

# UBS (Lux) Money Market Invest

Investment fund under Luxembourg law (“Fonds commun de placement”)

June 2019

## Sales Prospectus

Units of UBS (Lux) Money Market Invest (hereinafter also referred to as the “Fund”) may be acquired on the basis of this sales prospectus, the Management Regulations, the latest annual report and, if already published, the subsequent semi-annual report.

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

Furthermore, a Key Investor Information Document (KIID) is made available to investors before subscribing to units. Information on whether a sub-fund of the Company 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)).

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

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

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

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

### Management and administration

#### **Management Company**

UBS Fund Management (Luxembourg) S.A., RCS Luxembourg B 154.210 (the “Management Company”).

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

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

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

The Management Company has fully paid-up equity capital of EUR 13,000,000.

#### **Board of Directors of the Management Company (the “Board of Directors”)**

Chairman	André Müller-Wegner Managing Director, UBS Asset Management Switzerland AG, Zurich
Members	Pascal Kistler, Managing Director,

UBS Business Solutions AG,  
Zurich

Gilbert Schintgen,  
Director,  
Luxembourg, Grand Duchy of Luxembourg

Andreas Schlatter,  
Mathematician (PhD),  
Independent Director,  
Küttigen, Switzerland

#### Executive Board of the Management Company

#### Members

Valérie Bernard,  
Executive Director,  
UBS Fund Management (Luxembourg) S.A.,  
Luxembourg

Geoffrey Lahaye,  
Executive Director,  
UBS Fund Management (Luxembourg) S.A.,  
Luxembourg

Federica Ghirlandini,  
Director,  
UBS Fund Management (Luxembourg) S.A.,  
Luxembourg

#### Portfolio Manager

Sub-fund	Portfolio Manager
UBS (Lux) Money Market Invest – EUR	UBS Asset Management Switzerland AG, Zurich

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

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

#### Depositary and Main Paying Agent

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

UBS Europe SE, Luxembourg Branch, has been appointed depositary of the Fund (the “**Depositary**”). The Depositary will also provide paying agent services to the Fund.

The Depositary is a Luxembourg branch office of UBS Europe SE, a European company (societas Europaea – SE) with its registered office in Frankfurt am Main, Germany, listed in the trade and companies register of the Frankfurt am Main district court (Handelsregister des Amtsgerichts Frankfurt am Main) under number HRB 107046. The Depositary is located at 33A, avenue J.F. Kennedy, L-1855 Luxembourg, and is entered in the Luxembourg trade and companies register under B 209.123.

The Depositary has been assigned the safekeeping of those financial instruments of the Company that can be held in custody, as well as the record keeping and verification of ownership for other assets held by the Fund. The Depositary shall also ensure the effective and proper monitoring of the Fund’s cash flows pursuant to the provisions of the Law of 17 December 2010 on undertakings for collective investment (“**Law of 2010**”) and the depositary agreement (hereinafter referred to as the “**Depositary Agreement**”), each as amended.

Assets held in custody by the Depositary shall not be reused for their own account by the Depositary or any third party to whom custody has been delegated, unless such reuse is expressly permitted by the Law of 2010.

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

In accordance with the provisions of the Depositary Agreement and the Law of 2010, the Depositary may appoint one or more sub-depositaries. Subject to certain conditions and with the aim of effectively fulfilling its duties, the Depositary may thus delegate all or part of the safekeeping of those financial instruments that can be held in custody as entrusted to it, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund. The Depositary does not permit its sub-depositaries to make use of sub-delegates without its prior approval.

In accordance with the applicable laws and regulations, as well as the directive on conflicts of interest, the Depositary shall assess potential conflicts of interest that may arise from the delegation of its safekeeping tasks to a sub-depositary or sub-delegate before any such appointing takes place. The Depositary is part of the UBS Group: a global, full-service private banking, investment banking, asset management and financial services organisation that is a major player on the global financial markets. As such, conflicts of interest may arise in connection with the delegation of its safekeeping tasks, because the Depositary and its affiliates engage in various business activities and may have diverging direct or indirect interests.

Unitholders may obtain additional information free of charge by addressing a written request to the Depositary.

In order to avoid potential conflicts of interest, the Depositary does not permit the appointment of sub-depositaries or sub-delegates that belong to the UBS Group, unless such appointment is in the interest of the unitholders and no conflict of interest is identified at the time of appointment of the sub-depositary or sub-delegate. Irrespective of whether a sub-depositary or sub-delegate is part of the UBS Group, the Depositary will exercise the same level of due skill, care and diligence both in the selection and appointment as well as in the on-going monitoring of the respective sub-depositary or sub-delegate. Furthermore, the conditions determining the appointment of any sub-depositary or sub-delegate that is member of the UBS Group will be negotiated at arm's length in order to protect the interests of the Fund and its unitholders. Should a conflict of interest arise and prove impossible to mitigate, such conflict of interest will be disclosed to the unitholders, together with all decisions taken pertaining thereto. An up-to-date description of all custody tasks delegated by the Depositary, alongside an up-to-date list of these delegates and sub-delegates can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>

Where the law of a third country requires that financial instruments be held in custody by a local entity and no local entity satisfies the delegation requirements of Article 34 bis, Paragraph 3, lit. b) i) of the Law of 2010, the Depositary may delegate its tasks to such local entity to the extent required by the law of such third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-depositaries providing an adequate standard of protection, the Depositary must exercise all due skill, care and diligence as required by the Law of 2010 in the selection and appointment of any sub-depositary to which it intends to delegate a portion of its tasks. Furthermore, it must continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-depositary to which it has delegated a portion of its tasks and of any arrangements entered into by the sub-depositary in respect of the matters delegated to it. In particular, delegation is only permitted if the sub-depositary keeps the assets of the Fund separate from the Depositary's own assets and the assets belonging to the sub-depositary at all times during performance of the delegated tasks pursuant to the Law of 2010. The Depositary's liability shall not be affected by any such delegation, unless otherwise stipulated in the Law of 2010 and/or the Depositary Agreement.

The Depositary is liable to the Fund and its unitholders for the loss of a financial instrument held in custody within the meaning of Article 35(1) of the Law of 2010 and Article 12 of Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended ("**UCITS Directive**") with regard to the obligations of depositaries (the "**Deposited Fund Assets**") by the Depositary and/or a sub-depositary (the "**Loss of a Deposited Fund Asset**").

In the event of the Loss of a Deposited Fund Asset, the Depositary must provide a financial instrument of the same type or value to the Fund without undue delay. In accordance with the provisions of the Law of 2010, the Depositary will not be liable for the Loss of a Deposited Fund Asset if this was the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Fund and its unitholders for all other direct losses suffered by them as a result of the Depositary's carelessness, negligence or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law of 2010 and the Depositary Agreement.

The Management Company and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice via registered letter. Should the Depositary decide to end its mandate or should it be removed from its role by the Management Company, the Depositary must be replaced before expiry of this notice period by a successor who shall take delivery of the Fund's assets and assume the functions and responsibilities of the Depositary. If the Management Company does not name another depositary as its successor within this time, the Depositary may notify the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier – "**CSSF**") of the situation.

#### **Administrative agent**

Northern Trust Global Services SE, 6, rue Lou Hemmer, L-1748 Sennigerberg

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

#### **Auditor of the Fund**

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

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

Ernst & Young S.A., 35E, avenue J.F. Kennedy, L-1855 Luxembourg

#### **Paying agents**

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

**Distributors and other sales agents, referred to as “distributors” in the Sales Prospectus.**

UBS Asset Management Switzerland AG, Zurich, and other distributors in the various distribution countries.

**Profile of the typical investor**

**UBS (Lux) Money Market Invest – EUR**

The sub-fund UBS (Lux) Money Market Invest - EUR is suitable for investors who wish to invest in a broadly diversified portfolio comprising first-class money market instruments with short residual maturities or variable yields and high liquidity.

**Historical performance**

The historical performance of the sub-funds is outlined in the KIID of the relevant unit class or in the corresponding sub-fund specific document for the Fund’s distribution countries.

**Risk profile**

Owing to their specific investment policy, money market funds offer higher security and generate performance that is less prone to volatility than other investments. Fund units can be subscribed and redeemed daily, and therefore constitute a liquid asset. Even in the case of money market funds, it cannot, however, be guaranteed that the investor will recover the capital invested.

**The Fund**

**Fund structure**

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

**Unit classes**

Various unit classes may be offered for the sub-fund. Information on the unit classes available can be obtained from the administrative agent or at [www.ubs.com/funds](http://www.ubs.com/funds).

“P”	Units in classes with “P” in their name are available to all investors. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
“N”	Units in classes with “N” in their name (units with restrictions on distribution partners or countries) are issued exclusively through distributors authorised by UBS Asset Management Switzerland AG and domiciled in Spain, Italy, Portugal and Germany, or in other distribution countries insofar as this has been decided by the Management Company. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
“K-1”	Units in classes with “K-1” in their name are available to all investors. Their smallest tradable unit is 0.1. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 5 million, BRL 20 million, CAD 5 million, CHF 5 million, CZK 100 million, EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, PLN 25 million, RUB 175 million, SEK 35 million, SGD 5 million, USD 5 million, NZD 5 million or ZAR 40 million.
“K-X”	Units in classes with “K-X” in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the Management Company, administrative agent and the Depositary) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
“F”	Units in classes with “F” in their name are exclusively reserved for UBS Group AG affiliates. These units may only be acquired by UBS Group AG affiliates, either for their own account or as part of discretionary asset management mandates concluded with UBS Group AG companies. In the latter case, the units will be returned to the Fund upon termination of the mandate at the prevailing net asset value and without being subject to charges. The smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000,

	EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"Q"	<p>Units in classes with "Q" in their name are only available:</p> <p>a) to investors in an eligible country as defined by "List A"; or</p> <p>b) to contractual partners of UBS Asset Management Switzerland AG and other regulated financial service providers duly authorised by their supervisory authority, investing in their own name and</p> <ul style="list-style-type: none"> <li>- on their own behalf; or</li> <li>- on behalf of their clients within the framework of written contracts for pecuniary interest constituting (i) asset management mandates, (ii) advisory agreements, or (iii) similar long-term contracts, provided these specifically allow for investments in share classes without remuneration; or</li> <li>- on behalf of a collective investment scheme; or</li> <li>- on behalf of another regulated financial service provider that acts within the above framework on behalf of its clients.</li> </ul> <p>In cases falling under (b), investors are domiciled in one of the eligible countries covered by "List B" if the conditions of (i) above are met, or in one of the eligible countries covered by "List C" if the conditions of (ii) or (iii) are met.</p> <p>Admission of investors in further distribution countries (changes to lists A, B and C) shall be decided at the sole discretion of the Management Company. Any information in this regard will be disclosed at <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>.</p> <p>The smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.</p>
"INSTITUTIONAL"	<p>For units in classes with "INSTITUTIONAL" in their name, the smallest tradeable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 500, BRL 2,000, CAD 500, CHF 500, CZK 10,000, EUR 500, GBP 500, HKD 5,000, JPY 50,000, PLN 2,500, RUB 17,500, SEK 5,000, SGD 500, USD 500, NZD 500 or ZAR 5,000.</p> <p>The minimum subscription amount for these units is CHF 5 million (or foreign currency equivalent).</p> <p>Upon subscription</p> <p>(i) a minimum subscription must be made in accordance with the list above;</p> <p>(ii) there must be a written agreement between the investor and UBS Asset Management Switzerland AG (or one of its authorised contractual partners); or</p> <p>(iii) the 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>
"PREFERRED"	<p>For units in classes with "PREFERRED" in their name, the smallest tradeable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 500, BRL 2,000, CAD 500, CHF 500, CZK 10,000, EUR 500, GBP 500, HKD 5,000, JPY 50,000, PLN 2,500, RUB 17,500, SEK 5,000, SGD 500, USD 500, NZD 500 or ZAR 5,000. The minimum subscription amount for these units is CHF 10 million (or foreign currency equivalent).</p> <p>Upon subscription</p> <p>(i) a minimum subscription must be made in accordance with the list above;</p> <p>(ii) there must be a written agreement between the investor and UBS Asset Management Switzerland AG (or one of its authorised contractual partners); or</p> <p>(iii) the 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>
"PREMIER"	<p>For units in classes with "PREMIER" in their name, the smallest tradeable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 500, BRL 2,000, CAD 500, CHF 500, CZK 10,000, EUR 500, GBP 500, HKD 5,000, JPY 50,000, PLN 2,500, RUB 17,500, SEK 5,000, SGD 500, USD 500, NZD 500 or ZAR 5,000. The minimum subscription amount for these units is CHF 30 million.</p> <p>Upon subscription</p> <p>(i) a minimum subscription must be made in accordance with the list above;</p> <p>(ii) there must be a written agreement between the investor and UBS Asset Management Switzerland AG (or one of its authorised contractual partners); or</p> <p>(iii) the 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>
"I-B"	<p>Units in classes with "I-B" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. A fee covering the costs for fund administration (comprising the costs of the Management Company, the administrative agent and the Depositary) is charged directly to the sub-fund. The costs for asset management and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 500, BRL 2,000, CAD 500, CHF 500, CZK 10,000, EUR 500, GBP 500, HKD 5,000, JPY 50,000, PLN 2,500, RUB 17,500, SEK 5,000, SGD 500, USD 500, NZD 500 or ZAR 5,000.</p>
"I-X"	Units in classes with "I-X" in their name are exclusively reserved for institutional investors within the

	meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the Management Company, administrative agent and the Depositary) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 500, BRL 2,000, CAD 500, CHF 500, CZK 10,000, EUR 500, GBP 500, HKD 5,000, JPY 50,000, PLN 5,000, RUB 17,500, SEK 5,000, SGD 500, USD 500, NZD 500 or ZAR 5,000.
"U-X"	Units in classes with "U-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the Management Company, administrative agent and the Depositary) and distribution are charged to investors under the aforementioned agreements. This unit class is exclusively geared towards financial products (i.e. funds of funds or other pooled structures under various legislative frameworks). Their smallest tradable unit is 0.001. Unless the Management Company decides otherwise, the initial issue price of these units amounts to AUD 10,000, BRL 40,000, CAD 10,000, CHF 10,000, CZK 100,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, PLN 50,000, RUB 350,000, SEK 70,000, SGD 10,000, USD 10,000, NZD 10,000 or ZAR 100,000.
Additional characteristics:	
Currencies	The unit classes may be denominated in AUD, BRL, CAD, CHF, CZK, EUR, GBP, HKD, JPY, PLN, RUB, SEK, SGD, USD, NZD or ZAR. For unit classes issued in the currency of account of the sub-fund, this currency will not be included in the unit class name. The currency of account features in the name of the sub-fund.
"hedged"	For unit classes with "hedged" in their name and with reference currencies different to the sub-fund's currency of account (" <b>unit classes in foreign currencies</b> "), the risk of fluctuations in the value of the reference currency is hedged against the sub-fund's currency of account. This hedging shall be between 95% and 105% of the total net assets of the unit class in foreign currency. Changes in the market value of the portfolio, as well as subscriptions and redemptions of unit classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The Management Company and the Portfolio Manager will take all necessary steps to bring the hedging back within the aforementioned limits. The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the sub-fund's currency of account.
"BRL hedged"	The Brazilian real (ISO 4217 currency code: BRL) may be subject to exchange control regulations and repatriation limits set by the Brazilian government. Prior to investing in BRL classes, investors should also bear in mind that the availability and tradability of BRL classes, and the conditions under which they may be available or traded, depend to a large extent on the political and regulatory developments in Brazil. The risk of fluctuations is hedged as described above under "hedged". Potential investors should be aware of the risks of reinvestment, which could arise if the BRL class has to be liquidated early due to political and/or regulatory circumstances. This does not apply to the risk associated with reinvestment due to liquidation of a unit class and/or the sub-fund in accordance with the section "Liquidation and merger of the Fund and its sub-funds or unit classes".
"acc"	The income of unit classes with "-acc" in their name is not distributed unless the Management Company decides otherwise.
"dist"	The income of unit classes with "-dist" in their name is distributed unless the Management Company decides otherwise.
"qdist"	Units in classes with "-qdist" in their name may make quarterly distributions, gross of fees and expenses. Distributions may also be made out of the capital (this may include, inter alia, realised and unrealised net gains in net asset value) (" <b>capital</b> "). Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Furthermore, any distributions from the income and/or involving the capital result in an immediate reduction of the net asset value per unit of the sub-fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -qdist) unit classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) unit classes compared with distributing (-dist) unit classes. Investors should consult qualified experts for tax advice regarding their individual situation.
"mdist"	Units in classes with "-mdist" in their name may make monthly distributions, gross of fees and expenses. Distributions may also be made out of capital. Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Furthermore, any distributions from the income and/or involving the capital result in an immediate reduction of the net asset value per unit of the sub-fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) unit classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) unit classes compared with distributing (-dist) unit classes. Investors should consult qualified experts for tax advice regarding their individual situation. The maximum issuing commission for units in classes with "-mdist" in their name is 6%.

"UKdist"	The aforementioned unit classes can be issued as those with "UKdist" in their name. In these cases, the Management Company intends to distribute a sum which corresponds to 100% of the reportable income within the meaning of the <b>UK reporting fund</b> rules when the unit classes are subject to these reporting fund rules. The Management Company does not intend to make taxable values for these unit classes available in other countries, as they are intended for investors whose investment in the unit class is liable to tax in the UK.
"seeding"	Units with "seeding" in their name are only offered during a limited time period. Further subscriptions are prohibited after the end of this period, unless otherwise decided by the Management Company. However, units can still be redeemed in accordance with the conditions for unit redemptions. Unless otherwise decided by the Management Company, the smallest tradeable unit, the initial issue price and the minimum subscription amount shall correspond to the characteristics of the unit classes listed above.

### **Legal aspects**

UBS (Lux) Short Term Invest was established as an open-ended investment fund without legally independent status in the form of a collective investment fund ("fonds commun de placement" - FCP) pursuant to Part I of the Luxembourg Law of 30 March 1988 relating to undertakings for collective investment in accordance with Luxembourg legislation by INTRAG INTERNATIONAL SHORT TERM INVEST (Company for Fund Management) S.A. and, by way of a decision on 15 July 1992, converted into a fund in accordance with Part I of the above-mentioned law. In February 2007, the Fund was adapted to ensure compliance with the Law of 20 December 2002 relating to undertakings for collective investment and the name of the Fund was changed to "UBS (Lux) Money Market Invest". According to current legislation, UBS (Lux) Money Market Invest falls under the scope of Part I of the Law of 2010.

On 1 October 1998, UBS Short Term Invest Management Company S.A. assumed the role of Management Company. The Management Company has retained its name, even after the Fund acquired a new one in February 2007. The activities of UBS Short Term Invest Management Company S.A. in its function as Management Company of UBS (Lux) Money Market Invest ended on 14 October 2010.

On 15 October 2010, UBS Fund Management (Luxembourg) S.A. assumed the function of Management Company.

The Management Regulations were initially published by way of a notice of deposit on 25 June 1990 in the "Mémorial" and most recently in the "Recueil Electronique des Sociétés et Associations" ("**RESA**") in March 2019.

The Fund's Management Regulations may be amended, subject to compliance with applicable law. Any amendments thereto shall be notified by way of a notice of deposit on the RESA, as well as by any other means described below in the section entitled "Regular reports and publications". The new Management Regulations shall enter into force upon being signed by the Management Company and the Depositary. The consolidated version may be consulted at the Trade and Companies Register (Registre de Commerce et des Sociétés).

The Fund has no legal personality as an investment fund. The entire net assets of each sub-fund are the undivided property of all unitholders who have equal rights in proportion to the number of units they hold. These assets are separate from the assets of the Management Company. The Fund's assets are managed by the Management Company as separate trust assets in the interests and for the account of the unitholders.

The Management Regulations give the Management Company the authority to establish different sub-funds for the Fund as well as different unit classes with specific characteristics within these sub-funds. This Sales Prospectus will be updated each time a new sub-fund or additional unit class is launched.

There is no limit on the size of the net assets, the number of units, number of sub-funds and number of unit classes or the duration of the Fund and its sub-funds.

The Fund forms an indivisible legal unit. As regards the association between unitholders, each sub-fund is considered to be independent of the others. The assets of a sub-fund are only liable for liabilities incurred by that sub-fund. As no division of liabilities is made between share classes, there is a risk that, under certain conditions, currency hedging transactions for share classes with "hedged" in their name may result in liabilities that affect the net asset value of other unit classes of the same sub-fund.

The acquisition of Fund units implies acceptance of the Management Regulations by the unitholder.

The Management Regulations do not provide for a general meeting of the unitholders.

The Management Company asks investors to note that they only benefit from their rights as unitholders – particularly the right to participate in general meetings – if they have been entered in their own name in the register of unitholders of the Fund following their investment in the Fund. However, if investors buy Fund units indirectly through an intermediary that makes the investment in its own name on behalf of the investor, and as a result, said intermediary is entered into the register of unitholders instead of the investor, the aforementioned rights as unitholders may be granted to the intermediary and not the investor. Investors are therefore advised to enquire as to their investor rights before making an investment decision.

The Fund's financial year ends on the last day of October.

### **Investment objective and investment policy of the sub-funds**

#### **Investment objective**

The Fund pursues the primary investment objective of preserving the value of the funds invested and generating an increase in value in line with money market interest rates.

#### **General investment policy**

As part of the investment policy, priority will be given to diversification, issuer rating and maturity structures in line with interest rate expectations.

The sub-funds are money market funds as defined by Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (hereinafter referred to as the “**Money Market Funds (MMFs) Regulation**”).

The sub-funds invest exclusively in instruments from issuers with first-class ratings, for which there is a positive ICAP analysis.

The sub-funds invest their assets in accordance with the principle of risk diversification in:

- (a) Money market instruments, including financial instruments issued or guaranteed separately or jointly by the European Union (EU); the national, regional and local administrations of the Member States of the EU or their central banks; the European Central Bank; the European Investment Bank; the European Investment Fund; the European Stability Mechanism; the European Financial Stability Facility; a central authority or central bank of a member country of the Organisation for Economic Co-operation and Development (OECD) (hereinafter a “third country”); the International Monetary Fund; the International Bank for Reconstruction and Development; the Council of Europe Development Bank; the European Bank for Reconstruction and Development; the Bank for International Settlements or any other relevant international financial institution or organisation to which one or more Member States belong.
- (b) Eligible securitisations and asset-backed commercial papers (**ABCPs**), provided that these have received a favourable assessment in application of internal procedures for assessing credit quality and that they fulfil the relevant conditions set out in Article 11 of the MMFs Regulation;
- (c) Deposits with credit institutions that fulfil the conditions set out in Article 12 of the MMFs Regulation;
- (d) Financial derivative instruments that fulfil the conditions set out in Article 13 of the MMFs Regulation;
- (e) Repurchase agreements that fulfil the conditions set out in Article 14 of the MMFs Regulation;
- (f) Reverse repurchase agreements that fulfil the conditions set out in Article 15 of the MMFs Regulation;
- (g) Units or shares of other money market funds that fulfil the conditions set out in Article 16 of the MMFs Regulation;
- (h) Bonds that fulfil the conditions set out in the MMFs Regulation, in particular Article 17.

A money market instrument shall be eligible for investment by a sub-fund if it fulfils the following conditions:

- (a) It falls within one of the categories of money market instruments referred to in Article 50(1)(a), (b), (c) or (h) of the UCITS Directive.
- (b) It displays one of the following characteristics: (i) it has a legal maturity at issuance of 397 days or less, or (ii) it has a residual maturity of 397 days or less.  
Notwithstanding the above, the sub-funds shall also be allowed to invest in money market instruments with a residual maturity until the legal redemption date of less than or equal to 2 years, provided that the time remaining until the next interest rate reset date is 397 days or less. For that purpose, floating-rate money-market instruments and fixed-rate money-market instruments hedged by a swap arrangement shall be reset to a money market rate or index.
- (c) The issuer of the money market instrument and the quality of the money market instrument have received a favourable assessment pursuant to Articles 19 to 22 of the MMFs Regulation.  
This does not apply to money market instruments issued or guaranteed by the European Union; a central authority or central bank of a Member State; the European Central Bank; the European Investment Bank; the European Stability Mechanism or the European Financial Stability Facility.

The sub-funds shall not undertake any of the following activities: Investing in assets other than those referred to above, short-selling money market instruments, securitisations, ABCPs and units or shares of other money market funds, taking direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them, entering into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the money market fund, borrowing and lending cash.

The aforementioned instruments are as defined in the MMFs Regulation insofar as this is required under the terms of the investment restrictions detailed below.

In line with the investment principles cited above and below, the sub-funds may buy and sell futures and options, and enter into swap transactions (swaps, total return swaps, credit default swaps and inflation swaps) on financial instruments as defined in Point 1.1 (g) of the “Investment principles”.

The options, futures and swaps markets are volatile, and sub-funds only use such instruments in order to reduce the risk of price fluctuations. However, the risk that price fluctuations will have a negative impact on the sub-funds’ performance cannot be excluded by the use of such instruments as hedge transactions. Costs in connection with such hedge transactions and any losses incurred reduce the sub-funds’ results.

These techniques and instruments will be employed only if they are compatible with the investment policies of the individual sub-funds and do not diminish their quality.

The sub-funds may invest up to 10% of their net assets in existing money market funds, unless otherwise defined in the individual sub-funds’ investment policy.

#### Internal credit quality assessment

In conformity with the MMFs Regulation and the Delegated Regulation, the Management Company has established an internal credit quality assessment procedure for determining the credit quality of money market instruments, securitisations and ABCPs, taking into account the issuer of the instrument and the characteristics of the instrument.

The Management Company has transferred internal credit quality assessment activities to the Global Credit Research Team (“GCRT”) of UBS Asset Management in order to utilise this specialised team’s credit risk expertise and access to data. The outsourcing of internal credit quality assessment activities from the Management Company to the GCRT does not relieve the Management Company of its



responsibilities as the manager of money market funds. While the GCRT focuses on business activities, the Management Company is responsible for ongoing risk management and retains its verification, monitoring, assessment and documentation duties.

The credit quality assessment is based on prudent, systematic, continuous and detailed analysis of the available and pertinent information taking into account all relevant factors influencing the creditworthiness of the issuer and the credit quality of the instrument. The methods and criteria used for the credit quality assessment and the related default risk of the issuer and the instrument take account of the quantitative and qualitative indicators listed in Article 20 of the MMFs Regulation and in Articles 4 to 6 of the Delegated Regulation. This has the following specific consequences:

issuers with a positive credit quality assessment that are eligible for investment by each sub-fund are included in a list that serves as a database for credit research. Analysts establish eligible issuers using the criteria for credit risk testing of certain programmes as well as top-down and bottom-up factors influencing fundamental credit data. These methods may be supplemented by internal ratings that are comparable with the ratings of external credit rating agencies. The result of the analysts' assessment is reflected in individual maturities, setting authorised maturity limits for money market instruments.

The GCRT is made up of a number of credit research analysts from the various regional companies of UBS Asset Management, in order to achieve the necessary expertise across different geographical areas and sectors. The credit research analysts make their assessments independently of any investment decisions, and their function and reporting lines are independent of portfolio management. The team is represented by the heads of the regional research departments, who check the credit assessments and recommendations. In connection with the internal credit quality assessment procedure, the GCRT is responsible and accountable for the following:

- Carrying out credit analyses based on internal and external data to arrive at an assessment of the credit quality of the issuer;
- Issuing internal ratings and recommendations on the basis of their initial credit assessment;
- Performing peer reviews and submitting confirmations;
- Updating the credit research database containing the data sources and the reviews issued by analysts;
- Producing reports on the information required by the Management Company to fulfil its oversight role, weekly data submission via the money market monitoring report; ad hoc submission of reports from the relevant committees.

The information used in the internal credit quality assessment is high quality and derived from reliable sources, including publicly available financial reports, the management teams of the relevant companies, sector contacts and other sources.

The credit quality assessment procedure and the criteria used in this process are reviewed at least annually. The credit analysts' recommendations define the investment universe within which the portfolio managers can then operate to manage the portfolio in accordance with the investment guidelines.

- i. Short-term nature of money market instruments  
The short-term nature of money market instruments is tested using the investment criteria for money market instruments. The analyst assesses eligibility by checking the base prospectus of the issuer of the security or security type being considered. The analyst identifies the borrower and/or guarantor, the programme volume and the distributor agreement.
- ii. Asset class of the instrument  
As above, the asset class and characteristics of the instrument are fundamental to the eligibility test for the money market investment.
- iii. Type of issuer  
The eligibility test for the investment differentiates between the following types of issuers; it distinguishes between national, regional or local administrations, and financial and non-financial corporations.
- iv. Operational and counterparty risk inherent within structured financial transactions  
This forms an integral part of the fundamental analysis of the financial situation of the issuer or guarantor, which includes a review of the most recent financial statements, trends in cash flow, income, expenditure and profitability, the short-term and total debt coverage ratio, and leverage (including financial leverage and operating leverage).
- v. Liquidity profile of the instrument  
The rolling daily maturity of highly liquid securities in the permitted investment universe, such as commercial papers, certificates of deposit, floating rate notes or treasury bills, is characteristic of the nature of money market instruments. The specific liquidity of the instrument is one of the numerous characteristics assessed by portfolio managers and credit analysts in close cooperation on an ongoing basis.

Consideration is also given to all daily market events and the liquidity of the issuer or guarantor, including the availability of credit lines and alternative sources of liquidity.

Once the fundamental research is complete for an issuer or guarantor, the analyst assigns an internal long-term rating to the company. The internal rating scale corresponds to those used by Standard & Poor's and Fitch for their long-term ratings. However, the internal rating is based solely on analysts' tests and is independent of the assessment made by external rating agencies.

Establishing eligible issuers includes credit risk testing of certain programmes as well as top-down and bottom-up factors influencing fundamental credit data. Establishing eligible issuers is based on four criteria:

- (i) Eligibility
- (ii) Fundamental credit research
- (iii) Allocation of an internal rating, assessment of rating agencies and the development of fundamentals
- (iv) Allocation of a maturity restriction

Analysts determine the eligibility of issuers, carry out fundamental research, manage the credit research database, contact the managements of issuers to review operating and financial strategies as appropriate, and create a credit file for each issuer, either in the credit research database or as a physical file. They create credit reviews, which are checked by the credit committee, forwarded to the portfolio managers and published in the credit research database for use by portfolio managers and others. A credit review must be performed at least once a year.

Favourable credit quality assessments are formally documented. The reviews are checked in regular credit committee meetings. Analysts keep a written record of any ad hoc authorisations granted as a result of short-term requests from portfolio managers. Analysts must work to limit, temporarily suspend or overturn a favourable credit quality assessment recommendation in the event of a decline in the financial strength or any other occurrence affecting an eligible issuer, security or security category.

If methods, models or key assumptions are changed, a new internal credit quality assessment will be carried out as quickly as possible. The Management Company continuously monitors the internal credit quality assessment to ensure that it is consistently applied and there is an independent risk management procedure. Additionally, the Management Company of the Company checks the internal credit quality assessment procedure annually and makes the results of this check available to the competent national authorities.

## **The sub-funds and their special investment policies**

### **UBS (Lux) Money Market Invest – EUR**

This sub-fund invests its assets in accordance with the above general investment policy.

The sub-fund is a standard money market fund with a variable net asset value, also known as a VNAV money market fund.

Pursuant to the MMFs Regulation, the entire sub-fund portfolio must comply on an ongoing basis with all of the following requirements, including relevant derivative financial instruments and sight, term and time deposits with banks, and in accordance with the investment principles below:

- the weighted average maturity (**WAM**) of the sub-fund's portfolio may not be more than 6 months at any time;
- the weighted average life (**WAL**) of the sub-fund's portfolio may not be more than 12 months at any time;
- at least 7.5% of the sub-fund's assets are to be comprised of daily maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of one working day, or cash which can be withdrawn by giving prior notice of one working day. The sub-fund is not to acquire any asset other than a daily maturing asset when such acquisition would result in it investing less than 7.5% of its portfolio in daily maturing assets;
- at least 15% of the sub-fund's assets are to be comprised of weekly maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of five working days, or cash which can be withdrawn by giving prior notice of five working days. The sub-fund is not to acquire any asset other than a weekly maturing asset when such acquisition would result in it investing less than 15% of its portfolio in weekly maturing assets;
- for the above-mentioned purposes, money market instruments or units or shares of other money market funds may be included in weekly maturing assets up to a limit of 7.5%, provided that they can be redeemed and settled within five working days.

The sub-fund invests at least two-thirds of its assets in the currency listed in its name. It may invest up to a maximum of one-third of its assets in currencies other than the one featured in its name. The part of the portfolio that is not invested in the respective currency of account must be fully hedged against currency risk.

When calculating the WAL for securities, including structured financial instruments, the sub-fund shall base the maturity calculation on the residual maturity until the legal redemption of the instruments. However, in the event that a financial instrument embeds a put option, the sub-fund may base the maturity calculation on the exercise date of the put option instead of the residual maturity, but only if all of the following conditions are fulfilled at all times:

- the put option is able to be freely exercised by the sub-fund at its exercise date;
- the strike price of the put option remains close to the expected value of the instrument at the exercise date;
- the investment strategy of the sub-fund implies that there is a high probability that the option will be exercised at the exercise date.

By way of derogation from the above section, when calculating the WAL for securitisations and ABCPs, a sub-fund may instead, in the case of amortising instruments, base the maturity calculation on one of the following:

- the contractual amortisation profile of such instruments or
- the amortisation profile of the underlying assets from which the cash-flows for the redemption of such instruments result.

If the above-mentioned limits are exceeded for reasons beyond the control of the sub-fund, or as a result of the exercise of subscription or redemption rights, the sub-fund shall adopt as a priority objective the correction of that situation, taking due account of the interests of its unitholders or shareholders.

**Currency of account:** EUR

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for unit classes with "hedged" in their name
Unit classes with "P" in their name	0.720% (0.580%)	0.770% (0.620%)
Unit classes with "N" in their name	0.850% (0.680%)	0.900% (0.720%)
Unit classes with "K-1" in their name	0.240% (0.190%)	0.270% (0.220%)
Unit classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)

Unit classes with "F" in their name	0.100% (0.080%)	0.130% (0.100%)
Unit classes with "Q" in their name	0.240% (0.190%)	0.290% (0.230%)
Unit classes with "INSTITUTIONAL" in their name	0.180% (0.140%)	0.210% (0.170%)
Unit classes with "PREFERRED" in their name	0.140% (0.110%)	0.170% (0.140%)
Unit classes with "PREMIER" in their name	0.100% (0.080%)	0.130% (0.100%)
Unit classes with "I-B" in their name	0.035% (0.000%)	0.035% (0.000%)
Unit classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Unit classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **General risk information:**

#### **Investments in other money market funds**

The sub-funds may invest in other money market funds eligible under the MMFs Regulation in accordance with the conditions and limits set out in this Sales Prospectus.

Certain fees and charges may be incurred more than once when investing in existing money market funds (such as Depositary and central administrative agent fees, management/advisory fees and issuing/redemption charges of the money market funds in which the investment is made). Such commission payments and expenses are charged at the level of the target fund as well as of the acquiring money market fund.

The sub-funds may also invest in money market funds managed by UBS Fund Management (Luxembourg) S.A. or by a company linked to UBS Fund Management (Luxembourg) S.A. through common management or control, or through a substantial direct or indirect holding. In this case, no issuing or redemption charge will be charged on subscription to or redemption of these units. The double charging of commission and expenses referred to above does, however, remain.

The section titled "Expenses paid by the Fund" presents the general costs and expenses associated with investing in existing funds.

#### **Use of financial derivative transactions**

Financial derivative transactions are not in themselves investment instruments but rights whose valuation mainly derives from the price and the price fluctuations and expectations of an underlying instrument. Investments in financial derivative transactions are subject to the general market risk, settlement risk, credit and liquidity risk.

Depending on the specific characteristics of financial derivative transactions, however, the aforementioned risks may be of a different kind and occasionally turn out to be higher than the risks with an investment in the underlying instruments.

That is why the use of financial derivative transactions not only requires an understanding of the underlying instrument but also in-depth knowledge of the financial derivative transactions themselves.

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

There are also liquidity risks since it may be difficult to buy or sell certain financial derivative instruments. When financial derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with financial derivative transactions traded over-the-counter on the open market), it may under certain circumstances not always be possible to fully execute a transaction or it may only be possible to liquidate a position by incurring increased costs.

Additional risks connected with the use of financial derivative transactions lie in the incorrect determination of prices or valuation of financial derivative transactions. There is also the possibility that financial derivative transactions do not completely correlate with their underlying assets, interest rates or indices. Many financial derivative transactions are complex and frequently valued subjectively. Inappropriate valuations can result in higher demands for cash by counterparties or in a loss of value for the Fund. There is not always a direct or parallel relationship between a financial derivative transaction and the value of the assets, interest rates or indices from which it is derived. For these reasons, the use of financial derivative transactions by the Management Company is not always an effective means of attaining the Fund's hedging objective.

#### **Swap Agreements**

A sub-fund may enter into swap agreements (including total return swaps and contracts for differences) with respect to various underlyings, namely currencies, interest rates and foreign exchange rates, as well as indices representing these underlyings. Other

underlyings are not eligible. 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.

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 hedge its exposures to currencies in which it holds investments.

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.

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 that meet the requirements (including minimum credit rating requirements, if applicable). Subject to compliance with those conditions, the Portfolio Manager has full discretion as to the appointment of counterparties when entering into total return swaps.

#### **Insolvency risk on swap counterparties**

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

#### **Potential illiquidity of exchange traded instruments and swap contracts**

It may not always be possible for the Management Company to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, the Management Company may not be able to execute trades or close out positions on terms that the Portfolio Manager believes are desirable.

Swap contracts are over-the-counter contracts with a single counterparty and may as such be illiquid. Although swap contracts may be closed out to realise sufficient liquidity, such closing out may not be possible or may be very expensive for the Fund in extreme market conditions.

#### **Risks connected with the use of efficient portfolio management techniques**

A sub-fund may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in Section 5 entitled "Special techniques and instruments with money market instruments as underlying assets", and in accordance with other limits contained in this Sales Prospectus. 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 instruments 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 instruments. 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 instrument and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The sub-funds will only use repurchase agreements and reverse repurchase agreements for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant sub-fund. When using such techniques, the sub-fund will comply at all times with the provisions set out in Section 5 entitled "Special techniques and instruments with money market instruments as underlying assets". The risks arising from the use of repurchase agreements and reverse repurchase agreements will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. However, it is expected that repurchase agreements and reverse repurchase agreements will be used solely for hedging purposes. Costs in connection with such hedge transactions and any losses incurred reduce the sub-funds' results.

#### **Exposure to securities financing transactions**

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

Sub-fund	Total Return Swaps		Repurchase agreements		reverse repurchase agreements	
	Expected	Maximum	Expected	Maximum	Expected	Maximum
UBS (Lux) Money Market Invest – EUR	0%	15%	0%	100%	0%	100%

#### **Risk management**

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

#### **Leverage**

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

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

The economic risk of UCITS pursuant to the VaR approach is determined as part of a UCITS risk management process. This contains (among other things) restrictions on the VaR, which includes the market risk of all positions, including derivatives. The VaR is supplemented by a comprehensive stress-test programme.

The average leverage for each sub-fund using the VaR approach is expected to be within the range stated in the table below. Leverage is expressed as a ratio between the sum of the notional and the net asset value of the sub-fund in question. Greater leverage amounts may be attained for all sub-funds, under certain circumstances.

Sub-fund	Global risk calculation method	Expected range of leverage	Reference portfolio
UBS (Lux) Money Market Invest – EUR	Commitment approach	n.a.	n.a.

### Collateral management

If the Fund enters into OTC transactions, it may be exposed to risks associated with the creditworthiness of these OTC counterparties: should the Fund enter into futures or options contracts, or use other derivative techniques, it shall be subject to the risk that an OTC counterparty might not meet (or cannot meet) its obligations under one or more contracts.

Counterparty risk can be reduced by depositing a security (“**collateral**”, see above). Collateral may be provided in the form of liquid assets in highly liquid currencies, highly liquid equities and first-rate government bonds. The Fund will only accept such financial instruments as collateral, which would allow it (after objective and appropriate valuation) to liquidate these within an appropriate time period. The Fund, or a service provider appointed by the Fund, must assess the collateral’s value at least once a day. The collateral’s value must be higher than the value of the position of the respective OTC counterparty. However, this value may fluctuate between two consecutive valuations.

After each valuation, however, it is ensured (where appropriate, by requesting additional collateral) that the collateral is increased by the desired amount to meet the value of the respective OTC counterparty’s position (mark-to-market). In order to adequately take into account the risks related to the collateral in question, the Management Company determines whether the value of the collateral to be requested should be increased, or whether this value should be depreciated by an appropriate, conservatively measured amount (haircut). The larger the collateral’s value may fluctuate, the higher the markdown.

The Management Company shall set up internal regulations determining the details of the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, and the investment policy for liquid funds that are deposited as collateral. This framework agreement is reviewed and adapted where appropriate by the Management Company on a regular basis.

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

Asset class	Minimum haircut (% deduction from market value)
<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%

The haircuts to be used on collateral from securities lending, as the case may be, are described in Section 5 entitled “Special techniques and instruments with money market instruments as underlying assets”.

Instruments deposited as collateral may not have been issued by the respective OTC counterparty or be highly correlated with this OTC counterparty. Instruments deposited as collateral shall be held in safekeeping by the Depositary on behalf of the Fund and may not be sold, invested or pledged by the Fund.

The Fund shall ensure that the collateral received is adequately diversified, particularly regarding geographical dispersion, diversification across different markets and the spreading of concentration risk. The latter is considered to be sufficiently diversified if money market instruments held as collateral and issued by a single issuer do not exceed 20% of the Fund’s net assets.

In derogation to the above paragraph and in accordance with the modified Point 43(e) of the ESMA Guidelines on ETFs and other UCITS issues of 1 August 2014 (ESMA/2014/937), the Fund may be fully collateralised in various money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a non-Member State, or a public international body to which one or more EU Member States belong. If this is the case, the Fund must ensure that it receives instruments from at least six different issues, but instruments from any single issue may not account for more than 30% of the net assets of the respective sub-fund.

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

Collateral that is deposited in the form of liquid funds may be invested by the Fund. Investments may only be made in: sight deposits or deposits at notice in accordance with Point 1.1(f) of Section 1 “Permitted investments of the Fund”; high-quality government bonds; repurchase agreements within the meaning of Section 5 “Special techniques and instruments with money market instruments as underlying assets”, provided the counterparty in such transactions is a credit institution within the meaning of Point 1.1(f) of Section 1 “Permitted investments of the Fund” and the Fund has the right to cancel the transaction at any time and to request the back transfer of the amount invested (incl. accrued interest); short-term money market funds within the meaning of CESR Guidelines 10-049 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 involving the Depositary or within its sub-depositary/correspondent bank network may result in the rights of the Fund in connection with the collateral being delayed or restricted in other ways. If the Fund owes collateral to the OTC counterparty pursuant to an applicable agreement, then any such collateral is to be transferred to the OTC counterparty as agreed between the Fund and the OTC counterparty. Bankruptcy and insolvency events or other credit default events involving the OTC counterparty, the Depositary or its sub-depositary/correspondent bank network may result in the rights or recognition of claims of the Fund in connection with the collateral being delayed, restricted or even eliminated, which would even go so far as to force the Fund to fulfil its obligations within the framework of the OTC transaction, regardless of any collateral that had previously been provided to cover any such obligation.

#### **Net asset value, issue, redemption and conversion price**

The net asset value and the issue, redemption and conversion price per unit of a sub-fund or unit class are expressed in the currency of account of the sub-fund or unit class concerned and are calculated every business day by dividing the overall net assets of the sub-fund attributable to each unit class by the number of units in circulation in this unit class of the sub-fund. The net asset value is published on each business day in the public section of the website for each sub-fund.

However, the net asset value of a unit may also be calculated on days where no units are issued or redeemed, as described in the following section. The net asset value calculated on days when no units are issued may be published in the public section of the website for each sub-fund, but it may only be used for the purpose of calculating performance, statistics or fees. Under no circumstances should it be used as a basis for subscription and redemption orders.

The percentage of the net asset value attributable to each unit class of a sub-fund changes each time units are issued or redeemed. It is determined by the ratio of outstanding units in each unit class in relation to the total number of sub-fund units issued, taking into account the fees charged to that unit class.

If the total subscriptions or redemptions in all the unit classes of the sub-fund on a single business day should result in a net capital inflow or outflow, the sub-fund’s net asset value may be increased or reduced accordingly (“**single swing pricing**”). The maximum adjustment amounts to 1% of the net asset value. Estimated transaction costs and tax charges that may be incurred by the sub-fund, as well as the estimated bid-ask spreads of the assets in which the sub-fund invests, may be taken into account. Such an adjustment will lead to an increase in net asset value if the net movements result in an increase in the number of units in the sub-fund.

It will lead to a decrease in net asset value if the net movements result in a decrease in the number of units. The Board of Directors can set a threshold value for each sub-fund. This may be calculated from the ratio of net movement on a given business day to the net fund assets, or from a single amount in the currency of the sub-fund. In such a case, the net asset value would only be adjusted if this threshold were to be exceeded on a given business day.

The value of the sub-fund’s assets is calculated on each business day in accordance with the provisions of the Management Regulations by using mark-to-market, or if this is not possible, using mark-to-model, as follows:

a) Derivatives and other assets listed on a stock exchange are valued at the most recent market prices available. If these derivatives or other assets are listed on several stock exchanges, the most recently available price on the stock exchange that represents the major market for this asset shall apply.

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

b) assets not listed on a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, are valued by the Management Company according to other principles chosen by it in good faith on the basis of probable market prices. These principles shall always be in line with the MMFs Regulation.

c) derivatives not listed on a stock exchange (OTC derivatives) are valued on the basis of independent pricing sources. If only one independent pricing source is available for a derivative, the plausibility of the valuation obtained will be verified using calculation models that are recognised by the Management Company and the Fund’s auditors, based on the market value of that derivative’s underlying. This valuation is determined by decision of the Management Company on the basis of valuations made by the valuation experts of the Management Company with support from the valuation experts of the UBS Global Valuation Committee. The principles used in this process shall always be in line with the MMFs Regulation.

d) Units of other money market funds are valued based on the most recent net asset value. Certain units or shares of other money market funds may be valued based on estimates of their value from reliable service providers that are independent from the target fund portfolio manager or investment adviser (value estimation).

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

Interest income earned by a sub-fund between a given order date and the corresponding settlement date is accounted for when that sub-fund's assets are valued. The asset value per unit on a given valuation date therefore includes projected interest income.

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

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

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

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

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

### **Investing in UBS (Lux) Money Market Invest**

#### **Conditions for the issue and redemption of units**

Sub-fund units are issued and redeemed on every **business day**. A "business day" is a normal bank business day in Luxembourg (i.e. a day when the banks are open during normal business hours), except for 24 and 31 December, individual, non-statutory days of rest in Luxembourg and days on which stock exchanges in the main countries in which the sub-fund invests are closed, or on which 50% or more of the investments of the sub-fund cannot be adequately valued.

"Non-statutory days of rest" are days on which banks and financial institutions are closed.

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

The Management Company prohibits all transactions that it deems potentially detrimental to unitholder interests, including (but not limited to) market timing and late trading transactions. It is entitled to refuse any application for subscription or conversion that it considers to be allied to such practices. The Management Company is also entitled to take any action it deems necessary to protect unitholders from such practices.

**Subscription and redemption orders ("orders") registered with the administrative agent by 15:00 CET ("cut-off time") on a business day ("order date") will be processed on the basis of the net asset value calculated for that day after the cut-off time ("valuation date").**

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

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

The same applies to requests for the conversion of units of a sub-fund into those of another sub-fund of the Fund (if such exists) performed on the basis of the net asset values of the sub-funds concerned.

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

#### **Issue of units**

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

The issue price of the units after the initial issue shall be based on the net asset value per unit plus a maximum issuing commission of 2% of the net asset value in favour of the distributors. Any taxes, charges or other fees incurred in the relevant country of distribution will also be charged.

Subscriptions for units in the Fund are accepted at the issue price of the sub-fund by the Management Company, the administrative agent and the Depositary as well as at any other distributor.

Subject to applicable laws and regulations, the Depositary and/or the agents entrusted with receiving subscription payments may, at their discretion and upon investors' request, accept the payment in currencies other than the currency of account of the respective sub-fund and the subscription currency of the unit class to be subscribed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. Investors shall bear all fees associated with currency exchange.

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

The issue price of sub-fund units is paid into the Depositary's account in favour of the sub-fund no later than two days after the order date ("**settlement date**").

If, on the settlement date or any day between the order date and the settlement date, banks in the country of the currency of the relevant unit class are not open for business or the relevant currency is not traded in an interbank settlement system, settlement shall take place on the next day on which these banks are open or these settlement systems are available for transactions in the relevant currency.

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

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

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

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

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

#### **Redemption of units**

Redemption orders, accompanied by any certificates that may have been issued, are accepted by the Management Company, the administrative agent, the Depositary or another suitably authorised sales or paying agent.

Consideration for sub-fund units submitted for redemption is paid no later than the second day after the order date ("**settlement date**") unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the redemption order has been submitted.

If, on the settlement date or any day between the order date and the settlement date, banks in the country of the currency of the relevant unit class are not open for business or the relevant currency is not traded in an interbank settlement system, settlement shall take place on the next day on which these banks are open or these settlement systems are available for transactions in the relevant currency.

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

For sub-funds with multiple unit classes that are denominated in different currencies, unitholders may, in principle, only receive the equivalent value for their redemption in the currency of the respective unit class or in the currency of account of the 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 unit class redeemed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair.

Investors shall bear all fees associated with currency exchange. These fees, as well as any taxes, commissions or other fees that may be incurred in the relevant country of distribution and, for example, levied by correspondent banks, will be charged to the relevant investor and deducted from the redemption proceeds.

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

No redemption charge is levied.

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

The Management Company reserves the right not to execute redemption and conversion orders in full (redemption gate) on any order date on which this would lead to outflows of more than 10% of the total net asset value of a sub-fund on that date. In this case, the



Management Company may decide to only partially execute redemption and conversion orders, and to postpone the redemption and conversion orders for the order date that have not been executed for a period generally not to exceed 20 business days, giving them priority status.

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

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

At the unitholders' request, the Management Company may offer full or partial redemptions in kind, at its own discretion.

These payments will be audited by the auditors appointed by the Management Company. The costs incurred will be charged to the relevant investor.

#### **Conversion of units**

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

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

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

where:

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

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

$\chi$  = net asset value of the units submitted for conversion

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

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

A maximum conversion commission amounting to the maximum issuing commission of the respective sub-fund or unit class may be charged in favour of the distributors. No redemption charge is applied in such cases, in accordance with the information in the section titled "Redemption of units".

Any fees, taxes and stamp duties incurred in the individual countries for a sub-fund conversion are charged to the unitholders.

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

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

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

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

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

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

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

- the closure, other than for customary holidays, of one or more stock exchanges used to value a substantial portion of the net assets, or of foreign exchange markets in whose currency the net asset value, or a substantial portion of the Fund's assets, is denominated, or if trade on these stock exchanges or markets is suspended, or if these stock exchanges or markets become subject to restrictions or experience major short-term price fluctuations;

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

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

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

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

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

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

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

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

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

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

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

In addition, the Management Company is authorised to:

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

### **Distributions**

In accordance with Article 10 of the Management Regulations, the Management Company will decide whether and what amount of distributions are to be paid out by the sub-fund after closure of the annual accounts. Distributions may be composed of income (e.g. dividend income and interest income) or capital and they may include or exclude fees and expenses.

Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) unit classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) unit classes compared with distributing (-dist) unit classes. Investors should consult qualified experts for tax advice regarding their individual situation. Any distribution results in an immediate reduction of the net asset value per unit of the sub-fund. The payment of distributions must not result in the net assets of the Fund falling below the minimum amount for Fund assets laid down by law. If distributions are made, payment will be effected within four months of the end of the financial year.

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

Entitlements to distributions and allocations not claimed within five years of falling due will lapse and be paid back into the respective unit class of the sub-fund. If said sub-fund or unit class has already been liquidated, the distributions and allocations will accrue to the

remaining sub-funds of the Fund or the remaining unit classes of the sub-fund concerned (if such exist) in proportion to their respective net assets. The Management Company may decide, in connection with the appropriation of net investment income and capital gains, to issue bonus units. An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

## **Taxes and expenses**

### **Taxation**

The Fund is subject to Luxembourg law. In accordance with current legislation in the Grand Duchy of Luxembourg, the Fund is not subject to any Luxembourg withholding, income, capital gains or wealth taxes. From the total net assets of the sub-fund, however, a reduced tax of 0.01% p.a. ("taxe d'abonnement") payable to the Grand Duchy of Luxembourg is due at the end of every quarter. This tax is calculated on the total net assets of the sub-fund at the end of every quarter.

Unitholders are informed that Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments was enacted into national law by the Luxembourg Law of 21 June 2005. In accordance with this Law, cross-border interest payments to individuals resident in an EU Member State are subject either to a withholding tax or the automatic exchange of information, with effect from 1 July 2005. This applies inter alia to distributions and dividends payable by investment funds that invest more than 15% in debt instruments and claims under the EU taxation of savings income, as well as on earnings from the sale or refund of units in investment funds that invest more than 25% in such assets. Upon subscription, the distributor or sales agent may ask investors to provide their tax identification number ("TIN") issued by the country in which they are resident for tax purposes, where necessary.

The taxable values provided are based on the most recently available data at the time they were calculated.

Insofar as the sub-fund and unitholders are not subject to EU taxation of savings income, unitholders are not required, under current tax law, to pay any income, gift, inheritance or other tax in Luxembourg, unless they are domiciled or resident or maintain their usual place of abode in Luxembourg, or were previously resident in Luxembourg and hold more than 10% of the units in the Fund.

On 13 November 2008, the European Commission accepted a proposal for the amendment of the Savings Taxation Directive. This proposed amendment would provide, among other things, (i) for an extension of the scope of the EU Savings Taxation Directive to include payments made by certain intermediary structures (regardless of whether their registered office is in an EU Member State or not) to a final beneficiary who is a natural person resident in the EU and (ii) for the definition of interest falling under the scope of the EU Savings Taxation Directive to be further extended. At the time of writing of this Sales Prospectus, it is not yet known if or when the proposed amendment will enter into force.

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

### **Automatic exchange of information – FATCA and the Common Reporting Standard**

As an investment fund established in Luxembourg, the Fund is bound by certain agreements on the automatic exchange of information – such as those described below (and others that may be introduced in future, as the case may be) – to collect specific information on its investors and their tax status, and to share this information with the Luxembourg tax authority, which may then exchange this information with the tax authorities in the jurisdictions in which the investors are resident for tax purposes.

According to the US Foreign Account Tax Compliance Act and the associated legislation ("FATCA"), the Fund must comply with extensive due diligence obligations and reporting requirements, established to ensure the US Treasury is informed of financial accounts belonging to specified US persons as defined in the Intergovernmental Agreement ("IGA") between Luxembourg and the US. Failure to comply with these requirements may subject the Fund to US withholding taxes on certain US-sourced income and, with effect from 1 January 2019, gross proceeds. In accordance with the IGA, the Fund has been classed as "compliant" and is not charged any withholding tax if it identifies financial accounts belonging to specified US persons and immediately reports these to the Luxembourg tax authorities, which then provide this information to the US Internal Revenue Service.

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to combat offshore tax evasion on a global scale. Pursuant to the CRS, financial institutions established in participating CRS jurisdictions (such as the Fund) must report to their local tax authorities all personal and account information of investors, and where appropriate controlling persons, resident in other participating CRS jurisdictions that have concluded an agreement for the exchange of information with the jurisdiction governing the financial institution. Tax authorities in participating CRS jurisdictions will exchange such information on an annual basis. The initial exchanges of information are expected to begin in 2017. Luxembourg has enacted legislation to implement the CRS. As a result, the Fund is required to comply with the CRS due diligence and reporting requirements adopted by Luxembourg.

In order to enable the Fund to meet its obligations under FATCA and the CRS, prospective investors are required to provide the Fund with information about their person and tax status prior to investment, and to update this information on an ongoing basis. Prospective investors should note that the Fund is obliged to disclose this information to the Luxembourg tax authorities. The investors accept that the Fund may take any action it deems necessary regarding their stake in the Fund to ensure that any withholding tax incurred by the Fund and any other related costs, interest, penalties and other losses and liabilities arising from the failure of an investor to provide the requested information to the Fund are borne by this investor. This may include making this investor liable for any resulting US withholding taxes or penalties arising under FATCA or the CRS, and/or the compulsory redemption or liquidation of this investor's stake in the Fund.

Detailed guidance on the mechanics and scope of FATCA and the CRS is still being defined. No assurance can be given as to when such guidance will be finalised, or what its impact will be on the future operations of the Fund. Prospective investors should consult

qualified experts for tax advice regarding FATCA and the CRS and the potential consequences of such automatic exchange of information regimes.

#### **“Specified US person” as defined by FATCA**

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

#### **Investors in the United Kingdom**

The Fund is an offshore fund for tax purposes within the meaning of the UK Offshore Funds (Tax) Regulations, which were introduced with effect from 1 December 2009 and amend the previous tax regulations that applied to investments in offshore funds.

UK investors will be subject to capital gains tax (or corporation tax on chargeable gains) and not income tax on profits arising on the sale (e.g. by transfer or redemption) of units in a qualifying offshore fund.

UK investors may be liable for income tax (rather than tax on capital gains) on profits arising from the sale (e.g. by transfer or redemption) of units in a non-qualifying offshore fund.

Since 1 December 2009 and for a transitional period only, offshore funds may apply to HM Revenue & Customs (the UK tax authorities) for approval as a qualifying offshore fund with either “distributor” status or with “reporting fund” status.

The application may be made for one or more sub-funds (if such exist) within an umbrella fund or for one or more specific unit classes issued by a sub-fund. For UK tax purposes, investments in a unit class with distributing fund or reporting fund status will be treated as investments in a qualifying offshore fund.

After the transitional period, only investments in a sub-fund or a unit class of a specific sub-fund with reporting fund status will be treated as investments in a qualifying offshore fund.

The Management Company may, at its discretion, apply for qualifying offshore fund status for certain sub-funds, or specific unit classes issued by these sub-funds.

Where such an application has been made, the Management Company intends to manage the Fund so that an investment in the specified unit classes will be treated as an investment in a qualifying offshore fund for each accounting period, and to satisfy HM Revenue & Customs that the relevant requirements have been or will be met.

However, the Management Company cannot guarantee that these requirements will be met or that HM Revenue & Customs will confirm that they have been met.

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

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

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

#### **Expenses paid by the Fund**

The Fund pays a maximum monthly flat fee for unit classes “P”, “N”, “K-1”, “F”, “Q”, “INSTITUTIONAL”, “PREFERRED” and “PREMIER”, calculated on the average net asset value of the sub-fund.

This shall be used as follows:

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

The maximum flat fee effectively applied can be found in the annual and semi-annual reports.

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

a) All other Fund asset management expenses for the sale and purchase of assets (bid-ask spread, market-based brokerage fees, commissions, fees, etc.). As a rule, these expenses are calculated upon the purchase or sale of the respective assets. 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 single swing pricing principle pursuant to the section titled “Net asset value, issue, redemption and conversion price”.

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

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

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

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

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

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

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

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

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

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

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

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

For purposes of general comparability with fee rules of different fund providers that do not have a flat fee, the term “maximum management fee” is set at 80% of the flat fee.

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

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

All costs that can be attributed to the sub-fund will be charged to this sub-fund.

Costs that can be allocated to individual unit classes will be charged to those unit classes. Costs pertaining to some or all sub-funds/unit classes will be charged to those sub-funds/unit classes in proportion to their respective net asset values.

With regard to sub-funds that may invest in other existing money market funds under the terms of their investment policies, fees may be incurred both at the level of the sub-fund as well as at the level of the relevant target fund. The management fees of the target fund in which the assets of the sub-fund are invested may amount to a maximum of 3%, taking into account any trailer fees.

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

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

## **Information for unitholders**

### **Regular reports and publications**

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

The aforementioned reports contain a breakdown of each sub-fund in the relevant reference currency. The consolidated breakdown of assets for the Fund as a whole is given in EUR.

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

These reports are available to unitholders at the registered office of the Management Company and the Depositary.

The issue and redemption prices of the units of a sub-fund are made available in Luxembourg at the registered office of the Management Company and the Depositary.

Notices to unitholders will be published at [www.ubs.com/lu/en/asset\\_management/notifications](http://www.ubs.com/lu/en/asset_management/notifications) and can be sent by email to those unitholders who have provided an email address for this purpose. Paper copies of such notices will be mailed to those unitholders who have not provided an email address at the postal address recorded in the unitholder registry. Paper copies will also be mailed to unitholders where required by Luxembourg law or supervisory authorities, or legally required in the relevant countries of distribution, and/or published in another form permitted by Luxembourg law.

All the following information shall be made available to Fund investors at least weekly at [www.ubs.com/funds](http://www.ubs.com/funds):

1. the maturity breakdown of the sub-fund portfolio;
2. the credit profile of the sub-funds;
3. the WAM and WAL of the sub-funds;
4. details of the 10 largest holdings of the sub-funds, including the name, country, maturity and asset type, and the counterparty in the case of repurchase and reverse repurchase agreements;
5. the net yield of the sub-funds.

The net asset value of the sub-fund is published daily on [www.ubs.com/funds](http://www.ubs.com/funds).

Investors are made aware that:

1. the sub-funds are not a guaranteed investment;
2. an investment in the sub-funds is different from an investment in deposits, and in particular that the principal invested in the sub-funds is subject to fluctuations;
3. the sub-funds do not rely on external support to guarantee their liquidity or keep the net asset value per unit stable;
4. the risk of loss of the principal must be borne by the investors.

#### **Inspection of documents**

The following documents are kept at the registered office of the Management Company, where they can be viewed:

1. the articles of association of the Management Company
2. Depositary Agreement
3. Portfolio Management Agreement
4. Administrative Agent Agreement

The aforementioned agreements may be amended by common consent of the parties involved.

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

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

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

In accordance with Luxembourg laws and regulations, the Management Company provides additional information on procedures for handling complaints, the strategy for exercising voting rights as well as best execution on the following website:

[http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html)

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

The Board of Directors has adopted a remuneration policy that aims to ensure remuneration complies with the applicable regulations – in particular the provisions defined under (i) UCITS Directive 2014/91/EU, the ESMA final report on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016, (ii) the Alternative Investment Fund Managers (AIFM) Directive 2011/61/EU, enacted into Luxembourg national law by the AIFM Law of 12 July 2013, as amended, the ESMA guidelines on sound remuneration policies under the AIFMD, published on 11 February 2013 and (iii) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector, issued on 1 February 2010 – as well as the guidelines of the UBS Group AG remuneration policy. This remuneration policy is reviewed at least annually.

The remuneration policy promotes a solid and effective risk management framework, is aligned with the interests of investors, and prevents risks from being taken that do not comply with the risk profiles, the Management Regulations, or the Articles of Incorporation of this UCITS/AIF.

The remuneration policy also ensures compliance with the strategies, objectives, values and interests of the Management Company and the UCITS/AIF, including measures to prevent conflicts of interest.

Furthermore, this approach aims to:

- evaluate performance over a multi-year period that is suitable to the recommended holding period of investors in the sub-fund, in order to ensure that the evaluation process is based on the Fund's long-term performance and investment risks, and that performance-related remuneration is actually paid out over the same period;
- provide employees with remuneration that comprises a balanced mix of fixed and variable elements. The fixed remuneration component represents a sufficiently large portion of the total remuneration amount, which allows for a flexible bonus strategy. This includes the option not to pay any variable remuneration. This fixed remuneration is determined according to the individual

employee's role, which includes their responsibilities and the complexity of their work, their performance, and the local market conditions. Furthermore, it should be noted that the Management Company may, at its own discretion, offer benefits to employees. These form an integral part of the fixed remuneration.

All information relevant hereto shall be disclosed in the annual reports of the Management Company in accordance with the provisions of UCITS Directive 2014/91/EU.

Unitholders can find more details about the current remuneration policy, including, but not limited to, the description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available at [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html).

This information can also be requested in hard copy from the Management Company free of charge.

### **Conflicts of interest**

The Management Company, the Portfolio Manager, the Depositary, the administrative agent and the other service providers of the Fund, and/or their respective affiliates, associates, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

The Management Company, the Portfolio Manager, the administrative agent and the Depositary have adopted and implemented a policy on conflicts of interest. They have taken suitable organisational and administrative measures to identify and manage conflicts of interest so as to minimise the risk of the Fund's interests being prejudiced, as well as to ensure that the Fund's unitholders are treated fairly in the event that a conflict of interest cannot be prevented.

The Management Company, the Depositary, the Portfolio Manager and the principal distributor are part of the UBS Group (hereinafter referred to as "**Affiliated Person**").

The Affiliated Person is a global, full-service private banking, investment banking, asset management and financial services organisation that is a major player in the global financial markets. As such, the Affiliated Person is engaged in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.

The Affiliated Person (as well as its subsidiaries and branches) may serve as the counterparty in financial derivative contracts entered into with the Fund. Conflicts of interest may also potentially arise if the Depositary is closely associated with a legally independent entity of the Affiliated Person that provides other products or services to the Fund.

In the conduct of its business, the Affiliated Person shall endeavour to identify, manage and where necessary prohibit any action or transaction that may lead to a conflict of interest between the various business activities of Affiliated Person and the Fund or its unitholders. The Affiliated Person endeavours to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. To this end, the Affiliated Person has implemented procedures to ensure that any business activities giving rise to a conflict that could harm the interests of the Fund or its unitholders, are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Unitholders may obtain additional information on the Management Company and/or the Fund's policy on conflicts of interest free of charge by addressing a written request to the Management Company.

Despite the Management Company's best efforts and due care, there remains the risk that the organisational or administrative measures taken by the Management Company for the management of conflicts of interest may not be sufficient to ensure, with reasonable confidence, that all risks of damage to the interests of the Fund or its unitholders are eliminated. If this should be the case, any non-mitigated conflicts of interest and any decisions taken in relation thereto will be notified to unitholders on the following website of the Management Company: [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html)

This information is also available free of charge at registered office of the Management Company.

In addition, it must be taken into account that the Management Company and the Depositary are members of the same group. Accordingly, both these entities have put in place policies and procedures to ensure that they (i) identify all conflicts of interests arising from this relationship and (ii) take all reasonable steps to avoid such conflicts of interest.

Where a conflict of interest arising out of the relationship between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of the unitholders.

A description of all custody tasks delegated by the Depositary, as well as a list of all delegates and sub-delegates of the Depositary can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>. Up-to-date information on this will be made available to unitholders upon request.

### **Data protection**

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

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

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

Investors' personal data is processed when they enter into a relationship with the Fund and in order to carry out the subscription of units (i.e. to fulfil a contract), to safeguard the Fund's legitimate interests and to meet the Fund's legal obligations. Personal data is processed for the following purposes in particular: (i) to carry out subscriptions, redemptions and conversions of units, pay dividends to investors and administer client accounts; (ii) to manage client relationships; (iii) to carry out checks relating to excess trading and market timing practices and for tax identification that may be mandated by Luxembourg or foreign legislation and regulations

(including laws and regulations relating to FATCA and the CRS); (iv) to comply with applicable anti-money laundering regulations. Data provided by unitholders is also processed, (v) to administer the Fund's register of unitholders. In addition, personal data may be used (vi) for marketing purposes.

The above-mentioned legitimate interests include:

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

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

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

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

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

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

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

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

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

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

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

## **Liquidation and merger of the Fund and its sub-fund**

### **Liquidation of the Fund and its sub-fund**

Unitholders, their heirs and other beneficiaries may not demand the division or liquidation of the Fund, a sub-fund or a unit class. The Management Company, however, is authorised to liquidate the Fund, sub-fund and unit classes provided that, taking into account the



unitholders' interests, such liquidation is deemed appropriate or necessary to protect the Management Company or the Fund, or due to the investment policy.

If the total net asset value of the sub-fund or of a unit class within the sub-fund has fallen below a value or has not reached that value, which is required for the economically efficient management of the sub-fund or that unit class, or in the event of a substantial change in the political, economic and monetary environment, or as part of a rationalisation, the Management Company may decide to redeem all units of the corresponding unit class(es) at the net asset value (taking into account the actual realisation prices and realisation cost of the investment) as at the valuation date or time on which the decision takes effect.

Any resolution to liquidate the sub-fund or unit class will be published in the manner described above in the section titled "Regular reports and publications". No units may be issued after the date of such a decision and all conversions into the sub-fund/unit class will be suspended. The redemption of units or conversion from the sub-fund or unit class concerned will still be possible even after this decision has been implemented and it shall be ensured that the sub-fund or relevant unit class will take any liquidation costs into account. Those holding units in the sub-fund/relevant unit class at the time the decision to liquidate is taken will consequently bear such costs. In the event of liquidation, the Management Company will realise the Fund's assets in the best interests of the unitholders and instruct the Depositary to distribute the net proceeds from the liquidation of the sub-fund or unit class to the unitholders of the sub-fund or unit class in proportion to their respective holdings. Any liquidation proceeds that cannot be distributed to the unitholders at the end of the liquidation process (which can take up to nine months) will be deposited immediately at the Caisse de Consignation in Luxembourg.

Liquidation of the Fund is mandatory in the cases prescribed by law and in the event of the liquidation of the Management Company. Notice of such liquidation will be published on the RESA as well as a Luxembourg daily newspaper, and, if necessary, in the official publications of the individual countries of distribution.

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

"Mergers" are transactions in which

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

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

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

Unitholders will be informed of any such decision by the Management Company in the manner described above in the section entitled "Regular reports and publications".

Should the Management Company make such a decision, the merger shall be binding for all unitholders of the relevant sub-fund after a period of 30 days commencing on the date on which the decision is published. During this period, unitholders may submit their units for redemption without having to pay any redemption fee or administrative costs. Units not presented for redemption will be exchanged on the basis of the net asset value of the relevant sub-fund, calculated for the day on which the merger takes effect.

#### **Applicable law, place of performance and legally binding document language**

The Luxembourg District Court shall have jurisdiction to hear all legal disputes between the unitholders, the Management Company and the Depositary. Luxembourg law shall apply. However, in matters concerning the claims of investors from other countries, the Management Company and/or the Depositary may elect to make themselves and the Fund subject to the jurisdiction of the countries in which the units were bought and sold.

The German-language version of this Sales Prospectus is legally binding. However, the Management Company and the Depositary may recognise translations (they themselves have approved) into the languages of the countries in which units are bought or sold to investors as binding upon themselves and the Fund in matters concerning those units.

## **Investment principles**

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

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

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

- a) 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 14 May 2014 on markets in financial instruments;
- b) 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) 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, regulated and open to the public;
- d) Units in other, targeted money market funds providing the following requirements are met:
  - No more than 10% of the assets of the targeted money market fund are permitted to be invested in aggregate in units or shares of other money market funds;
  - the targeted money market fund does not hold units in the acquiring sub-fund and shall not invest in the acquiring sub-fund during the period in which the acquiring sub-fund holds its units;
  - The sub-fund does not invest more than 5% of its assets in units or shares of a single money market fund;
  - The sub-fund does not invest more than 17.5% of its assets in aggregate in units or shares of other money market funds;
  - the targeted money market fund is authorised under the MMFs Regulation;

where the targeted money market fund is managed directly or indirectly by the same manager as that of the acquiring sub-fund or by any other company to which the manager of the acquiring sub-fund is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted money market fund, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring sub-fund in the units or shares of the targeted money market fund;

- e) 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 registered office is located in a non-Member State, the credit institution is subject to supervisory regulations deemed equivalent to those under European Union law according to the procedure set out in Article 107(4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;
- f) Derivative financial instruments ("**derivatives**"), including equivalent cash-settled instruments, that are traded on one of the regulated markets listed in (a), (b) and (c) above, and/or derivatives that are not traded on a stock exchange or regulated market ("**OTC derivatives**"), provided that
  - the use of derivatives is in accordance with the investment policy of the respective sub-fund and is suited to achieving its goals;
  - the derivative instrument serves only the purpose of hedging the interest rate or exchange rate risks inherent in other investments of the sub-fund;
  - the underlying of the derivative instrument consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories;
  - the sub-funds ensure, through adequate diversification of the underlying assets, that the diversification requirements applicable to them and listed in the section entitled "Risk diversification" are adhered to;
  - the counterparties in transactions involving OTC derivatives are institutions subject to prudential supervision and belonging to the categories admitted by the CSSF and expressly approved by the Board of Directors. The approval process by the Board of Directors is based on the principles drawn up by UBS AM Credit Risk and concerning, inter alia, the creditworthiness, reputation and experience of the relevant counterparty in settling transactions of this type, as well as their willingness to provide capital. The Board of Directors maintains a list of counterparties it has approved;
  - the OTC derivatives are valued daily in a reliable and verifiable manner and may be sold, liquidated or settled by means of a back-to-back transaction at any time, upon the Fund's initiative and at the appropriate fair value; and

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

g) 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 the Fourth Council Directive 78/660/EEC, or an entity within a group encompassing one or more listed companies and responsible for its financing, or an entity which is to fund the securitisation of liabilities by means of a credit line provided by a bank.

1.2 The Management Company ensures that the overall risk associated with derivatives does not exceed the overall net value of the Fund portfolio. As part of its investment strategy, the 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.

1.3 A sub-fund may hold liquid assets on an ancillary basis.

## 2. Risk diversification

2.1 In accordance with the principle of risk diversification, the Management Company is not permitted to invest more than 5% of the net assets of a sub-fund in money market instruments, securitisations and ABCPs of a single issuer. In derogation of the above, a sub-fund may invest up to 10% of its assets in money market instruments, securitisations and ABCPs, provided that the total value of these instruments held by the sub-fund in each single issuer in which it invests more than 5% of its assets does not exceed 40% of the value of its assets. The Management Company may not deposit more than 10% of the net assets of a sub-fund with a single institution, unless the banking sector in Luxembourg, the country in which the Fund is domiciled, is structured in such a way that there are insufficient viable credit institutions to fulfil this diversification requirement, and it is not economically feasible for the Fund to make deposits in another Member State, in which case up to 15% of its assets may be deposited with a single credit institution. In transactions by a sub-fund in OTC derivatives, counterparty risk must not exceed 5% of the assets of that sub-fund.

2.2 Regardless of the maximum limits set out in Point 2.1, the sub-fund may not invest more than 15% of its net assets through a combination of

- Money market instruments, securitisations and ABCPs issued by this institution
- Deposits with that institution and/or
- OTC derivatives traded with this institution.

Additionally, until the date of implementation of the delegated act referred to in Article 11(4) of the MMF Regulation, the sub-funds shall not invest more than 15% of the relevant sub-fund assets in securitisations and ABCPs. From the date of implementation of the above delegated act, the sub-funds shall not invest more than 20% of the relevant sub-fund assets in securitisations and ABCPs, whereby up to 15% of the sub-fund assets may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of simple, transparent and standardised (STS) securitisations and STS-ABCPs.

In derogation of the aforementioned diversification requirements, if the financial market in Luxembourg, the Member State in which the Fund is domiciled, is structured in such a way that there are insufficient viable credit institutions to fulfil this diversification requirement, and it is not economically feasible for the sub-fund to use financial institutions in other Member States, the sub-fund may combine the types of investment stated above, whereby a maximum of 20% of its assets may be invested with a single institution.

2.3 In derogation of the above, the following applies:

- a) The maximum limit of 5% mentioned in Point 2.1 is raised to 10% for certain debt instruments issued by a single credit institution domiciled in an EU Member State and subject, in that particular country, to special prudential supervision by public authorities designed to protect the holders of these instruments. In particular, funds originating from the issue of such debt instruments must, in accordance with the law, be invested in assets that provide sufficient cover for the obligations arising from them during the entire term of the bonds and that provide a preferential right to payment of the capital and interest in the event of insolvency of the issuer. If a sub-fund invests more than 5% of its net assets in debt instruments of a single issuer, then the total value of these investments may not exceed 40% of the value of the net assets of the sub-fund.
- b) Companies belonging to the same group for the purposes of consolidated accounts, as defined by Directive 2013/34/EU or recognised international accounting rules, must be treated as a single issuer for the calculation of the investment limits set out in this section.

Notwithstanding the previously stated individual upper limits, a sub-fund may invest a maximum of 20% of its assets in debt instruments issued by a single credit institution, provided the requirements pursuant to Article 10(1)(f) or Article 11(1)(c) of Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 are fulfilled, including any investments in assets within the meaning of 2.1 and 2.2 above. If a sub-fund invests more than 5% of its assets in debt instruments as defined in the previous sentence issued by a single institution, the total value of those investments may not exceed 60% of the value of the assets of the sub-fund, including any investments in assets within the meaning of 2.1 and 2.2 above, respecting the limits set out therein.

- c) **In the interests of risk diversification, with the approval of the competent supervisory authority, the Management Company is authorised to invest up to 100% of the sub-fund's net assets in various money market instruments issued or guaranteed separately or jointly by the EU; the national, regional and local administrations of the Member States of the EU or their central governments; the European Central Bank, the European Investment Bank; the European Investment Fund; the European Stability Mechanism; the European Financial Stability Facility; a central authority or central bank of a third country; the International Monetary Fund; the International Bank for Reconstruction and Development; the Council of Europe Development Bank; the European Bank for Reconstruction and Development; the Bank for International Settlements or any other relevant international financial institution or organisation to which one or more Member States belong.**

**The above exception applies only if the following requirements are met: (i) the sub-fund holds money market instruments in at least six different issues of the issuer, and (ii) the sub-fund restricts its investment in money market instruments from a single issue to a maximum of 30% of its assets.**

- d) The cash received by the sub-fund as part of repurchase agreements shall not exceed 10% of its assets. The assets received as part of reverse repurchase agreements from a single issuer shall not represent more than 15% of the net asset value of the sub-fund.

- e) A sub-fund may not hold more than 10% of the money market instruments, securitisations and ABCPs of a single issuer. The aforementioned restrictions do not apply to money market instruments issued or guaranteed by the EU; the national, regional and local administrations of the Member States of the EU or their central banks; the European Central Bank; the European Investment Bank; the European Investment Fund; the European Stability Mechanism; the European Financial Stability Facility; a central administration or central bank of a third country; the International Monetary Fund; the International Bank for Reconstruction and Development; the Council of Europe Development Bank; the European Bank for Reconstruction and Development; the Bank for International Settlements or any other relevant international financial institution or organisation to which one or more Member States belong.

2.4 The following provisions apply with regard to investments in other money market funds:

The Management Company may acquire units or shares in another, targeted money market fund for a sub-fund on the following conditions:

- No more than 10% of the assets of the targeted money market fund are permitted to be invested in aggregate in units or shares of other money market funds;
- The targeted money market fund does not hold units or shares in the acquiring money market fund and shall not invest in the acquiring money market fund during the period in which the acquiring money market fund holds its units or shares;
- The sub-fund does not invest more than 5% of its assets in units or shares of a single money market fund;
- The sub-fund does not invest more than 17.5% of its assets in aggregate in units or shares of other money market funds;
- the targeted money market fund is authorised under the MMFs Regulation;

- Where the targeted money market fund is managed directly or indirectly by the same manager as that of the acquiring sub-fund or by any other company to which the manager of the acquiring sub-fund is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted money market fund, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring sub-fund in the units or shares of the targeted money market fund.

### 3. Investment restrictions

The Management Company is prohibited from:

- 3.1 making investments other than those cited under Point 1 above;
- 3.2 short-selling money market instruments, securitisations, ABCPs and other money market funds;
- 3.3 taking direct or indirect exposure to equities or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them;
- 3.4 entering into securities lending agreements or securities borrowing agreements, or any other agreements that would encumber the assets of the sub-fund;
- 3.5 taking or granting loans.

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

### 4. Asset pooling

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

#### Pools

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

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

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

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

#### Collective management

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

As part of the collective management agreement, the respective portfolio manager is entitled, on a consolidated basis for the relevant collectively managed entities, to make decisions on investments and sales of assets that affect the composition of the portfolio of the

Fund and its sub-funds. Each collectively managed entity holds a share in the collectively managed assets in proportion with its own net assets' contribution to the aggregate value of the collectively managed assets. This proportion held (referred to in this context as a **"proportionate share"**) applies to all asset classes held or acquired under collective management. Investment and/or divestment decisions have no effect on a collectively managed entity's proportionate share, and future investments are allotted in proportion with it. When assets are sold, they are subtracted proportionately from the collectively managed assets held by each collectively managed entity.

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

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

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

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

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

At any time, unitholders may enquire at the Management Company's registered office as to the percentage of collectively managed assets and entities with which there is a collective management agreement at the time of their enquiry.

The composition and percentages of collectively managed assets must be stated in the annual reports.

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

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

Subject to the conditions and limits set out in the MMFs Regulation, and in accordance with the requirements defined by the CSSF and the limits contained in this Sales Prospectus, the Fund and its sub-funds may use repurchase agreements and reverse repurchase agreements that have money market instruments as underlying assets for efficient portfolio management purposes (the **"techniques"**). 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.

The following conditions apply to repurchase agreements and reverse repurchase agreements:

- (i) Counterparties to repurchase agreements and reverse repurchase agreements will be entities with legal personality typically located in a third-country jurisdiction. 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) When the Management Company enters into a reverse repurchase agreement it must ensure that it is able at any time, i.e. within a maximum of two business days, to recall the full amount of cash (including the interest incurred up to the time of being recalled) or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the relevant sub-fund.  
The market value of the assets received as part of the reverse repurchase agreement is at all times at least equal to the value of the cash paid in.

The assets received by the money market fund as part of a reverse repurchase agreement shall be money market instruments in accordance with the definition of “money market instrument” under the heading “General investment policy”. By way of derogation from this, the money market fund may receive as part of a reverse repurchase agreement liquid transferable securities or money market instruments other than those that fulfil the requirements set out above provided that those assets comply with one of the following conditions:

- (a) they are issued or guaranteed by the EU; a central authority or central bank of a Member State of the EU; the European Central Bank; the European Investment Bank; the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to Articles 19 to 22 of the MMFs Regulation; or
- (b) They are issued or guaranteed by a central authority or central bank of a third country provided that a favourable assessment has been received pursuant to Articles 19 to 22 of the MMFs Regulation.

The assets received by a money market fund as part of a reverse repurchase agreement shall not be sold, reinvested, pledged or otherwise transferred. Securitisations and ABCPs shall not be received by a money market fund as part of a reverse repurchase agreement.

The assets received by a money market fund as part of a reverse repurchase agreement shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

- (iii) A repurchase agreement is only entered into temporarily, i.e. for a period of no more than seven business days, for liquidity management purposes and the following investment purposes only: The cash received by the money market fund as part of the repurchase agreement is able to be (a) placed on deposits in accordance with point (f) of Article 50(1) of the UCITS Directive, or (b) invested in assets referred to in Article 15(6) of the MMFs Regulation, but shall not otherwise be invested in eligible assets as referred to in “General investment policy” above, transferred or otherwise reused. When the Management Company enters into a repurchase agreement it must ensure that it is able at any time, i.e. within a maximum of two business days, to recall any assets subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. The money market fund shall ensure contractually that the counterparty receiving assets transferred by the money market fund as collateral under the repurchase agreement is prohibited from selling, pledging or otherwise transferring those assets without the money market fund’s prior consent.
- (iv) Repurchase agreements and reverse repurchase agreements do not constitute borrowing or lending for the purposes of the UCITS Directive.
- (v) All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs/fees, will be returned to the relevant sub-fund.
- (vi) Any direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the relevant sub-fund must not include hidden revenue. Such direct and indirect operational costs/fees will be paid to the entities outlined in the respective annual or semi-annual report of the Fund, which shall indicate the amounts of the respective fees and whether the entities are related to the Management Company or the Depositary.

The Fund and its sub-funds may under no circumstances deviate from their investment objectives for these transactions. Equally, the use of these techniques may not cause the risk level of the sub-fund in question to increase significantly with regard to its original risk level (i.e. without the use of these techniques).

With regards to the risks inherent to the use of these techniques, reference is made here to the information contained in the section entitled “Risks connected with the use of efficient portfolio management techniques”.

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

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