1.500% (1.200%)	1.530% (1.220%)
Share classes with "K-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "Q" in their name	1.300% (1.040%)	1.350% (1.080%)

Share classes with "QL" in their name	1.300% (1.040%)	1.350% (1.080%)
Share classes with "I-A1" in their name	1.200% (0.960%)	1.230% (0.980%)
Share classes with "I-A2" in their name	1.150% (0.920%)	1.180% (0.940%)
Share classes with "I-A3" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "I-A4" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "I-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

#### **Procedures for changing the investment strategy and/or policy of the Company or sub-funds**

UBS has established internal departments tasked with monitoring and, where applicable, changing the investment strategy and/or policy of the sub-funds. If the performance of certain sub-funds is unsatisfactory and this does not appear to be a temporary trend, the Product Development department shall initiate changes to the investment strategy and/or policy of the sub-fund in question to the degree deemed necessary. The changes contemplated by the Product Development department shall be presented to the internal departments and/or functions (in particular the Investment Management, Operations, Legal and Compliance departments) involved in the investment strategy and/or policy amendment process in order to assess their feasibility. Insofar and as soon as the feasibility of the contemplated changes has been confirmed by all relevant departments,

the initiative shall be presented and submitted for approval to the Company's Board of Directors. Insofar and as soon as this approval has been granted, the intended changes shall be submitted to the CSSF. Insofar and as soon as the CSSF gives its approval, the affected investors shall be notified of the intended changes and, where applicable, granted a one-month period in which they may choose to redeem their shares free of charge, in accordance with the provisions of the section entitled "Information to shareholders".

#### **General risk information**

##### **Market Risk**

The investments of the Company are subject to normal market fluctuations and the risks inherent in equity or fixed-income securities and similar instruments and there can be no assurances that appreciation will occur. The price of shares can go down as well as up and investors may not realise their initial investment. Although the Investment Manager will attempt to restrict the exposure of the Company to market movements, there is no guarantee that this strategy will be successful.

##### **Currency Risk**

The shares may be denominated in different currencies and shares will be issued and redeemed in those currencies. Certain of the assets of the Company may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. The Company will be subject to foreign exchange risks. The Company may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the reference currency of a sub-fund and such other currencies.

##### **Hedged share classes**

Where undertaken, the effects of hedging will be reflected in the net asset value and, therefore, in the performance of such share class. Similarly, any expenses arising from such hedging transactions will be borne by the share class in relation to which they have been incurred. Such hedging is undertaken with the intention of protecting investors in the relevant share class against a decrease in the value of the reference currency of the relevant sub-fund against the currency of this share class. On the other hand, currency hedging may preclude investors from benefiting from an increase in the value of the reference currency of the sub-fund. It is to be noted that hedging at share class level does not aim at hedging fluctuations in the currencies of the investments held by the relevant sub-fund.

### **Liquidity Risk**

A sub-fund may invest in certain securities that subsequently become difficult to sell because of reduced liquidity which may have an adverse impact on their market price and consequently the net asset value of the sub-fund. Reduced liquidity for such securities may be driven by unusual or extraordinary economic or market events, such as the deterioration in the creditworthiness of an issuer or the lack of efficiency of a given market. In extreme market situations, there may be few willing buyers and the investments cannot be readily sold at the desired time or price, and those sub-funds may have to accept a lower price to sell the investments or may not be able to sell the investments at all. Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and a sub-fund may incur a loss as a result. An inability to sell a portfolio position can adversely affect those sub-funds' value or prevent those sub-funds from being able to take advantage of other investment opportunities. To meet redemption requests, those sub-funds may be forced to sell investments, at an unfavorable time and/or conditions.

### **ESG Risks**

A "sustainability risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment.

### **Bonds**

Bonds are subject to both actual and perceived measures of creditworthiness. Bonds could be affected by adverse publicity and investor perception, which may not be based on fundamental analysis, and would have a negative effect on the value and liquidity of the bond.

### **Emerging markets**

Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity.

The following is an overview of the general risks entailed by investing in the emerging markets:

- Counterfeit securities - due to the weakness in supervisory structures, securities purchased by the sub-fund may be counterfeit. Hence it is possible to suffer losses.
- Liquidity difficulties - the buying and selling of securities can be costlier, lengthier and in general more difficult than is the case in 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.
- Currency fluctuations - the currencies of countries in which the sub-fund invests, compared with the currency of account of the sub-fund, can undergo substantial fluctuations once the sub-fund has invested in these currencies. Such fluctuations may have a significant effect on the relevant 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 excluded that emerging markets limit or temporarily suspend the export of currencies. Consequently, it may not be possible for the sub-fund to repatriate sales proceeds without delays.
- Settlement and custody risks - the settlement and custody systems in emerging market countries are not as well developed as 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 buying of securities by foreign investors. Some securities are thus not available to the sub-fund because the maximum number allowed to be held by foreign unitholders 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 authorities responsible 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 by companies in emerging markets differ from those in developed markets in respect of



content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options.

For these reasons, sub-funds having a high degree of exposure to emerging markets are especially suitable for risk-conscious investors.

#### **Specific Risks when investing in the PRC**

For the purposes of this section, references to the sub-fund refers to each relevant sub-fund investing in QFI (including QFII and RQFII) permissible securities through QFI investment under the QFI status of the Investment Manager, sub-manager or investment advisor.

##### **a) China Market Risk**

Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as Chinese A-shares.

A sub-fund is not a bank deposit and is not guaranteed. There is no guarantee of the repayment of the principal investment. The profitability of the investments of a sub-fund could be adversely affected by a worsening of general economic conditions in the PRC or global markets. Factors such as PRC government policy, fiscal policy, interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the PRC financial markets and the level and volatility of equity prices could significantly affect the value of a sub-fund's underlying investments and thus the share price.

The choice of A-shares currently available to the Investment Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity in the A-share markets, which are relatively smaller in terms of both combined total market value and the number of shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. However, the effects of such reform on the A-share market as a whole remain to be seen. In addition, there is a relatively low level of regulation and enforcement activity in these securities markets. Settlement of transactions may be subject to delay and administrative uncertainties. Further, regulations continue to develop and may change without notice which may further delay redemptions or restrict liquidity. There may not be regulation and monitoring of the Chinese securities markets and activities of investors, brokers and other participants equivalent to that in certain more developed markets.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations. The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties. In addition, the PRC laws for investor protection are still in developing stage and may be less sophisticated than those in developed countries.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by a sub-fund.

In light of the above-mentioned factors, the price of A-shares may fall significantly in certain circumstances.

## **b) QFI Risk**

### ***QFII / QFI investment***

Under the prevailing regulations in the PRC, foreign investors can invest in the A-share market and other QFI permissible securities through institutions that have obtained qualified status such as QFI status in the PRC. The current QFI regulations impose strict restrictions (such as investment guidelines) on A-share investments.

The sub-funds themselves are not a QFI, but may invest directly in A-shares and other QFI permissible securities via the QFI status of the relevant Investment Manager, sub-manager or investment advisor. All or most of the sub-fund's investments in the PRC will be made and held through the QFI status of UBS Asset Management (Singapore) Ltd. and/or UBS Asset Management (Hong Kong) Limited.

Potential investors should note that there is no guarantee that any of the sub-funds will continue to benefit from the QFI status of the relevant Investment Manager sub-manager or investment advisor nor that it will be made exclusively available to any of the sub-funds.

The Investment Manager has assumed dual roles as the Investment Manager of the sub-fund and a qualified QFI. The Investment Manager will ensure all transactions and dealings will be dealt with having regard to the constitutive documents of the sub-fund as well as the relevant laws and regulations applicable to the Investment Manager. In the event that conflicts of interest arise, the Company will in conjunction with the Depositary and PRC Sub-Custodian (as defined below) seek to ensure that the sub-fund is managed in the best interests of shareholders and the shareholders are treated fairly.

Should the Investment Manager, sub-manager or investment advisor lose its QFI status or retire or be removed, the sub-fund may not be able to invest in A-shares or other QFI permissible securities through the QFI status of the Investment Manager, sub-manager or investment advisor, and the sub-fund may be required to dispose of its holdings, which would likely have a material adverse effect on such sub-fund.

### ***QFI Regulations***

The QFI regulations which regulate investments by QFIs in the PRC and the repatriation and currency conversion are relatively new. The application and interpretation of the QFI regulations are therefore relatively untested and there is uncertainty as to how they will be applied. The China Securities Regulatory Commission ("**CSRC**") and the SAFE have been given wide discretions in the QFI regulations and there is no precedent or certainty as to how these discretions might be exercised now or in the future. At this stage of early development, the QFI regulations may be subject to further revisions in the future, there is no assurance whether such revisions will prejudice the QFI, or whether the rules governing QFI status may be revised substantially or entirely.

There are rules and restrictions under current QFI regulations including rules on investment restrictions. Transaction sizes for QFIIs / QFIs are large and there can be restrictions on repatriation of principal invested by a QFI in the PRC due to foreign exchange control and other related rules and policies.

In extreme circumstances, the sub-fund may incur significant loss due to limited investment capabilities or may not be able to fully implement or pursue its investment objectives or strategy, due to QFI investment restrictions, illiquidity of the A-share/bond market, and/or delay or disruption in execution of trades or in settlement of trades.

Investors should also note that direct investments in A-shares through QFI are subject to compliance with various investment restrictions currently imposed under QFI regulations in the PRC, as amended from time to time, which are applied on each QFI and which will affect the ability of the sub-fund to invest in A-shares. Examples for the investment restrictions in the PRC securities market are as follows:

- the shareholding of a single qualified foreign investor or any other foreign investor must not exceed 10% of the total shares of an exchange-listed or a NEEQ-admitted company ;
- the aggregate shareholding of all qualified foreign investors and other foreign investors must not exceed 30% of the total shares of an exchange-listed or a NEEQ-admitted company ; and
- the investments should comply with the requirements as set out in the Guidance Catalogue on Industries for Foreign Investment.

### ***PRC Broker***

The relevant Investment Manager, sub-manager or investment advisor as QFI will also select brokers ("**PRC Brokers**") to execute transactions for the sub-fund in the PRC markets. The sub-fund may incur losses due to the acts or omissions of the PRC Brokers or the PRC custodian in the execution or settlement of any transaction or in the

transfer of any funds or securities. The sub-fund will use PRC Brokers appointed by the Investment Manager, sub-manager or investment advisor to execute transactions in the PRC markets for the account of the sub-fund. The sub-fund may have difficulty in obtaining best execution of transactions in QFI permissible securities subject to restriction/limitations under applicable QFI regulations or operational constraints such as the restriction/limitation as to the number of brokers that the Investment Manager, sub-manager or investment advisor as QFI may appoint. If a PRC Broker offers the sub-fund standards of execution which the Investment Manager, sub-manager or investment advisor reasonably believes to be amongst best practice in the PRC marketplace, the Investment Manager, sub-manager or investment advisor may determine that they should consistently execute transactions with that PRC Broker (including where it is an affiliate) notwithstanding that they may not be executed at the best price and shall have no liability to account to the sub-fund in respect of the difference between the price at which the sub-fund executes transactions and any other price that may have been available in the market at that relevant time.

### ***Custody***

The Depositary acts as the depositary of the sub-funds and holds the assets. The QFI on behalf of the sub-fund and the Depositary will appoint a sub-custodian for the sub-fund (the "**PRC Sub-Custodian**"), where the PRC Sub-Custodian will hold the assets of the sub-fund invested in the PRC through QFI registration of the Investment Manager(s), sub-manager or investment advisor.

Any QFI permissible securities acquired by the sub-fund through an QFI status of the Investment Manager, sub-manager or investment advisor will be maintained by the PRC Sub-Custodian in separate securities account(s) and will be registered for the sole benefit and use of the sub-fund or the Company (on behalf of the sub-fund) subject to applicable laws. There will be segregation of assets by the PRC Sub-Custodian such that the assets of the sub-fund will not form part of the assets of the Investment Manager, sub-manager or investment advisor QFI, the PRC Sub-Custodian, or the PRC Brokers. However, subject to the investment regulations, the Investment Manager, sub-manager or investment advisor (as QFI) could be the party entitled to the securities in such securities account(s) (albeit that this entitlement does not constitute an ownership interest or preclude the Investment Manager, sub-manager or investment advisor purchasing the securities on behalf of the sub-fund), such securities may be vulnerable to a claim by a liquidator of the Investment Manager, sub-manager or investment advisor and may not be as well protected as if they were registered solely in the name of the sub-fund. In particular, there is a risk that creditors of the Investment Manager, sub-manager or investment advisor may incorrectly assume that the sub-fund's assets belong to the Investment Manager, sub-manager or investment advisor and such creditors may seek to gain control of the sub-fund's assets to meet the liabilities of the Investment Manager, sub-manager or investment advisor owed to such creditors.

Investors should note that cash deposited in the cash account of the sub-fund with the PRC Sub-Custodian may not be segregated but may be a debt owing from the PRC Sub-Custodian to the sub-fund as a depositor. Such cash may be co-mingled with cash belonging to other clients of the PRC Sub-Custodian. In the event of bankruptcy or liquidation of the PRC Sub-Custodian, the sub-fund may not have any proprietary rights to the cash deposited in such cash account, and the sub-fund could become an unsecured creditor, ranking pari passu with all other unsecured creditors of the PRC Sub-Custodian. The sub-fund may face difficulty and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the sub-fund will suffer losses.

### ***Limits on Redemption***

Where the sub-fund is invested in the securities market in the PRC by investing through a QFI status of the Investment Manager, sub-manager or investment advisor, the repatriation of invested principal and income from the PRC will be subject to the QFI regulations in effect from time to time including any regulatory requirements applicable to (including but not limited to) procedures on repatriation.

Transfers and repatriations for the account of the sub-fund may be made on a daily basis by the PRC Sub-Custodian through the RQFII status of the Portfolio Manager or Investment Advisor to meet the net subscriptions and redemptions of shares of the sub-fund.

Please note that there is no certainty that there will be no regulatory restrictions in the PRC on the repatriation of monies by the sub-fund in future. The investment regulations and/or the approach adopted by the SAFE in relation to the repatriation of monies may change from time to time. No guarantee can be given that redemption orders can be processed in a timely manner in the event of adverse changes in relevant laws or regulations, including changes in QFI repatriation restrictions. Such restrictions may result in the suspension of the sub-fund trading activities.

### ***Investment Restrictions***

Since there are limits on the total shares held by all underlying investors and/or all QFI holders in one PRC listed company under the QFI regulations, the capacity of the sub-fund to make investments in A-shares will be affected by the activities of all underlying investors and/or all QFI holders.

The above-mentioned investment restrictions will be applied to all underlying investors and/or all QFI holders. Therefore, it will be difficult in practice for the Investment Manager, sub-manager or investment advisor, as a QFI, to monitor the investments of the underlying investors of the sub-fund since an investor may make investment through different QFI. It is also practically difficult for the Investment Manager, sub-manager or investment advisor to monitor the investments made by other QFIs.

***Disclosure of Interests and Short Swing Profit Rule***

Under the PRC disclosure of interest requirements, the sub-fund may be deemed to be acting in concert with other funds or sub-funds managed within the Investment Manager's group or a substantial shareholder of the Investment Manager's group and therefore may be subject to the risk that the sub-fund's holdings may have to be reported in aggregate with the holdings of such other funds or sub-funds mentioned above should the aggregate holding triggers the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose the sub-fund's holdings to the public with an adverse impact on the performance of the sub-fund.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the sub-fund's investments with the result that where the holdings of the sub-fund (possibly with the holdings of other investors deemed as concert parties of the sub-fund) exceed 5% of the total issued shares of a PRC listed company, the sub-fund may not reduce its holdings in such company within six months of the last purchase of shares of such company. If the sub-fund violates the rule and sells any of its holdings in such company in the six-month period, it may be required by the listed company to return any profits realised from such trading to the listed company. Moreover, under PRC civil procedures, the sub-fund's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the sub-fund.

**c) Liquidity Risk**

The small size of some of the stock markets through which the sub-fund will invest may result in significant price volatility and a potential lack of liquidity.

RMB denominated debt instruments are not regularly traded and may have lower trading volumes than other more developed markets. An active secondary market for these instruments is yet to be developed. The bid and offer spread of the price of RMB denominated debt instruments may be large and the sub-fund may incur significant trading and realisation costs.

**d) Low Level of Monitoring Risk**

The regulatory framework of stock markets within the PRC is still developing when compared with many of the world's leading stock markets and accordingly there may be a lower level of monitoring of the activities of such stock markets.

**e) Accounting Standards and Disclosure Risk**

Accounting, auditing and financial reporting standards in the PRC may be less rigorous than international standards. As a result, certain material disclosures may not be made by some companies.

**f) Currency Risk of the RMB**

If the currency of account of the sub-fund is USD, the sub-fund will be directly exposed to any fluctuation in the exchange rate between USD and RMB.

In this scenario, the sub-fund invests primarily in securities denominated in RMB but its net asset value, subscription and redemption will be quoted in USD. Accordingly, a change in value of RMB against USD will result in a corresponding change in the USD net asset value of the sub-fund. For the purposes of investment through QFII / QFI, RMB are exchangeable into USD at prevailing market rates.

The PRC government's control of currency exposure and future movements in exchange rates may adversely affect the operations and financial results of companies invested in by the sub-fund. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC government. If such policies or restrictions change in the future, the position of the sub-fund or its investors may be adversely affected.

Conversion between RMB and USD is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements. Relevant policies may have impact on the ability of the sub-fund to convert between RMB and USD in respect of its onshore and offshore investments, applicable exchange rate and cost of conversion. There is no assurance that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability. There is no guarantee that RMB will not

depreciate. The sub-fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in capital loss to the sub-fund and its investors.

**g) Concentration risk**

The sub-fund is highly specialised. Although the sub-fund's investment is well diversified in terms of the number of holdings, investors should be aware that this sub-fund is likely to be more volatile than a broad-based sub-fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the country in which it invests.

**h) Hedging Risk**

The Investment Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market and currency risks. There is no guarantee that hedging techniques will achieve their desired result.

**i) Settlement Risk**

In the PRC, some securities transactions are not settled on a delivery versus payment basis, as a result of which the sub-fund may have an exposure to settlement risk.

**j) Connected Party Risk**

The sub-fund will be investing in QFI permitted securities via the QFI status of the relevant Investment Manager, sub-manager or investment advisor. Although the Investment Manager, sub-manager or investment advisor and the Depositary are part of the UBS group each entity will operate independently in assuming their respective duties and obligations in relation to the sub-fund and are subject to the supervision of their relevant regulators. All transactions and dealings between such entities in relation to the sub-fund will be dealt with on arm's length basis having regard to the constitutive documents of the sub-fund as well as the relevant regulatory codes applicable to such entities. In the unlikely event that conflicts of interest arise, the sub-fund in conjunction with the Depositary will seek to ensure that the sub-fund is managed in the best interest of shareholders and that shareholders are treated fairly.

**k) Clearing Reserve Fund Risk**

Under the QFI regulations, the PRC Sub-Custodian is required to deposit a minimum clearing reserve fund, the percentage amount to be determined from time to time by the China Securities Depository and Clearing Corporation Limited (Shanghai, Shenzhen and Beijing branches) (the "CSDCC"). The PRC Sub-Custodian will deposit a part of the assets of the sub-fund as part of its minimum clearing reserve fund. The minimum clearing reserve ratio is determined by the CSDCC from time to time and will be deposited by the PRC Sub-Custodian into its minimum clearing reserve fund. In times of rising PRC securities values, the assets of the sub-fund retained in the clearing reserve fund may have a negative impact on the performance of the sub-fund and, conversely, in times of falling PRC security values may cause the sub-fund to perform better than might otherwise have been the case.

**l) Fixed Income Securities Risks**

*PRC debt instruments market risk*

Investment in the Chinese debt instruments market may have higher volatility and price fluctuation than investment in debt instrument products in more developed markets.

*Credit risk of counterparties to RMB denominated debt instruments*

Investors should note that as the PRC financial market is nascent, most of the RMB denominated debt instruments are and will be unrated. RMB denominated debt instruments can be issued by a variety of issuers inside or outside the PRC including commercial banks, state policy banks, corporations etc. These issuers may have different risk profiles and their credit quality may vary. Furthermore, RMB denominated debt instruments are generally unsecured debt obligations not supported by any collateral. The sub-fund may be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

*Interest rate risk*

Changes in macro-economic policies of the PRC (i.e. monetary policy and fiscal policy) will have an influence over capital markets affecting the pricing of the debt instruments and thus, the return of the sub-fund. The value of RMB denominated debt instruments held by the sub-fund generally will vary inversely with changes in interest rates and such variation may affect value of the sub-fund's assets accordingly. Typically, when interest rates increase, the value of fixed income assets tend to depreciate. On the contrary, when interest rates decrease, the value of fixed income assets tend to appreciate.

*Valuation risk*

RMB denominated debt instruments are subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt instruments are not priced properly. Valuations are primarily based on the valuations from independent third-party sources where the prices are available, accordingly valuations may sometimes involve

uncertainty and judgmental determination and independent pricing information may not be available at all times.

#### *Credit rating risk*

Many of the debt instruments in the PRC do not have rating assigned by international credit agencies. The credit appraisal system in the PRC is at an early stage of development; there is no standard credit rating methodology used in investment appraisal and the same rating scale may have a different meaning in different agencies. The assigned ratings may not reflect the actual financial strength of the appraised asset.

Rating agencies are private services that provide ratings of the credit quality of debt instruments. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes to credit ratings and an issuer's current financial condition may be better or worse than a rating indicates.

#### *Credit rating downgrading risk*

An issuer of RMB denominated debt instruments may experience an adverse change in its financial condition which may in turn result in a decrease in its credit rating. The adverse change in financial condition or decrease in credit rating of an issuer may result in increased volatility in, and adverse impact on, the price of the relevant RMB denominated debt instruments and negatively affect liquidity, making any such debt instruments more difficult to sell.

#### **m) PRC Tax Risk Factors**

There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realized or interest arising from the sub-fund's investments in PRC securities (which may have retrospective effect). Any increased tax liabilities on the sub-fund may adversely affect the sub-fund's value. Based on professional and independent tax advice, the tax provisioning policy of the sub-fund is as follows:

- (i) Provide for 10% Withholding Income Tax ("WIT") in respect of interest income received where such WIT has not been withheld by the PRC issuers, or in respect of interest income accrued, with regard to non-government onshore PRC bonds.
- (ii) Provide for 6.3396% Value Added Tax ("VAT") (including surcharges) in respect of interest income received where such VAT has not been withheld by the PRC issuers, or in respect of interest income accrued, with regard to non-government onshore PRC bonds (this VAT provision applies from 1 May 2016).

Upon any further changes to tax law or policies, the Board of Directors, in consultation with the Investment Manager, will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. The amount of any such tax provision will be disclosed in the accounts of each sub-fund.

If the actual applicable tax levied by PRC tax authorities is greater than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the sub-fund may suffer more than the tax provision amount as the sub-fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new shareholders will be disadvantaged. On the other hand, if the actual applicable tax levied by PRC tax authorities is less than that provided for by the Board of Directors so that there is an excess in the tax provision amount, shareholders who have redeemed the shares before PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the overprovision. In this case, the then existing and new shareholders may benefit if the difference between the tax provision and the actual taxation liability can be returned to the account of the sub-fund.

#### **n) 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 the sub-fund's investments in mainland China are traded via Stock Connect, there are additional risk factors in relation to these transactions. In particular, investors should note that Stock Connect is a relatively new trading program. 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 via Stock Connect in a timely manner. 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 both the Shanghai Stock Exchange ("SSE") which have corresponding H shares listed on the Hong Kong Stock Exchange ("SEHK") (with the exception of the SSE-listed shares which are not traded in RMB and SSE-listed shares which are under risk alert). 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") which have corresponding H shares listed on SEHK (with the exception of the SZSE-listed shares which are not traded in RMB and SZSE-

listed shares which are under risk alert). 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 Investment Manager wishes to acquire a security that has been removed from the Stock Connect programme.

#### **Beneficial owner of SSE and/or 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 SEHK. The sub-fund trades in SSE shares and/or SZSE shares through its broker which is associated with the Company's sub-custodian and admitted to the SEHK. After settlement by brokers or depositaries (the clearing agents) these SSE shares and/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 depository in Hong Kong and the nominee. HKSCC in turn holds the SSE shares and/or SZSE shares of all participants in a "Single Nominee Omnibus Securities Account", which is registered in its name with ChinaClear, the central securities depository 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.

#### **Not protected by the Investor Compensation Fund**

Investors should note that neither northbound nor southbound transactions via Stock Connect are covered by the Investor Compensation Fund in Hong Kong or the China Securities Investor Protection Fund. Investors are therefore not protected against these measures.

The Investor Compensation Fund in Hong Kong was set up to compensate investors of any nationality who sustain monetary damages as a result of a licensed intermediary or an authorised financial institution defaulting on payments in connection with exchange-traded products in Hong Kong. Examples of payment defaults are insolvency, bankruptcy or winding up, breach of fiduciary duty, misappropriation, fraud or unlawful transactions.

#### **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 ChinaClear payment default**

ChinaClear has set up a risk management system and has taken measures that have been approved by the CSRC and that 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 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 Investment 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.

### **Derivatives and Risk Management**

#### **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 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 Company. 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 Company is not always an effective means of attaining the Company'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, an equity 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 stock's volatility without the influence of its price) or to the variance (the square of the volatility) (a variance swap which 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 institutions which meet the requirements (including minimum credit rating requirements, if applicable). Subject to compliance with those conditions, the Investment 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 credit worthiness 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 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 Company may not be able to execute trades or close out positions on terms which the Investment 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 realize sufficient liquidity, such closing out may not be possible or very expensive for the Company in extreme market conditions.

#### **Risks connected with the use of efficient investment 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 entitled "Special techniques and instruments relating to transferable securities and money market instruments". 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 entitled "Special techniques and instruments relating to transferable securities and money market instruments". Securities lending transactions involve counterparty risk, including the risk that the securities lent cannot be returned or redeemed on time. If the borrower of securities fails to return the securities lent by a sub-fund, there is a risk that the collateral received may be realised at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, a deterioration in the creditworthiness of the collateral issuer, illiquidity of the market on which the collateral is traded, negligence or insolvency of the custodian holding collateral or termination of legal agreements, e.g. due to insolvency, which adversely affects the performance of the sub-fund. 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 Company 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 entitled "Special techniques and instruments relating to transferable securities and money market instruments". 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-Funds	Total Return Swaps		Repurchase Agreements/ Reverse Repurchase Agreements		Securities Lending	
	Expected	Maximum	Expected	Maximum	Expected	Maximum
UBS (Lux) Investment SICAV - China A Opportunity (USD)	0%	15%	0%	25%	0%-40%	60%

#### **Credit Risk**

Sub-funds will be subject to credit risk with respect to the counterparties with which it enters into any transactions. If a counterparty becomes insolvent or otherwise fails to perform its obligations, the sub-fund may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganization proceeding. The sub-fund may obtain only a limited recovery or may obtain no recovery in such circumstances, at all.

#### **Risk management**

Risk management in accordance with the commitment approach and the value-at-risk approach is applied 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 is also applied within the scope of collateral management (see section "Collateral Management" below) and the techniques and instruments for the efficient management of the portfolio (see section entitled "Special techniques and instruments relating to transferable securities and money market instruments").

#### **Liquidity management**

Within the framework of liquidity management, the Management Company shall ensure that the Company's liquidity profile remains in line with its investments and that the redemption orders of investors - with the exception of the special cases provided for by the supervisory authority or this Prospectus - can be processed at all times. A description of additional liquidity management techniques (e.g. temporary suspension in the processing of redemption orders under certain circumstances and processes regarding the regular subscription, redemption and conversion cycles) can be found in the relevant sections of the Prospectus.

#### **Collateral Management**

If the Company enters into OTC transactions, it may be exposed to risks related to the creditworthiness of the OTC counterparties: when the Company enters into forwards contracts, OTC options or uses other OTC derivative techniques, it is subject to the risk that an OTC counterparty may not meet (or cannot meet) its obligations under a specific or multiple contract. 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-class government bonds. The Company will only accept such financial instruments as collateral that would allow it (after objective and appropriate valuation) to liquidate them within an appropriate time period. The Company, or a service provider appointed by the Company, must value the value of the collateral at least once a day. The value of the collateral 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 calling additional collateral) that the collateral is increased by an amount sufficient to reach the value of the respective OTC counterparty's exposure (mark-to-

market). In order to adequately take into account the risks related to the collateral in question, the Company determines whether the value of the collateral to be received should be increased, or whether the value of the collateral received is to be cut by an appropriate, conservatively measured amount (haircut). The larger the collateral's value may fluctuate, the higher the haircut must be.

The 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 Company on a regular basis.

The Board of Directors 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)
<b>Fixed and variable-rate interest-bearing instruments</b>	
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 7 entitled "Special techniques and instruments relating to transferable securities and money market instruments".

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 Company and may not be sold, invested or pledged by the Company.

The Company shall ensure that the collateral received is adequately diversified, particularly regarding geographic 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 relevant sub-fund's net assets.

By way of derogation from the aforementioned sub-paragraph and in accordance with the revised para. 43(e) of the ESMA Guidelines on ETFs and other UCITS issues dated 1 August 2014 (ESMA/2014/937), the Company may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong. In such case, the Company shall ensure that it receives securities from at least six different issues, whereas securities from any single issue should not account for more than 30% of the sub-fund's net assets

**The Board of Directors 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: US, Japan, UK, Germany and Switzerland.**

Collateral that is deposited in the form of liquid funds may be invested by the Company. 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 Company"; high-quality government bonds; repurchase agreements within the meaning of Section 7 "Special techniques and instruments relating to transferable securities and money market instruments", 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 Company" and the Company 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 regarding the definition of European money market funds. The restrictions listed in the previous paragraph also apply to the spreading of concentration risk. Bankruptcy and insolvency events or other credit events with the Depositary or within their sub-custodian/correspondent bank network may result in

the rights of the Company in connection with the security to be delayed or restricted in other ways. If the Company is owed a security pursuant to an applicable agreement, then any such security is to be transferred to the OTC counterparty as agreed between the Company and the OTC counterparty. Bankruptcy and insolvency events or other credit events with the OTC counterparty, the Depositary or within their sub-custodian/correspondent bank network may result in the rights or recognition of the Company in connection with the security to be delayed, restricted or even eliminated, which would go so far as to force the Company to fulfil its obligations in the framework of the OTC transaction, in spite of any security that had previously been made available to cover any such obligation.

### **Leverage**

Leverage on UCITS under the Value-at-Risk approach ("VaR" or "VaR approach") is defined pursuant to CSSF circular 11/512 as the "sum of notional" values of the derivatives used by the respective sub-fund. Shareholders should note that this definition may result in artificially high levels of leverage which may not reflect the actual economic risk inter alia for the following reasons:

- Whether or not a derivative is used for exposure or hedging purposes, it will increase the leverage calculated as per the "sum of notional" approach;
- Duration of interest rate derivatives is not taken into account. One consequence is that short term interest rate derivatives will generate the same level of leverage as long-term interest rate derivatives despite the fact that short term interest rate derivatives generate significantly lower economic risk.

Economic risk of UCITS under the VaR approach is captured through a UCITS risk control framework. This framework includes, amongst others, restrictions on VaR which captures market risk on all positions, including derivatives. The VaR is supplemented by a comprehensive Stress Testing program. The average level of leverage per sub-fund under the VaR approach is expected to lie within a bandwidth as outlined in the table below. Leverage is expressed as a ratio between the "sum of notional" and the net asset value of the respective sub-fund. Greater leverage amounts may be attained for all sub-funds, under certain circumstances.

The maximum permitted amount of the leverage that can be built up by each sub-fund and which is calculated using the commitment approach can be found in the investment policy of the relevant sub-fund.

### **Disclosure of identity**

The Management Company, the Administrative Agent or the Depositary may be required by law, regulation or government authority or where it is in the best interests of the Company to disclose information in respect of the identity of investors.

The Company is required under Luxembourg law to (i) obtain and hold accurate and up-to-date information (i.e. full names, nationality/ies, date and place of birth, address and country of residence, national identification number, nature and extent of the interest in the Company) about its beneficial owners (as such term is defined under the act of 12 November 2004 on the fight against money laundering and terrorist financing (the "AML Act")) and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of beneficial owners (the **RBO**) in accordance with the Luxembourg act of 13 January 2019 creating a Register of beneficial owners (the **RBO Act 2019**)

The attention of investors is drawn to the fact that the information contained in the RBO (save for the national identification number and address of the beneficial owner) will be available to the public as from 1 September 2019, unless a limited access exemption is applied for and granted. Luxembourg national authorities and professionals (as referred to in the AML Act) may request that the Company gives them access to the information on the beneficial owner(s) of the Company (as well as its legal owners). Investors, their direct or indirect (share)holders who are natural persons, the natural person(s) who directly or indirectly control(s) the Company, the natural person(s) on whose behalf investors may act, may qualify as beneficial owner(s), and beneficial ownership may evolve or change from time to time in light of the factual or legal circumstances. Beneficial owners are under a statutory obligation to provide to the Company all relevant information about them as referred to above. Non-compliance with this obligation may expose beneficial owners to criminal sanctions.

Each investor will be required in its subscription agreement to agree that the Company and any service provider cannot incur any liability for any disclosure about a beneficial owner made in good faith to comply with Luxembourg Law.

Each investor will be required in its subscription agreement to make such representations and warranties that it will promptly provide upon request, all information, documents and evidence that the Company may require to satisfy its obligations under any applicable laws and in particular the RBO Act.

## Net asset value

The net asset value per share of any share class is expressed in the reference currency of the share class concerned and is calculated on every Business Day (the "**Valuation Day**"). The net asset value per share is calculated by dividing the overall total net assets of the sub-fund attributable to each share class by the number of shares issued in the particular share class of the sub-fund. However, the net asset value of a share may also be calculated on days on which no shares are issued or redeemed in accordance with the following section. Such net asset value may be published but may only be used for performance calculations and statistics or fee calculations, but in no case as a basis for subscription and redemption orders. The percentage of the net asset value which is attributable to each respective share class of a sub-fund is determined by the ratio of the shares issued in each share class to the total number of shares issued in the sub-fund and will change each time shares are issued or redeemed.

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

- a) The value of any cash - either in hand or on deposit - as well as bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- b) Securities, derivatives and other investments listed on an official stock exchange are valued at the last known market prices. If the same security, derivative or other investment is quoted on several stock exchanges, the last available quotation on the stock exchange that represents the major market for this investment will apply.  
In the case of securities, derivatives and other investments where trading of these assets on the stock exchange is thin but which are traded between securities dealers on a secondary market using standard market price formation methods, the Company can use the prices on this secondary market as the basis for their valuation of these securities and other investments. Securities, derivatives and other investments that are not listed on a stock exchange, but that are traded on another regulated market which is recognised, open to the public and operates regularly, in a due and orderly fashion, are valued at the last available price on this market.
- c) Securities and other investments that are not listed on a stock exchange or traded on any other regulated market, and for which no reliable and appropriate price can be obtained, will be valued by the Company according to other principles chosen by it in good faith on the basis of the likely sales prices.
- d) The valuation of derivatives that are not listed on a stock exchange (OTC derivatives) is made by reference to independent pricing sources. In case only one independent pricing source of a derivative is available, the plausibility of the valuation price obtained will be verified by employing methods of calculation recognised by the Company and the auditors, based on the market value of the underlying instrument from which the derivative has been derived.
- e) Units or shares of other UCITS and/or undertakings for collective investment ("**UCI**") will be valued at their last net asset value. Certain units or shares of other UCITS and/or UCI may be valued based on an estimate of the value provided by a reliable price provider independent from the target fund's investment manager or investment adviser (Estimated Pricing).
- f) The value of money market instruments which are not listed on a stock exchange or traded on another regulated market open to the public is based on the appropriate curves. The valuation based on the curves refers to the interest rate and credit spread components. The following principles are applied in this process: for each money market instrument, the interest rates nearest the residual maturity are interpolated. The interest rate calculated in this way is converted into a market price by adding a credit spread that reflects the underlying borrower. This credit spread is adjusted if there is a significant change in the credit rating of the borrower.
- g) Securities, money market instruments, derivatives and other investments that are denominated in a currency other than the currency of account of the relevant sub-fund and which are not hedged by means of currency transactions are valued at the middle currency rate (midway between the bid and offer rate) known in Luxembourg or, if not available, on the most representative market for this currency.
- h) Time deposits and fiduciary investments are valued at their nominal value plus accumulated interest.
- i) The value of swap transactions is calculated by an external service provider, and a second independent valuation is made available by another external service provider. The calculation is 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 available from Bloomberg and/or broker statement valuations may be used. The valuation methods depend on the respective security and are determined pursuant to the applicable UBS valuation policy.

The actual costs of purchasing or selling assets and investments for a Sub-fund may deviate from the latest

available price or net asset value used, as appropriate, in calculating the Net Asset Value per Share due to duties and charges and spreads from buying and selling prices of the underlying investments. These costs have an adverse effect on the value of a Sub-fund and are known as "dilution". To mitigate the effects of dilution, the Board may, at its discretion, make a dilution adjustment to the Net Asset Value per Share ("swing pricing").

Shares will in principle be issued and redeemed on the basis of a single price, i.e., the Net Asset Value per Share. However – to mitigate the effect of dilution – the Net Asset Value per Share will be adjusted on any Valuation Day in the manner set out below depending on whether or not a Sub-fund is in a net subscription position or in a net redemption position on such Valuation Day. Where there is no dealing on a Sub-fund or Class of a Sub-fund on any Valuation Day, the applicable price will be the unadjusted Net Asset Value per Share. The Board retains the discretion in relation to the circumstances under which to make such a dilution adjustment and intends to utilise a partial swing pricing mechanism. As a general rule, the requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Sub-fund. The Board may make a dilution adjustment if, in its opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be made where, for example but without limitation:

- (a) a Sub-fund is in continual decline (i.e. is experiencing a net outflow of redemptions);
- (b) a Sub-fund is experiencing large levels of net subscriptions relevant to its size;
- (c) a Sub-fund is experiencing a net subscription position or a net redemption position on any Valuation Day; or
- (d) in any other case where the Board is of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.

The dilution adjustment will involve adding to, when the Sub-fund is in a net subscription position, and deducting from, when the Sub-fund is in a net redemption position, the Net Asset Value per Share such figure as the Board considers represents an appropriate figure to meet duties and charges and spreads. In particular, the Net Asset Value of the relevant Sub-fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Sub-fund and (iii) the estimated bid/offer spread of the assets in which the Sub-fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Adjustments will however be limited to a maximum of 2% of the then applicable Net Asset Value per Share.

The Net Asset Value of each Class in the Sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the Net Asset Value of each Class in an identical manner. The dilution adjustment will be applied on the capital activity at the level of the Sub-fund and will not address the specific circumstances of each individual investor transaction.

In circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the board of directors of the Management Company may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

The board of directors of the Management Company is authorized to apply other generally recognized and auditable valuation criteria chosen in good faith in order to achieve an appropriate valuation of the net asset value if, due to extraordinary circumstances, a valuation in accordance with the above-mentioned regulations proves to be unfeasible or inaccurate.

In the case of extraordinary circumstances, additional valuations, which will affect the prices of the shares to be subsequently issued or redeemed, may be carried out within one Valuation Day.

### **Investing in UBS (Lux) Investment SICAV**

#### **Conditions for the issue, redemption and conversion of shares**

##### ***Dealing Days***

A day where the issue and redemption takes place is defined as a "**Dealing Day**".

In respect of the sub-funds China A Opportunity (USD), Dealing Day is defined as every Business Day.

In this context, "**Business Day**" refers to the normal bank business days (i.e. each day on which banks are open during normal business hours) in Luxembourg, with the exception of 24 and 31 December and of individual, non-statutory rest days as well as days on which exchanges in the main countries in which a sub-fund invests or in Hong Kong or in PRC are closed or 50% or more sub-fund investments cannot be adequately valued.

Non-statutory rest days are days on which banks and financial institutions are closed. No issue or redemption will take place on days on which the Company has decided not to calculate net asset value as described in the paragraph "Suspension of the net asset value calculation and of the issue, redemption and conversion of shares". In addition, the Company is empowered to reject subscription applications at its discretion.

#### ***Cut-Off Times***

**In respect of the sub-fund China A Opportunity (USD), subscription and redemption applications entered with the Administrative Agent no later than by 15.00 CET (cut-off time) one Business Day preceding the relevant Dealing Day will be processed on that Dealing Day on the basis of the net asset value calculated for that Dealing Day in accordance with the provisions set out below.**

Subscription and redemption applications received after this cut-off time will be processed on the next following Dealing Day. To secure punctual forwarding to the Administrative Agent, earlier cut-off times may apply for submission of applications placed with sales agencies in Luxembourg or abroad. Information on this may be obtained from the sales agency concerned. This means that net asset value for settlement purposes is not known when the order is placed (forward pricing). It will be calculated as of the Dealing Day on the basis of the last prices available at the time of valuation. The individual valuation principles applied are described in the paragraph that follows.

Subject to applicable laws and regulations, the distributors entrusted with the acceptance of orders shall request and accept subscription, redemption and/or conversion orders from investors on the basis of a written agreement or order form or by equivalent means, including receipt of orders by electronic means. The application of equivalent means to written form requires the prior written consent of the Management Company and/or UBS Asset Management Switzerland AG at its own discretion.

#### ***Timing in respect of the payment for subscriptions***

In respect of the sub-fund China A Opportunity (USD), payment for subscriptions must be received by the Depository of the Company at the latest three Business Days after the relevant Dealing Day. However, for subscriptions made during the initial subscription period which could affect the performance of the sub-fund, payment for subscriptions must be received by the Depository of the Company at the latest four Business Days before the initial subscription day or any other date as may be decided by the Board of Directors at its discretion. The Board of Directors may define on a regular basis and at its discretion the subscription amount which can be considered as being sufficiently large to potentially affect the performance of the sub-fund.

#### ***Remittance and repatriation of capital***

Remittance and repatriation of capital may be effected by the PRC Sub-Custodian through the relevant QFI status of the Investment Manager, sub-manager or investment advisor by reference to the net subscriptions and redemption of shares of the sub-fund/Company (as applicable).

For lack of liquidity to handle redemptions or due to lack of adequate investment possibilities to handle subscriptions, the Company may in the interest of the investors and the relevant sub-fund's Investment Policy suspend in whole or in part applications for subscription, redemption or conversion of shares in this sub-fund. The Company will take care to treat equally the concerned investors and will in case of partial suspension suspend all applications on a pro rata basis. The concerned investors will be informed accordingly.

#### ***QFI Status***

Each sub-fund itself is not a QFI, but it may invest in A-shares and other QFI permissible securities via the QFI status of the relevant Investment Managers, sub-manager or investment advisor.

All or most of the sub-fund's investment in the PRC will be made and held through the QFI status of UBS Asset Management (Singapore) Ltd. and/or UBS Asset Management (Hong Kong) Limited.

#### ***Issue of shares***

Shares are issued as registered shares only. This means that the shareholder status of the investor in the Company with all associated rights and obligations will be based on the respective investor's entry in the Company's register. A conversion of registered shares into bearer shares may not be requested. The shareholders should bear in mind that the registered shares may be also cleared via recognised external clearing houses like Clearstream.

Unless otherwise provided for in the section "Share classes" and depending on the various distributors who have informed investors in advance of the method used, entry costs of a maximum of 5% may be deducted from (or taken in addition to) the investor's capital commitment or added to the net asset value and paid to distributors and/or financial intermediaries involved in the distribution of the sub-fund's shares. In case of a subscription the fees (brokerage fees, etc.), which arise on average for the sub-fund in order to invest the amount subscribed, can be invoiced to the investor. Any taxes, commissions and other fees incurred in the respective countries in which shares are sold will also be charged. Please refer to the local offering documents where applicable for more

information.

Subscriptions for shares of the Company are accepted by the Company, the Management Company, the Administrative Agent as well as any other authorised sales agencies and paying agents.

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 share 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 shares denominated in RMB shall be made in RMB only. No other currency will be accepted for the subscription of these share classes. The shares may also be subscribed through savings plans, payment plans or conversion plans, in accordance with the locally prevailing market standards. Further information on this subject can be requested from local sales agents.

The shares will be issued in favor of the investors concerned without delay upon payment of the full issue price. Fractions of shares will be issued up to the third decimal. All shares of each class have the same rights. However, the Articles of Incorporation envisage the possibility of establishing within a sub-fund various share classes with specific features.

Upon request of the investors, the Company at its discretion may accept subscriptions in kind, in whole or in part. However in this case the investments in kind must be in accordance with the respective sub-fund's investment policy and restrictions. In addition these investments will be audited by the auditor appointed by the Company. The related costs are borne by the investor.

#### **Redemption of shares**

Shareholders can request redemption of their shares for each Dealing Day by making an irrevocable redemption application to the Company, the Administrative Agent or to any sales agencies authorised to accept such applications. Redemption applications must be accompanied by any certificates, which might have been issued. Any taxes, commissions and other fees (where applicable) incurred in the respective countries in which sub-fund shares are sold will be charged to the investor.

The development of the net asset value determines whether the redemption price is higher or lower than the issue price paid by the investor. Redemption payments are effected under normal circumstances within 3 Business Days after the relevant Dealing Day ("**Settlement Date**"), unless circumstances beyond the control of the Company make it impossible to operate the redemption payment. However in relation to sub-funds investing in QFI permissible securities through the relevant QFI status of the Investment Manager, sub-manager or investment advisor, repatriation of funds from the PRC is subject to potential regulatory limitations/restrictions. If the repatriation of funds is delayed due to legal or regulatory limitations/restrictions in the PRC, the amount due on redemption will be paid to investors, as soon as practicable, after completion of the relevant repatriation process.

The Company reserves the right not to be bound to completely execute applications for redemptions or conversions on any order date when the aggregated applications amount in an outflow of more than 10% of the total net assets of the sub-fund on such order date (redemption gate). In these circumstances the Company may scale down pro rata all redemptions and conversions and defer in priority the non-executed redemptions and conversions of the order date for a period normally not exceeding 20 Business Days.

In the event of an excessively large volume of redemption applications, the Company may decide to delay execution of the redemption applications until the corresponding assets of the sub-fund are sold without unnecessary delay. If such a measure is necessary, all redemption orders received on the same day will be settled at the same price.

For sub-funds with several share classes denominated in different currencies, shareholders may, in principle, only receive the equivalent value of their redemption in the currency of the respective share class or currency of account of the respective sub-fund.

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 share 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 and other fees which are incurred in the respective distribution countries and, for example, may be 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 shares denominated in RMB shall be made in RMB



only. The investor may not request payment of the redemption proceeds in any other currency than RMB.

Upon request of the investors the Company at its discretion may decide, with the approval of the relevant investor, to effect redemptions in kind, in whole or in part. Investors are free to refuse the redemption in kind and to insist upon cash redemption payment in the reference currency of the relevant sub-fund or class of shares. Where investors agree to accept a redemption in kind they will, to the extent possible, receive a representative selection of the sub-fund's holding in securities, cash and other assets pro rata to the number of shares redeemed. By selection of securities the Company shall take equally into account the interests of remaining and redeeming investors. In addition these redemptions will be audited by the auditor appointed by the Company. The related costs are borne by the investor.

If the value of the portion of a share class on the total net asset value of a sub-fund falls below or has not reached a certain level set by the Board of Directors as the minimum level for an economically efficient management of this share class, the Board of Directors may decide to redeem all shares of this class upon payment of the redemption price on a Business Day to be determined by the Board of Directors. In no event, investors of the class concerned and other investors in the relevant sub-fund shall bear any additional costs or suffer any other financial disadvantages as a result of this redemption. Where applicable, the Swing Pricing described in the section "Net asset value" shall apply.

#### **Conversion of shares**

Shareholders may convert from one sub-fund into another or from one share class into another share class within the same sub-fund at any time. The same procedures apply to the submission of conversion orders as to the issue and redemption of shares.

The number of shares into which the shareholder would like to convert his/her shares is calculated according to the following formula:

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

where:

$\alpha$	= number of shares of the new sub-fund or share class in which conversion is required
$\beta$	= number of shares of the sub-fund and/or the share class from which conversion is required
$\chi$	= net asset value of the shares presented for conversion
$\delta$	= foreign exchange rate between the sub-funds or share classes concerned. If both sub-funds or share classes are valued in the same currency of account, this coefficient equals 1
$\varepsilon$	= net asset value of the shares of the sub-fund and/or share class in which the conversion is to be performed plus any taxes, commissions or other fees.

Depending on the various distributors who have informed investors in advance of the method used, a maximum conversion commission amounting to the maximum entry costs may be deducted from (or taken in addition to) the investor's capital commitment or added to the net asset value and paid to distributors and/or financial intermediaries involved in the distribution of the sub-fund's shares. In this event, no redemption commission is levied, in accordance with the provisions of the section entitled "Redemption of shares".

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 share 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 shareholders.

#### **Market-Timing and Late Trading**

Investors are informed that the Board of Directors is entitled to take adequate measure in order to prevent practices known as "Market-Timing" in relation to investments in the Company. The Board of Directors will also ensure that the relevant cut-off time for requests for subscription, redemption and conversion are complied with to prevent practices known as "Late Trading". In the event of recourse to distributors, the Board of Directors will ensure that the relevant cut-off time is duly complied with by the distributor.

The Board of Directors is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of such practices. In addition, the Board of Directors is authorized to take

any further measures deemed appropriate to prevent the above-mentioned practices, without prejudice however to the provisions under Luxembourg law.

#### **Prevention of money laundering and terrorist financing**

The Administrative Agent and any appointed sales agencies must observe the provisions of the Luxembourg law on the prevention of money laundering and in particular of the law of 12 November 2004 as well as applicable circulars of the CSSF.

Amongst other things, the subscriber must furnish proof of his or her identity to the Administrative Agent and the sales agency or the distributor which accepts his or her subscription. The Administrative Agent and any sales agency or distributor is to request the following identification documents from the person buying and, in case of bearer shares, redeeming Company shares: for individuals a certified copy of the passport/identity card (certified by the Administrative Agent or the sales agency or distributor or by the local administrative authority); for companies or other legal entities a certified copy of the articles of incorporation, a certified copy of the extract from the Commercial Register, a copy of the most recently published annual accounts, the complete name of the material beneficial owner, i.e. the final shareholders. As the case may be the Administrative Agent and the sales agency or the distributor must request from subscribers additional documents and/or information.

The Administrative Agent must ensure that the sales agencies and distributors adhere strictly to the aforementioned identification procedures. The Administrative Agent and the Company can, at any time, demand assurance from the sales agency that the procedures are being adhered to. The Administrative Agent controls adherence to the aforementioned provisions for all subscription and redemption applications which it receives from sales agencies or distributors in countries, which do not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg or EU laws for the prevention of money laundering and terrorist financing.

Furthermore, any sales agencies and its distributors must obey all regulations to prevent money laundering and terrorist financing which are in force in their respective countries.

#### **Suspension of the net asset value calculation and of the issue, redemption and conversion of shares**

The Company is authorised to temporarily suspend the calculation of the net asset value and the issue, redemption and conversion of the shares of any class and of any sub-fund in the following circumstances:

- a) during any period when any of the stock exchanges or other markets on which the valuation of a significant and substantial part of any of the investments of the Company attributable to such sub-fund from time to time is based, or any of the foreign-exchange markets in whose currency the net asset value any of the investments of the Company attributable to such sub-fund from time to time or a significant portion of them is denominated, are closed  
– except on customary bank holidays – or during which trading and dealing on any such markets is suspended or restricted or if such markets are temporarily exposed to severe fluctuations, provided that such restriction or suspension affects the valuation of the investments of the Company attributable to such sub-fund quoted thereon;
- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Company attributable to such sub-fund would be impracticable;
- c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such sub-fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such sub-fund;
- d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of shares of such sub-fund, or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- e) if political, economic, military or other circumstances beyond the control or influence of the Company make it impossible to access the Company's assets under normal conditions without seriously harming the interests of the shareholders;
- f) when for any other reason, the prices of any investments owned by the Company attributable to such sub-fund, cannot promptly or accurately be ascertained;
- g) upon the publication of a notice convening a general meeting of shareholders for the purpose of the liquidation of the Company;
- h) to the extent that such suspension is justified by the necessity to protect the shareholders, upon publication of a notice convening a general meeting of shareholders for the purpose of the merger of the Company or one or more of its sub-funds, or upon publication of a notice informing the shareholders of the decision of the Board of Directors to merge one or more sub-fund(s); and
- i) when restrictions on foreign exchange transactions or other transfers of assets render the execution of the Company's transactions impossible.

A suspension of the calculation of the net asset value, a suspension of the issue or redemption of shares and a suspension of the conversion between sub-funds or classes of shares will be notified without delay to all the responsible authorities in those countries in which shares of the Company are approved for sale to the public and in the manner described below in section "Regular reports and publications".

In addition, the Company is empowered:

- a) to refuse subscription applications at its own discretion;
- b) to compulsorily redeem shares at any time which were subscribed to or purchased in defiance of an exclusion order.

### **Distributions**

The general meeting of shareholders of the respective sub-funds or classes of shares shall decide, at the proposal of the Board of Directors and after closing the annual accounts per sub-fund, whether and to what extent distributions are to be paid out by each sub-fund and/or share class, provided that such sub-fund or share class gives right to distribution payments. 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 Company shares. Some investors may therefore choose to subscribe to accumulating (-acc) instead of distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulation (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice. Any distribution results in an immediate reduction of the net asset value per share of the sub-fund.

The payment of distributions must not result in the net assets of the Company falling below the minimum amount of assets prescribed by law. If a distribution is made, payment will be effected no later than four months after the end of the financial year.

The Board of Directors is authorized to pay interim dividends and to suspend the payment of distributions.

Entitlements to distributions and allocations not claimed within five years of falling due shall lapse and be paid back into the sub-fund or share class concerned. If the sub-fund or the share class in question has already been liquidated, the distributions and allocations will accrue to the remaining sub-funds of the Company or the remaining share classes of the same sub-fund in proportion to their respective net assets. Upon the proposal of the Board of Directors, the general meeting of shareholders may decide to issue bonus shares as part of the distribution of net investment income and capital gains. An income equalization amount will be calculated so that the distribution corresponds to the actual income entitlement.

No distributions will be made in relation to classes of shares the features of which provide for an accumulation policy.

### **Taxes and expenses**

#### **Taxation**

The Company is subject to Luxembourg tax legislation. A prospective investor must seek his own advice on the laws and regulations governing the purchase, possession and sale of shares at their place of residence and for people of their nationality. In conformity with current legislation in the Grand Duchy of Luxembourg, the Company is not subject to any Luxembourg withholding, income, capital gains or wealth taxes.

According to the tax legislation currently in force, shareholders are not required to pay any income, gift, inheritance or other taxes in Luxembourg, unless they are domiciled in Luxembourg, have a residence in Luxembourg or maintain a permanent establishment there, or were formerly resident in Luxembourg and holds more than 10% of the total net assets.

However, prospective investors should keep themselves informed of the possible taxes applicable to the acquisition, holding, converting and disposal of shares of the Company and to distributions in respect thereof under the laws of their countries of citizenship, residence or domicile.

However, the Company is subject to the Grand Duchy of Luxembourg's "taxe d'abonnement", which is payable at the end of every quarter. This tax is calculated on the total net assets of each class at the end of every quarter. The tax is levied at a rate of 0.05% of the total net assets. The rate is reduced to 0.01% in respect of classes F, I-A1, I-A2, I-A3, I-A4, I-B, I-X and U-X. The value of the assets represented by shares held in other Luxembourg undertakings for collective investment that already pay a taxe d'abonnement will be exempted from any taxe d'abonnement. In the event that the conditions to benefit from the reduced 0.01% rate are no longer satisfied, all shares in classes F, I-A1, I-A2, I-A3, I-A4, I-B, I-X and U-X may be taxed at the rate of 0.05%.

Sub-funds may benefit from reduced tax d'abonnement rates ranging from 0.01% to 0.04% p.a. for the portion of net assets that are invested into environmentally sustainable economic activities as defined in Article 3 of EU Regulation 2020/852 of 18 June 2020.

#### **Automatic Exchange of Information - FATCA and the Common Reporting Standard**

As an investment entity established in Luxembourg, the Company is required by automatic exchange of information regimes, such as those described below (and others as may be introduced from time to time), to collect certain information about each investor and their tax status and to share that information with the Luxembourg tax authorities, who may then exchange it with tax authorities in the jurisdictions in which the investor is tax resident.

#### **United States of America**

Pursuant to the U.S. Foreign Account Tax Compliance Act and associated legislation ("**FATCA**"), the Company is required to comply with extensive due diligence and reporting requirements designed to inform the U.S. Department of the Treasury of financial accounts of "Specified U.S. Persons", as defined by the Intergovernmental Agreement ("**IGA**") concluded between Luxembourg and the U.S. Failure to comply with these requirements may subject the Company to U.S. withholding taxes on certain U.S. sourced income and, effective 1 January 2019, gross proceeds. Pursuant to the IGA, the Company will be deemed compliant and not subject to withholding tax if it identifies and reports financial accounts held by Specified U.S. Persons directly to the Luxembourg tax authorities, who will then provide it to the U.S. Internal Revenue Service.

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Pursuant to the CRS, financial institutions based in participating CRS jurisdictions (such as the Company) must report to their local tax authorities personal and account information of investors and, where appropriate, controlling persons resident in other participating CRS jurisdictions which have an agreement in place with the financial institution's jurisdiction to exchange information. 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 Company will be required to comply with the CRS due diligence and reporting requirements adopted by Luxembourg.

Prospective investors will be required to provide to the Company information about themselves and their tax status prior to investment in order to enable the Company to satisfy its obligations under FATCA and the CRS, and to update that information on a continuing basis. Prospective investors should note the Company's obligation to disclose such information to the Luxembourg tax authorities. Each investor acknowledges that the Company may take such action as it considers necessary in relation to such investor's holding in the Company to ensure that any withholding tax suffered by the Company and any other related costs, interest, penalties and other losses and liabilities arising from such investor's failure to provide the requested information to the Company is economically borne by such investor. This may include subjecting an investor to liability for any resulting U.S. withholding taxes or penalties arising under FATCA or the CRS and/or the compulsory redemption or liquidation of such investor's interest in the Company.

Prospective investors should consult their own tax advisor with regard to FATCA and the CRS and the potential consequences of such automatic exchange of information regimes.

#### **"Specified U.S. Person" for FATCA purposes**

The term "Specified U.S. Person" means a U.S. citizen or resident individual, a partnership or corporation organised in the U.S. or under the laws of the U.S or any State thereof, a trust if i) a court within the U.S would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and ii) one or more Specified U.S. Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the U.S. This section shall be interpreted in accordance with the U.S. Internal Revenue Code.

#### **People's Republic of China (PRC)**

##### **PRC Tax Considerations**

For the purposes of this section or in this Prospectus generally: (i) references to the sub-fund refers to the sub-fund investing in QFI permissible securities through the Investment Manager's QFI status or status of any other entity within the UBS group; and (ii) reference to the Investment Manager shall refer to the Investment Manager and any other entity within the UBS group, as the context may require.

Under current regulations in the PRC, foreign investors including the sub-fund may invest in Chinese A-Shares and certain other investment products, generally, through a QFI or Stock Connect.

#### PRC Corporate Income Tax ("CIT")

If the sub-fund is considered a tax resident enterprise of the PRC, it will be subject to PRC CIT at 25% on its worldwide taxable income. If the sub-fund is considered a non-tax resident enterprise with a PE in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, a non-PRC tax resident enterprise without a PE in the PRC will generally be subject to WIT of 10% on its PRC sourced income, including but not limited to passive income (e.g. dividends, interest, gains arising from transfer of assets etc.).

The Investment Manager intends to manage and operate the sub-fund in such a manner that the sub-fund should not be treated as tax resident enterprise of the PRC or non-PRC tax resident enterprise with a PE in the PRC for CIT purposes, although due to uncertainty in tax laws and practices in the PRC, this result cannot be guaranteed.

#### *(i) Interest and Dividend*

Under current PRC tax laws and regulations, QFIs are subject to PRC WIT of 10% on cash and bonus dividends, profits distributions and interest payment from PRC listed companies. Such PRC WIT may be reduced under an applicable double tax treaty. On 22 November 2018, the Ministry of Finance ("**MOF**") and the State Administration of Taxation ("**STA**") of the PRC jointly released the Caishui [2018] No 108 circular ("Circular 108") to address the tax issues in relation to interest income on bonds earned by foreign institutional investors from investments in the PRC bond market. In accordance with Circular 108, interest income on bonds earned by foreign institutional investors with no PE in the PRC (or with a PE in the PRC, but where such income generated in the PRC is not effectively related to that PE) between 7 November 2018 and 6 November 2021 is temporarily exempt from CIT. Further to Circular 108, on 22 November 2021, the MOF and the STA jointly released MOF/STA PN [2021] No. 34 ("PN 34"), according to which the exemption of Circular 108 was extended up to 31 December 2025. As this exemption under Circular 108 and PN34 is only temporary, it is uncertain whether such an exemption will also apply after 31 December 2025.

Interest derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from PRC CIT under the PRC CIT Law.

#### *(ii) Capital Gain*

Based on the CIT Law and its Implementation Rules, "income from the transfer of property" sourced from the PRC by non-PRC tax resident enterprises should be subject to 10% PRC WIT unless exempt or reduced under an applicable tax treaty.

On 14 November 2014, the **MOF**, the STA and the CSRC of the PRC jointly released Caishui [2014] No.79 ("**Circular 79**") to address the tax issues in relation to capital gains from equity investments derived by QFIs. Under Circular 79, for QFIs without a PE in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), such capital gains will be temporarily exempt from PRC WIT if they are realized on or after 17 November 2014, and subject to 10% PRC WIT in accordance with the applicable law if they are realized before 17 November 2014.

Circular 79 did not provide further guidance on whether the temporary exemption applies to securities other than A-shares. In the absence of further guidance, the PRC CIT treatment should be governed by the general tax provisions of the PRC CIT law.

In relation to capital gains realized from the disposal of PRC debt securities, the PRC tax authorities have verbally indicated on numerous occasions, that such gains are non-PRC sourced income and hence not subject to PRC WIT. However, there is no specific written tax regulation to confirm the same. In practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realized from the disposal of PRC debt securities. Should the PRC tax authorities decide to levy tax on such gains in the future, the Investment Manager would seek to apply with the PRC tax authorities to treat the sub-fund as Luxembourg tax resident and rely on the capital gain tax exemption accorded under the double tax treaty between the PRC and Luxembourg, although this cannot be guaranteed.

#### PRC Value-added Tax ("VAT")

With the Circular Caishui [2016] No. 36 ("**Circular 36**") regarding the final stage of VAT reform which came into effect on 1 May 2016, the gains derived from the transfer of Chinese securities are subject to VAT starting from 1 May 2016.

According to Circular 36 and Circular Caishui [2016] No. 70 ("**Circular 70**"), gains derived by QFIs from the transfer of PRC securities will be exempt from VAT since 1 May 2016. Circular 36 states that VAT is exempted on gains derived by Hong Kong and overseas investors from the transfer of China A-Shares through the Stock Connect. Interest income received by QFIs from investments in onshore PRC debt securities shall be subject to 6% VAT

unless special exemption applies. According to Circular 36, deposit interest income is not subject to VAT and interest income earned on government bonds is exempted from VAT. In addition, according to Caishui [2016] No. 46 and Circular 70, interest income earned by financial institutions on bonds issued by other financial institutions is exempted from VAT. Circular 108 provides for VAT exemption on interest income on bonds earned by foreign institutional investors investing in the Chinese bond market between 7 November 2018 and 6 November 2021, which was extended up to 31 December 2025 according to PN 34. As this exemption under Circular 108 and PN 34 is only temporary, it is uncertain whether such an exemption will also apply after 31 December 2025.

Dividend income or profit distributions on equity investment derived from mainland China are not included in the taxable scope of VAT.

If VAT is applicable, there are also other surtaxes (which include urban construction and maintenance tax, education surcharge and local education surcharge) that would amount to as high as 12% of VAT payable.

#### PRC Stamp Duty

The seller will be liable for stamp duty at the rate of 0.1% of the sales consideration on the sale of PRC listed shares. No stamp duty is expected to be imposed on non-PRC tax resident holders of government and corporate bonds, either upon issuance or upon a subsequent transfer of such bonds.

#### Investment in A-Shares via Stock Connect

On 14 November 2014, the MOF, SAT and CSRC issued Caishui [2014] No.81 to clarify the PRC taxation issues on the Shanghai-Hong Kong Stock Connect. On 5 November 2016 the MOF, STA and CSRC issued Caishui [2016] NO.127 to further clarify the PRC taxation issues on the Shenzhen-Hong Kong Stock Connect. Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are collectively referred to as “**Stock Connect**”. Pursuant to these tax regulations, capital gains derived by foreign investors from the trading of A-Shares through the Stock Connect will be temporarily exempt from PRC CIT, individual income tax and BT. In addition, pursuant to Circular 36 and Circular 127, capital gains realized by Hong Kong market investors from the trading of A-shares through the Stock Connect are exempt from VAT. Foreign investors are required to pay PRC WIT on dividends at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the PRC listed companies. For investors who are tax resident of a jurisdiction which has concluded a tax treaty with the PRC, such investors may apply for a refund of the PRC WIT overpaid if the relevant tax treaty provides for a lower PRC WIT on dividends.

The sub-fund will be subject to PRC stamp duty at a rate of 0.1% of the sales consideration in respect of the disposal of A-Shares via Stock Connect.

### **Singapore**

#### **Certain Singapore Tax Considerations**

As UBS Asset Management (Singapore) Ltd. has discretionary authority over the assets and investments of UBS xxx Fund (the “Sub-Fund”), reliance is made on the tax exemption scheme under Section 13CA of the Income Tax Act, Chapter 134 of Singapore (“Income Tax Act”) and the relevant regulations (the “Section 13CA Scheme”) in respect of the Sub-Fund. Accordingly, the income derived by the Sub-Fund from such management of its assets and investments by UBS Asset Management (Singapore) Ltd. should be exempt from tax in Singapore, subject to the relevant conditions under the Section 13CA Scheme being met.

#### **Financial amount payable by non-qualifying investors in the Relevant Sub-Fund**

Even though the Sub-Fund may be exempt from tax as outlined above, investors should note that under certain circumstances, they may be obliged to pay a “financial amount” to the Inland Revenue Authority of Singapore (“IRAS”) if they are not “qualifying investors”.

Generally, “non-qualifying” investors may include, but are not limited to, non-individual shareholders who are resident in Singapore, carry on a business in Singapore or have a permanent establishment in Singapore and who, either alone or with its associates, beneficially owns shares representing in excess of 50% of the total value of the issued securities of the Company (or in excess of 30% of the total value of the issued securities of the Company, to the extent the Company has less than 10 beneficial shareholders).

You should note that you are solely responsible for computing the aggregate shareholdings of you and your associates to determine if you would be a non-qualifying investor. Non-qualifying investors are obliged to declare and pay the financial amount in their respective income tax returns for the relevant year of assessment.

#### **Representation and warranty by you**

You should note that, by subscribing for or purchasing the Shares in the Sub-Fund, you would represent and warrant that you are and, at all times whilst you hold the Shares, will remain a qualifying investor for the purpose of

the tax exemption of the Sub-Fund as described in Paragraph 1.1. Specifically, you would represent and warrant that you are and will remain:

- (a) an individual investor;
- (b) a bona fide non-Singapore resident non-individual investor (excluding a permanent establishment in Singapore) that:
  - (i) does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore; or
  - (ii) carries on an operation in Singapore through a permanent establishment in Singapore but does not use funds from its operation in Singapore to invest directly or indirectly in the Sub-fund;

A bona fide non-Singapore resident non-individual investor is one which carries out substantial business activities for genuine commercial reasons and has not as its sole purpose the avoidance or reduction of tax or penalty under the Income Tax Act.

(c) a "designated person" as defined in the Income Tax (Exemption of Income of Non-Residents Arising from Funds Managed by Fund Manager in Singapore) Regulations. i.e. the Government of Singapore Investment Corporation Pte. Ltd., the Monetary Authority of Singapore, or any company which is wholly owned, directly or indirectly, by the Minister (in his capacity as a corporation established under Minister for Finance (Incorporation) Act, Chapter 183 of Singapore) and which is approved by the Minister or such person as he may appoint.

(d) an approved company under Section 13R of the Income Tax Act which, at all times during the basis period for the year of assessment for which the income of the Sub-Fund is exempt from tax under Section 13CA of the Income Tax Act:

- (i) beneficially owns directly, 100% of the total value of all issued securities of the Sub-Fund; and
- (ii) satisfies the conditions in Regulation 3(2) of the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010; or

(e) an approved person under Section 13X of the Income Tax Act which, at all times during the basis period for the year of assessment for which the income of the Sub-Fund is exempt from tax under Section 13CA of the Income Tax Act satisfies the conditions in Regulation 3(2) of the Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010;

(f) an investor other than those listed in (a), (b), (c), (d) and (e) which, alone or with his associates:

- (i) beneficially owns not more than 30% of the total value of issued securities of the Sub-Fund if the Sub-Fund has less than 10 investors; or
- (ii) beneficially owns not more than 50% of the total value of issued securities of the Sub-Fund if the Sub-Fund has 10 or more investors.

You should also note that the representation and warranty given as described in Paragraph 1.2 may affect your and the Investment Manager's liability to taxation under Singapore law. You would, by subscribing for or purchasing the Shares in the Sub-Fund, agree (i) to notify that Investment Manager 30 days prior to the above representation (or any part thereof) no longer being true or likely to become untrue; and (ii) to provide that Investment Manager upon request any information as may be required to confirm any representation provided.

If any representation or warranty given ceases to be true or if an Investment Manager no longer reasonably believes that it has satisfactory evidence as to the truth of any representation or warranty, that Investment Manager and/or relevant distributor may (but is not obligated to) discuss and agree with you on possible action to be taken to ensure that you would remain as a qualifying investor. Such possible action that may be agreed include (but is not limited to) the freezing of your investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment, and the redemption of your investment by the Sub-Fund (whether in whole or in part). If no agreement is reached on any action to restore you as a qualifying investor, that Investment Manager may be required to disclose your identity to the IRAS. In the event that the Sub-Fund and/or an Investment Manager and/or relevant distributor takes any of the foregoing actions, you would, by subscribing for or purchasing the Shares, agree that you shall have no claim against the Manager, the Company, the Sub-Fund, the Board of Directors of the Manager, that Investment Manager, the Administrator, the Depository, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.

### **Partial exemption under the German Investment Tax Act 2018**

In addition to the investment restrictions set out in the special investment policies of the sub-fund, the Management Company will manage the Funds listed below in accordance with the partial exemption regime according to Sec. 20 para. 1 and 2 of the German Investment Tax Act 2018 (“GITA”).

In case of investments in target investment funds, these target investment funds will be considered by the Funds in the calculation of their equity participation ratio. As far as such data is available, the at least weekly calculated and published actual equity ratios of target funds will be considered in this calculation according to Sec. 2 para. 6 respectively 7 GITA.

On that basis, the following Funds will invest more than 50% of their relevant total assets in equity investments (as defined by Sec. 2 para. 8 GITA and associated guidance), on a continuous basis, in order to establish eligibility as an “equity fund” according to Sec. 2 para. 6 GITA for the partial exemption according to Sec. 20 para. 1 GITA.

- none

The following Funds will invest at least 25% of their relevant total assets in equity investments (as defined by Sec. 2 para. 8 GITA and associated guidance), on a continuous basis, in order to establish eligibility as a “mixed fund” according to Sec. 2 para. 7 GITA for the partial exemption according to Sec. 20 para. 2 GITA.

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German investors should consult their tax advisors regarding the tax consequences of investing into an “equity fund”, “mixed fund” or “other fund” under the German Investment Tax Act.

### **DAC6 – Disclosure requirements for reportable cross-border tax arrangements**

On 25 June 2018, Council Directive (EU) 2018/822 (“DAC6”) entered into force introducing rules regarding the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (“RCBAs”). DAC6 is intended to provide the tax authorities of EU member states with comprehensive and relevant information about potentially aggressive tax-planning arrangements with the aim that this information will enable the authorities to react promptly against harmful tax practices and close loopholes by enacting legislation or by undertaking adequate risk assessments and carrying out tax audits.

The DAC6 obligations apply from 1 July 2020, but may require reporting of arrangements implemented between 25 June 2018 and 30 June 2020. The Directive generally requires EU intermediaries to report to their local tax authorities information about RCBAs, including details of the arrangement as well as identification information about the involved intermediaries and relevant taxpayers, i.e. the persons to whom the RCBA is made available. Subsequently, the local tax authorities exchange the information with the tax authorities of other EU member states. As such, the Fund may be legally required to file information that is within its knowledge, possession or control on any RCBA to the respective tax authorities. This legislation is capable of applying to arrangements that do not necessarily constitute aggressive tax planning.

### **Expenses paid by the Company**

The Company pays a maximum monthly flat fee for share classes "P", "K-1", "K-B", "K-X", "F", "Q", "QL", "I-A1", "I-A2", "I-A3", "I-A4", calculated on the average net asset value of the sub-funds.

This shall be used as follows:

1. For the management, administration, investment management and distribution of the Company (if applicable), as well as for all the tasks of the Depositary, such as the safekeeping and supervision of the Company's assets, the handling of payment transactions and all other tasks listed in the section "Depositary and Main Paying Agent", a maximum flat fee based on the net asset value of the Company is paid from the Company's assets, in accordance with the following provisions: this fee is charged to the Company's assets on a pro rata basis upon every calculation of net asset value and paid on a monthly basis (maximum flat fee).  
The maximum flat fee for share classes with “hedged” in their name may include foreign exchange risk hedging charges. The actual maximum rate applied to the flat fee 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 charged to the Company's assets:
  - a) all additional expenses related to management of the Company's assets for the sale and purchase of assets (bid/offer spread, brokerage fees in line with the market, commissions, fees, taxes, levies, etc.). These expenses are generally calculated upon the purchase or sale of the respective assets. In derogation hereto, 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 sections "Net asset value" and "Conditions for the issue and redemption of shares";
  - b) fees of the supervisory authority for the establishment, amendment, liquidation and merger of the



- Company, as well as all fees of the supervisory authorities and any stock exchanges on which the Sub-Funds are listed;
- c) auditor's fees for the annual audit and certification in connection with the establishment, amendment, liquidation and merger of the Company, as well as any other fees paid to the auditor for the services it provides in relation to the administration of the Company and as permissible by law;
  - d) fees for legal and tax advisers, as well as notaries, in connection with the establishment, registration in distribution countries, amendment, liquidation and merger of the Company, as well as for the general safeguarding of the interests of the Company and its investors, insofar as this is not expressly prohibited by law;
  - e) costs for the publication of the Company's net asset value and all costs for notices to investors, including translation costs;
  - f) costs for the Company's legal documents (prospectuses, KID, annual and semi-annual reports, as well as all other documents legally required in the countries of domiciliation and distribution);
  - g) costs for the Company's registration with any foreign supervisory authorities, if applicable, including fees, translation costs and fees for the foreign representative or paying agent;
  - h) expenses incurred through use of voting or creditors' rights by the Company, including fees for external advisers;
  - i) costs and fees related to any intellectual property registered in the Company's name;
  - j) all expenses arising in connection with any extraordinary measures taken by the Management Company, Investment Manager or Depositary for protecting the interests of the investors;
  - k) if the Management Company participates in class-action suits in the interests of investors, it may charge the Company's assets for the expenses arising in connection with third parties (e.g. legal and Depositary costs). Furthermore, the Management Company may charge for all administrative costs, provided these are verifiable and disclosed, and taken into account in the disclosure of the Company's total expense ratio.
  - l) fees, costs and expenses payable to the directors of the Company (including reasonable out-of-pocket expenses, insurance coverage and reasonable travel expenses in connection with meetings of the Board and remuneration of directors);
3. The Management Company may pay retrocessions in order to cover the distribution activities of the Company.
  4. The Management Company or its agents may pay rebates directly to investors. Rebates serve to reduce the cost attributable to investors concerned.

Rebates are permitted provided that they:

- are paid out of fees of the Management Company or its agents and thus do not additionally impair the assets of the sub-fund;
- are granted on the basis of objective criteria;
- are granted to the same extent to all investors who meet the objective criteria equally and demand rebates.);
- increase the quality of the service for which the rebate is granted (e.g. by contributing to higher assets of the sub-fund that can lead to a more efficient management of the assets and a reduced liquidation probability of the sub-fund and / or a reduction of the fixed costs pro rate for all investors) and all investors bear their fair share of the sub-fund's fees and costs..

The objective criterion for granting rebates is:

- the total assets held by the investor in the share class of the sub-fund that qualifies for rebates;

Additional criteria may be:

- the total assets in UBS collective investment schemes held by the investor and / or
- the region where the investor is domiciled.

Upon request of the investor, the Management Company or its agents shall disclose the corresponding amount of the rebates free of charge.

For the avoidance of doubt, the Company, and all of its share classes, shall also bear all taxes which may be payable on the net assets or income and especially the "taxe d'abonnement".

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 share class "I-B", a fee is charged to cover the costs of fund administration (comprising the costs of the Company, the administrative agent and the Depositary). The costs for asset management and distribution are charged outside of the Company 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 share classes "K-B" for asset management are covered by the compensation to which UBS Asset Management Switzerland AG or one of its authorised distribution partners is entitled to under a separate contract with the investor.

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

All costs that can be allocated to specific sub-funds will be charged to those sub-funds.

Costs that can be attributed to individual share classes will be charged to these share classes. If costs are incurred in connection with several or all sub-funds/share classes, however, these costs will be charged to these sub-funds/share classes in proportion to their relative 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 (excluding performance 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 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 Company's ongoing costs (or ongoing charges) can be found in the KIDs.

The costs involved in launching new sub-funds will be written off over a period of up to five years in the respective sub-funds only.

### **Information to shareholders**

#### **Regular reports and publications**

An annual report is published for each sub-fund and the Company as a whole on 31 January and a semi-annual report on 31 July.

These reports contain a breakdown of each sub-fund or class of shares in the relevant account currency. The consolidated breakdown of assets for the Company 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 auditors of the Company.

In addition to the requirements regarding the content of the periodic reports established by the Law of 2010, these reports contain, inter alia, information about (i) the total amount of remunerations (broken down into fixed and variable remunerations) that the Management Company has paid to its employees in the past financial year, as well as the number of beneficiaries thereof; (ii) the total amount of remunerations paid out in the past financial year to managerial staff and employees of the Management Company (the activities of which have a significant impact on the Company's risk profile), which must be broken down on an individual basis with respect to these persons in the report; (iii) the amount of participation certificates paid out by the Company for the past financial year; (iv) the Company's share of the overall remunerations for employees of the Management Company, including an indication of the number of beneficiaries, and (v) information on the financial and non-financial criteria of the remuneration principles and practices for important employee categories, so that investors can evaluate the incentives provided. Furthermore, the Company shall disclose the information necessary to understand the Company's risk profile and the measures taken by the Company to prevent and manage conflicts of interest.

Moreover, the annual report contains information regarding:

- (a) all new provisions concerning liquidity management, insofar as and as soon as amendments in this regard have been made;
- (b) risk management systems used by the Management Company to monitor and manage relevant risks;
- (c) the maximum amount of Leverage for each sub-fund, all amendments to the maximum permitted Leverage that may be incurred by the sub-funds in accordance with their relevant investment policies, the granting to a counter-party of a right of use over the assets of a sub-fund and any guarantee granted for the account of a sub-fund to a third-party under Leverage arrangements, including changes in the service providers working for the Company and/or Management Company in these

areas.

The annual and semi-annual reports are available to shareholders at the registered office of the Company and of the Depositary.

The issue and redemption price of the shares of each sub-fund or class of shares is available in Luxembourg at the registered office of the Company and of the Depositary.

Notices to shareholders are published on the website [www.ubs.com/lu/en/asset\\_management/notifications](http://www.ubs.com/lu/en/asset_management/notifications) and may be sent via e-mail to those shareholders who have provided an e-mail address for this purpose. If shareholders have not provided an e-mail address, or if stipulated in Luxembourg law, by the Luxembourg supervisory authority or in the respective distribution countries, notices will be sent by post to the shareholder's address stated in the register of shareholders and/or published in any other manner permitted by Luxembourg law.

### **Depositing of Documents**

The following documents are available for inspection at the registered office of the Company:

1. the Articles;
2. the latest visa-stamped version of this Prospectus;
3. the KIDs;
4. the articles of incorporation of the Management Company;
5. the latest annual reports;
6. the management company agreement;
7. the Depositary Agreement;
8. the investment management agreements;
9. the central administration agreement;
10. the latest net asset value of the relevant share class within the relevant sub-fund;
11. the historical performance of the Company.

The above agreements may be amended from time to time by consent of the parties involved.

### **Handling complaints, strategy for exercising voting rights and best execution**

In accordance with Luxembourg laws and regulations, the Management Company provides additional information on handling complaints, the strategy for exercising voting rights and best execution on the following website: [www.ubs.com/lu/en/asset\\_management.html](http://www.ubs.com/lu/en/asset_management.html)

### **Remuneration policy of the Management Company**

The board of directors of the Management Company has adopted a remuneration policy, the objectives of which are to ensure that the remuneration is in line with the applicable regulations, and more specifically with the provisions defined under (i) the 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, transposed into the Luxembourg AIFM Law dated from 12 July 2013, as amended from time to time, the ESMA guidelines on sound remuneration policies under the AIFM 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; and to comply with the UBS Group remuneration policy framework. Such remuneration policy is reviewed at least annually.

The remuneration policy promotes a sound and effective risk management environment, is in line with the interests of the investor and discourages risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of such UCITS/AIFs. The remuneration policy furthermore fosters compliance with the Management Company's and the UCITS'/AIFs' strategies, objectives, values and interests including measures to avoid conflicts of interest.

This approach furthermore focuses amongst others on:

- The assessment of performance which is set in a multi-year framework appropriate to the holding periods recommended to the investors of the sub-funds in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- The remuneration of all staff members is appropriately balanced between fixed and variable elements. The fixed component of the remuneration represents a sufficient high proportion of the total remuneration and allows a fully flexible bonus strategy, including the possibility to pay no variable remuneration component. The fixed remuneration is determined by taking into consideration the role of the individual employee, including responsibility and job complexity, performance and local market conditions. It is also to be noted that the Management Company may, on its own discretion, offer fringe

benefits to some employees which are an integral component of the fixed remuneration. Any relevant disclosures shall be made in the annual reports of the Management Company in accordance with the provisions of the UCITS Directive 2014/91/EU. Shareholders can find more details about the up-to-date remuneration policy of the Management Company, including, but not limited to, a 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 on [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html)

A paper copy of such document is available free of charge from the Management Company upon request.

### **Conflicts of interest**

The board of directors, the Management Company, the Portfolio Manager, the Depositary, the administrative agent and the other service providers of the Company, 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 Company.

The Management Company, the 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 Company's interests being prejudiced, as well as to ensure that the Company's shareholders are treated fairly in the event that a conflict of interest cannot be prevented.

The Management Company, the Depositary, the Portfolio Manager, the principal distributor, the Securities Lending Agent and the Securities Lending Service Provider are part of the UBS Group (the "**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 Company invests.

The Affiliated Person (as well as its subsidiaries and branches) may serve as the counterparty in financial derivative contracts entered into with the Company. 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 Company.

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 Company or its shareholders. 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 Company or its shareholders are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Investors may obtain additional information on the Management Company and/or the Company'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 Company or its shareholders 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 investors on the following website of the Management Company: [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](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 Company and of the shareholders.

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 investors upon request.

### **Benchmark Regulation**

The indices used as benchmarks by the sub-funds (as "use" is defined in Regulation (EU) 2016/1011 (the "Benchmark Regulation")) are, as at the date of this Prospectus, provided by:

(i) benchmark administrators who appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Updated information whether the benchmark is provided by an

administrator included in the ESMA register of EU benchmark administrators and third country benchmarks is available from <https://registers.esma.europa.eu>; and/or

(ii) benchmark administrators authorised under the UK's Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019 ("UK Benchmark Regulation"), qualify as benchmark administrators located in a third country within the meaning of the Benchmark Regulation and are included on a register of administrators and benchmarks maintained by the FCA available from <https://register.fca.org.uk/BenchmarksRegister>; and/or

(iii) provided by benchmark administrators who benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear yet on the register of administrators and benchmarks maintained by ESMA pursuant to the Benchmark Regulation.

The transition period for benchmark administrators and deadline by which they should apply for authorisation or registration as an administrator under the Benchmark Regulation, depends both on the classification of the relevant benchmark and the domicile of the benchmark administrator.

In the event of significant changes to or the cessation of a benchmark, the Management Company has a written contingency plan that includes the measures to be taken in such a case, as required by Article 28(2) of the Benchmark Regulation. Shareholders can consult this contingency plan free of charge at the registered office of the Management Company.

#### **Index provider**

The calculation method used by the index is determined by the index provider.

#### **MSCI**

MSCI data is for your internal use only. It may not be reproduced or redistributed in any form and may not be used as the basis for or a component of financial instruments, products or indices. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. MSCI data is provided on an "as is" basis and the user assumes the entire risk of any use made of the information. MSCI, all of its affiliated companies and all other individuals involved in or associated with compiling, computing or creating MSCI data (together the "MSCI Parties") expressly disclaim all warranties (including any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, fast profits) or any other damages.

#### **Liquidation and merging of the Company , its sub-funds and share classes**

##### **Liquidation of the Company, its sub-funds and share classes**

The Company can be dissolved at any time by the general meeting of shareholders in due observance of the legal conditions governing the quorum and necessary majority.

If the total net assets of the Company fall below two-thirds or one-quarter of the prescribed minimum capital, the Board of Directors must ask the general meeting of shareholders to vote on whether to liquidate the Company. If the Company is dissolved, the liquidation shall be carried out by one or more liquidators to be designated by the general meeting of shareholders, which shall also determine their sphere of responsibility and remuneration. The liquidators shall realise the Company's assets in the best interests of the shareholders and distribute the net proceeds from the liquidation of the sub-funds to the shareholders of the sub-funds in proportion to their respective holdings. Any liquidation proceeds which cannot be distributed to the shareholders at the end of the liquidation procedure (which can last up to nine months) shall be immediately deposited with the "Caisse de Consignation" in Luxembourg.

If the value of the net assets of the respective sub-fund and/or share class remains at or falls to a level that no longer allows it to be managed in an economically reasonable way or if the political or economic environment changes as well as in the course of a rationalisation, the Board of Directors may demand the liquidation of one or more sub-funds.

The shareholders of the respective sub-fund will be informed of the decision of the general meeting of shareholders, or the Board of Directors as further described above in section "Regular reports and publications".

### **Merger of the Company or of sub-funds or one sub-fund with another UCITS or with sub-funds thereof**

"Merger" means an operation whereby:

- a) one or more UCITS or sub-funds thereof, the "**merging UCITS**", on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or a sub-fund thereof, the "**receiving UCITS**", in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares;
- b) two or more UCITS or sub-funds thereof, the "**merging UCITS**", on being dissolved without going into liquidation, transfer all of their assets and liabilities to a UCITS which they form or a sub-fund thereof, the "**receiving UCITS**", in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares;
- c) one or more UCITS or sub-funds thereof, the "**merging UCITS**", which continue to exist until the liabilities have been discharged, transfer their net assets to another sub-fund of the same UCITS, to a UCITS which they form or to another existing UCITS or a sub-fund thereof, the "**receiving UCITS**".

Mergers can be performed in accordance with the form, modalities and information requirements provided for by the Law of 2010; the legal consequences of mergers are governed by and described in the Law of 2010.

Under the same circumstances as provided in the section "Liquidation of the Company, its sub-funds and share classes", the Board of Directors may decide to allocate the assets of any sub-fund and/or share class to those of another existing sub-fund and/or share class within the Company or to another Luxembourg UCITS subject to Part I of the Law of 2010 or to another sub-fund and/or share class within such other UCITS subject to Part I of the Law of 2010 or, in accordance with the provisions of the Law of 2010, to a foreign UCITS or sub-fund and/or share class thereof and to re-designate the shares of the relevant sub-fund or share class concerned as shares of another sub-fund and/or share class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Regardless of the powers conferred on the Board of Directors in this paragraph, the decision to merge funds as described herein may also be taken by a general meeting of shareholders of the sub-fund concerned.

The shareholders will be informed of the decision to merge in the same way as described above in section "Regular reports and publications". During thirty (30) days following the publication of such a decision, shareholders are authorised to redeem all or a part of their shares at their valid net asset value in accordance with the guidelines outlined in the section "Redemption of shares" and without calculating redemption commission or any other administrative fee. Shares not presented for redemption will be exchanged on the basis of the net asset value of the shares of the sub-fund concerned calculated for the day on which the merger will take effect. If the shares or shares to be allocated are shares of an investment fund taking the legal form of a "fonds commun de placement", the decision is only binding for investors who voted in favor of this allocation.

### **General meeting of shareholders**

For both liquidations and mergers of sub-funds, there shall be no quorum requirements for such general meeting of shareholders in the Company or the relevant sub-fund and it will decide upon such a merger or division by resolution taken with the simple majority of the shares present and/or represented.

### **Applicable law, place of jurisdiction and prevailing language**

The Luxembourg District Court is the place of jurisdiction for all legal disputes between the shareholders, the Company, the Management Company and the Depositary. Luxembourg law applies. However, in matters concerning the claims of investors from other countries, the Company and/or the Depositary can elect to make themselves and the Company subject to the jurisdiction of the countries in which the Company shares were bought and sold.

The English version of this Prospectus is the governing version. However, in the case of Company shares sold to investors from the other countries in which Company shares can be bought and sold, the Company may recognize approved translations (i.e. approved by the Company) into the languages concerned as binding upon itself.

### **Investment principles**

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

#### **1. Permitted investments of the Company**

1.1 The investments of the Company may consist exclusively of one or more of the following components:

- 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 which 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 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 in the other UCIs is equivalent to that afforded to shareholders in the Company 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 UCIs 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; and
  - the UCITS or such other UCI, the units of which are to be acquired, may invest no more than 10% of its assets in units of other UCITS or UCIs pursuant to its Management Regulations or its founding documents.

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 CSSF deems equivalent to those under Community law;
- g) Derivative financial instruments (“**derivatives**”), including equivalent cash-settled instruments, which are traded on one of the regulated markets listed in (a), (b) and (c) above, or derivatives that are not traded on a stock exchange (“**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 underlying securities are instruments in accordance with the definition given under points 1.1(a) and 1.1(b) or financial or macroeconomic indices, interest rates, currencies or other underlying instruments in which the Company may invest either directly or indirectly via other existing UCI or UCITS pursuant to its investment policy;
  - 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 Company. The approval process by the Company 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 Company 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 Company’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 as defined in the section titled “Investment policy” that are not traded on a regulated market, provided that the issuance or issuer of these instruments is subject to regulations protecting investors and investments, and provided that these 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 Directive 2013/34/EU of the European Parliament and of the Council, 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 Company ensures that the overall risk associated with derivatives does not exceed the overall net value of the Company 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 ancillary liquid assets.

## **2. Risk diversification**

- 2.1 In accordance with the principle of risk diversification, the 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 Company may not invest more than 20% of the net assets of a sub-fund 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 which 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 in a single institution through a combination of:
- securities and money market instruments issued by this institution;
  - deposits with this 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 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 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 bonds issued before 8 July 2022 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 bonds 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 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 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 or shares 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 section titled "Expenses paid by the Company".

2.5 The sub-funds may subscribe, acquire and/or hold shares that are to be issued by or have been issued by one or more other sub-funds of the Company, 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 is 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 Company 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 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 shareholders.

For a period of six months after they are officially approved, newly launched sub-funds may deviate from the particular restrictions pertaining to risk diversification indicated, provided that they continue to observe the principle of risk diversification.

### **3. Investment restrictions**

The Company is prohibited from:

- 3.1 Acquiring securities, 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 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 which are issued or guaranteed by an EU Member State, its local authorities or by another approved state;
- securities and money market instruments issued or guaranteed by a non-EU 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 that carry out certain administrative, advisory or sales activities surrounding the repurchase of units at the behest of shareholders, 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(e), (g) and (h);
- 3.5 Acquiring precious metals or related certificates;
- 3.6 Investing in real estate and purchasing 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 Company is authorised to introduce additional investment restrictions at any time in the interests of the shareholders, provided these are necessary to ensure compliance with the laws and regulations of those countries in which Company shares are offered and sold.

#### 4. Pooling of assets

The Company may permit internal pooling and/or joint management of assets from particular sub-funds in the interests of efficiency. In this case, assets from different sub-funds will be managed together. The assets under joint management are referred to as a "**pool**". Pools are used exclusively for internal management purposes, are not separate shares and cannot be accessed directly by shareholders.

#### 5. Pooling

The Company may invest and manage all or part of the portfolio assets held by two or more sub-funds (for this purpose called "**participating sub-funds**") in the form of a pool. Such an asset pool is created by transferring to it cash and other assets (if these assets are in line with the investment policy of the pool concerned) from each of the participating sub-funds to the asset pool. The Company can then make further transfers to the individual asset pools. Equally, assets can also be transferred back to a participating sub-fund up to the amount of the participation of the sub-fund concerned.

The participation of a participating sub-fund in an asset pool is evaluated by reference to notional shares of the same value in the relevant asset pool. When an asset pool is created, the Company shall specify the initial value of the notional shares (in a currency that the Company considers appropriate) and allot to each participating sub-fund notional shares having an aggregate value equal to the amount of the cash (or other assets) it has contributed. Thereafter, the value of the notional shares will then be determined by dividing the net assets of the asset pool by the number of existing notional shares.

If additional cash or assets are contributed to or withdrawn from an asset pool, the notional shares assigned to the participating sub-fund concerned will increase or diminish, as the case may be, by a number, which is determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of the participating sub-fund's participation in the asset pool. If cash is contributed to the asset pool, for calculation purposes it is reduced by an amount that the Company considers appropriate in order to take account of any tax expenses as well as the closing charges and acquisition costs relating to the investment of the cash concerned. If cash is withdrawn, a corresponding deduction may be made in order to take account of any costs related to the disposal of securities or other assets of the asset pool.

Dividends, interests and other income-like distributions, which are obtained from the assets of an asset pool, are allocated to the asset pool concerned and thus lead to an increase in the respective net assets. If the Company is liquidated, the assets of an asset pool are allocated to the participating sub-funds in proportion to their respective share in the asset pool.

#### 6. Joint management

In order to reduce operating, administrative and management costs and at the same time to permit broader diversification of investments, the Company may decide to manage part or all of the assets of one or more sub-funds in combination with assets that belong to other sub-funds or to other undertakings for collective investment. In the following paragraphs, the term "**jointly managed entities**" refers globally to the Company and each of its sub-funds and all entities with or between which a joint management agreement would exist; the term "**jointly managed assets**" refers to the entire assets of these jointly managed entities which are managed according to the same aforementioned agreement. As part of the joint management agreement, the relevant Company's investment manager(s) will, on a consolidated basis for the relevant jointly managed entities, be entitled to make

decisions on investments and sales of assets which have an influence on the composition of the Company's and its sub-funds' portfolio. Each jointly managed entity holds a portion in the jointly managed assets corresponding to the proportion of its net assets to the total value of the jointly managed assets. This proportionate holding (for this purpose called the "**participation arrangement**") applies to each and all investment categories which are held or acquired in the context of joint management. Decisions regarding investments and/or sales of investments have no effect on this participation arrangement: further investments will be allotted to the jointly managed entities in the same proportions and, in the event of a sale of assets, these will be subtracted proportionately from the jointly managed assets held by the individual jointly managed entities.

In the case of new subscriptions in one of the jointly managed entities, the subscription proceeds are to be allocated to the jointly managed entities in accordance with the changed participation arrangement resulting from the increase in net assets of the jointly managed entity having benefited from the subscriptions. The level of the investments will be modified by the transfer of assets from one jointly managed entity to the other, and thus adapted to suit the changed participation arrangement. Similarly, in the case of redemptions for one of the jointly managed entities, the necessary liquid funds shall be taken from the liquid funds of the jointly managed entities in accordance with the changed participation arrangement resulting from the reduction in net assets of the jointly managed entity which has been the subject of the redemptions, and in this case the particular level of all investments will be adjusted to suit the changed participation arrangement.

Shareholders should be aware that the joint management agreement may result in the composition of the assets of a particular sub-fund being affected by events which concern other jointly managed entities, e.g. subscriptions and redemptions, unless the members of the Company or one of the duly appointed agents of the Company resort to special measures. If all other aspects remain unchanged, subscriptions received by an entity under joint management with the sub-fund will therefore result in an increase in the cash reserve of this sub-fund. Conversely, redemptions of an entity under joint management with the sub-fund will result in a reduction of the cash reserve of this sub-fund. However, subscriptions and redemptions can be executed on the special account that is opened for each jointly managed entity outside the joint management agreement and through which subscriptions and redemptions must pass. Because of the possibility of posting extensive subscriptions and redemptions to these special accounts, and the possibility that the Company or one of the duly appointed agents of the Company may decide at any time to terminate the participation of the sub-fund in the joint management agreement, the sub-fund concerned may avoid having to rearrange its portfolio if this could adversely affect the interests of the Company, its sub-funds and its shareholders.

If a change in the portfolio composition of the Company or one or several of its relevant sub-funds as a result of redemptions or payments of fees and expenses referring to another jointly managed entity (i.e. which cannot be counted as belonging to the Company or the sub-fund concerned) might result in a violation of the investment restrictions applying to the Company or the particular sub-fund, the relevant assets will be excluded from the joint management agreement before implementing the change so that they are not affected by the resulting adjustments.

Jointly managed assets of a particular sub-fund will only be managed in common with assets intended to be invested according to the same investment objectives that apply to the jointly managed assets in order to ensure that investment decisions are compatible in all respects with the investment policy of the particular sub-fund. Jointly managed assets may only be managed in common with assets for which the same investment manager is authorised to make decisions in investments and the sale of investments, and for which the Depositary also acts as a depositary so as to ensure that the Depositary is capable of performing its functions and responsibilities in accordance with the Law of 2010 and statutory requirements in all respects for the Company and its sub-funds. The Depositary must always keep the assets of the Company separate from those of the other jointly managed entities; this allows it to determine the assets of the Company and of each individual sub-fund accurately at any time. Since the investment policy of the jointly managed entities does not have to correspond exactly with that of a sub-fund, it is possible that their joint investment policy may be more restrictive than that of that sub-fund.

The Company may decide to terminate the joint management agreement at any time without giving prior notice. Shareholders may enquire at any time at the Company's registered office as to the percentage of jointly managed assets and entities with which there is a joint management agreement at the time of their enquiry.

The composition and percentages of jointly managed assets must be stated in the annual reports. Joint management agreements with non-Luxembourg entities are permissible if (i) the agreement in which the non-Luxembourg entity is involved is governed by Luxembourg law and Luxembourg jurisdiction or (ii) each jointly managed entity is equipped with such rights that no creditor and no insolvency or bankruptcy administrator of the non-Luxembourg entity has access to the assets or is authorised to freeze them.

## 7. Special techniques and instruments relating to transferable securities and money market instruments

Subject to the conditions and limits set out in the Law of 2010, the Company 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 investment 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 techniques will be used on an ongoing basis as described in the section "Exposure to securities financing transactions", but it may be decided from time to time, depending on market conditions, to suspend or reduce exposure to securities financing transactions. 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 Company 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 Company 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 Company within the scope of securities lending. In derogation from the provisions of the section entitled "Collateral management", shares from the finance sector are accepted as securities within the framework of securities lending.

Service providers that provide services to the Company 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 will be reviewed annually and adjusted if necessary.

Currently, 60% of the gross revenue received from securities lending transactions negotiated at arm's length is credited to the relevant sub-fund, while 30% of the gross revenue are retained as fees by UBS Switzerland AG as the securities lending service provider, responsible for the ongoing securities lending activities and collateral management, and 10% of the gross revenue are retained as fees by UBS Europe SE, Luxembourg Branch as the securities lending agent, responsible for the transactions management, ongoing operational activities and collateral safekeeping. All fees for operating the securities lending program are paid from the securities lending agent's portion of the gross income. This includes all direct and indirect costs incurred through securities lending activities. UBS Europe SE, Luxembourg Branch and UBS Switzerland AG are part of the UBS Group.

Furthermore, the 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 transaction, 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 Company, as well as the information to be published in the annual and semi-annual reports.

The Board of Directors of the 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)
<b>Fixed and variable-rate interest-bearing instruments</b>	
Instruments issued by a state belonging to the G-10 (apart from 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%
<b>Shares</b>	<b>8%</b>
Equities 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
Canada (S&P/TSX 60 INDEX)	SPTSX60
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 in line 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 eligible. 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 and 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 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 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 callable 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 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 Law of 2010.
- (vi) All the revenues arising from efficient investment 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 investment 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 Company, which shall indicate the amounts of the respective fees and whether the entities are related to the Management Company or the Depositary.

In general, the following applies to total return swaps:

- i) one hundred percent (100%) of the gross return from total return swaps less direct and indirect operating costs/fees reverts to the sub-funds.
  - (ii) All direct and indirect operating costs/fees incurred on total return swaps will be paid to the entities outlined in the annual and semi-annual report of the Company.
  - (iii) There are no fee-splitting arrangements for total return swaps.

The Company 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 investment management techniques".

The Company ensures that it or 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 Company, the Management Company and the Depositary is primarily carried out through reviewing the contracts and corresponding processes on a regular basis. Furthermore, the Company ensures that, despite the use of these techniques and instruments, the investors' redemption applications can be processed at any time.

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**Annex I – SFDR related  
information**



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Investment SICAV - China A Opportunity (USD)

**Legal entity identifier:**

549300EXNGI8H1CTTZ41

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<p><span style="color: green;">●●</span> <input type="checkbox"/> <b>Yes</b></p>	<p><span style="color: green;">●</span> <span style="color: white;">●</span> <input checked="" type="checkbox"/> <b>No</b></p>
<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: ____ %</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: _____ %</p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments</p> <p style="margin-left: 20px;"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**What environmental and/or social characteristics are promoted by this financial product?**

The following characteristics are promoted by the financial product:

- 1) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.
- 2) A sustainability profile that is higher than its benchmark’s sustainability profile or a minimum of 51 % of assets invested in companies with a sustainability profile in the top half of the benchmark.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- 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.

- 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.

Low absolute carbon profile is defined as below 100 tonnes of CO2 emissions per US million dollars of revenues.

Characteristic 2):

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

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

The individual investments in the sub-fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile). There is no minimum UBS ESG consensus score at individual investment level.

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.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

	<ul style="list-style-type: none"> <li>• <b>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>• <b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
	Not applicable.
	<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
	Not applicable.
	<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i>
	Not applicable.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No



**What investment strategy does this financial product follow?**

**ESG Integration:**


ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

	<p>company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</p> <ul style="list-style-type: none"> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark’s sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days’ values in the quarter</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus..</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
	<p>Not applicable.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment</p>


	of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.
	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned activities** are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



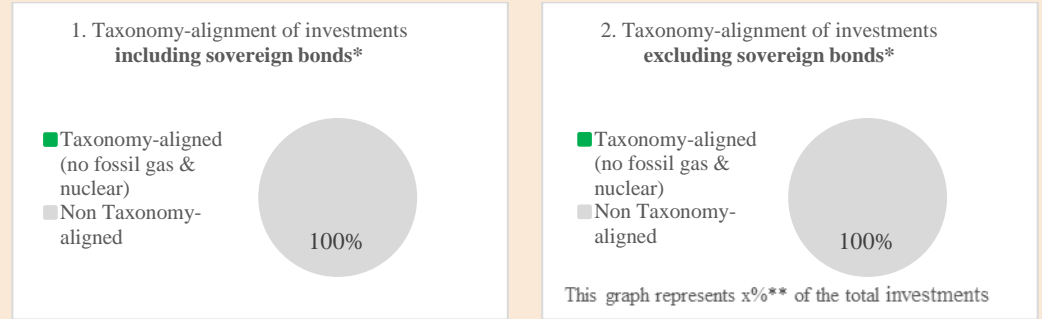
	<ul style="list-style-type: none"> <li>• <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
	<p>Not applicable.</p>
	<p><b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup></b></p>
	<p><input type="checkbox"/> Yes:  <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.




\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	<ul style="list-style-type: none"> <li>• <b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p> <p>Not applicable.</p>
	<p><b>What is the minimum share of socially sustainable investments?</b></p> <p>Not applicable.</p>
	<p><b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b></p> <p>Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.</p>
	<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p> <p>No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.</p>
	<ul style="list-style-type: none"> <li>• <b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>

	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
	Not applicable.
	<p><b>Where can I find more product specific information online?</b></p> <p>More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a></p>